

The Assembly met at 13:30.

Prayers

**Moment of Silence in Honour of Her Majesty
Queen Elizabeth, the Queen Mother**

The Speaker: — Members of the Assembly, today has been declared as Canada's National Day of Mourning for Her late Majesty Queen Elizabeth, the Queen Mother.

Today representatives of people from around the globe gathered in London with the Royal Family to pay last respects to Her late Majesty Queen Elizabeth, the Queen Mother, fondly known as the Queen Mum.

I now respectfully ask that all members rise for a moment of silence and reflection as a sign of deep respect we feel for the life impact of Her Majesty the Queen Mother.

The Assembly observed a moment of silence.

The Speaker: — Thank you. Please be seated.

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I rise today on behalf of constituents of Carrot River Valley concerned about certain inadequacies in the province's tobacco legislation. The prayer reads as follows:

Wherefore your petitioners humbly pray your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation so that it would make it illegal for anyone under the age of 18 to be in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

As is duty bound, your petitioners will ever pray.

This petition is signed entirely, Mr. Speaker, by the good citizens of the town of Carrot River.

I so present.

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I stand today to present petitions on behalf of some very honourable members of Saskatchewan who have a concern that all the recommendations from the Committee to Prevent the Abuse and Exploitation of Children Through the Sex Trade be implemented. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately implement all 49 recommendations of the final report as submitted by the Special Committee to Prevent the Abuse and Exploitation of Children through the Sex Trade.

And the signatures on this petition, Mr. Speaker, are from Regina, Swift Current, Eastend, Leroy, and Humboldt.

I so present.

Mr. Bjornerud: — Thank you, Mr. Speaker. I have a petition to ensure the responsible use of natural resources by all citizens. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to work with the federal government, First Nations representatives, and with other provincial governments to bring about a resolution in the Lake of the Prairies situation and to ensure that our natural resources as a whole are used in a responsible manner by all people in the future.

The communities involved, Mr. Speaker, are Stockholm, Esterhazy, and Tantalton.

Mr. Wall: — Thank you, Mr. Speaker. I rise again on behalf of people from Swift Current concerned about the tobacco control legislation in the province of Saskatchewan. The prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be in possession of any tobacco products.

Mr. Speaker, the petitioners today are almost exclusively from the city of Swift Current save for an individual from Saskatoon and another from Regina.

I so present.

Ms. Bakken: — Mr. Speaker, I rise today to also present a petition on behalf of residents of Saskatchewan who are concerned about the tobacco legislation. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately amend tobacco legislation that would make it illegal for anyone under the age of 18 to be found in possession of any tobacco products; and furthermore, anyone found guilty of such an offence would be subject to a fine of not more than \$100.

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

And it's signed by residents of Weyburn, Yellow Grass, Pangman, and Milestone.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition to halt crop insurance premium hikes and coverage reductions. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial

government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

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

Signed by the good citizens of Biggar and district. Thank you, Mr. Speaker.

Ms. Harpauer: — Thank you, Mr. Speaker. I have a petition from citizens concerned about the deplorable state of Highway No. 15. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to use a portion of its highway budget to address the concerns of the serious condition of Highway 15 for Saskatchewan residents.

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

And the petitioners, Mr. Speaker, are from Humboldt, Simpson, Watrous, Liberty; and there's even someone from Jasper, Alberta, Mr. Speaker.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and hereby received:

A petition concerning qualifying income levels for child care subsidies from the current 1982 levels; and

Addendums to previously tabled petitions, being sessional papers no. 7, 8, 11, 18, and 24.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Hillson: — Thank you, Mr. Speaker. I give notice that I shall on day no. 22 ask the government the following question:

To the Minister of Health regarding magnetic resonance imagers: how many MRIs were operating in the province in 2001; how many hours total did the MRIs operate in 2001; how many hours per day on average did each MRI operate; and how many MRIs test total were done in 2001?

INTRODUCTION OF GUESTS

Mr. Trew: — Thank you, Mr. Speaker. It's my great pleasure this day to introduce to you and through you to all members of the Assembly a couple of special guests of mine seated in your gallery, Mr. Speaker.

I draw members' attention to Janet Mitchell and Bill Wong. Janet Mitchell being one of Bob Mitchell's daughters; Bob being well known to most members of the Legislative Assembly.

Bill came to visit us, and actually I had a nice little visit in my office not that many minutes ago and I found out a few things

about Bill. We both agree that we like Janet. We both enjoy golf. But Bill is a dancer and is looking forward to he and Janet going out to Danceland and doing some dancing there, and I know that they will thoroughly enjoy it.

Bill is a nuclear engineer in Hawaii in the nuclear submarine program. And as I want to point out to everyone, Bill is not exactly here on business. I ask all members to join me in welcoming Bill Wong and Janet Mitchell.

Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Thank you, Mr. Speaker. It's my honour today to introduce to you and to members of the Assembly some very distinguished members of Regina's community who have joined us today.

These citizens are here obviously to witness the statements which will be read shortly in recognition of Holocaust Remembrance Day. I'm very pleased to have eight members of . . . eight leaders of our Jewish community here in Regina seated in your gallery. I would just ask them to rise as I introduce them: Dave Abbey, Carol Abbey, Barry Braitman, Miriam Johnson, Jeremy Parnes, Dr. Alan Ross, Dr. Noa Schwartz, and Dr. Mel Weisbart.

I would ask all members to join with me in welcoming them today on this very important day in our province.

Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I'd like to join with the member from Regina South in welcoming the members of Regina's Jewish community here today. And as the member has indicated, this is an extremely important day. And in watching the events on CNN (Cable News Network) this morning and the way in which it's commemorated in Israel, Mr. Speaker, it was a very . . . an extremely emotional ceremony to watch.

And I would hope that the members and the guests enjoy, or . . . enjoy the proceedings this afternoon and their time in the legislature this afternoon. Thank you.

Hon. Members: Hear, hear!

Mr. Hillson: — Thank you, Mr. Speaker. I would also like to take this opportunity to welcome the representatives of the Jewish community.

This sad anniversary is, of course, made even more sad by the outrage which occurred in Saskatoon last weekend. And it is my deepest hope — and I'm sure the hope of all members of this Assembly — that the members of our Jewish community will understand that that was the act of one deranged and sick individual and it's no way representative of the feelings of respect which the vast majority of our citizens hold for members of the Jewish faith in our province and the contributions they have made to our province.

Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, to you

and through you to the assembled members of this legislature and the guests here, I'd like to introduce two of my constituents. I don't get to introduce people from the extreme southwest of the province very often — it's a long trip. As the member from Athabasca has alluded to for his constituents, I feel similarly.

In the west gallery today, appropriately, are Clare McNab and David Lilley from the town of Maple Creek. David, I met through his role as a journalist for the Maple Creek *Advance Times*. We've had several occasions to meet and converse over the years.

And Clare is somebody I'm less familiar with, but she holds a position of some significance. I can't pronounce the precise title, Mr. Speaker, but she is the individual in charge of the healing lodge in the community of Maple Creek — the first of its kind in Canada.

And I would like you and all members of the House to welcome my constituents here this afternoon.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Remembering The Queen Mother

Ms. Junor: — Thank you, Mr. Speaker. Today a solemn page in history has been written. Today we bury a monarch. Born August 4, 1900, Elizabeth Angela-Marguerite Bowes-Lyon became a royal upon her marriage to Prince Albert, the Duke of York. On May 12, 1937, she and her husband were crowned as King George VI and Queen Elizabeth.

Soon after their coronation, we got our own glimpse of the new King and Queen when, for the first time a reigning monarch visited Canada, and as we are reminded of that by our commemorative plaque in the front of this building.

However, these happy times would come to a sudden end. In September of 1939 the Second World War began. While heads of other European governments fled to Great Britain and then Canada, the Queen declined, choosing to remain in England. Her courage and resolve inspired countless Londoners to have faith that England and her allies would prevail and remain free.

She inspired a nation and a Commonwealth in its darkest hour and garnered tremendous respect by touring and offering comfort to victims during the Blitz, especially after Buckingham Palace was hit in 1940.

Of the 600,000 people that passed her coffin this week, each person had their own remembrance of the woman affectionately known as the Queen Mum — a patron of the arts, a military commander, that nice lady that visited our class, and a lady in every sense of the word.

In the words of her daughter, Her Royal Highness Queen Elizabeth II, April 8, 2002:

I hope that sadness will blend with a wider sense of thanksgiving, not just for her life but the times in which she lived — a century, for this country and the Commonwealth,

not without its trials and sorrows but also one of extraordinary progress full of examples of courage and service as well as fun and laughter.

Today we mourn her passing but we celebrate her life, as she herself would have wanted.

Thank you.

Some Hon. Members: Hear, hear!

(13:45)

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I am honoured also to rise in this Assembly to pay tribute to a very gracious and dignified lady, Queen Elizabeth, the Queen Mother.

Mr. Speaker, there has been a worldwide outpouring of sympathy and support for Britain's royal family who have lost one of their most beloved members. Royalty from around the world attended her funeral earlier today and more than 400,000 people stood outside Westminster Abbey to hear the services. They all came to mourn the little duchess who was perhaps best known for her kindness and her dedication to duty.

The sight of her poor grandsons keeping a silent watch over her is a sight that many of us will not soon forget.

