

EVENING SITTING

PRIORITY OF DEBATE

Impact of SaskEnergy Proposed Rate Increases  
(continued)

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I'm very pleased to enter into debate today, a debate put forward by the Saskatchewan Party member from Swift Current on a motion to refer the decision to hike rates in natural gas back to the rate review panel so that they can reconsider that decision.

Thirty-four percent is one major jump, Mr. Speaker. Thirty-four percent would, in fact, put many, many homeowners looking for another place to live. This is not unusual in this province. In the last 10 years, Mr. Speaker, we have had people exiting the roads of this province on a constant basis in the last 10 years. We have had serious rate hikes right across the board with all utilities, as members of this Assembly well know.

Mr. Speaker, this is indeed a very serious, serious matter. We have been getting phone calls on this side of the House from many, many citizens within our constituencies that are simply saying they cannot afford any more. They will not tolerate any more. They are exasperated. They feel defeated by this government, this NDP (New Democratic Party) government.

Mr. Speaker, I have had calls in the last couple of days from many citizens out there, from farmers, from industry in my constituency, from homeowners. But I guess one of the most compelling phone calls that I had asked me to address the government of the day and plead with them not to increase these rates this high.

One of the groups of people that spoke with me, Mr. Speaker, were those people that are on Canada Pension disability. One gentleman in particular is suffering from multiple sclerosis. He has four children that he is raising. He says that there is no possible way that he will be able to continue with his payments in order to keep his home functioning. He won't be able to keep up with raising those children and supporting their needs if in fact this kind of an energy increase happens.

Mr. Speaker, another constituent that I have and brought to my attention, that she's a home care worker in the town of Humboldt. Now she's one of the workers under the CUPE (Canadian Union of Public Employees) union that are asking for government to consider giving them a wage increase. She finds it so very, very unfair that government doesn't want to give them any kind of a wage increase; that they're forever having to beg, for having to strike. But government she says can increase the rates and the costs of their living any time it feels like it.

Mr. Speaker, people in this province are reasonable. People in this province have put up with major increases in taxation, major increases in utility rates in the last 10 years. They have bit the bullet; they have tried just about every way to continue helping your families to function, but we are pretty well at the end of the line.

Mr. Speaker, I have spoken with citizens of Regina just over the supper hour, and it was interesting because I was at a restaurant here, and people generally just were talking about this projected increase in energy rates, and it was quite surprising that around one table of six people, three of those people were indicating to the others that they are going to be leaving this province. They're going to Alberta. Unfortunately, we're going to be losing more people over this.

Mr. Speaker, people elected this government in order to ensure that Saskatchewan would be a good place to live. They have received from this government nothing but hardship in many ways and forms.

Mr. Speaker, people are really very concerned about our health care and everyone knows that. And I am not going to mix that into debate because it's not permissible as I understand. But there are a number of issues that people have brought to our attention over the years that lead you to sort of almost commend these people for having the tenacity and the stamina they have to try to work out new ways that they can manage here. And many of them, Mr. Speaker, many farmers in particular have gone into different diversified ways of trying to ensure that they can make it go.

Some of these farmers, Mr. Speaker, have been farmers that have done seed cleaning, that are drying grain. They have tried a number of different things. And when natural gas came into being, especially for the rural communities — some communities received it, some did not — those that did receive it felt quite fortunate because they felt they were having a means whereby to make a living in another way.

But as prices have increased, these very people are saying now: what was this all for; I've set up a business that I can now not afford to continue.

So, Mr. Speaker, I want to, on behalf of my constituents, ask the NDP government to really, really take into consideration the pleas of the people out there in Saskatchewan to think about those farmers, many of whom are right up against the axe at this time. We have low commodity prices. We have transportation price increases. Farmers are suffering a great deal.

Mr. Speaker, one constituent from the Humboldt area told me today that it is this kind of a situation, these kind of issues that happen to people, these increases that they cannot bear any more, that lead people to suicide. Many, many farmers out there and many people have a great deal of pride, Mr. Speaker, and they will not speak about their distress.

But when it comes to the point where people cannot pay their bills any more in order to feed their families, they many times will consider suicide just as a matter of despair. And, Mr. Speaker, many of them have already taken their lives because of things like this, because of the farming crisis in the past, and this is part of what is making this crisis in farming an even more disastrous situation.

So, Mr. Speaker, I am pleased to add my support to the motion put forward by the member from Swift Current. And I will now take my seat in order for other members of the Assembly to put

forward some of their very thoughts and their views that government should consider . . . reconsider this decision. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Thomson:** — I want to thank the members opposite for their warm round of applause for recognizing me. I am actually quite happy to enter into this debate tonight, Mr. Speaker, because I think that there's a couple of important points that we all want to emphasize.

The House is set up so there's an adversarial approach but I think, having listened to the debate this afternoon, there are many things that are being said on both sides that we have in common.

First of all, I think we're all interested in ensuring that we have the most affordable rates available to Saskatchewan people. That's certainly the interest of the government members, and I believe it's the interest of the members opposite.

The Minister of Finance this afternoon in addressing this question, I think, made a very important point . . . or perhaps it was the Minister of Energy. That point was that there's a very different approach on the two sides on how we achieve that.

On this side of the Assembly, we believe that public ownership has allowed us to make sure we have the lowest possible rates. The members opposite would rather put the hands of the private sector on these companies and allow them to simply dictate the rates and then us move along in that system.

We have seen what that Alberta-style model has done in Alberta. This is not something Saskatchewan people want. Saskatchewan people I do not believe want to see the vagaries of the market simply take over.

They don't want to see wild fluctuations in rates as we've seen in Calgary and Edmonton. The approach that we have taken here in Saskatchewan through SaskEnergy with its purchasing division have worked to the advantage of Saskatchewan residents for years. And I want to congratulate the good people over at SaskEnergy for the work they've done in doing that. These are not easy things to predict.

Now I find it somewhat duplicitous of the members opposite to come into this forum today and say that we have got to turn all of our attention to driving down the rate based on something that they found on the Internet this morning — something they found on the Internet this morning that says that prices are dropping. That's fine. That's fine, Mr. Speaker. If the prices are dropping, then we'll make sure Saskatchewan consumers get that.

But let's remember this: while natural gas is being sold on the spot market for up to 12 to \$14 a gigajoule, over the last six months Saskatchewan people have been paying \$4 a gigajoule — 4.52. That has led to a deficit in the gas variance account.

Now deficits are nothing new to the members opposite. But what this has meant is that there has been a deficit in that account. Saskatchewan people have already been subsidized to

the tune of \$80 million for what we have been purchasing the gas for, Mr. Speaker. What we have . . . what we now have to figure out is what is that stable price, what is the price we want to sell, and how do we recoup some of that money. Or do we want to recoup that money that Saskatchewan residents have already benefited from by the good decisions of the people at SaskEnergy.

This is the central question. It is not a question of how bad off people are by having to pay these rates. It is not a question that these rates are hard for people to afford. It is not a question that the members opposite are going to break into tears because the rates have gone up. What we're dealing with here, Mr. Speaker, is the question of how do we set a stable rate, and what should that rate be.

They would have us believe that because they went surfing the Internet this morning and they found a rate that was cheaper in Alberta, that that's the rate we should use. I find it interesting that they weren't clamouring for that rate six months ago, as the rates soared in Alberta, as the rates soared in British Columbia, as the rates soared in Ontario; everywhere except Saskatchewan, Mr. Speaker. Nothing was said at that point, and I remember having a debate in this Chamber not that many months ago where we were talking about the purchasing policies of SaskEnergy. And the members opposite had very little good to say about SaskEnergy.

Today, Mr. Speaker, we have the opportunity. We've gone through the independent rate review. We've seen their recommendation. We're able to take a look at this from a few steps back, and the cabinet in due course will make a decision as to what to do about the rate increase, what level of subsidy, if any, there should be, and how we deal with it. But the members opposite cannot simply wish away the \$80 million deficit that's in that gas variance account. That is not possible to wish away any more than I can wish away the \$15 billion deficit that they left us when we came to power, much as I wish we could.

What we are now dealing with is having to set a base rate for SaskEnergy. I have great faith in the officials over at SaskEnergy to have come forward with a reasonable request. I trust the independent panel, and I believe that the members of the cabinet when they get a chance to take a look at it will take into account all of the factors — all of the factors . . . (inaudible interjection) . . . Well the member for Humboldt says she bets my constituents love this. She bets that my constituents love this. I don't know anybody that likes sitting down and doing their bills at the start of the month. I don't know anybody that likes doing that, and whether that is with the current rate or at an increased rate or at a reduced rate, I don't know.

I find it interesting though that the members opposite refuse to pay any credence to the fact that we have already given a rebate. We have already given a rebate to Saskatchewan people. The members opposite don't seem to take into account anything in terms of the fact that we have the lowest natural gas rates in the nation today, Mr. Speaker. And we will still have among the lowest gas rates once the cabinet adjusts that rate based on the review that has been undertaken. We will still have among the lowest gas rates in the nation, and certainly in North America.

The members opposite sit there and giggle and laugh because to

them this is nothing more than just cheap politics; this is cheap theatrics. And I think that that shows where they're at. Let's not forget, Mr. Speaker, that this is the same opposition that only a few months ago was standing up and saying that we had to put every last penny that we were getting from the rate increases into what? Into a cut on the gasoline tax.

Now let's not forget about this. All of that money had to go to cut the gasoline tax. Oh, but wait. All of a sudden that didn't work; all the money's got to go to cut the natural gas rate. Oh wait, that didn't work; all the money's got to go to cut taxes. Oh wait, none of that works. We've got to increase spending. That's the way we got into a deficit to start with, Mr. Speaker, that's one of the things that the members opposite have got to grapple with if they ever want to come across as a credible opposition.

**Some Hon. Members:** Hear, hear!

(19:15)

**Mr. Thomson:** — Mr. Speaker, this is an important question. It's one that I am certain that my colleagues in the cabinet will take into consideration as they take a look at the independent rate review panel. It's one of the things that I believe the rate review panel has taken into account.

We on this side believe that public ownership in a competitive environment is the best way to protect Saskatchewan consumers. We are not about to go back to the way that those members opposite wanted when we got SaskEnergy set up to start with so that it could be sold, so that somehow the private sector could run things, so that somehow that we could just trust that capitalist system and it would look after everything. That was the approach they had, Mr. Speaker, and we saw how that worked in Alberta. And you know what? People don't like it very much there. I don't think they'd like it very much here.

So while the members opposite say, yes it's painful to see the rates increase, I have to agree it is. But unlike the members opposite, we believe here that things . . . that bills have got to be paid. And you can't simply run up deficits whether it's in the gas variance account, whether it's in the GRF (General Revenue Fund). You can't do it.

That money has got to come from somewhere and so long as the price is fair, the price is stable, Saskatchewan consumers will continue to benefit from the lowest . . . among the lowest, if not the lowest rates here in North America today.

**Some Hon. Members:** Hear, hear!

**Mr. Thomson:** — Mr. Speaker, I don't want to belabour this point. We . . . despite the fact this is a priority debate I note that we will have the opportunity again tomorrow to discuss similar issues during the 75-minute debate and I look forward to addressing it at that point.

I will allow other members to stand up, hopefully from the opposition, in an attempt to justify why this is now the single most important issue as opposed to tax cuts, the reduction in the gas rates, any number of spending priorities they bring forward. And I look forward to being enlightened in that way. Thank you

very much, Mr. Speaker.