For Canadians, the Queen Mother held a very special place in our hearts. In fact, Mr. Speaker, on the eve of her 100th birthday in August of the year 2000, she was made an honorary Companion of the Order of Canada. She was also a patron of the Canadian Red Cross Society and was grand-president of the Victorian Order of Nurses.

Her visits to Canada were always cause for much joy and celebration. In true Saskatchewan style, the province made sure that her two stops, one in 1939 and again in 1985, were full of pomp and pageantry fit for the Queen.

Mr. Speaker, her ties to the Commonwealth and to all of us have always remained strong and true. And now as she is laid to rest beside her beloved husband, King George VI, all of Saskatchewan and indeed all of Canada mourns with the royal family on the loss of one of the world's most gracious ladies — the Queen Mother.

Thank you.

Some Hon. Members: Hear, hear!

Yom haShoah

Mr. Kasperski: — Thank you, Mr. Speaker. Mr. Speaker, today is Yom haShoah, Holocaust Remembrance Day. This is a day for all humanity to meditate on the 6 million Jewish men, women, and children whose lives were cruelly cut short during the darkest period of human history.

Mr. Speaker, it is an opportunity for us to reflect on hatred and intolerance, evils that plague us to this very day as is sadly demonstrated in the attack on the Agudas Israel Synagogue in

Saskatoon this past weekend.

This day, Mr. Speaker, also provides us with the opportunity to reflect on our commitment to peace and harmony.

Mr. Speaker, many of us in this province, indeed in this legislature, have our ancestral roots in an area once called Galicia that is now part of Poland and Ukraine. My roots are near a community called Buczacz that prior to World War II was the home of a thriving Jewish population of 10,000 persons that was destroyed during the Holocaust.

Two of only a handful of survivors of the Holocaust from Buczacz, Michael and Mina Rosner, settled in Winnipeg after the war. In the late 1980s Mina Rosner wrote a book entitled, *I Am a Witness*, and her visit with her son to Buczacz in 1990 was the subject of a critically acclaimed CBC (Canadian Broadcasting Corporation) Newsworld documentary.

Mr. Speaker, I would like to conclude my remarks with Mina Rosner's own words:

. . . Although the events I recount in this book took place a half a century ago, I feel compelled to speak about them now because of . . . recent occurrences. Increasingly, acts of intolerance and prejudice are brought to my attention. These have stirred an urgent desire in me to try to make people understand the consequences of hate. I have no desire to see the events of the past be repeated to destroy the lives of my children and my grandchildren . . .

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, today is international Holocaust Memorial Day, Yom haShoah, and countries around the world are commemorating this day in acknowledgement and respect of an unspeakable tragedy.

Mr. Speaker, it is important that the victims of this horrific event and their families are never forgotten and that all people, regardless of denomination, stand together to ensure that such an event never happens again anywhere in the world.

We must stand united and oppose acts of anti-Semitism, racism, and any other forms of discrimination and prejudice. The horrors of these acts can only be thwarted when men and women are prepared to take a strong stand against them and those who commit genocide.

We must educate future generations about the evils of racism and prejudice and take steps to put an end to these kinds of acts in our society. The commemoration of this day is especially important with respect to the recent arson at the congregation Agudas Israel Synagogue in Saskatoon.

As leaders in our communities and as members of this Assembly, we must make an important statement to let the people of Saskatchewan know that acts of violence and discrimination simply will not be tolerated in our communities. I know that people all over the world are attending rallies and church services to commemorate this day, and I ask, Mr.

Speaker, that this Assembly hold a moment's silence in remembrance of the Holocaust, the 6 million Jewish people that were killed, the survivors, and their families.

The Speaker: — The member has asked that we hold a minute silence. Is leave granted?

Leave granted.

The Speaker: — Members, please rise.

The Assembly observed a moment of silence.

University of Regina Students Win Debate Competition

Mr. Van Mulligen: — Mr. Speaker, I believe that we in this Assembly of excellent and high-minded debate should recognize the accomplishments of two debaters from the University of Regina.

Recently the team of Erin Weir and Christopher Taylor was one of five U of R debating duos competing at a contest hosted by the University of Saskatchewan. The prize was the prestigious McGoun Cup, emblematic since 1924 of debating superiority in western Canada. Erin and Christopher won seven of the preliminary eight debates and defeated a team from the University of British Columbia in the final.

Mr. Speaker, I am not familiar with all of the rules of formal debate, but I'm told that the speakers are only given the resolution they are to debate 15 minutes ahead of time, and must then formulate their arguments within that limited time frame. I suspect that some of us would find those restrictions daunting.

Members on this side will not be surprised with Erin's success because we have seen him in action as the past president of the Saskatchewan Young New Democrats.

Christopher is an accomplished musician and gives bass lessons to many aspiring young musicians in Regina, including my son, Justin.

Mr. Speaker, I would ask all members to join me in congratulating Erin and Christopher on their achievement.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Tisdale Hockey Team in Air Canada Cup Finals

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, the Tisdale Trojans have secured a birth in the Air Canada Cup.

After a three game round robin this past weekend in Steinbach, Manitoba, the Trojan AAA Midgets won the final game in the western regionals by defeating the Winnipeg Sharks. The Trojans will compete as Team Western in Bathurst, New Brunswick, April 22 to 28. Team Western will represent Saskatchewan, Manitoba, and Northern Ontario.

Mr. Speaker, and members, please join me in congratulating the

efforts of these tremendous young men, their coaches, family, and fans. We wish them the best of luck later this month in New Brunswick. Thank you.

Some Hon. Members: Hear, hear!

Broadview Co-Operative Notes Sales Growth

Mr. Yates: — Thank you, Mr. Speaker. It was another successful year for the Broadview Co-operative which saw sales grow from over \$2 million to \$8.48 million, Mr. Speaker.

Financially Broadview retail (sales) had a very strong year, thanks to you the members and your support and the dedicated staff who brought in record sales of over \$8 million — said president Garry Parker.

But the news gets better, Mr. Speaker. The Co-op handed out equity cheques totalling \$97,224.88 to its members. Non-member sales increased from 1.8 million this year to over 2.8 million. This increase was due primarily to the new business from the new convenience store/gas bar.

The Co-op is also planning renovations for the spring of 2002, Mr. Speaker, which will include an expansion and modification of the current chemical and feed storage.

And finally, Mr. Speaker, a packed crowd was told at the annual meeting and supper at the Broadview Community Centre that sales will continue to grow through the remainder of the year.

Again, another reminder to the opposition that this province works for its people. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Water Quality Improvements

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Environment.

Last year the people of Saskatchewan learned that the NDP (New Democratic Party) had adopted a cabinet decision item in the year 2000 dealing with the supply of safe drinking water in Saskatchewan. This document raised many concerns about provincial water supplies and set out a comprehensive strategy to deal with those concerns. The NDP government said at the time they were working towards the implementation of those recommendations.

Yet in the report from the commission of inquiry studying the contamination into the North Battleford water supply, Justice Laing says, and I quote, “Financial resources committed to the program to date will not accomplish this.”

Mr. Speaker, the NDP said they were going to get serious about providing safe drinking water after the public learned about the cabinet decision item last year.

Will the minister explain why they did not and have not yet

committed the financial resources to follow through.

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Mr. Speaker, I’m not sure where that member was for the last several weeks when we stood up in the Assembly and we spoke about some of the accomplishments that this government had put in place for the last number of years.

For the record, Mr. Speaker, last year it put \$1.4 million into new funding. We hired 11 new inspectors in SERM (Saskatchewan Environment and Resource Management); 4.5 new positions at the provincial lab to make sure that the test results for water is done quicker. We have mandatory certification of water treatment plant operators by 2005. And, Mr. Speaker, again \$30 million to the CSIP program, that’s the Canada-Saskatchewan Infrastructure Program to help assist the communities in meeting some of the water quality guidelines that we often talk about, Mr. Speaker.

And furthermore, Mr. Speaker, this year, 2002 and 2003, we have 18 new positions and \$2.4 million in new funding, Mr. Speaker, bringing that total of over two years of \$3.8 million and 33 new positions, Mr. Speaker. And that includes 9 new inspectors in Environment, 6 new public health inspectors, and . . .

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, I think everyone understands that last Friday what the minister did was he announced the redirection of \$2.4 million towards plant inspections. His . . . Mr. Speaker, we looked into this fudge-it budget and we’d like to know where this money’s coming from.

According to the budget, the Environment department as a whole has been reduced by over \$10 million. Environmental protection which looks after air and water safety, water and waste management, mining, milling and just . . . that’s just to name a few of the areas, had an increase of only \$76,000 for programming. Sask Water’s water quality component of the budget was cut by \$1.1 million. So they can’t be moving it from there.

Mr. Speaker, it simply doesn’t add up. Mr. Speaker, my question is to the Minister of Environment. Which is . . . where is the money in her budget for this extra \$2.4 million expenditure?

Hon. Mr. Belanger: — Mr. Speaker, once again I’ll talk about the progress made and the progress that has to be made, Mr. Speaker. Last year, Mr. Speaker, in 2001 and 2002, funding was approved for 57 water and waste water projects through the Canada-Saskatchewan Infrastructure Program.

(14:00)

The Speaker: — Order. Order, please. Order, please. Order, please. Members, there is far too much . . . Order, please. There is far too much yelling and hollering and screaming while a member is either trying to ask the question and to answer the question. And I ask members to tone it down a bit.