**Mr. Kwiatkowski:** — Thank you very much, Mr. Speaker. It's my pleasure to enter into debate on the emergency motion as proposed by the member from Swift Current. Well I will give the member from Regina South one thing, Mr. Speaker. I agree this is a motion that shouldn't have been necessary.

Had the government done the right thing in view of the recent developments and the falling of natural gas prices and referred it back to the rate review panel given that new information, we wouldn't have to be here asking them to do it, Mr. Speaker.

The other issue I think that needs to be illustrated a little more clearly here, Mr. Speaker, is the fact that we as an opposition have a responsibility to bring this issue forward and to make sure that the government is going to look at this in a responsible fashion.

Because given the facts — and they have been outlined very clearly by our member from Canora-Pelly — we've got a situation here where we've got the corporation and we've got the government using two different sets of numbers. So if there isn't an opportunity to discuss this, Mr. Speaker, and allow the people of Saskatchewan an opportunity to be able to take a look at the facts and understand how this has come to be, then I think it would be very, very difficult for people not to be cynical and not to be frustrated with the actions of this government over this issue, Mr. Speaker.

There are some very, very, very strong and credible sources indicating, Mr. Speaker, that natural gas prices will continue to decrease. In the words of one analyst referring to it as even a dramatic slump. So given that, Mr. Speaker, with the minister's numbers and the president of SaskEnergy's numbers, which are we to believe?

And I think at this point people do understand that natural gas prices are falling, Mr. Speaker, and that the government should look very, very, very seriously at referring this back to the rate review panel.

We've got a situation where SaskEnergy is basing its request on \$7 a gigajoule forecast and yet the minister has a different forecast. So these things, Mr. Speaker, have to be referred back to the panel for their further consideration and for their further action.

I think one of the things too, Mr. Speaker, we want to talk about a little bit is what the social impact of this kind of a rate increase would be on the people of Saskatchewan. And when I was thinking about this a little earlier today, I sort of thought back to my previous occupation. And I thought about people we used to employ in group homes, Mr. Speaker, as care workers providing services to people with disabilities. We still have in group homes, Mr. Speaker, people working 24-hour days, four days in, four days out, at minimum wage — at minimum wage, Mr. Speaker. How are those people expected to absorb this kind of an increase, around the \$400 a year? This is, as has been illustrated by a number of my colleagues, Mr. Speaker, one of our gravest concerns, is this is going to affect the seniors, this is going to affect low-income individuals the most. And these are the people that, Mr. Speaker, need to be protected.

There is also the whole issue of the impact on the small-business community, Mr. Speaker. We have in my constituency a number of different small businesses that will be affected very, very dramatically, and have been affected already by the increases to date. And this proposed increase, Mr. Speaker, may be the increase that actually puts the last nail in the coffin.

I have raised the issue of two alfalfa dehy plants in my constituency previously, Mr. Speaker, but I would just like to go back to that issue for a little bit here.

I, not too long ago, received a letter from the Hudson Bay Dehydrators Mutual Ltd. and the Arborfield Dehy Ltd. And these two dehy plants, Mr. Speaker, were struggling with the last round of natural gas increases and were doing absolutely everything they could to cope. But even at that, they weren't sure they could survive. This round . . . if this rate increase is approved, Mr. Speaker, these two dehy plants will probably cease to exist.

And just to make sure that everyone understands what we're talking about here, Mr. Speaker, I would like to quote from the letter sent to me by the Hudson Bay Dehydrators Mutual Ltd., and I quote:

We are an alfalfa processing plant located in Hudson Bay, Saskatchewan. Our farmer co-operative, incorporated in 1973, has been brunting the full force of the income disaster that so negatively affected farm income in Canada. Since the loss of the WGTA our freight costs have currently peaked at \$40 per tonne to ship our pellets to Vancouver.

Then they go on, Mr. Speaker, to talk a little bit about how they've managed to deal with some of the issues they've faced. They've reduced their costs. They've attempted to build in any efficiencies that they could possibly build in. They talk about employing 40 people in the community of Hudson Bay. And they talk about some of the other cost increases, Mr. Speaker, that they've had to face — diesel fuel price increases, that kind of thing. When they get to the area of gas, Mr. Speaker, they say:

We are expecting the price of natural gas to be in the \$6.40 gigajoule plus area for the upcoming season. We know now that it will be substantially more than that. After projecting our finances for the next 18 months, we realized that we cannot continue to operate with these high costs. We cannot afford to continue to produce product when the price of natural gas is over \$5 a gigajoule. We will need assistance to bring our natural gas prices down to a level to allow us to operate on a fair and level playing field.

They go on then to explain, Mr. Speaker, that should the prices increase beyond what they were referring to here, that this plant may very well cease to exist.

Just to give an idea, Mr. Speaker, of how much the last round of gas price increases affected them, in the 1999 operating year their prices were \$315,000 annually. In the year 2000, \$450,000. And in 2001 their prices were expected, expected before this last recommendation, to be around \$720,000, Mr.

Speaker. That is something that they will not be able to sustain.

What I found particularly interesting, Mr. Speaker, was that when they relayed their concerns to the Minister of Economic and Co-operative Development, he wrote a letter back to them and indicated that, and I quote:

Unfortunately I am not in a position to suggest any quick solutions resulting from these gas price increases. Officials from SaskEnergy have indicated to my officials that gas prices at the current rates in Saskatchewan are still the lowest in North America.

And how many times have we heard that today, Mr. Speaker?

Consumers of gas in other provinces in Canada and the United States are experiencing higher natural gas costs.

Then, very interesting to note, Mr. Speaker, he goes on to say:

My hope is that in the longer term natural gas prices will stabilize at a much lower level than current prices.

Well surprise, surprise. It doesn't look like that's going to happen, Mr. Speaker.

In the case of the Arborfield Dehy Ltd., this is a lot larger facility, Mr. Speaker, it employs a 106 employees during its peak processing months. It's an operation that's been in existence for over 30 years, and by far and large has been quite a financial success story. But once again, they are facing some very real challenges even prior to this last recommended increase. They talk about their cost being, for natural gas, in 1998, 348,000. Went to 804,000 in the year 2000.

And as of March 31, 2001, they were anticipating natural gas costs of \$1.7 million. And I think there's one paragraph in here that I would like to pay particular attention to, Mr. Speaker because it speaks to the pride of this organization and the fact that they have been able to stand on their own two feet, the fact that they have been successful, the fact that they have been able to do it on their own, but now they find themselves in an untenable position, and they are put in the position of having to actually look outside for some help.

And I quote the president:

As president of ADL (Arborfield Dehy Ltd.) I do not normally look to government for assistance because I believe that industry must be able to survive on its own, and I believe then, in the long term, ADL will again be viable when energy costs return to more reasonable levels. Unfortunately ADL cannot survive another year with current natural gas prices.

And I point out, Mr. Speaker, this letter was written February 14, long prior to this last set of recommendations. It has already refinanced . . . ADL has already refinanced its debt resulting from the loss of the past years, and all of its assets are mortgaged to its major creditor.

I believe (this is once again the president, Mr. Speaker) I believe that ADL has done all that it could reasonably be

expected to do to survive this financial crisis, and it is now the appropriate time for government intervention to assist this organization and the dehy industry.

They also, the president also makes some very poignant references to the government's revenue sources. He goes on to say:

The province of Saskatchewan has benefited financially from increased royalties due to soaring energy costs, and it is reasonable that those funds be used to protect existing industry in Saskatchewan. This letter is both a request for financial assistance to offset higher energy costs and notice that if such assistance is not forthcoming, I will recommend to the Board of Directors of Alberta Dehy Ltd. that ADL begin to wind down its operations.

So there we have it, Mr. Speaker: two businesses that this last round of recommendations may very, very well put right out of business, right out of operation, Mr. Speaker.

(19:30)

We talk about the cost of the health care system to the health districts. We talk about the cost to the school boards, the division boards, all of the impact that will have on the local tax base. But, Mr. Speaker, I think where we're going to see it and where it's going to be felt more immediately is at the municipal level.

This afternoon I spoke to a number of municipalities in my constituency and a number outside my constituency, and I would just like to relay the comments and the concerns that they wanted me to bring to the House.

When I talk about the impact on these communities, Mr. Speaker, that would be both rural and urban. In the RM (rural municipality) of Moose Range, the comments were as follows: the government gives us money here and there and then takes it away by increasing costs elsewhere.

The industries that they are concerned about the impact that this increase will have on — firstly, the dehy plants that I just referred to, Mr. Speaker. One of those dehy plants is very near the RM of Moose Range. The other industry that they are very, very concerned about, Mr. Speaker, is Premier peat moss, the only peat moss plant in Saskatchewan. This will have a tremendous impact on that industry.

They as a rural municipality are concerned about the effect that an increase such as this would have on recreation facilities such as swimming pools, curling rinks, skating rinks, those kinds of things. They as a rural municipality are concerned about the effect that this will have on the agriculture industry — everything from drying grain to all the additional costs in agriculture. Concerns with seniors and with individuals on fixed incomes.

The town of Nipawin, Mr. Speaker. Their concerns primarily are around recreation areas — arena, swimming pool, the Evergreen Centre in Nipawin. But two things that I found very interesting about their comments, Mr. Speaker. One was they thought that this increase would have a tremendous adverse

effect on the cost of operating their water and sewage plants. Now we've heard an awful lot about water quality and safety in this province in the last couple of weeks, Mr. Speaker, and I find it absolutely reprehensible that this government would go ahead with something that could very well compromise a community's ability to safely operate their water and sewage plants. And they conclude their remarks, Mr. Speaker, by saying that if this increase goes ahead they will have no recourse but to raise their property taxes next year.

The town of Hudson Bay, once again, are concerned about the effect that this will have on recreational facilities. They go on to say that they have various facilities; they have various services — that they are all ready running at deficit levels. And the increase, the increased costs, Mr. Speaker, will not be able to be made up in user fees. They, too, indicate directly that they will have to increase property taxes.

Interestingly enough, Mr. Speaker, the town of Hudson Bay makes the same observation as the town of Nipawin. That this could even compromise their ability to maintain, upgrade, and to operate their water and sewer systems. And I think that, Mr. Speaker, is something that should concern all of us.

The town of Hudson Bay also indicates that they're now looking at all sorts of other options as opposed to purchasing the gas from SaskEnergy given the increase.

The town of Carrot River, Mr. Speaker, once again, concerned with recreational facilities in the community, and concerned with their ability to be able to delivery basic sewer and water services and those kinds of things. And they as well, Mr. Speaker, talk about having to increase taxes in order to able to cope with this increase.

From the town of Porcupine, Mr. Speaker, I got a rather detailed breakdown of the costs and how it will affect them directly. The town administrator forwarded to me the costs of energy for each of the facilities and services directly operated by the town. For a small community, Mr. Speaker, of approximately 850 people, those costs approximately \$16,672. This increase, Mr. Speaker, will cost them in excess of \$6,000, or perhaps to put it in terms that the government may better understand, approximately \$7 per capita, per citizen in the community. This is getting dangerously close, Mr. Speaker, to one mill of taxation.

So, Mr. Speaker, we're going to see some very, very negative impacts on our business community, on our farming community, on our municipal infrastructure, on our health districts, on our school divisions. And, Mr. Speaker, I think that the government constantly criticizes the opposition for not being reasonable, for not being . . . putting reasonable options forward.

Well, Mr. Speaker, I can't think of anything more reasonable than this particular resolution. A resolution that just simply asks the government, very simply and very clearly, please refer the recommendation back to the rate review panel. Given this new information, perhaps they now would be able to find a way to come back with another recommendation.

So, Mr. Speaker, nothing unreasonable, nothing very difficult to

accommodate, but yet by the same token it's either their way or it doesn't happen, Mr. Speaker.

Anyway, Mr. Speaker, I think that we have probably pretty well illustrated the difficulties that there would be if this government remained stubborn in its desire to not follow this motion and to not refer it back to the rate review panel. So with that, Mr. Speaker, I will be supporting the motion and not the amendment.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Trew:** — Thank you, Mr. Speaker.

Mr. Speaker, it is my . . . I don't know whether to say my pleasure or to my distress that I find myself entering into this debate. And I think I'll mark my territory by saying it's to my distress because it's just after 7:30 this day, what . . . And as the member for Arm River says, we're missing a hockey game for gosh sakes. Absolutely. And indeed it is my desire to give you all kinds of time to watch a hockey game.

Mr. Speaker, what this motion is about is a simple referral of SaskEnergy. The decision that the rate review commission made and shared with us Friday, June 1. Today is June 4. Four days ago . . .

Mr. Speaker, just for some history about rate review commissions. In the 1980's the then Conservative government set up a rate review commission. They called it PURC, public utilities rate commission. Retired Justice Ernie Boychuk, Chair; a blue-ribbon commission. Well what happened. They made a few rulings; the then right-wing Conservative government said, oh we don't like what this commission's doing. So they dismantled the commission. They dismantled the commission, Mr. Speaker.

Then in all kinds of shades of déjà vu, the government changes and guess who is calling for a rate review commission? The right-wing opposition now.

In opposition they say, ah, rate, rate review committee is just a wonderful thing. That's what they say. They push for it and push for it, and they say that way it isn't this big cabinet alone making the decision. Instead, we have a public rate review committee. Everyone welcome to make comment. Everyone welcome to make their best argument before the rate review committee.

Well then fast forward, fast forward to Friday, June 1. Not a month ago — three, four days ago, Mr. Speaker. Three, four days ago, the public rate review committee gives a report to the government calling for . . . saying they modified the request of SaskEnergy, modified it downward to a 42 per cent, which is a huge increase — not, not trying to even go there. I'm talking process here for the moment — more about rates in a minute, Mr. Speaker — I want to talk process first.

We get the recommendation. The first opportunity what do they say? No, send it back to the rate review committee. We've had the rate review committee opinion for three whole days and we're supposed to send it back.

Well, Mr. Speaker, I ask them if we sent this back to the rate review committee, would you respect their answer next week or the week after? And of course the answer is, no, you wouldn't.

**The Speaker:** — I would ask the member to direct all of his remarks through the Chair.

**Hon. Mr. Trew:** — Thank you, Mr. Speaker. The opposition, of course, would not recognize what the rate review committee did if we were to review this . . . refer this back to them. Why wouldn't they recommend . . . or recognize it, Mr. Speaker? Because they're too busy playing cheap, petty politics with people's lives that's why.

They asked for a rate review committee. We agreed that that would add some transparency; would make it where the people had an opportunity to talk to their government MLA (Member of the Legislative Assembly), had an opportunity to make their feelings known to SaskEnergy and to the rate review committee — to all three of those, Mr. Speaker. And the people have done it.

None of us are happy about a 42 per cent rate, proposed rate increase — none of us are, none of us are. But you know, Mr. Speaker, we believe in process on this side. We believe in process.

We put together the rate review commission. That is there. It's not necessarily the be-all/end-all. I believe the Minister of Finance earlier has said certainly we've got to look at this, and we'll want to do what we can.

Mr. Speaker, we've heard much about the prices of natural gas. We've heard much about Saskatchewan having the lowest or second lowest natural gas rates in North America. That's a matter of fact. What astounds me is that the members opposite have held up ATCO in Calgary and said, gee this is wonderful. They're going to a rate of \$6.69 a gigajoule. And they would have us believe that we should move to Calgary so we could enjoy \$6.69 gigajoule natural gas.

Well amazingly enough, Mr. Speaker, Saskatchewan's natural gas is \$4.52 a gigajoule. That's what our price is today. It defies all logic why someone would move from paying \$4.52 a gigajoule to a place where they could spend \$6.69 a gigajoule.

Mr. Speaker, I want to touch a bit on ownership of Crown corporations. We believe that the people own the Crown corporations. We believe on this side of the House that you cannot . . . if . . . let me rephrase this a little bit. If you had a situation where a Crown corporation earned an extra \$25 million, Mr. Speaker, that \$25 million or whatever the amount would wind up back ultimately in the treasury.

Or in the case of SaskEnergy, we've done one other thing, and that is there's a reserve stabilization fund that has been going into deficit for certainly this past winter now, and we need to replenish that. Mr. Speaker, you cannot, you cannot make money from yourselves. You cannot.

I understand that before I get finished, Mr. Speaker, I want to do just one other thing in this debate. And that is to remind members opposite who it was that sold our natural gas. Who

was it that sold our natural gas?

(19:45)

I think we've hit a sore spot, Mr. Speaker. They're saying not me, not me. Well not you, not you, not you, but only by virtue of the timing, Mr. Speaker, of their arrival in this legislature, only by virtue of their arrival are they not guilty of having sold the natural gas resources of the people of the province, Mr. Speaker.

It is a shame that there's three members sitting there now that were part of that Grant Devine Conservative government and they claim now there's something different. It's a shame that the member for Swift Current who sat on what was the euphemism for privatization. He worked in the office of public participation, Mr. Speaker, which is the office of selling everything off — privatization — and it's nothing more than privatization. He was successful in the '80s, sold our natural gas, as a result we are stuck being purchasers of every gigajoule of natural gas that is burned in the province of Saskatchewan. We have to first purchase it through SaskEnergy.

Mr. Speaker, this is a resource that the people of the province owned; the people owned them. They sold them and now they're saying oh, woe is us. We sold it, we privatized, we deregulated, and woe is us. The prices are going up and somehow they're trying to pretend they're the champions of the people. What a disgrace; what a shame, Mr. Speaker.

This is obscene that we're at this point in this Legislative Assembly talking about this particular issue. This issue that's very important to everybody, but this issue that you just watch tomorrow there's going to be a private members motion on this very same issue — on this very same issue — and it's going to come tomorrow, Mr. Speaker.

I am not going to be supporting the amendment. I will be supporting . . . I think I better say it the right way, Mr. Speaker, just so there's no concern here. I will be supporting the amendment, and of course I do not agree in the slightest with the main motion that was put forward by the opposition. It's been a distressful time to enter this debate, but my pleasure to help correct some of the public record. Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Heppner:** — Thank you, Mr. Speaker. It's an important topic that we're dealing with today, and there is a few directions that I want to take as I discuss the particular motion and its effect on the people of Saskatchewan.

One of the things I'm going to want to do is to go through the various aspects and how it affects my constituency. And this morning, Mr. Speaker, as you will recall we asked a number of questions from cabinet ministers as to exactly what effect this would have on their particular portfolio with this increase.

We didn't get a single answer from any of those. We had the Finance minister, the only person that I believe we didn't ask a question of, got up and gave a similar answer to all sorts of variety of questions. We asked the question specifically of the person in charge of Crowns — didn't get up once this morning.

We went all the way through Education and Health and Social Services. They wouldn't answer.

So, Mr. Speaker, I want to take some time this evening and discuss what the effect of this kind of a raise is going to be on those areas in my constituency. But before I need to do that, Mr. Speaker, I need to sort of underline why this debate is taking place.

We've had two ministers give two totally different values on the price of gas. And both of them claim that they are setting policy for government. Both of them claim they know what's best for the people of Saskatchewan. The minister in charge of Crowns gets up and comes up with one price, Finance with a different price, and the fight is on.

It seems that as of today the Finance minister must have won because at least he's the only one answering. The other one's quiet, somehow he got muffled or got a snowball put in his face or something. It's amazing that the Minister of Finance could do that to anyone, but he seems to have done that today. So it's been a great day for him.

But they just didn't know . . . they just didn't know which member to pick. And that, for the people of Saskatchewan, Mr. Speaker, is a very frightening situation, when they know we're going to have something happen to the price of our gas and they listen to two ministers from the Crown get up and constantly offer different prices, and they say, what is going to happen? That kind of insecurity, the people of this province don't need. That kind of insecurity, the people who want to invest in this province don't need.

Can you imagine, Mr. Speaker, someone from another province or another country looking at Saskatchewan and maybe watching the legislature channel just to see how this place is run, and see one minister pop up, give one price, the other minister pops up and gives another price — almost double, Mr. Speaker, almost double — and say, now we're going to come to Saskatchewan, and the leadership has no idea what in the world's going on, no idea what's going on. That's a scary situation to put this province into. And therefore we need to go ahead and clarify some of those situations.

We have the House Leader from the other side right now, Mr. Speaker, who is braying about all sorts of things. I haven't seen him get up and give his offer. He used to be minister in charge of the CIC (Crown Investments Corporation of Saskatchewan) and Crowns. Why isn't he getting up and picking a number? It's some sort of a lottery like get up and pick whatever one you want. We'd like to know what he would pick. He was in charge of that department for a long time. He's been amazingly silent except when someone else speaks tonight, Mr. Speaker.

The speaker that spoke just before me, just to underline how this group doesn't know what they're doing, said that the increase was going to be 42 per cent. That was about 10 minutes ago. He stood in his place and he said, the increase is going to be 42 per cent, and we don't like to tell the people of Saskatchewan that.

Well I think they need to go ahead and check exactly what their Minister of Finance and minister in charge of Crowns said. I

think it was some place in the middle 30s. And now again we have this House Leader from Prince Albert get up and say, go check *Hansard*. Well he and I discussed this last time when he wasn't checking *Hansard*. He should check it tomorrow morning, and he'll find out that the previous speaker said 42 per cent. They don't know. They have absolutely no idea.

Into that sort of thing, Mr. Speaker, is where we need to interject some sanity, so let's discuss what's going to happen in various areas in Saskatchewan.

What's going to happen in agriculture with a government that doesn't know what it's going to do? But we know the price is going to go up. Now what do we pick? Do we pick the 35 per cent? Do we pick the 42 per cent? Or do we take their various prices on the cost that they're going to have to pay? We don't know. Agriculture is very dependent on the price of gas, not only for heating their homes. One of the very important things that creates a major cost for agriculture on an ongoing occasion is if we happen to have a fall that's very wet and all the drying that farmers have to do of their grains. Unbelievable amount.

In fact when this government put the lines into the various farms, they put the lines in so small they can't even run half the dryers properly. I guess they probably thought, we'll put in small lines, then we'll up the price of gas, and they'll use less and it'll all work out fine in the end. Now that's a socialist cure. When the lines are too small, up the price of gas, and you'll use less.

That's going to be a major cost, a major cost to agriculture. That's something that they need to sort of analyse when they look at that.

Let's look at what's going to happen in the municipal situations. One of the key things that makes municipal areas, small-town Saskatchewan, a good place to live is that there's usually recreational facilities that you can get at and you can use quite readily. So what happens, for example, with the heating costs that are involved when you're talking about our rinks or our swimming pools in summer? Some of our communities like mine has a swimming pool; it's heated. Now I don't know if they'll be able to keep on heating it; they'll probably have ice water compliments of the socialists. They'll have a big sign up, right at the end of the diving pool: feel free to jump in; it'll be ice cold; thank your local socialist for that. That's the kind of country they want: ice cold water in the swimming pools. What else are we going to have?