Hon. Mr. Belanger: — Thank you very much, Mr. Speaker. Last year, Mr. Speaker, we helped fund 57 water and waste water projects throughout Saskatchewan, Mr. Speaker. And some of the communities that got funding, Mr. Speaker — and some of the communities that we are now working with today to make sure they don't have any of these problems in the future, and we will continue working with them — include Rama, Mikado . . .

The Speaker: — Order. Order. Order.

Hon. Mr. Belanger: — . . . Benson, Crooked River, Erwood, Fairy Glen, Gronlid, Gladmar, Herschel . . .

The Speaker: — Order. Order. Order. Just try this again.

Hon. Mr. Belanger: — . . . Ridgedale, Spruce Lake, and Zelma, Mr. Speaker. Those are a few communities that we continue working with, Mr. Speaker. And today there is good progress made in those communities, Mr. Speaker.

And furthermore, we have some tough new regulations that many communities have to follow and we will work with these communities, Mr. Speaker. There is good progress being made.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, my last two questions have dealt specifically with the budget of the Department of Saskatchewan Environment and Resource Management and yet the minister has sat glued to her seat. Surely she's not going to allow the minister of Sask Water to be operating her budgets for her as well?

Perhaps, Mr. Speaker, she will answer questions specifically about the regulatory changes coming. Because the NDP's own media backgrounder says these roles and responsibilities will fall within Saskatchewan Environment and Resource Management.

Justice Laing has recommended, and the NDP have said that they do intend to introduce, new safe drinking water regulations. These regulatory changes are expected to have a huge impact on municipalities — not just in the area of responsibility, but economically as well.

Will the minister of SERM tell us when these regulations will be made public and when the province intends to have them take effect.

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Mr. Speaker, on behalf of government I'm going to point out again that we're not going to play politics with this file. We're going to continue moving forward. There's good progress being made; there's some good rules and regulations that are being drafted up, Mr. Speaker; and there's some good ministers handling the many complex files associated with water quality, Mr. Speaker.

And furthermore, what aggravates the people of Saskatchewan, Mr. Speaker, is that opposition. Because not only, Mr. Speaker, have they voted against the many budgets that we talk about in

terms of the progress made, but they even went after the workers that we hired in the last couple of years because they didn't want to see any public health inspectors. And now they have the audacity to get up and say hold it; well we made a mistake; we didn't do this right and now we want to defend them. Well, Mr. Speaker, leadership is about standing up for things right from day one and not folding.

And on this side of the House, we believe working in partnership with the communities and putting forward a plan of action — a plan of action, Mr. Speaker, to finally address some of the water challenges in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, it's amazing that the answers and the person providing the answers bore absolutely no relationship whatsoever to the question.

Mr. Speaker, however, that minister keeps saying that 70 per cent of Saskatchewan people have safe drinking water. Well I ask him, Mr. Speaker, what about the other 30 per cent? Is the NDP just content to write those communities off?

As one example, Justice Laing has recommended that if a municipality has a history of non-compliance in supplying bacteriological samples, SERM should appoint new management at the municipal level, at the municipality's cost; or that SERM should rescind the community's operating permits and licences.

Right now in Saskatchewan, there are 33 communities that aren't meeting minimal water standards; 44 communities in total that have boil-waters . . . boil-water orders in effect. Is SERM going to take these communities over right now and just bill the taxpayers, Mr. Speaker? What plans does the province have to help these communities meet the minimum water standards and be able to comply with the proposed regulatory changes?

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Mr. Speaker, we have announced Friday and we'll continue announcing over the coming weeks what our strategy and our plan is.

We do have a plan, Mr. Speaker, and that plan talks about certification of operators; that plan talks about inspection; that plan talks about adding new people at the provincial lab; that plan talks about putting major dollars into the infrastructure planning; that plan talks about working alongside the community; that plan makes sure that all the community members know what their water system is all about; that plan provides transparency — that plan does a number of things, Mr. Speaker. That plan affords very thorough . . . a very thorough approach to meeting some of the water quality standards that this province needs and that this government is going to implement, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker,

one of the proposed regulatory amendments recommended by Justice Laing is that the NDP make it an offence to knowingly operate a water treatment facility in contravention of the operational requirements set out in the operating permit.

Right now 44 communities in Saskatchewan are under boil-water advisories, and another 120 have deficient treatment systems. Now the leaders in these communities know about their water problems. Is the NDP suggesting that these people should be charged?

Already municipal volunteers across the province are ready to wash their hands of any civic involvement if the province insists on holding them criminally responsible for water quality problems.

Mr. Speaker, will the minister explain if the NDP are proposing to lay charges against people who don't comply with their regulations and, if so, what the charges and the penalties would be.

Some Hon. Members: Hear, hear!

Hon. Mr. Belanger: — The opposition is fearmongering. What the commissioner has recommended, that we look at a series of steps to make sure that people are complying.

And what I want to point out, Mr. Speaker, the 44 communities that are out on a boil-water advisory, that list remains fluid. Some come off and some go on. We'll continue focusing on the 30 per cent of the people in Saskatchewan that do have some challenges. And I can assure you, Mr. Speaker, that we're going to continue building on the success we've had in the past couple of years through our plan. We have a plan on this side of the Assembly, Mr. Speaker, and that plan will be designed in concert with our partners.

And I would say I'm offended — him being a former mayor — that he should know many mayors and many reeves and councillors take very seriously their role to make sure that safe water is delivered to their community residents. And I'm ashamed to see that kind of attitude come from that side, because mayors and reeves and councillors do a good job and they'll continue doing a good job. And we're going to work alongside of them to make sure they understand the rules and that the penalties are in place, and they're fair, and that they protect the public health, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, The NDP's don't-worry, be-happy communications strategy is failing. The minister can talk all he wants about partnerships and working with communities to solve water problems. But those communities know full well that it was the NDP that slashed water quality monitoring programs, slashed inspection budgets. And they did all of this knowing full well they were compromising the quality of our drinking water.

Mr. Speaker, they knew for over the last 10 years that they were risking the health of Saskatchewan people. The NDP knew; the NDP are responsible. And now the NDP are threatening to throw municipal leaders in jail if they don't comply with their

new regulations.

Mr. Speaker, Justice Laing said that for the last 10 years the NDP has been indifferent to water quality concerns. And their response to his report indicates that that indifference is continuing.

Mr. Speaker, when is the minister going to take responsibility for the contamination of North Battleford's water supply and quit passing the blame on to Saskatchewan communities?

Hon. Mr. Belanger: — Mr. Speaker, this is how silly this opposition is. First of all, yesterday they stood in the Assembly, and we all agreed in this Assembly that we would have a debate on water quality. And they accepted the recommendations of Justice Laing.

Justice Laing done some good work. He found out what went wrong and how we can stop it from ever occurring again. And they stood up in this Assembly yesterday talking about the recommendations and how great a job he done and how these recommendations should be applied. And now today they're saying well hold it; the recommendations aren't that good because they're going to charge civic leaders.

Now what I would say to that opposition is — I've said it time and time again — shame on that member and shame on that opposition. They are playing politics with a very crucial issue, Mr. Speaker.

This is a federal, this is a provincial, this is a local, this is a First Nations co-operative effort to build a good quality water system for all people of Saskatchewan, Mr. Speaker, and shame on them for bringing politics into the picture.

Some Hon. Members: Hear, hear!

Investments by Saskatchewan Government Insurance

Mr. Wall: — Thank you, Mr. Speaker. My question is for the minister responsible for the Crown Investments Corporation. Mr. Speaker, will the minister confirm for the Assembly that the NDP through SGI (Saskatchewan Government Insurance) have made a major investment in an Alberta-based insurance company called Hi-Alta Capital?

Hon. Mr. Sonntag: — Thank you very much, Mr. Speaker. I was wondering where my critic was over the last number of weeks.

Mr. Speaker, I would certainly say to that member that . . .

The Speaker: — Order, order. First of all, it's getting a little loud again, but I would also bring to the member's attention, he's not to refer to the presence or absence of any member in the House.

Hon. Mr. Sonntag: — I was not . . . I was wondering where the questions were, Mr. Speaker.

Mr. Speaker, the Crowns, as SGI has done, Mr. Speaker, invest in a number of ventures, Mr. Speaker, and SGI is no different than any of the rest of our Crowns. They're spreading risk,

they're ensuring jobs back here in Saskatchewan, Mr. Speaker. risk.

Mr. Wall: — Mr. Speaker, to the minister through you: yes or no — has SGI made a major investment in an Alberta-based company called Hi-Alta Capital?

Hon. Mr. Sonntag: — Mr. Speaker, SGI has been working with Hi-Alta. Yes, they have, Mr. Speaker. But what they were doing, Mr. Speaker, is they're spreading risk, Mr. Speaker. In fact, in addition to that, they're keeping the rates low, amongst the lowest in all of Canada, Mr. Speaker.

If you look at what happened in Alberta just recently with the increase there, Mr. Speaker, Saskatchewan people should be proud of what SGI has to offer here in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. Well I guess we'll have to assume that the minister's answer is yes. And that jives with what the official opposition Saskatchewan Party has learned, Mr. Speaker, which is specifically that in August of last year, the NDP invested about \$1.7 million in a company called Hi-Alta Capital based in Alberta. And we also know, Mr. Speaker, that this particular company is currently competing with other Saskatchewan-based brokers.