Now I really don't think that's going to happen, Mr. Speaker. That's not going to happen. And why won't it happen, Mr. Speaker? Because the people in rural Saskatchewan are going to say we want something better for our children. And so they'll probably have to raise taxes again. They've had to raise taxes because the minister in charge of Municipal Affairs has ensured that over the last decade we've had less and less money go to municipalities and the municipalities have had to keep on raising taxes. This will result in another raise in tax — in another raise in tax, Mr. Speaker. All those sorts of things that come through that municipal bodies have to take care of.

Let's spend a little bit of time and see how this is going to affect education. And some of them would say well, what difference

does it make to a student or a teacher or a textbook what the price of gas happens to be? However, in most of our communities, our schools are the largest buildings. In most of our communities our schools are the buildings that have had the least repair done unto them because again the Education budgets have been cut time after time after time. And money for repair of buildings has really been cut and dropped.

So now we have large buildings that haven't been kept properly in repair but the heat's got to be there. So what do you tell your school child? Well we'll pack you an extra big lunch, keep on your mitts, have a good time in class. That's not good enough, Mr. Speaker. That's not good enough.

But that's what's going to happen with the way this NDP is running the province. We have price of gas increases. We will, one or the other, if they figure out which one it is. Is it 42 per cent? Is it 35 per cent? What are they going to have to pay for a gigajoule of fuel? They don't know. They don't know. One minister gets up with one price, one with another one.

Cost of education is going to be a key one that is going to be affected in a major way. School boards have very little control over their various costs. About 80-some per cent is basically the cost of personnel. The other 20 per cent is what they can have some influence in. This government has just influenced that 20 per cent decision as well by increasing the cost to education.

And we can say almost exactly the same thing for health, Mr. Speaker. The large buildings, for the most part not having been kept up very well, and what are we going to tell those people? Well first of all when you come into a hospital waiting room, you won't get your service in 15 minutes as these people promised. You're going to wait an hour, or 10, or a day before you get taken care of. Not because of the people who want to help you. It's just because they've downloaded so badly that that service isn't there.

Now not only are people going to go and have to bring a lunch because they have to wait so long, they'll have to bring their own blankets and comforters to keep warm. This is really bizarre, Mr. Speaker. This is the kind of province that this particular government is creating.

Earlier on today, you heard the NDP over there totally insulted that we raised a concern for the plight of the poor in our province, but the plight of poor in our province are affected most seriously and most drastically when you don't have someone in charge of the cost of gas doing it in a proper sort of a way, Mr. Speaker. They have no extra money left over. With the money they have, they've got to take care of a few essentials. Basically they have to take care of their insurance on the building, to take care of their food, and they want to keep the utilities going, at least have, you know, a warm place to stay and some food on the table.

So when you have a government, Mr. Speaker, that doesn't know what it's doing, and we know that the costs are going to go up, as I said, 42 per cent if you talk to some of them, and you heard it yourself, Mr. Speaker, probably not more than about ten minutes ago. He stood in this place. He said the gas cost is going to go up 42 per cent. And these people saying, I'm trying to stay alive on my fixed income — my fixed income from a



pension, my fixed income from a farm I sold, my fixed income from a business I sold, a few RSP's (Retirement Savings Plan) I managed to put in place, and now suddenly this cost is going to go up 42 per cent. It puts those poor people in our province in serious jeopardy, Mr. Speaker.

We have to look at this carefully. The problems that they've created when we look at the cost that they said — either \$7 or it's \$5, give or take a few cents. We can't let this go on.

Now they complain that we're saying this should go back to the rate review board. Well there's a very good reason for that. This is not petty politics as the previous speaker tried to say because when the rate review board did its work, and I believe they did a fairly good job, they went and they looked at information. They took the information they had. They made a decision on that, based on that.

However, after they made that decision, there's some totally different information came out. They didn't have it. It wasn't their fault. It wasn't the fault of the NDP government this time that it wasn't out there. Most things are. This wasn't. This wasn't their fault. It just showed up on the scene, very critical that the price of gas may actually be going down substantially.

(20:00)

Now the rate review committee asked for an increase, which in the light of the information that they had was a good decision. And we expected probably that cabinet, based on that good information, would have to go along with it to some extent, and that's some of the concerns that we had.

Now we find out that the cost of gas actually isn't going to be anywhere near that high. The rate review committee didn't know that. So that is the key factor — that's the key factor — that they had to consider. They could go around the province for 10 years, Mr. Speaker. But if they don't know what the cost of gas is going to be they have nothing that they can recommend. That's the key factor in any decision that they're going to make.

Now, after they make their decision, the price changes drastically, so suddenly the decision that they made is no longer valid because of that one item. That's why we recommend one of the things this government needs to consider. And they have many options, Mr. Speaker. This government has many options what they can do with that report. But that's one of the ones.

And if they're thinking about it, there's a good reason for it. Cost of gas is different than the rate review committee thought it was going to be, why not go back to them and say you've done all your research on the difficulties it would create throughout the province — some of which I've already discussed, Mr. Deputy Speaker — you put that all together but we now have a new price we have to factor into that. In light of that, what do you recommend? I'm sure it wouldn't take that committee more than a day or two to do that, maybe even one day. There is only one factor they have to change in their decision. Come back, make the recommendation on that. That's one of the things they can do.

This government has many other options out there as well.

They've made some money in some places, they're sitting on some other money in some other places, probably waiting for an election, and I don't imagine they were going to call an election about the same time that they increase the price of fuel. And the interesting thing that's been as we've discussed this, Mr. Speaker, almost invariably — almost invariably — as the government's side has discussed this, somewhere as usual they've dipped back into the '80s. It's strange. This is a government that has only one piece of glass that they look at and it's a rear-view mirror.

**Some Hon. Members:** Hear, hear!

**Mr. Heppner:** — It's time they look ahead for a change; look to the future of this province. This province has a lot to offer, Mr. Deputy Speaker. That's why we're here. This province has a lot to offer.

I received a letter in the mail today, Mr. Deputy Speaker. Today. And in that letter a young person who is going to university is discussing what's happening in his situation. The amount of money he can earn, the cost that this province has for him, and he very seriously asks me . . . I'm supposed to give him some advice whether to stay in Saskatchewan or take some of the other possibilities that he sees outside of the province.

I will be telling him, Mr. Deputy Speaker, to stay in this province. I will tell him to stay in this province because this province has a future. This province has a future, and it has a bright future. It has a very bright future if we put some policies into place, Mr. Speaker, that are going to make people realize there's an opportunity here for investment. There is an opportunity for work; there is an opportunity to raise families that's better than it's been for most of the last 50 years — for the most of the last 50 years. And one of the key things that's going to trigger that new change and that new possibilities and those kind of things that are going to make people want to come to Saskatchewan is when that group of people over there, Mr. Speaker, are cut in about half and they're sitting over here and that will be happening after the next election — it will be happening after the next election.

The people of Saskatchewan are tired of this sort of thing. Can you imagine the people of Saskatchewan . . . the Minister of Finance out there is chirping again. But can you imagine this, Mr. Deputy Speaker? Can you imagine this? Someone deciding how to vote and they recall the Minister of Finance, the one that is chirping from his seat over there, jumping up and giving his price on gas and right beside him the minister in charge of the crowns getting up and giving a different price and they're saying now, who are we going to vote for? The NDP or the NDP or is this the same group. If its the same group its very scary. Because you don't know which one they're going to be when they get to be in government. Very scary.

We've given the government a number of options this evening, Mr. Speaker. We've raised the concerns of what is happening out there in Saskatchewan, how the cost that they're going to go ahead . . . they're discussing 42 per cent — the affect it will have all over this province on all the people.

The NDP like to sort of divide things into rich and poor, black and white, up and down, left and right, this is going to affect

absolutely everyone. There is not a single person in this province that is going to be able to say this affects somebody else. And for that reason, Mr. Deputy Speaker, I will be supporting the motion and not the amendment.

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Osika:** — Thank you, Mr. Deputy Speaker.

I heard just recently perhaps a glimmer of hope that the opposition has finally come to its senses and may quit trash-talking Saskatchewan. I've heard the debates and listened with interest and it's almost as if one side is saying they know more than the experts and the other side trying to point out some facts which they refuse to listen to.

When I read what the experts say they say that no one can predict the future. Yet, the members opposite speak like they have a crystal ball. They earlier talked about navel gazing. Well I believe, Mr. Deputy Speaker, that's what they're doing now because they choose not to listen to the facts, they choose not to allow the rate review committee — that was so desperately, desperately asked for and now has done its job — and they're not prepared to accept what they've come up with.

They're not even prepared to accept any further deliberation on the recommendations that have been made. That's kind of dangerous, Mr. Deputy Speaker, I think, because I can recall back in the '80s when things were referred back to people by a government that didn't like what they heard. They were intimidated to make changes, to make changes.

Well there's some integrity being mentioned from across the way, Mr. Deputy Speaker. I don't think those people should start casting aspersions about impugning motives and the question of integrity, about releasing facts, because that's not really one of their strong points, Mr. Deputy Speaker. They talk about allegations of impugning motives. Well that's like the pot calling the kettle black when it comes from that opposition, Mr. Deputy Speaker. The opposition has proven to the people of this province, not only on this issue but on others, that they do not believe in proper process. They're exhibiting that now.

We've gone through the process of SaskEnergy referring their issue to the rate review committee, something that was demanded by the opposition. I sat in the opposition and demanded that. We have that. And now they don't believe that those people should be allowed to do their job. They would sooner want to see them intimidated and told, no, we're not going to accept what you propose; you don't know what you're doing. I can't believe that. I mean, why would you have a process if you don't care to follow it?

No different than an investigation process, Mr. Deputy Speaker. You get all the facts, you review it all, and then there's a decision rendered. And not everybody always likes what decision is made, but you know something, Mr. Deputy Speaker? I've found that people in this province have been resilient through all the years. They've faced all the challenges and gone over some very serious hurdles because they believed, they were not intimidated, and they did not believe in the doom and gloom. And they always met the challenges that were far less, not as great as those challenges that were faced by the

people earlier, that built this province. They met those challenges. They were not dissuaded from saying, well we have to face this. We don't like it but, you know, if we get together and we meet this challenge head on, we will make . . . continue to make this province a great place to live.

Yes, there are challenges, but people come together and they meet those challenges. The debate that's been going on, Mr. Deputy Speaker, again goes back to one side giving some facts, the other side . . . that's what debate is all about. But to what extent does this debate need to be continued in order to prove a point?

The fact remains there is a rate review committee that has made its recommendations and there are now deliberations with respect to the outcome. So the members opposite say they have people phoning them. I have people asking me as well. What purpose . . . is that a waste of time? You people just keep hollering and screaming at one another, and one says we're right, the other says . . . Why don't you just sit down and wait until the outcome and decide what's best for all the people in this province?

That's why we sent you there — to work together to make sure our lives are better tomorrow. And hopefully that's what we try to accomplish, Mr. Deputy Speaker, by working together. We're sent here by the folks from our constituencies in their best interest. Not in any party's best interest, but to make sure that we work together and get things done, to point this province in the right direction regardless of the challenges and the hurdles that we have to overcome.

We need some reality checks, Mr. Deputy Speaker. Earlier I'd thought that . . . well I'm sure that the award presentations for people who are impressionists and whatnot have already been decided and that the Academy Awards are over, so now we're faced with dealing with the facts.