But what we've also . . . what we also know, Mr. Speaker, is that the government, the NDP have not made any announcement about this particular investment — neither the minister nor SGI. We have searched through the orders in council and there is no OC, Mr. Speaker, about this particular deal, calling into question whether even cabinet has approved it or not. And finally, we know that there has been no significant transaction report filed with the Standing Committee on Crown Corporations as is the NDP policy when such an investment is made.

So, Mr. Speaker, the question to the minister is this: why has the NDP government not made any announcement about this deal? What are they trying to hide?

Hon. Mr. Sonntag: — Mr. Speaker, they're absolutely trying to hide absolutely nothing, Mr. Speaker.

Mr. Speaker, SGI . . . we've been very public about what SGI has done, Mr. Speaker. They've invested in a number of ventures to try and spread the risk across, across the ratepayers, the people that buy insurance through SGI. We've made very public our investments in Prince Edward Island, Mr. Speaker. We've made public our investments in Ontario.

Mr. Speaker, this is no different. We're trying to spread the risk for Saskatchewan people to ensure that we get the lowest possible rate . . .

The Speaker: — Order. Order, please. Once again there are too many people participating in the debate. It should be one person at a time.

Hon. Mr. Sonntag: — Mr. Speaker, rather than criticize, we should be proud of what our Crowns have done. And in this case, Mr. Speaker, SGI is reducing the rates and spreading the

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. The minister says he has nothing to hide. Will he then, Mr. Speaker, undertake today to table in the Legislative Assembly any public communications that either SGI or his office has made to inform the taxpayers of this deal. And will he commit today to table the details of this latest NDP investment in the province of Alberta.

Some Hon. Members: Hear, hear!

(14:15)

Hon. Mr. Sonntag: — Yes, Mr. Speaker, I think it's clear that the people of Saskatchewan support what our Crowns are doing, Mr. Speaker — that's investing in Saskatchewan, Mr. Speaker; that's investing outside of Saskatchewan to ensure that we can bring profits back into our province to ensure that risk is spread by SGI, Mr. Speaker. And that's exactly what we're doing. We're ensuring we have the lowest rates, as evidenced by the rates that the people of Saskatchewan pay today.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. Mr. Speaker, I've been contacted by a number of independent brokers here in the province of Saskatchewan. They've been made aware of this deal thanks . . . no thanks to the government, Mr. Speaker, but they have been made aware of this deal. And they have some very specific questions.

Their questions are, Mr. Speaker, how could the NDP government take approximately \$1.7 million, invest it in the province of Alberta in a corporation that has now since come into the province of Saskatchewan and is competing directly against independent businesses in the province of Saskatchewan?

Mr. Speaker, to the minister: how could the NDP take 1.7 million taxpayers' dollars, invest it in an Alberta company to compete with Saskatchewan business men and women? How in the world can they justify that, Mr. Speaker?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Mr. Speaker, the hypocrisy of this argument just . . . I cannot understand it, Mr. Speaker. Now he's against competition. The party of free enterprise is against competition, Mr. Speaker. Mr. Speaker, Hi-Alta . . .

The Speaker: — Order, please.

Hon. Mr. Sonntag: — Mr. Speaker, I hear the members over there saying that competition is wonderful. I agree with them. You know that, Mr. Speaker? I agree with them.

They're saying that taxpayers' dollars are being used for competition. I disagree. The last time taxpayers' dollars were used, Mr. Speaker, was back in the early 1990s when we had to take money from the General Revenue Fund and move it over to Crown Investments Corporation to pay for the debt that they

racked up in the Crowns, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — You know, Mr. Speaker, any one of us, anybody in the province can go into SGI today and you can get insurance to protect you from hail damage; you can get insurance to compensate you for maybe damage from a rainstorm; you can get insurance to compensate you from damage from a windstorm. But if SGI wanted to do the province a favour, Mr. Speaker, they would invent an insurance product that would protect us from the worst natural disaster that has occurred in the province of Saskatchewan — this NDP government.

Some Hon. Members: Hear, hear!

Mr. Wall: — We need some NDP insurance, frankly, Mr. Speaker, if hurricane Maynard is going to continue to blow in the province of Saskatchewan.

Mr. Speaker, Mr. Speaker, this province has lost 12,000 jobs in the last two years, while the rest of the country's job market is on fire, as the local media are saying.

Will the minister explain for the Assembly and the people of the province how investing in an Alberta company that competes with Saskatchewan business men and women — how does that create jobs in the province? How does that grow Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Well, Mr. Speaker, maybe I need to speak more slowly; I'm not sure, Mr. Speaker.

Mr. Speaker, what we do — individual Crowns, Mr. Speaker, they make investments, they earn revenue, they bring it back to Saskatchewan, Mr. Speaker, bring it back to Saskatchewan, which ensures jobs here in Saskatchewan. It's no more complicated than that, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Well the minister raises an interesting point, Mr. Speaker. He says that the profits from this investment will come back to the province of Saskatchewan. So will he inform the Assembly then, what part of this deal, what part of this investment in Hi-Alta Capital ensures that the profits that company makes in Alberta will come to the province of Saskatchewan? Will he outline that for the Assembly?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Again, Mr. Speaker, I'll speak slowly again.

It's not complicated. When you make investments and you make profits on those investments, Mr. Speaker, that money comes back into the parent company, Mr. Speaker. That goes to supporting and securing jobs here in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Wall: — You know, Mr. Speaker, the minister says that we

don't understand competition. Well we understand something very clearly about competition. We understand, Mr. Speaker, that Saskatchewan business men and women are sick . . .

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

Mr. Wall: — We understand very clearly, Mr. Speaker, that Saskatchewan business men and women are sick and tired of competing against their own tax dollars, their own taxpayer-paid-for resources, thanks to this NDP government. That's the kind of competition they're sick of.

Mr. Speaker, the question to the minister is simple. How does investing in an Alberta company that will then compete with Saskatchewan business men and women here in the province, how does that grow our economy? How does that grow Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — It's very clear to me. Much like that member criticized SaskTel, now he's starting on SGI, Mr. Speaker. And it will carry on with all the rest of the Crowns, Mr. Speaker.

Their agenda is real simple, Mr. Speaker. It's to so discredit our Crown corporations so that they can strip equity out of there, Mr. Speaker. They can try and convince the people of Saskatchewan, if they ever became government, that they should justify selling the Crowns. That's their agenda, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you. Thank you, Mr. Speaker. Mr. Speaker, since we seem to have a bit of a bonus time here, we'll give the minister a bonus question. And the bonus question goes something like this: if the minister is so convinced about the merits of this deal, why won't he commit to lay on the table today both the communications the government made to the public about this investment they made on their behalf, and also the details of the latest NDP investment in the province of Alberta?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Does this mean I get a bonus answer as well, Mr. Speaker? Thank you very much.

Mr. Speaker, with the exception of the 1980s and the early 1990s, Mr. Speaker, when they were in government, Mr. Speaker, the reason we do this, Mr. Speaker, is we take revenues from the investments from the Crown corporations, we put them back into dividends and those flow into the General Revenue Fund to provide all kinds of service to the people of Saskatchewan.

The only time that didn't happen, Mr. Speaker, was back in the 1980s and 1990s, early 1990s, Mr. Speaker, when they were in power and there was no revenue from the Crowns to flow back into the General Revenue Fund, Mr. Speaker. That's why we make those investments, Mr. Speaker.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 21 — The Collection Agents Amendment Act, 2002

Hon. Mr. Axworthy: — Thank you, Mr. Speaker. I move that Bill No. 21, The Collection Agents Amendment Act, 2002 be now introduced and read the first time.

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

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Mr. Speaker, I'm very pleased today on behalf of the many civil servants who worked long hours to put together the material to answer these few questions today, Mr. Speaker, to table responses to questions 70, 72, 73, 74, 75, 76, and 77, Mr. Speaker.

I move that we convert for debates returnable.

The Speaker: — Item 72 converted to . . . Item no. 72 converted.

Why is the member on his feet?

Hon. Mr. Lautermilch: — Mr. Speaker, before orders of the day, I would like to ask for leave of the Assembly to move a motion in regards to the membership of the Standing Committee on Crown Corporations.

Leave granted.

MOTIONS

Substitution of Members on the Standing Committee on Crown Corporations

Hon. Mr. Lautermilch: — Thank you, Mr. Speaker. I move:

That the names of Mr. Harry Van Mulligen, Ms. Pat Atkinson, Mr. Kim Trew, and Mr. David Forbes be substituted for those of Mr. Graham Addley, Mr. Warren McCall, Mr. Andrew Thomson, and Mr. Kevin Yates on the list of members composing the Standing Committee on Crown Corporations.

This motion is seconded by the member from Moose Jaw North.

Motion agreed to.

PRIVATE MEMBERS' MOTIONS

Motion No. 2 — Development of Ethanol Industry

Mr. Prebble: — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure this afternoon to move a motion that

expresses support for the ethanol initiative that our government has announced in the last couple of weeks, Mr. Speaker. This is one of the most exciting new economic development initiatives that the province of Saskatchewan has announced and I'm very proud that our coalition government is moving forward with this, Mr. Speaker.

Our vision is to build an ethanol industry for the province of Saskatchewan that will create new employment opportunities, that will create a more environmentally friendly transportation system, and that will see a future, Mr. Speaker, in which ethanol-blended gasoline is ultimately mandated in the province of Saskatchewan and used by all motorists in Saskatchewan, Mr. Speaker.

And this strategy, this strategy for a greener future by way of an ethanol-blended gasoline, Mr. Speaker, that future is one in which we envision, first of all, the opportunity to create employment in many parts of rural Saskatchewan. And the strategy is combined with other green initiatives in wind power and in energy conservation. So in effect, Mr. Speaker, this is one part of a larger green economic development strategy.

Earlier this year, Mr. Speaker, our government announced a second wind power project, and at that time we said that we would build new wind turbines in the Gull Lake area. So we've completed the first set of wind turbines, Mr. Speaker, 17 new wind generators that are now operating in Cypress Hills, and we're going to embark on the construction of 9 more turbines this summer.

And combined with that, Mr. Speaker, we've announced a number of important investments in energy conservation. We have for instance announced that we will be providing, and are providing right now, prime rate loans for homeowners that install high-efficiency furnaces in their homes.

(14:30)

We've also announced a major investment in energy conservation in our senior citizens housing units in the province that are government-owned, Mr. Speaker. And we're retrofitting 11,000 seniors housing units in the province of Saskatchewan — both to make those units more comfortable for the residents and also to save taxpayers' money through reduced utility bills. And we'll be cutting utility bills in those 11,000 seniors units by 10 per cent, Mr. Speaker.

We're also undertaking major retrofit work in a number of government buildings — larger government buildings — 70 in all. And again that'll be a savings of . . . on utility costs for taxpayers and a reduction of greenhouse gas emissions that are contributing to climate change.

So we're pursuing this green energy policy on a number of fronts, Mr. Speaker — in the front of wind power, in the area of energy conservation, and in the area of ethanol. And it's the area of ethanol that I particularly want to speak to this afternoon.

Now, Mr. Speaker, our government is . . . has outlined a comprehensive . . .

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

Hon. Mr. Hagel: — To raise a point of order, Mr. Speaker.

The Speaker: — Would the member state his point of order.

Hon. Mr. Hagel: — Mr. Speaker, I've just had opportunity to consult with colleagues and . . . regarding a comment made by the hon. member for Swift Current in question period that I wish to bring to your attention, would ask you to rule.

I believe it has been confirmed that my hearing was correct, or certainly shared by other colleagues, that in his comments during question period the hon. member for Swift Current referred to the hon. minister responsible for the Crown Investments Corporation as hurricane Maynard.

I would suggest, Mr. Speaker, that that is a disrespectful reference which violates the rules of the House and the conduct in reference to hon. colleagues in the House. And I would ask that you would review the record and then call the hon. member for Swift Current to order for his violation of the rule.

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

Mr. D'Autremont: — To respond to the point of order, Mr. Speaker.

Thank you, Mr. Speaker. Mr. Speaker, as we all know, that hurricanes are named from A to Z and can have any name. And I'm sure that the member from Swift Current was simply picking a name at random, Mr. Speaker, of a number of different natural disasters that have occurred around the world, and this was simply just one example.

The Speaker: — I thank both members for bringing their points of order to my attention. I shall review the record and bring back a ruling.

Mr. Prebble: — Thank you very much, Mr. Speaker. Mr. Speaker, it's my pleasure now to outline in summation form the policy of the government as it pertains to the development of an ethanol industry in the province of Saskatchewan.

And the first aspect of our new policy, Mr. Speaker, is that we are effectively eliminating the provincial fuel tax on ethanol that is both produced in Saskatchewan and consumed in Saskatchewan by way of a rebate.

I want to clarify, Mr. Speaker, that we are not eliminating the tax on ethanol that's imported outside the province. We're eliminating the tax on ethanol that's produced in Saskatchewan with the view to creating employment opportunities in Saskatchewan and providing an incentive for new ethanol production facilities to develop in this province, Mr. Speaker. And I think that's a much sounder policy than simply eliminating the tax on all ethanol that's sold in the province. So this is an incentive policy, Mr. Speaker, that's designed to encourage the development of ethanol production facilities in Saskatchewan.

Secondly, Mr. Speaker, we have introduced legislation into this

Assembly to permit the mandating of ethanol-blended gasoline to be sold in Saskatchewan.

And, Mr. Speaker, I'm very proud to say that we are the first jurisdiction in Canada to introduce such legislation. And the purpose of this legislation, Mr. Speaker, is not that ethanol-blended gasoline will be immediately sold in the province, because we're not in a position to do that yet. The purpose of the legislation is that when we have sufficient production facilities in the province of Saskatchewan producing ethanol to allow all gasoline that is sold in Saskatchewan to be a gasoline-ethanol blend, when we're at the point where we have adequate production facilities to do this, cabinet, the cabinet of the day can immediately mandate an ethanol-gasoline mix, Mr. Speaker.

And I think that's going to be very important. This legislation is a clear signal to the industry that we're very, very serious in the province of Saskatchewan about developing this industry. And as soon as it's possible to mandate by law a blended gasoline, a gasoline-ethanol mix, we shall do so. Cabinet shall do so, shall do so. And that's an important signal to producers of ethanol, to retailers in the gasoline industry, and to all Saskatchewan motorists and consumers, Mr. Speaker.

Third, Mr. Speaker, our government is committed to working with the federal government and other provincial governments to remove barriers on the export of ethanol from the province and from our country, Mr. Speaker.

We see a very promising market in the United States for ethanol and clearly the United States, Mr. Speaker, is looking to reduce its imports of oil from outside North America and particularly from parts of the world where there is less security with respect to supply and growing instability, Mr. Speaker. I think there is a real opportunity for Saskatchewan to supply ethanol to American customers, again for the purpose of blending it with gasoline to allow American motorists to have a blended gasoline mix.

Fourth, Mr. Speaker, it's our intention to encourage the Government of Canada to also legislate a mandatory blending of ethanol gasoline in Canada. We want to see legislation that goes beyond the legislation that we've introduced in this Assembly that will only pertain to Saskatchewan. And our vision, Mr. Speaker, is for a policy that would be adopted by the Government of Canada that would require mandatory blending of ethanol and gasoline that would be available to all Canadians.

So we're taking the first step here in this legislature mandating ethanol gasoline for all Saskatchewan residents as soon as our production facilities are up to speed. And it's our intention at the same time to promote this same kind of legislation at the national level. Mr. Speaker, we're also going to work with wholesalers and retailers to develop a market for ethanol-blended fuel, of course, in our province.

Now, Mr. Speaker, I want to turn to, first of all, discussing some of the environmental advantages of our new policy. And one of the things that I think is very exciting about a future in which we would see ethanol-blended gasoline mandated in this province is that we can anticipate, as a result of this, improved

air quality for Saskatchewan residents and reduced greenhouse gas emissions from our transportation sector in the province of Saskatchewan.

Environment Canada, Mr. Speaker, has estimated that a mix of 10 per cent ethanol and 90 per cent gasoline can reduce carbon dioxide emissions by as much as 30 per cent. It can also, Mr. Speaker, reduce carbon monoxide emissions by as much as 30 per cent.

So we're looking at a very substantial reduction of both carbon monoxide and carbon dioxide, Mr. Speaker. And that is one of the major advantages of using ethanol.

Ethanol, Mr. Speaker, also offers other important advantages by way of a reduction of toxins in our air and it's a very important alternative to a lot of the octane enhancers that are currently on the market in Canada, Mr. Speaker.

It can replace the use of MMT (methylcyclopentadienyl manganese tricarbonyl), which we know to be a very toxic carcinogen, Mr. Speaker, and it can also substitute for aromatic hydrocarbons which include the carcinogen benzene.

So, Mr. Speaker, the introduction and promotion of ethanol in our transportation system not only offers us the opportunity to reduce greenhouse gas emissions but it offers us the opportunity to reduce other cancer-causing agents that we often find in today's gasoline that is used as fuel in our cars, Mr. Speaker.

So in terms of protecting the safety of those and reducing the risk of those who pump gasoline and reducing . . . and improving air quality in our cities, ethanol offers a very attractive opportunity for the people of Saskatchewan. And it's for these reasons, Mr. Speaker, that as a government we're very anxious to promote it.

Now, Mr. Speaker, I want to say a word about some of the economic opportunities that developing the ethanol industry in Saskatchewan offers the people of Saskatchewan, Mr. Speaker. And I want to start by saying that we are in a very good position here in Saskatchewan to take advantage of building an ethanol industry.

We have all the basics that are required for a successful ethanol industry here in our province. Mr. Speaker, we have an abundance of the kinds of raw materials that are needed for ethanol. We have reasonably priced land. We have of course an excellent grain industry here in the province of Saskatchewan. We have relatively inexpensive electrical power. We have extensive water supply here in our province, and we have an extensive transportation infrastructure, both in terms of rail and road that are needed to move ethanol to market. And of course, Mr. Speaker, we have reasonably priced farmland.

And the combination, Mr. Speaker, of all those things puts us in an excellent position to be . . . not only to have a strong made-in-Saskatchewan ethanol industry, but also to be competitive on the export market in terms of ethanol.