We have a recommendation that's been put forward by the rate review committee on energy prices. Everybody knows the volatility of prices for natural gas is such that it is very difficult to predict what's going to happen even tomorrow or the next day with these prices.

I understand that if I were to speculate — and some of my colleagues who are not in the business of selling commodities into the future — I would be speculating on what a price might be three months, six months, nine months, or whatever down the road. In the agricultural community and in a lot of other commodity businesses, my understanding is that people that are in the know, they hedge. They do the best they can to make sure they can lock into a price of a commodity to their advantage. And they try to do it so they don't have a loss but so that they make money.

And from seeing what SaskEnergy has been doing over the years to ensure that we have had the lowest natural gas prices, that's what they've been doing. But we don't seem to hear anybody applauding those efforts. We now hear from the opposition all the negative aspects of a corporation, a Crown owned corporation, that's done excellent work on behalf of the people of this province to maintain some stability in lower prices for a commodity so desperately needed.

The demands into the 21st century are such now, Mr. Deputy Speaker, that prices are catching up. We've been enjoying prices thanks to people in SaskEnergy who have been doing the hedging and working on behalf of people of this province. And now we see that the demands are so great, the prices have escalated and we're still, if not the lowest — the lowest — then way down there near the bottom of being the lowest that we pay in North America, Mr. Deputy Speaker.

Now how can not that be cause for celebration, for congratulations to those people that have been able to maintain that level of cost for that commodity, for that energy cost. I guess what I'm saying, Mr. Deputy Speaker, that hearing throughout the debate from the opposition words like hairy-fairy decisions and comments that are almost degrading to the people, to the people that have worked over the years to ensure that a commodity is provided for the benefit of the people of this province at a rate lower than anywhere else in the country.

How can you argue that? And how can you not applaud and be congratulatory to that corporation who continues its very best to maintain that resource at an affordable cost to the best of their ability and in the best interests of all the people of this province.

So, Mr. Deputy Speaker, again I just want to suggest that people in our province generally accept and appreciate that there's only so much can be done. And they do appreciate, and I've heard people say, well thank heavens because I know what they're paying in Manitoba and I know what they're paying in Alberta.

And I know it's a tough thing that needs to be faced, but we've got to consider ourselves pretty fortunate that we're not paying the prices they're paying elsewhere. And that people in SaskEnergy and the powers to be in that respect should be congratulated for being able to maintain a level of affordability that otherwise may have created a situation far more serious — far more serious — than what we are facing.

And it's a situation and it's an issue that people of this province recognize and understand, and are prepared to accept the challenge and have the confidence that the coalition government, that the people in SaskEnergy will continue to work and do their very, very best in the best interests of the people of this province.

And on that note, Mr. Deputy Speaker, I just want to say I will be supporting the amendment and I will be voting against the main motion.

**Some Hon. Members:** Hear, hear!

(20:15)

**Mr. Elhard:** — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, much of the debate that we've been treated to today on this particular motion and the amendment to it has been around the price of natural gas. We've had a discussion about what the price has been, what it's likely to be, who's charged what, who's higher, who's lower, which province is better off.

But, Mr. Deputy Speaker, I dare say that the biggest cost of this

particular issue is the one that's being extracted from the government's reputation. I think the real issue here today, Mr. Deputy Speaker, is the government's credibility on this particular matter. The member from Indian Head-Milestone and many of my other colleagues alluded to much of the confusion on the pricing issue in their presentations today. But in case anybody is viewing the Assembly session tonight and wasn't party to some of the discussions earlier, I would like to reiterate for them some of the figures that have been talked about today.

At the end of March, the Finance minister calls for a projected price for natural gas of \$3.39 a gigajoule into the next calendar year. In the last week or two, SaskEnergy has asked the rate review panel for a price increase in the vicinity of \$7 a gigajoule. Now if approved by the rate review panel, that particular amount of money would be charged for natural gas right through until the fall of 2002 — \$7 a gigajoule between now and the fall of 2002.

Natural gas today, Mr. Deputy Speaker, is trading for \$5 a gigajoule or less. And I dare say that if you looked at some bid/asked quotations on the futures market, you would probably be able to buy natural gas today through to the October/November period of 2002 for something in the range of \$5.12 a gigajoule — \$5.13 a gigajoule. So, if as has been recommended by members opposite that we look at the futures market, there isn't the volatility there that they're talking about. The price of natural gas doesn't take leaps and bounds up and down on a daily basis. If it moves, it moves steadily.

But right now every credible analyst in the business is predicting prices in the range of \$5.12 to \$5.20 at the outside per gigajoule through to October/November of 2002.

What makes it necessary for the rate review panel to suggest that something in the range of \$7 a gigajoule would be acceptable? We know that that's the amount of money that has been asked for by SaskEnergy, and we know that the rate review panel has suggested something a little less than that might be adequate.

We've heard much in the speeches today about SaskEnergy's skill in forward contracting, which allowed them to keep natural gas prices down. I don't deny that that may have played a role. I wouldn't for a moment suggest that they didn't do a good job in that regard.

But here's the rub, Mr. Deputy Speaker. If the natural gas supplier was that skilled in using forward contracting to protect us from the worst excesses of natural gas cost increases during the winter, why are they not using the same skill to lock in low prices that are available today through to the fall of 2002? Why was their skill so adequate last winter and last fall? Why are they not using the same skill to provide us the same level of low pricing on a long-term basis today?

Mr. Deputy Speaker, I suggest that it's possible that SaskEnergy has already locked in prices. I suggest, Mr. Deputy Speaker, that they have locked in prices in the range of \$7 a gigajoule, so that their vaunted ability in locking in low pricing last fall has already been undermined by an error in judgment this year. I suggest it's very strongly possible that locked-in prices will range in that \$7 a gigajoule vicinity.

Mr. Deputy Speaker, I believe that part of the answer also is directly related to SaskEnergy's pricing policy. All spring long, every time a question was asked of the government in this spring session about the price of natural gas — the cost to consumers of gas supplied by the Crown corporations — every opportunity was taken by the minister of CIC, by the Finance minister, and anybody else who cared to defend the situation, that Saskatchewan had the lowest natural gas prices in North America.

Now, Mr. Deputy Speaker, we've just learned last week that the gas cost variance account is \$80 million in the red — \$80 million in deficit.

Mr. Deputy Speaker, that suggests to me that the government deliberately kept gas costs low for political gain during the winter time when they knew that SaskEnergy was losing money on every gigajoule they sold after the initial supply of low-price gas ran out.

Now SaskEnergy, via the NDP cabinet, needs a big increase to cover its previously hidden and incurred losses. And who will pay the price for this government's political machinations and ineptitude? Well, Mr. Deputy Speaker, the answer is pretty simple. Every gas consumer in this province will pay. Every small business operator in this province from Consul to Nipawin, from Redvers to Meadow Lake, will pay. Every small farmer, all 50,000 of them — or however few are left — will pay. And every large business and/or manufacturer will pay. Every homeowner will pay. Every hospital, every school, every other public facility will pay. Every arena, every recreational centre will pay. And every person on a fixed income including the elderly, the sick, and the poor will pay.

Mr. Deputy Speaker, that last group of people I find particularly disturbing in this list because this is the group of people that is the natural consistency . . . or constituency, rather, of the NDP and they have now been abandoned by this government.

Mr. Deputy Speaker, let's look at some of the people in closer detail who will pay. Many of my colleagues have talked about the farmers. As you know, most of my constituency is made up of farm families. These people are struggling under what have been known as some of the toughest conditions in the agricultural sector that anyone has experienced since the Depression era of the '30s.

If you take into consideration the inflationary factors and adjust the costs today versus what they were in 1930, many farmers, many ranchers today, are experiencing tighter costs, tighter cash flow squeezes, tighter profit margins, than they did even in the '30s. We have never seen a time as tight as this financially as we have in the last decade or so.

And I have many farm families in my constituency who are just barely meeting their financial obligations now. If they are charged with a 42 per cent increase for natural gas costs or more, as farm families are expected to be charged, some of them are not going to be able to meet that obligation. And I have no hesitation in saying that that is patently unfair and certainly an abuse of the people who find themselves in those tight cash flow situations right now.

Farmers from day-to-day struggle to meet their obligations. They're proud people. They are honest people. They pay their bills. But when the costs of their operation escalate far faster than their income, they certainly cannot be expected to meet the obligations that are being placed on them by this kind of an increase.

So, Mr. Deputy Speaker, I think that every farm family is going to not just suffer from this, but they're going to resent this because I think that they are being attacked unfairly in this vast and unnecessary price increase.

I'd like to talk about the average homeowner. It's been suggested that this increase is going to represent about \$360 a year to the average homeowner. I would submit that \$360 is the average increase, but that would be on a home roughly of a thousand square feet. There aren't many homes in this province that are a thousand square feet any more. And I would think that \$360 of increase would represent not the average but the minimum increase that homeowners are going to experience. So if you have a house any larger than a thousand square feet, you can expect your gas costs to be considerably higher than \$360.

Mr. Deputy Speaker, there is another area, there is another that I think is going to be very hard done by as a result of this natural gas cost increase, and I would think the health sector is probably one of the areas that is going to find it most difficult to adjust to this cost.

And I can speak with some assurance on that particular point because I was just talking to the CEO (chief executive officer) of the largest health district in my constituency yesterday. And he was telling me that they are expecting, in that particular health district, a drop in their provincial funding of 1.2 percent from last year.

They're already expecting a 3.5 percent increase in nursing salaries for this year. They've already built into their budget costs that are escalating in every other sector. Because it's a large health district and much travel is required of the people who work for that district, they've had a tremendously large increase in terms of gas costs for travel allowances. As you know, gasoline prices have escalated rapidly as well. These are all costs that they have not been able to handle easily, but they have adjusted.

But now, out of the blue, comes word that they're going to have to pay this huge natural gas cost increase. And they haven't allowed for that. They haven't budgeted for that. They might have thought some increase was coming, but nobody expected 42 per cent or more.

Mr. Deputy Speaker, what are health boards, what are health districts supposed to do in this situation. They are asked to squeeze every last nickel out of their budget; they've pinched pennies until there is nothing left of them. And now, they're asked to pay for a drastically increased natural gas cost when their budgets, in many instances, have been cut by this very government. How in the world are they supposed to handle that kind of a situation?

You know, Mr. Deputy Speaker, there's another area that isn't given a lot of consideration. It's been mentioned briefly by

some of my colleagues previously, but I'm particularly sensitive to this issue because it's been raised, it's been brought to my attention, it's been raised by civic leaders in several communities which I represent, and it's the issue of utility costs in recreational facilities, and especially arenas. But we're also talking about senior citizens' halls where they gather to play cards. But we're talking about all types of facilities, whether it's a Kinsmen club hut or some other service club, but I'm especially concerned about the large recreational facilities that are such a prominent feature in the social fabric of many of these rural communities.

You know a lot of these communities are down to maybe a school — maybe not. Maybe a health centre, maybe a hospital — maybe not. Maybe one or two restaurants — maybe not. But almost all these communities still have as the focal point of their social milieu a reasonably decent recreational facility.

The community of Eastend approached me last winter when the rate increases for power and natural gas came into effect. At that time, those two combined increases doubled the cost on a per month basis for utilities in the skating and curling rink in the community of Eastend.

Mr. Deputy Speaker, when you have communities that are just barely hanging on when this particular venue is the last vestige of a social fabric, a place where people can meet on a daily basis, when you have those kinds of situations and those very facilities are under threat of not opening at all because of this latest increase, this government has spelled death for those communities. And I think that that is probably one of the most disturbing elements to this whole situation.

(20:30)

If we had utility cost increases that were virtually doubling their operating expenses previously, what will this do? I've been told by several people now that they have no intentions of opening their facilities this fall if these increases go ahead. There is no way, there is absolutely no way that the community can afford that kind of a cost. And the responsibility will be on the head of this government when those arenas do not open. Every small community will hold this government responsible for that decision.

I'm glad to say, Mr. Deputy Speaker, that I'm not the one making this decision. We're talking about communities such as Eastend. We're talking about Cabri. We're talking about the town of Frontier, the town of Gull Lake, the town of Maple Creek. We're talking about Leader. These are communities that all have arenas that are under threat because of this particular increase.

Mr. Deputy Speaker, the independent rate review panel frankly is a handpicked panel, handpicked by the NDP government. And their decision is going to reflect the best interests of the government and SaskEnergy. A thirty-four and a half percent increase, Mr. Deputy Speaker, is not in the best interests of the people of Saskatchewan, nor the struggling economy of this province. The cabinet tomorrow will make its decision, and if the government wants to be consistent, it will need to look very carefully at the projections of the finance minister in his budget this spring. If they want to show consistency, they better pay

careful attention to what the finance minister said in his budget. He said, Mr. Deputy Speaker, that gas costs would be \$3.30 a gigajoule through to the fall of 2002. Long-term gas costs are coming down.

Now if the NDP cabinet wants consistency, their decision will have to come at a significantly lesser rate than the \$7 per gigajoule proposed by SaskEnergy or even the slightly lower figure proposed by the rate review panel.

Mr. Speaker, if the NDP government wasn't in such big trouble on this issue, they wouldn't constantly raise the bogey man of the privatization issue, accusing this side of having such a hidden agenda. Mr. Speaker, it wasn't this side of the House that ordered evaluation of SaskTel as a preparatory step to a sell-off of that Crown. And it certainly wasn't this side of the House that introduced Bill 9 in this legislative session, allowing for deregulation of the power industry. That Bill will subject SaskPower to new competition in electrical service delivery in this province. It wasn't the opposition that introduced that Bill.

These two separate events are not the doing of the official opposition. They are not the doing of the Saskatchewan Party. These two pieces of legislation and activities are the creation of the NDP Crowns and their political masters.

Mr. Speaker, this is a classic example of double-talk: say one thing, do another. It's just another reason why the people of this province have lost faith in the NDP government. It's really an issue of credibility. And all the things being said by the government benches have done nothing to eliminate the credibility gap created on this particular issue.

Compounding the problem is the news that Crown corporations make millions of dollars a year. And all the while, this government has a stabilization fund worth hundreds of millions of dollars. That's a problem of credibility for the people who survive paycheque to paycheque.

Mr. Deputy Speaker, that money sitting in the fiscal stabilization fund is generated as a result of the high royalty fees associated with the ever-increasing natural gas and oil costs. And because of that, this government has much more money sitting in its coffers than it might otherwise have.

I'm afraid, Mr. Speaker, that it's sitting there until the next election. But it'll take more than those millions of dollars to assuage the anger and the distrust this government has inculcated into the people of Saskatchewan.

Mr. Deputy, or Mr. Speaker — I'm sorry — I felt this matter was so important I included it in my legislative report in the paper. It'll be coming out tomorrow. And I'd like to read just a little bit of that report if I could.

In making its case for the rate review panel, SaskEnergy pegged natural gas costs at \$7 per gigajoule. We've learned that the current price is \$5 per gigajoule and industry analysts are predicting the price will stay in that range for the foreseeable future. That being said, it is hard to understand why the Crown utility thinks it's in need of such a tremendous increase. Complicating the picture even more is the fact that in this spring's budget, the government predicted, by its own figures,

that natural gas prices would be in the range of \$3.39.

Whose estimate are we to believe, that of the Finance department or of SaskEnergy? It seems the right hand doesn't know what the left hand is doing. Mr. Speaker, just as an aside to that, maybe the problem here is that we have two left hands.

In light of the falling price of natural gas the Sask Party has called on the government to cancel this disproportionately high rate increase. While some increase may be necessary, this latest proposal will put the government deep into your back pocket, gouging Saskatchewan families in the process.

My message is clear: when my constituents read this, they will understand the impact that they can expect from this particular rate increase.

Mr. Speaker, I have more things to share but I think I've run out of time, as is often the case. So I would just like to close by saying that I will be supporting the motion as put forward by the member from Swift Current.

**Some Hon. Members: Hear, hear!**

**Ms. Jones:** — Thank you very much, Mr. Speaker. Mr. Speaker, I'd like to enter into this debate as well and I have a few points that I'd like to make, and in particular I would like to point out some of the inaccuracies or the fallacies that people seem to be basing their debate upon.

First of all, the opposition is asking us to send this back to the rate review panel based on a prediction, and they say that the prediction is that the prices will fall and that SaskEnergy will be charging too high a price for its gas in the long run.

And, Mr. Speaker, I think that if you refer to some of the pages in the paper and the market views, they say that views differ on what the price for gas may be in the future, and although a decline is predicted in natural gas prices, the Saskatchewan Party has decided to grasp on to the fact that they may be decreasing and raise a lot of political noise about what they say is an unfair and uncalled for increase.

So they say that SaskEnergy's prediction or projection was \$7 a gigajoule, and they're saying that today's price is \$5 and that they believe that it will stay at \$5 for some time to come. And that if the cost of buying natural gas drops, so will SaskEnergy bills.

This newspaper article that I'm referring to, which is *The Leader-Post* of Saturday, June 2, says that:

While industry watchers agree that natural gas will cost less in 2001, most analysts are not predicting the dramatic decrease predicted by an analyst the Sask. Party chose to quote.

It says that:

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

And it goes on to say that:

Len Coad, a vice-president of Calgary-based (Canadian Research) Canadian Energy Research Institute is also predicting an average natural gas price this year of between \$7 and \$8 a gigajoule.

And he says, goes on to say that:

"Once we get into the air conditioning season, natural gas demand could increase because of power-generated air conditioners," Coad said, adding that could push prices even higher.

Now, I think it's important . . . And I don't think there is any difference on that side of the House or on this side of the House that nobody likes increased costs. I don't like them. You don't like them. The consumers don't like them. The Crown utility, I'm sure, doesn't want . . . would have it otherwise if there was any other way but to raise them.

But I think we should remember that the issue of higher prices is not unique to Saskatchewan. It's not as if we're the only place in the world that's suddenly facing higher energy costs. It's faced by all four million natural gas consumers across Canada and all 60 million consumers across the United States, and all of them face a gas or an energy increase and none of them like it. I can almost be . . . I can almost give you a personal guarantee that nobody wants that to increase.

But, Mr. Speaker, as a result of some privatization and deregulation that took place, SaskEnergy has to buy its gas on the world market. And the world market prices fluctuate, and they have gone up. And there is obviously a dispute at the moment as to whose prediction is the right prediction.

When we made predictions for low prices in the budget so that we would be realistic and not overestimating our revenues, the Sask Party screamed and said, you're not . . . you're underestimating it, and you know you are going to get more revenue then that and why are you not granting that to the people of the province. And now when we need an increase, they say you are overestimating the price.

Now you can't suck and blow at the same time, Mr. Speaker. It's one way or the other and you can't do both.

I think it's also important to remember that SaskEnergy has done an outstanding job so far in shielding Saskatchewan consumers from the dramatic effects of market shifts, and anyone who would deny that is not would need a reality check because they have done a very good job of that and I think that is one of the reasons why this proposed increase seemed so dramatic.

If it had risen \$1 last year and \$1 the year before and another \$1 this year, it wouldn't seem such a high price to pay. But because SaskEnergy and our family of Crown corporations did a very good job and shielded Saskatchewan consumers from having to pay those high prices for a very long period of time — and I believe that the statistics are that they saved Saskatchewan consumers \$150 million over the last 18 months or . . . I'm not positive about that figure; it could be \$125

million over the past 18 months — against true market prices, then that certainly could have happened. They could have raised it \$1 and \$1 and \$1, not saved them the money and people would think, oh well, \$1 increase isn't that bad.

But in this case the proposed increase is closer to \$3 and so, obviously, that hurts consumers. But it's unavoidable, Mr. Speaker.

And I think that for the opposition to say that we should send it back to the rate review panel when this panel is set up and chaired and has the expertise and the advice of experts in the field, and they come up with an increase not quite but close to what the Crown corporation asked for . . . And although the opposition likes to say the government is asking for an increase and the government is charging this money to the consumer, they should really put that into the proper perspective and say that the Crown corporation who is responsible for buying a commodity on world markets has found that in order to buy their product without losing money, they are required to ask for an increase.

And although the opposition would love to make it all sound like it's the government's fault, the reality is that because of the previous administration that privatized and put it on the world market, that's why it has to be done, Mr. Speaker.

And to sell it for less than what it costs us is absolutely not something that we couldn't afford to gamble the people's public purse on. And we won't do it, Mr. Speaker, and we won't let them sell our Crown corporations.

(20:45)

Because we have a gas variance account, we were able to shield people and protect them. We locked in prices. And I would hope, and I am sure, that when that opportunity presents itself again, that that's exactly what will happen. We will lock in prices at the best possible rate to provide a commodity needed for the Saskatchewan people at the best possible price, Mr. Speaker . . . (inaudible interjection) . . . Thank you very much.

So, Mr. Speaker, I just feel that sending it back to the panel as I said is not a wise thing to do, it's not a necessary thing to do, and SaskEnergy is absolutely unable to pay less than what it has in its rates. They have to buy the gas at the current market price and they can't afford to pay less than that and they can't afford to charge less than they pay for it. If indeed it turns out that the predictions are correct and that gas does fall to a price lower than that fixed by the rate review panel and eventually by cabinet, then that benefit will flow back to the people of Saskatchewan, something that would not happen if indeed the Crowns were sold as the opposition would do if they ever got the reins of power. And that would not happen. It would not flow back to the people of Saskatchewan.

Now the members opposite asked for a panel and now they don't like the job that the panel has done. And as I said earlier, you can't suck and blow at the same time; you can't have it both ways. So, we respect the panel's decision and I know, although I don't sit in cabinet, that it will be considered carefully in cabinet and the people of cabinet will be sure, and I trust them to do what's in the best interests of the people of

Saskatchewan. And if there are other options available, I'm sure that those will be taken into account as well.

So, Mr. Speaker, it's been my pleasure to enter into this discussion this evening and to add some perspective. I notice that there's a lot more participation tonight than there was earlier today, so I hope that it's as important as it's made out to be to the members opposite. And I want to indicate to you, Mr. Speaker, that I will be supporting the amendment, and I will not be supporting the main motion. Thank you very much, Mr. Speaker.

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Mr. Speaker, I'm very pleased to enter into the debate this evening on the issue of gas. We seem to have been getting an awful lot of hot air from the other side that can be termed as gas.

But I'd like to start out . . . I really want to concentrate on my constituency, but I'd like to start out with just a couple of issues that members opposite have talked about.

The member from Melville said, Mr. Speaker, we have to be dealing with facts. I believe that's the way he put it. Well, Mr. Speaker, I would like to give the member the facts. For an example, the budget based gas at \$3.30 a gigajoule. Fact: \$7 a gigajoule is what SaskEnergy is calling it. Fact: now on the market today, the price per gigajoule was under \$5. Fact: I would like the member from Melville to listen to the facts and we can deal with the facts.