Mr. Speaker, I also want to mention that there are attractive opportunities in terms of employment from this industry. If we agree with some experts and say that in the near future

Saskatchewan could easily have a 400 million litre per year industry here in this province for ethanol production, then we can assume that ethanol will create at least 450 direct and indirect, permanent jobs in the province of Saskatchewan, Mr. Speaker. And that's . . . That would be a very welcome addition because many of those jobs would be in rural Saskatchewan.

In addition, Mr. Speaker, there are important spinoffs to the development of an ethanol industry in our province, including a larger cattle industry with meat packaging plants, and the increased usage of rail lines in our province, Mr. Speaker.

Now, Mr. Speaker, we as a government estimate that if ethanol was used in 50 per cent of Canadian gasoline, it's projected that 3 to 6,000 jobs would be created as a result. And, Mr. Speaker, that would be a significant potential opportunity for both the people of Saskatchewan, and other portions of Canada that are significant agriculture producers, Mr. Speaker, in the grain industry. So the opportunities here are immense.

Now, Mr. Speaker, it's my pleasure at this point to formally move the motion, and I would like to, at this time, Mr. Speaker, move that . . . seconded by the hon. member for Regina Qu'Appelle:

That this Assembly support the ethanol policy released by the government, a policy that will create the environment for building a vibrant ethanol industry in Saskatchewan.

Mr. Speaker, I so move. Thank you very much.

Some Hon. Members: Hear, hear!

(14:45)

Hon. Mr. Wartman: — Thank you very much, Mr. Speaker. It is a real privilege for me to be able to stand here today and to speak in support of this motion, and also to have had the opportunity to work on developing a greenprint on ethanol for the province.

I'd like to go back and just look again at the history of this project. Long before I was elected to government, long before I was born, ethanol was a fuel that was used and contemplated for use in North America and throughout the world.

Most people will know that ethanol has actually been around from the very early time of humanity where people fermented their grains and drank them and then later on distilled that wine to make alcohol, which is basically what ethanol is.

So it's been around for a long time and I know that during the 20s and 30s we had some real expert producers of ethanol in North America, and I'm told that there are still a few of those producers around the province. But that's not the aspect of ethanol that we're looking at, Mr. Speaker.

What we were looking at in this province is the potential of developing an industry that will help on a number of fronts — it will bring jobs to rural Saskatchewan; it will help protect our environment; and it will provide . . . has the potential to provide a major new crop emphasis in this province.

So to move it forward a little bit, the government over many years looked at ethanol as a possibility, and during the 80s and into the 90s there was development of ethanol but it wasn't timely and technologies were such that it was very difficult to make it go without subsidizing that industry.

But through the midst of that we had one operation that persevered, partly due to the people who were involved and partly due to the support that they were provided by government and by one of their partners, Husky — Mohawk at the time — and that's the Pound-Maker facility. And I would like to pay tribute to not just their CEO (chief executive officer), Brad Wildemen, who has done a tremendous job working in this industry, but to the board and the people who invested in that and who persevered through the more difficult years.

But I would like to say that as I travelled around the province this past year, many, many people spoke to me about Brad Wildemen and the kind of work that he had done, how he had encouraged them to look into this industry. So we did have one facility that was producing between 10 and 13 million litres and that's an integrated facility.

Mr. Speaker, I'd like to just explain a little bit about an integrated facility and how they operate. An integrated facility like Pound-Maker's has a beef feedlot that is directly connected to an ethanol facility. They take the grain in and the grain, after much testing and checking, the grain which they use basically is feed wheat. They take this in; they crush it. They mix it with water, with yeast, and they brew it. They distill it and produce ethanol.

But in producing that ethanol, there are by-products that come out. One of them is the stillage, which is basically the water that is pressed out of the mash. That water is piped out to the cattle. It's a high value nutrient that goes out to the cattle for their watering.

And the second by-product which they use is they take the mash then which has been pressed. It is still wet. They take that. They blend it with other grains, other feeds, and they feed it to the cattle. Now it's particularly good for those cattle who are just beginning into the feed process. It's high protein and really helps with gains there. And they blend differently as the production goes along.

But this integrated facility provides many jobs, not just for the people involved in the ethanol production side but also in the feedlot side of the production. It also is a benefit for the people in the area immediately surrounding Pound-Maker, which is by Lanigan, Saskatchewan.

Many of those people own some shares in the operation and many of them are farming in the area. Some of them produce the feeder cattle that go into the lot. Some of them produce some of the other grains that are blended in and they gain on each of those fronts.

The other place where they gain, Mr. Speaker, is on the far end of the whole process, where they also are able to take the manures that are produced in the feedlot and spread that on their land. So we have a nice synergy going in the integrated type

facility.

Now there have been concerns about some of the environmental aspects of that kind of an operation, and I would say that the Pound-Maker operation has been very cognizant of those and has now started to compost its manures and they're being very careful about where these things are done. And so when they're spread now, there is less risk of contamination and nutrient is provided for the soil; the crops give better returns.

And it's just basically a benefit for all who are participating in that integrated facility in the region. So that plant, Mr. Speaker, was there long before I ever got involved in the issue of ethanol, and certainly long before . . . Excuse me, Mr. Speaker, I'm not understanding the comment. Okay.

Mr. Speaker, the . . . Long before I got involved, that plant was going. It was very successful, developing well. And our government started to look at the possibility of developing this. There were people in Agriculture working on this, there were people in Economic Development working on this, and there were people in Environment, in SERM, working on this issue.

In 1999 I was fortunate enough to be elected to this legislature. And one of the realities, which I've mentioned before, is that the constituency that I represent has about 20 per cent rural. And so I felt it incumbent on me to learn about some of the issues in rural Saskatchewan and to try and find ways that I could help build the economy in rural Saskatchewan.

So I started to look and inquire, and one of the issues that came forward was the issue of ethanol development. And a young man in my constituency who works for Associated Engineering, Darren Anholt, began to encourage me to look further, opened up a number of Web sites for me, and introduced me to Dr. Keith Hutchence from the Saskatchewan Research Council.

And with these two people encouraging my development of understanding, I really worked at trying to gain as full a perspective and understanding on ethanol and what the potential was for ethanol development in this province.

As a part of that, when my interest grew, my understanding grew. I began to try and encourage members of the caucus to also look further at this, and so we were able to put together a seminar for our caucus to look into this and to talk to and listen to Dr. Keith Hutchence talk about what the potential for ethanol development is.

That seminar was very informative. And just to jump ahead a little bit, when we got down to the leadership contest in the New Democratic Party, a number of the candidates were drawing from that information to talk about the potential of an ethanol plan for the future.

So we used that as a base and began to develop a deeper understanding. My work on that area kind of was put on hold a little bit during the leadership, but I still felt that it was a piece that we needed to develop as fully as we could.

One day I was contacted by Mr. Murray Mandryk, a reporter for *The Leader-Post*, who was asking what we were doing in the leadership campaign. He noted that Chris Axworthy had a

position on ethanol and that Scott Banda had a position on ethanol, and wondered where we were on that.

And so I started to talk to him about the work that had been done on that to this date. And I went into, I gather, too much detail because I thought, Murray's either doing a home building project or he's . . . something else is happening. But I realized he was snoring. And I gathered I'd gone into too much detail on it and he really wasn't that interested in the kind of thoughts that we had about where it might be projected down to the future.

But I do want to say this was long before there was any kind of surfacing of any, any plan or any notion coming from our members opposite. This was long before they revealed their plan on ethanol, which, Mr. Speaker, could have easily been taken out of any of the newspaper articles that were there during the leadership and then encapsulated as their plan on ethanol.

So given that little bit of history then, I'll go back to the story of our development, of how as we worked on that I began to find out the kind of work that had already been done in Economic Development, Sask Ag and Food, and in SERM. And I was quite excited about some of that groundwork that had already been laid and was very, very pleased then when I was appointed in May to, to head up the development of a greenprint for ethanol for Saskatchewan.

And there are a couple of pieces that I found extremely helpful and I think I passed some of this information on to members of the opposition during the development phases. I talked with the member from Last Mountain-Touchwood, who was also interested in this, pointed him toward Dr. Keith Hutchence and his document which he had produced, called, "Saskatchewan and the Ethanol Energy Economy."

And I have to say that I couldn't put it other than Dr. Hutchence is visionary. The view and the understanding that he had of how the ethanol industry could be developed in this province is worth a read by anyone. And he's gone beyond just the . . . just this work that he's done. Second book will probably be published by the Research Council in the not too distant future.

So after my appointment, I started to be able to take in more seminars, more educational events around the province, and to meet with people throughout the province, who were interested in the development of ethanol.

And I had one rather disturbing, disappointing experience during that time, Mr. Speaker. I had found out that there was going to be a international conference on ethanol in the United States. And I shared that with members opposite saying that, you know, this is good for Saskatchewan, this conference is coming up, it would be really good if one of you might partner with me so we could go down and do that.

I won't name the constituencies of those members, but just suffice it to say that I approached a couple of them. I approached their House Leader and suggested that this would be a good idea. He said not over his dead body. I agreed to that, but he didn't go for it either, Mr. Speaker.

And so this . . . the impression I got was that it wasn't going to

happen. There would be no partnership agreement. And so what happened, Mr. Speaker, was that on the sly they sent one of their members down who came back afterwards and made a great member statement about how I hadn't been at this world ethanol conference and was . . . I was disappointed just at the level of rancour that there was around that. And it's just part of, I guess, the dynamics of the politics that happens around these things as you vie for recognition.

But that was just one of those little, little things that happened. And I have to say that there were members opposite who spoke about that and were chagrined at the way that that had unfolded. And I did appreciate that and the comments that they made during that process.

I think that through that process, I tried always to not only keep them informed but to be very open with people throughout the province as we talked about this development, Mr. Speaker.

And I went out and spoke . . . I think one of the first large public events that I spoke at was in Melville. And Melville had really developed a lot of interest in this. The member from Melville had been really involved in encouraging this development. The community people had been working on this. They had looked at a whole number of ways that they might help build their community. And one of the things that they were hoping was that they would have a real good, deep, hot water well; they could use some of that heat in the process. Unfortunately, the . . . that part of it didn't work out. But they still felt that they could possibly do something in the ethanol development.

And so I went out to this meeting, and I think there must have been between 150 and 200 people out at that first meeting at least. And they very clearly were interested in the development of an integrated type facility, they were looking at a large facility. And we were able to talk somewhat about the kind of sizes, what you can get as an optimum size according to analysis that we had done.

Part of our, part of our work on this process was to hire a consultant. And we hired S&T Squared Consultants' Don O'Connor to do a very solid economic and scientific and engineering analysis of ethanol development and what the potential is there.

I'm told by the former member or — pardon me — the former minister of energy and mines that that has been released, that report has been released and is available for public scrutiny as well. But it has a lot of detail about what the potential is of this industry in Saskatchewan, and tremendous analysis on the economic potential.

(15:00)

So through this analysis, as I looked at the information that came in and worked with Economic Development, worked with Ag and Food, I began to form the basic vision of what we might do in this province.

And my recommendation was after looking at this, that in a preliminary stage what we do is try and set as a goal about a 400 million litre industry by January 1, 2005. And that this

basically be done by the government trying to set the environment through taxation and regulation changes that would really enable and encourage a private industry to develop.

I'm told, Mr. Deputy Speaker, that the opposition was running around scaring all these people who were interested by telling them that we were going to form this ethanol Crown corporation. And so a number of communities that I went to, a number of individuals that I spoke to, I had to put that rumour to bed and make very clear to them that we were not looking at setting up any kind of an ethanol Crown corporation.

But we're clearly looking at trying to set the right environment through taxation and regulation that would enable private industry to develop this industry. So we looked at setting a goal of some 400 million litres in a grain-fermentation-based industry, and we look at that as a primary goal. Secondary goal, but a goal that we had to keep our eyes open for, was the possibility of a 1 billion litre grain-based industry.

Now I want to talk about why we would just set that preliminary goal at 400 million litres. There are a couple of factors that were quite key in this. First of all, is that there are an amazing number of technologies that are coming on stream very quickly, technologies that have been lab tested. They're very exciting.

When the analysis is done and we get a sense of what the cost per litre is in producing ethanol from these technologies it's quite significantly lower than what we can produce it on a grain-fermentation-based facility. So we have to keep that in mind when we're trying to set the goal of what we would invest our funds in at this point.

Now I'll just highlight briefly what some of those technologies are that I discovered as I was reading, studying the issue, and as I was meeting with various people around the country.

Those technologies, most of them are basically some form of hydrolyzation, that is turning into liquid form the products which will produce ethanol. When we do that, when they are turned through hydrolysis, either acid hydrolysis or supercritical water hydrolysis, and there are other methods as well, you're able to isolate the starches; you're able to isolate some of the other components. Once you've got the starches isolated, then you can produce ethanol from those starches.

Through those methods, I think there's an enzyme hydrolysis, which a company many people will be familiar with, a company called Iogen has been developing and Jeff Passmore has been out here and talked to us about the potential of that industry using straw and other biomass to produce ethanol. The enzymes would do that same work of breaking down the plant material — just like you see in the forest where it breaks down the plant material, turns it into kind of mush. Well in the enzyme hydrolysis you're able to then take the starch out and produce ethanol.

So this is one of the technologies that is lab tested, the federal government has put a fair bit of research and development money into the Iogen Corporation to help develop ethanol. And in that process, they have been discovering there are a few

difficulties in bringing it to market.

And so some of those things they are working on, they're overcoming, and they've set several goals — they thought they would have it by this year; they thought they would be able to have it in production by later next year. So far we're not sure when that will be in production but we have confidence that that corporation will also bringing its method of producing ethanol to the forefront and will be a player in the future.

So all that said, recognizing that there are other technologies coming up . . . Oh, and I mention one more, Mr. Deputy Speaker, because it was one that it's theoretical but we have our scientists check through the theory about how this one would work, and it's processive gasification, which has been known for many years. It's basic Fischer-Tropsch process which produces the gas from the biomass. And then that's run through a transformer, transformed into ethanol and could be used to . . . for all the things that ethanol could be used for.

But that process was also quite fascinating it could use virtually any kind of biomass and produce a gas and then have it transformed into ethanol.

So with all those potential technologies there, you don't want to run to far ahead on just simply a grain-based technology. So you set a limit. You say just in terms of a preliminary goal, let's look at 400 million litres. Well how would that 400 million litres be used in this province. How would we develop that?

If we were blending 10 per cent of all the gasoline sold in this province, we would be using somewhere between 130 and 170 million litres of ethanol. But there have been tests done all throughout North America blending ethanol also with diesel, and those tests have run up to 15 per cent ethanol with diesel. And most commonly, the percentage used is around 7.7 per cent. And that has been tremendous in terms of the results, the particulates that are cut out, the greenhouse emissions that are cut out from diesel fuel. We can see some tremendous advantages to going this way. If we were to blend all of the diesel sold in this province at about 15 per cent, we'd be looking at another 225 million litres.

If we were looking at some flex-fuel vehicles which burn up to 85 per cent ethanol, we would then be able to consume in this province — if it were necessary — we would be able to consume all 400 million litres . . . 400 million litres that would be produced in the province, but . . . (inaudible interjection) . . . Yes, it is actually very incredible that you could . . . that we could have this much potential for use in this province.

But we recognize that that's not really what this is all about, although that's one of the potential uses that could consume a full 400 million litres produced in the province. Where the real objective is, is that broad market that is out there in the rest of Canada and in the United States. Billions and billions and billions of gallons needed to blend with the fuel throughout the United States.

When a couple of years ago California decided that they had to take out the oxygenate that they were using in their fuel — MTBE (methyl tertiary-butyl ether) — because it was contaminating groundwater, and the fuel of choice then for an

oxygenate was ethanol, they set their goal to be fully blending with ethanol and no longer using MTBE, and that put a demand on the market again of massive amounts of ethanol.

The producers throughout the Midwest who basically . . . in the US (United States) who basically produced their ethanol from corn, really when they look at the markets that are developing in the United States, just could hardly build plants fast enough to meet the need.

Producing ethanol from corn is not as efficient as producing from wheat and therefore, we have some advantages in our production here as well. So it's the market out there that we're looking at in Canada and the United States, but we want to be able to export that . . . the ethanol that we produce here.

So let's just say we want to produce 400 million litres as our preliminary goal. We would consume probably and according to what we have now made possible by the mandate, we would consume somewhere between 130 and 170 million litres domestically. We would then have the rest of that potential to export throughout the world.

And we could build that market up, we could make our market connections so that when we have these alternate technologies that produce from straw and other biomass and we're talking . . . and I'll just cite Keith Hutchence here. When we come to the real potential production in this province, we're talking at somewhere around 8.7 billion litres — billion litres. And this really, Mr. Deputy Speaker, would demand a change in the way that we crop in this province. It would be a tremendous industry that would provide jobs for thousands, would bring great returns into this province.

And I mean, some of the plants that we would be growing — and I think I may have mentioned these during the response to the budget speech — but we would be able to grow hybrid poplar, specialty hemp crops where you would strip out the fibre, strip out a number of other valuable components, and then use the starch to produce ethanol. Amazing the kind of cropping that we can do — I mean, just to add those kind of things into a crop cycle — and it would be a massive benefit to the province, to our economy.

So when I looked at this I was just fascinated by the incredible potential that there was, Mr. Deputy Speaker. And I tried to roll all of these things together to make a good, broad view of what this industry could do for the province.

It is truly exciting to see what the potential is here. Now when I also . . . when we look at the potential for ethanol, right now we're basically just talking about use in combustion engines, combustion engines throughout North America. And this is a very, very limited part of the potential use market for ethanol.

And I've alluded to a couple of the other potentials, but one of them which has been tested in a number of places has been fuel cell technology where, when you've got the right membrane, you can use ethanol as the fuel to run a fuel cell engine and again you're reducing the pollution significantly. We're talking about reaching a Kyoto standard or even bettering that standard. Well if we took the combustion engine out, that would help a lot.

But even more fascinating is the potential to generate power using ethanol turbines. And when we look at that piece we see the potential throughout the whole of the North to be able to produce power, to be able to produce the heat that we need, using ethanol. And I think this is tremendously exciting when we look at these developments for the future.

There have been a number of concerns that were raised recently in the media. There was a person from Minnesota on talking about how the people were concerned about pollution. In St. Paul, I believe it was, they had a plant right in the middle of the city; it was an old brewery, apparently. And the plant was also drying the grains that were used to distill the ethanol. There was a fair bit of dust came up; there was a fair bit of smell coming out. Mr. Deputy Speaker, we were not talking about building this kind of antiquated plant using old technologies in Saskatchewan.