The member from Melville also suggested that, let the process run its course; it hasn't even gone to cabinet yet. Well, Mr. Speaker, I would like to remind members of the House to go back and look at the forest amalgamation issue. Did we want that to run its course and have that rammed down the throats of people of Saskatchewan? No. It was brought up in due time so it could be debated and stopped before it was rammed down the throats of people of Saskatchewan.

Now I would like, I'd like to also go back to what we were talking about the facts of the price of gas. Now, Mr. Speaker, the president of SaskEnergy commented, and it's in *Hansard* and I quote:

We'd love to have some of that 3.59 gas that they've got. We don't think it's going to be that low. If you've got \$4 gas, I'd love to buy some of it.

Well it's four-something now, Mr. Speaker. My question would be: is the minister of SaskEnergy going to buy some as he has suggested in *Hansard* of the \$4 gas because it's four dollars and some cents.

My question now to the members opposite is: why are they defending the \$7 gigajoule, per gigajoule when we have heard today, and it's listed as fact, the gas price is \$5 — little lower, little more depending on which one of the companies — but they're within the range of \$5?

Could it be, could it be that members opposite are defending this because they have locked in at a higher price? I think that's a fair question to ask. If they've locked in at \$7 a gigajoule, then definitely they're going to be wanting to recover that

money. Is that fair to the people of this province? My answer is no.

We hear, we hear an awful lot . . . we hear an awful lot about SaskEnergy and hedging. One of the biggest problems we had with hearing about the hedging and the money saved was members opposite lining up at the clinic to get rubbing alcohol for their arms because it got sore from patting themselves on the back when they said they'd hedged the gas and saved \$100 million or something.

Well, Mr. Speaker, I'm wondering . . . I'm wondering if this is reverse hedging. Have they bought high when the prices are going low? And, Mr. Speaker, I do want to comment also . . . a couple of comments from the member from Regina Dewdney. He was talking about consistency — the opposition; there's no consistency.

Well I wish he would listen to his own members. Is it 42 per cent increase or is it 35 per cent increase? The only thing consistent about that government is inconsistency, Mr. Speaker. They are right now living in the ostrich theory. They put their head in the sand and hope the problem goes away. Well this one is not going away.

Another little . . . it's a side issue, Mr. Speaker, but the member from Regina Dewdney brought it up in one of his rants. He talked about taxes, how we want to lower taxes and that's going to take money away from the coffers. And I would just like to remind the member how successful the film corporation was that they are boasting about where they cut taxes to the film industry and look at the money it brought in. Cutting taxes makes money.

Well, Mr. Speaker, I'd like to comment for a few minutes specifically on my constituency . . . reference this gas hike. Mr. Speaker, we know the burden in rural Saskatchewan and we've heard previous speakers talk about it. And it's not just . . . This is one that's not just rural Saskatchewan; this is every individual in this province is going to get tapped by this increase.

But, Mr. Speaker, in my constituency I've already witnessed two hotel closures because of . . . I won't say in total but partially because of the assessment. Two hotel closings in my constituency is quite devastating, the jobs lost and the people moving out. Now, Mr. Speaker, with this gas rate increase I can foresee more facilities closing in my constituency.

We've heard people talk about how it's going to affect businesses. We've heard people talk about how it's going to affect sports arenas. We look at . . . We promote recreation, we promote youth and culture, and then we turn around and have an increase such as this that is basically going to destroy a lot of those initiatives.

And, Mr. Speaker, I've also talked and heard about churches that are going to have to close their doors with this gas increase. It's going to be extremely interesting to see the vote from members opposite when they're voting to close churches.

Mr. Speaker, I want to talk a little bit about gas increases for some of our most vulnerable people, is our seniors. I have . . . I

have a letter from a duplex, senior's duplex complex in the town of Assiniboia. They have had a price increase for the total complex that has gone from \$3,300 to \$5,100 in the first three months of this year. With this next increase coming, Mr. Speaker, that cost will go to \$7,600 for the complex.

Mr. Speaker, there is \$100 per unit increase due to the gas price increase that's already been announced. Mr. Speaker, these seniors are on fixed income, most of them are on fixed income.

The \$100 a month income, or increase, has put them basically flat broke. Now, Mr. Speaker, we have another increase coming that is going to be equal to or more. What, pray tell, will these people do?

And, Mr. Speaker, I have received a petition from these folks that are completely devastated by the last increase. What's this one going to do to them?

Mr. Speaker, I also would like to touch base on one of my pet topics for my constituency is the Pioneer Lodge in Assiniboia. We know, we know what this government is doing, trying to do. It's forcing people out of the Pioneer Lodge. This is another step in making that come true for them.

Mr. Speaker, earlier this year they upped the rates at the Pioneer Lodge, and I brought it up in the House, to put the rates just slightly higher than the income of the people that were there. This is what this government is doing to our senior citizens. Mr. Speaker, I think this is absolutely terrible.

Now, Mr. Speaker, with this new gas price increase, what are they going to do in the Pioneer Lodge in Assiniboia? Absorb the increase? I don't think this government would even consider absorbing an increase for the seniors.

So what it's going to do is put the seniors in the Pioneer Lodge in Assiniboia even deeper down in debt. They can't afford it now, some of them can't afford it now; what are they going to be doing after this increase?

Mr. Speaker, I am going to curtail my remarks now but I can assure you I'll be supporting the motion and not supporting the amendment. Thank you.

**Some Hon. Members:** Hear, hear!

Amendment agreed to on division.

Motion as amended agreed to.

## ORDERS OF THE DAY

## WRITTEN QUESTIONS

**Mr. Yates:** — Thank you, Mr. Speaker. I'm extremely pleased tonight to stand on behalf of the government and table responses to questions 212 through 220 inclusive.

**The Speaker:** — The responses to 212 to 220 are tabled.

(21:00)



## GOVERNMENT ORDERS

## SECOND READINGS

**Bill No. 47 — The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2001**

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. I'm pleased today to rise to move second reading of The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2001.

In May of 1999 the Supreme Court of Canada released its decision in *M. v. H.* This case considered the issue of whether spousal maintenance obligations should apply to former same-sex spouses. The court found that the exclusion of same-sex couples from spousal maintenance obligations violated the equality rights guaranteed in section 15 of the Canadian Charter of Rights and Freedoms.

Mr. Speaker, the court suspended the effect of its judgment for six months to allow legislatures the opportunity to review all of their statutes and amend those that were found by this decision to offend the Charter. In the court's view, this was preferable to having these issues resolved by the courts on a case-by-case basis at great cost to private litigants and the public purse.

Mr. Speaker, this government agrees that legislation is a better approach than litigation to the resolution of these issues. The Bill before us today, and its bilingual companion Bill, The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2001 (No. 2) represents this government's response to the decision in *M. v. H.*, as well as trends in case law that require equal treatment of married and common law partners.

The amendments are needed to protect people who are vulnerable because they are in dependent relationships. These Bills amend 14 Acts to provide for same-sex couples to be treated the same way in law in Saskatchewan as our common law couples. In each of these 14 Acts, benefits and obligations have already been extended to unmarried opposite sex couples.

Mr. Speaker, the other major set of changes to legislation affected by this Bill are amendments to eight Acts to extend benefits and obligations to unmarried couples where they are currently provided only to married couples.

Since July of last year, the Department of Justice has been served with five challenges to The Matrimonial Property Act and two challenges to The Intestate Succession Act which claim that these Acts are contrary to the Canadian Charter of Rights and Freedoms because they discriminate against people on the basis of their marital status. In one of these cases, the court has rendered its decision and has stated that the interpretation that best supported the constitutional validity of the Act and best accorded with Charter values included both married and unmarried couples.

Mr. Speaker, the Supreme Court of Canada has stated that distinguishing between cohabiting couples on the basis of whether they're married or not fails to accord with current social values and reality. Courts across Canada have consistently held that persons involved in an unmarried relationship constitute an historically disadvantaged group and

must be given equal protection under the law. In two other Acts amendments were made to ensure consistent rules respecting when a common law or same-sex partner is eligible to make an application to the court under these Acts.

Mr. Speaker, I think it's important to clearly understand what this Bill does not do. The Bill does not redefine marriage in any way. The definition of marriage remains federal jurisdiction. The federal government has recently affirmed in the Modernization of Benefits And Obligations Act that marriage is the union of one man and one woman. Mr. Speaker, provincial governments have no jurisdiction to change that definition.

Mr. Speaker, the following Acts are amended by this Bill. The Adoption Act is amended so that a person may make an application to the court to adopt a child of his or her same-sex partner. As in all step-parent adoption applications, the court will consider the views of the other birth parent and must be satisfied that the adoption would be in the child's best interests. The effect of this amendment, Mr. Speaker, is to ensure that the children who are living in these families have legal rights against both the people who are acting as their parents.

Mr. Speaker, this amendment applies only to step-parent adoptions. When The Adoption Act was passed in 1989, it extended to same-sex partners the ability to apply to a court to adopt an unrelated child.

The Attachment of Debts Act is amended so that common-law and same-sex partners are included in calculating exemptions from wage garnishments.

Mr. Speaker, The Fatal Accidents Act is amended to reduce from three to two years the length of time that common-law or same-sex partners must cohabit to be eligible to sue for damages if their partner dies as a result of a wrongful act, neglect, or default.

The Freedom of Information and Protection of Privacy Act and The Local Authority Freedom and Protection of Privacy Act are amended to add sexual orientation to the list of information that's considered personal information and cannot be disclosed.

The Homesteads Act of 1989 is amended so that its protections apply to common-law and same-sex partners.

The Land Contracts (Actions) Act is amended so that a judge may order service on the surviving common-law or same-sex partner of a landowner of an application for leave to commence a foreclosure application if there is no personal representative.

The Landlord and Tenant Act is amended to allow a landlord to collect unpaid rent from a tenant's common-law or same-sex partner. This Act, Mr. Speaker, does not apply to residential tenancies.

The Pension Benefits Act, 1992 is amended so that private pension plans may provide survivor benefits to same-sex partners. Mr. Speaker, this change is something that pension plan administrators have been asking the government to do for a number of years.

The Teachers Superannuation and Disability Benefits Act, The Municipal Employees' Pension Act, The Public Employees Pension Plan Act, The Saskatchewan Pension Annuity Fund Act, The Saskatchewan Pension Plan Act, and The Superannuation (Supplementary Provisions) Act are amended so that survivor pension benefits are payable to the same-sex partner. Again, Mr. Speaker, these changes are made with the full support of pension plan administrators.

The Saskatchewan Insurance Act is amended to extend the prohibition against an insurer lending funds to the wife of a director or officer to husbands in same-sex or common-law partners. The definition of family insurance is extended to include common-law and same-sex partners.

The Securities Act, 1988 is amended so that same-sex partners are added to the list of persons who are not in an arm's-length relationship.

Mr. Speaker, the legislature has an obligation to act when a court makes a finding that our laws are unconstitutional. And these amendments ensure that when two people enter into a relationship that is like a spousal relationship the obligations they have towards each other's economic well-being is the same no matter what their sexual orientation or marital status.

Mr. Speaker, I am pleased to move second reading of An Act to amend Certain Statutes respecting Domestic Relations.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — I would like to — before we go on to the next order of business here — I would just like to welcome all the guests to the galleries, but I would ask guests that they not participate in anyway in the proceedings.

**Mr. McMorris:** — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege to join in on second reading of Bill No. 47, The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2001. And after listening to the minister speak on this Act, he talked that it was going to impact 24 different Acts, which is really quite significant.

In the short time that I've been here I don't know if there's been too many Bills passed that has that much of an impact on so many different Acts. And so it is really quite significant.

I want to give the minister credit for, for coming and talking to our caucus prior to this second reading. It was informative for us and we had some of the questions answered. And we got a bit of an idea of where this Bill was being driven from.

The minister talked about the Supreme Court and some of the actions and rulings that the Supreme Court has put forward and how it's impacted on a number of provinces already that have moved forward on this Bill. Not all provinces have yet so far, but a number of them have and I believe that we're kind of in the middle of the pack when it comes to that area.

The minister also had talked to us and assured us that we would be given any sort of ruling and judgment from, from his office as to whether it met all the criteria of the supreme Act . . . or the Supreme Court and their rulings, whether it went further and

just the whole gamut and the whole range, Mr. Speaker.

And I think it's really incumbent upon us until we know the full impact of the 24 different Acts that it's going to be affecting and see how it's going to impact each Act and see how it relates to the Supreme Court decisions that have been put forward, Mr. Speaker, that we would move adjournment of debate on this motion until we receive further information on that and get a better grasp on how it's going to affect on these 24 Acts.

Debate adjourned.

**Bill No. 48 — The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2001 (No. 2)/  
Loi corrective (relations domestiques) de 2001 (n° 2)**

**Hon. Mr. Axworthy:** — Mr. Speaker, I'm pleased also to move second reading of The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2001 (No. 2).

Mr. Speaker, this Bill before us and its English-only companion Bill, the Bill that we just addressed, The Miscellaneous Statutes (Domestic Relations) Amendment Act, 2000, represents this government's response to the decision in *M. v. H.* and trends and case law that require equal treatment of married and common-law partners.

As I said in the last Bill, Mr. Speaker, these amendments are needed to protect the people who are vulnerable because they are in dependent relationships.

These Bills amends 14 Acts to provide for same-sex couples to be treated the same way in law as common-law couples. In each of these 14 Acts benefits and obligations have already been extended to unmarried opposite-sex couples. Amendments are made to eight other Acts to extend benefits and obligations to unmarried couples where they are currently provided only to married couples. In two other Acts, amendments are made to ensure consistent rules respecting when a common-law or same-sex partner is eligible to make an application to the court under these Acts.

Mr. Speaker, the following Acts are amended by this Bill. The Adoption Act, 1998 is amended so that a person may make an application to the court to adopt a child of his or her same-sex partner. And as I said, as an all step-parent adoption application, the court will consider the views of the other birth parent and must be satisfied that the adoption will be in the child's best interests.

The Change of Name Act, 1995 is amended so that the special rules respecting surnames for married people applied to unmarried people cohabiting as spouses who file proof of the relationship with the vital statistics registry.

The Dependents' Relief Act, 1996 is amended to allow a court to make an order requiring that reasonable maintenances be paid to a person out of the estate of his or her deceased same-sex partner.

The Family Maintenance Act, 1997 is amended so that the court may order a person to pay spousal maintenance to his or her former same-sex partner. The Intestate Succession Act, 1996 is

amended so that where a person dies without a will, their common-law or same-sex partner would receive the same share of the estate that a legally married spouse would otherwise receive.

The Matrimonial Property Act, 1997 is amended so that the Act applies to persons of the same sex or opposite sex who are cohabiting or have cohabited as spouses, and the name of the Act is changed, Mr. Speaker, to The Family Property Act.

The provisions in The Wills Act, 1996 that states that a will is revoked by a marriage is extended to revoke a will when the maker has cohabited in a spousal relationship for two years. Divorce revokes a devise or bequest to a spouse and the appointment of a spouse as executor. This is extended to the breakdown of the spousal relationship.

Mr. Speaker, these amendments ensure that when two people enter into a relationship that is like the spousal relationship, the obligations they have towards each other's economic well-being is the same, no matter what their sexual orientation or marital status.

Mr. Speaker, I'm pleased to move second reading of An Act to amend certain Statutes respecting Domestic Relations.

**Mr. McMorris:** — Thank you, Mr. Speaker. Mr. Speaker, once again, Bill No. 48 as mentioned by the minister deals primarily with the same Acts. I realize another 24 Acts are going to be amended and worked on and that is what this Bill is dealing with.

As I said in my response to Bill No. 47, we do appreciate the minister coming and giving us a heads up and giving us some idea and shedding some light as to why these Bills are coming forward and why these changes are necessary, again mainly driven by the Supreme Court.

But once again, as I mentioned in Bill No. 47, we'll be looking forward to the legal opinion of the Minister of Justice, their department, as to whether these Bills go further than the Supreme Court had ruled on or whether they're up to the grade and that type of thing.

So until we are able to hear a little more information on that, as well as taking it to some of the stakeholders that we know are going to be very, very interested in these changes, Mr. Speaker, I would move to adjourn debate on this Bill.

Debate adjourned

(21:15)

#### **Bill No. 43 — The Police Amendment Act, 2001**

**Hon. Mr. Axworthy:** — Mr. Speaker, I am pleased to rise today to move second reading of The Police Amendment Act, 2001.

Mr. Speaker, The Police Act, 1990 provides the basic framework for both municipal policing and the RCMP (Royal Canadian Mounted Police) provincial police service in the province of Saskatchewan. The amendments to this Bill are to

make changes to the municipal policing provisions of The Police Act, 1990. The existing Act sets out detailed provisions for the governance of the municipal police force by the Saskatchewan Police Commission, the local police boards, and the chiefs of police. The Act also sets out the procedures pursuant to which public complaints and internal discipline proceedings are conducted.

Mr. Speaker, this Bill will amend The Police Act, 1990 in order to implement a series of changes. The first change is the introduction of a consensual process for the mediating of public complaints and disciplinary matters under the Act. This change recognizes that the best solution of a dispute is one which the parties themselves reach. This Bill will also allow for the independent hearing officers and then the Chair of the Police Commission to be the decision makers on the continuation of a decision to relieve a police officer from his or her duties pending a disciplinary or public complaints proceeding.

Mr. Speaker, the Bill introduces the process whereby a chief of police or other official under the Act could be temporarily relieved of the requirement to provide notice to a member being investigated or to a complainant. The ability to provide temporary relief of this requirement is required to safeguard the security of police operations.

Mr. Speaker, effective law enforcement is an integral part of building and maintaining safe communities. People must have confidence in law enforcement to maintain peace, order, and the rule of law. This Bill will introduce the ability for the Saskatchewan Police Commission to issue a province-wide code of ethics for police officers, yet one more important step in maintaining police . . . public confidence.

The Bill will also permit the Saskatchewan police complaints investigator to initiate his or her own complaint for an investigation with respect to police conduct, as well as the ability to extend the limitation period for a public complaint where the public complaints investigator views it to be appropriate.

Mr. Speaker, another important change is the provision to make all hearings under the Act open to the public except where the hearing officer is satisfied that exclusion of the public is necessary to maintain security of police operations.

And finally, Mr. Speaker, the Bill recognizes good faith liability protection for local police boards and police officers as well as civilian members acting under the authority of this Act.

Mr. Speaker, I am pleased to inform you and members of the House that this package of amendments is the result of an extensive and constructive consultation conducted with representatives from municipal police boards and their legal counsel, the Saskatchewan Association of Police Chiefs, the Saskatchewan Federation of Police Officers, the Saskatchewan Police Commission, hearing officers, and the public complaints investigator. And I want to thank all of those people, Mr. Speaker, for their assistance in the preparation of this Act.

Mr. Speaker, this package of amendments was developed in consultation with the police community to reflect the shared goal of modernizing the Act to ensure continued

professionalism in the delivery of policing services in this province.

Mr. Speaker, I move second reading of an Act to amend The Police Act, 1990.

**Some Hon. Members:** Hear, hear!

**Mr. Weekes:** — Thank you, Mr. Speaker. It is a privilege to stand today and speak on Bill No. 43, an Act to amend The Police Act, 1990.

Unfortunately as we know, in the past few months and years there have been concerns brought forth from citizens about possible police misbehaviour or circumstances around certain things that have happened in the public. And it's very important that we do take a look at the rules and regulations concerning policing in this province.

It's very important to have a very adequate police force, both at the municipal and at the provincial level with the RCMP (Royal Canadian Mounted Police). And it's very important that the police give our society safety, and the rule of law, and order to protect our families and maintain order in our society.

There are a number of the things the minister has spoken on, at first glance, seems to be common sense. And hopefully they will help the police force in dealing with their very important job of protecting us in our society and allow them to have the . . . The other very important thing, it's one thing to bring in rules and laws and concern and procedure, but the police forces of our province have to be given the resources to adequately do their job. And that's an issue that I think has to be addressed as well, and concerning detox centres possibly in the larger cities, and issues concerning that whole area.

So at this time, I'd like to . . . as the official opposition, we'd like to take this and discuss this with the stakeholders and look into more detail the number of changes that this Act will bring to our police forces in the province.

And at this time, I'd like to move to adjourn debate.

Debate adjourned.

#### **Bill No. 37 – The Statute Law Amendment Act, 2001**

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. I'm pleased to rise today to move second reading of The Statute Law Amendment Act, 2001. This act, Mr. Speaker, makes several very minor amendments to a number of existing statutes. It corrects inaccurate references, numbering errors, typographical errors and other minor mistakes in statutes. It also corrects errors made in previous consequential amendments or makes consequential amendments that were previously missed. These amendments ensure that minor, technical errors in legislation are removed.

Mr. Speaker, I move second reading of an Act to amend the statute law.

**Mr. McMorris:** — Thank you, Mr. Speaker. After listening to the brief words that the minister opposite had to say about this

Bill, Bill 37, it sounded, yes, just changing a few words here and a few phrases there and some punctuation and that type of thing, Mr. Speaker, so I really can't see too much with this Bill other than until we have a real quick look at it and make sure that it's okay with us. I'd move adjournment of debate on it.

Debate adjourned.

#### **Bill No. 38 — The Statute Law Amendment Act, 2001 (No. 2)/Loi corrective de 2001 (n° 2)**

**Hon. Mr. Axworthy:** — I'm pleased to rise, Mr. Speaker, to move an equally controversial Bill, the second reading of The Statute Law Amendment Act, 2001 (No. 2). This act provides . . . I don't think there are any more of them, Mr. Speaker. No. 2 is the end of this.

This Act provides for technical amendments to numerous existing Saskatchewan bilingual legislation. The Bill will correct reference errors, grammatical errors, and other typographical errors, update references to statutes and correct other minor technical errors of approximately 14 Acts. It also corrects errors made in previous consequential amendments or makes consequential amendments that were previously missed. These amendments ensure that minor technical errors in bilingual legislation are removed.

Mr. Speaker, I move second reading of an Act to amend the statute law.

**Mr. McMorris:** — Thank you, Mr. Speaker. Bill No. 38 seems very similar to Bill No. 37 but I'm sure there are some differences. And we will be very interested to see the changes that are made even though it may be a word here or some punctuation and that type of thing. But one never knows until he has a really good look at it and researches it thoroughly to see what impact it will have. Because, Mr. Speaker, we have seen different times in the past where things are taken for granted and not looked at and the next thing you know, it was an issue that should have been followed up an awful lot further.

So, Mr. Speaker, with experience like that, you can understand why we move adjournment of debate on this Bill until we do further research.

Debate adjourned.

The Assembly adjourned at 21:27.