What we're talking about, Mr. Deputy Speaker, is the newest technology that's available, technology that they're developing, Commercial Alcohols is using down in Ontario — the kind of technologies that are not producing a lot of smell, that are very, very good at producing ethanol, efficient at producing ethanol. And so those fears that were raised by that commentary on CBC Radio clearly were not true.

One of the other pieces that came up just recently, an article in the paper not too long ago talked about the "Ethanol plan questioned." It says, and I just want to quote a bit from this — quoting:

. . . Cornell University agriculture professor David Pimentel, who says it is morally wrong for the United States to be growing corn for fuel and giving tax incentives to do it.

He claims it takes 70 per cent more energy to produce ethanol than the energy that is actually in ethanol.

Mr. Deputy Speaker, that is patently wrong; it has been proved wrong time and again.

Bliss Baker of (the) Toronto . . . president of the Canadian Renewable Fuels Association (I'll just go on to read this) which is a lobby group for bio-fuels, says Pimentel is just plain wrong and there is a "mountain of research" refuting him.

Mark Stumborg (one of the people who was very helpful in my research) an Agriculture Canada researcher at Swift Current who studied the energy equation for making ethanol for more than a decade, says ethanol from grain is positive in two ways.

"We've done the detailed analyses on both the energy balance and the greenhouse gas-carbon balance," he said. "In both cases, they are significantly positive."

Stumborg says the Canadian study has done all of the calculations on the energy required to put the seed into the ground, to make the chemicals and fertilizers to grow the crop, to harvest it and to transport it to a distillery.

The energy calculation continues at the distillery which uses large amounts of natural gas and electricity. It looks at the energy to move ethanol by truck or rail to where it's blended and then sold. Adding all those totals together still produces a net energy gain when ethanol is burned in a car, Stumborg says.

Now that's again using the kind of technologies that we're using right now. That's again at the beginning of the cycle, using fossil fuels to produce that ethanol.

(15:15)

But think about it this way, Mr. Deputy Speaker, that it's not too long down into the future that we are using ethanol to produce ethanol and the energy gain is significantly higher than what it is when we're using fossil fuels to produce that ethanol. So again, a sign of real hope for the future.

So how do we get to 400 million litres in this province? Well we've got groups all over the province who have been doing studies on the viability of ethanol in their . . . of an ethanol operation in their area. And there are a number of factors that are very, very important to keep in mind in terms of development of an ethanol facility.

You need to have very good water supply. You need to have good crop production in the immediate area, so your soils in the area are also very important.

You need to also have excellent transportation. You need to be able to haul primary weights, because think about what you're moving. You're moving the product in to . . . the grains in to ferment them; you're moving in cattle and moving out cattle; you're moving out the ethanol. So you've got truck traffic on those roads regularly or if you're near rail, rail traffic. And even if you're using pipeline to ship the ethanol, you still have to truck that to the station and . . . before you run it through the pipeline.

So, Mr. Deputy Speaker, there is tremendous potential here for development. But the people who are looking at this development have to do a clear analysis in their area to see if it is viable in any particular area. You can't build the plant off in the back quarter just because it's the cheapest quarter. You need to look at this in terms of how much infrastructure is already there in place. That's what makes these plants even more viable.

We've looked at the potential sizes, trying to determine what an optimum size of an integrated facility would be. And an integrated facility, when we're looking for optimums — that is, how do we get the best return — would be to build a plant that would produce some 20 to 25 million litres per year and probably be feeding somewhere over 25,000 head of cattle.

The other possibility in this province would be a facility somewhere in the nature of 80 to 100 million litres and that would be a more stand-alone facility not tied into a feedlot. And that kind of facility would dry the distiller's grain and then ship that out for feed to a variety of places.

Part of that whole discussion was also about, how do you get the best return on a stand-alone type plant, and part of that

would be to build that type of plant very . . . right next to an energy co-host of some kind — that is some other industry that has excess power, excess heat, that could be used to help dry the distiller's grain.

So we might end up having four, five, or six of the integrated facilities and two or three of the stand-alone type of facilities. Hopefully those would be co-hosted to help maximize their return.

And it's through that type of development done by private investment . . . And that's one of the other key things, Mr. Deputy Speaker, is that in those areas where they want to develop they have to make sure that people there understand the potential and are willing to invest in that type of an operation. And some of the communities that I visited very clearly do have that kind of interest, do have that kind of commitment, are ready and willing and able to invest in the development of a plan.

There are feedlots that have been developed in the past few years that had in mind the potential of becoming integrated facilities, and they're still looking at that potential and pulling the investors together.

A 400-million-litre industry in this province would produce about 450 jobs and that impact is very important in our rural economy. These are basically the direct jobs. There are other spinoff jobs that are very important as we seek to build this economy and make a thriving rural economy in Saskatchewan.

If we build a billion-litre facility — a billion-litre industry, pardon me — we will see more in the neighbourhood . . . we'll look at thousands of jobs produced in the province in order to support that. And, Mr. Deputy Speaker, if we get into the other technologies which I believe we will, not too far down the road, we'll see really the numbers of jobs just growing exponentially. So there's tremendous potential as we look down the future, we look at the technologies that are being developed.

Now the other piece that is very important in this whole picture is to recognize that ethanol can also be just a by-product. And I know I've also spoken about the tremendous work that's happening in the ag biotech industry and the opportunity that I had to meet with some of the people who are working in that industry in Saskatoon and other places.

And what they're talking about there and what easily could be integrated into the process for producing ethanol is to fractionate the grains. In doing that you're taking out a variety of the other components other than the starch; you're looking at the value that those components have, and . . . Let me just give you a couple of examples. From the bran, if you de-bran the wheat, you can roll that bran and apparently there are some essential oils in that that can be used for nutraceuticals — very valuable — and then you still have the rest of the grain that could be fed or other components — gluten and other components — taken out.

Just some tremendously exciting pieces there that the ag biotech community is looking at developing, and it would depend on the kind of feedstock that you're using to produce your ethanol what the by-products would be, what the other products would

be that ag biotech would be using.

Now there are some barriers that we have had to developing an ethanol industry in this province and I think, as we look at developing any industry, you can't just look out there and have some kind of pink glasses on, pink-coloured glasses to . . .

An Hon. Member: — Rose-coloured.

Hon. Mr. Wartman: — Rose-coloured. That's the term I'm looking for. Rose-coloured glasses to say, oh this would be a great industry. You also have to look at the barriers.

And some of the barriers . . . the first barrier that the industry raised for us was the cap that we had on the 15 cent a litre tax and that was a limit on the amount of ethanol produced and consumed in Saskatchewan that would be eligible for that 15 cent a litre rebate. And so taking that cap off, we were told by industry people, both Husky and Commercial Alcohols, would go a long ways to setting the right atmosphere that would encourage them to come in and help build this industry in Saskatchewan.

We also had to look at the cost and, as I say, with the new technologies coming on board, cost which had been a barrier in the '80s and '90s, cost was not so much a barrier because these new technologies give you a cost per litre that is more competitive with the production of gasoline. And I think with the price of oil running at above \$20 a barrel, we're quite competitive.

One of the other problems, a barrier in Saskatchewan that we're facing, Mr. Deputy Speaker, is the whole piece about getting the fuel blended itself, dealing with the refiners and the wholesalers.

And if I might ask leave of the House, Mr. Deputy Speaker, in the midst of my own speech, I'd like to interrupt myself to introduce someone, if I could.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Wartman: — Thank you, Mr. Deputy Speaker. And I'd like to thank the member for yielding the floor to allow me to introduce my guest.

I would like to introduce Lionel LaBelle who is with Agrivision. I met Lionel during the process of the study on ethanol and found him a very knowledgeable business person and has been very helpful at bringing this whole vision of developing an ethanol industry in the province along very well.

So I'd like to welcome you to the House, Lionel, and hope that you enjoy the proceedings here, the debate on ethanol development in the province. I ask others to join me in welcoming him.

Hon. Members: Hear, hear!

PRIVATE MEMBERS' MOTIONS

Motion No. 2 — Development of Ethanol Industry (continued)

Hon. Mr. Wartman: — So, Mr. Deputy Speaker, I was just going to talk about some of the issues around refining and wholesaling and here we have a very limited market. I talked about the 130 to 170 million litres of blending that we could do in this province and we have about five or, I believe, five major refineries that are supplying gasoline to the Saskatchewan market. One of them, Husky/Mohawk sells blended fuels in the province and has been for a number of years; the others are not blending.

And so we began to look at how do we deal with this particular barrier. And one of the ways that was suggested early on, in fact one of the ways that the Sask Party raised when they were talking about their ideas on ethanol, was that you would mandate.

Well there's bit of a problem with mandating. If you just go right in and say you have to blend 10 per cent, you need to make sure that you've got your production up high enough so that you can actually provide that product to the refiners; otherwise you'd end up importing, you'd end up with free trade problems when you tried to develop the industry. And so that was not a direction for us to move at that time.

But in dealing with the reality of this barrier, one of the possibilities was for us to say that . . . give ourselves the power to mandate if it was necessary. Well shortly after the interviews had come out in the newspaper between the Sask Party position . . . and I had done a scrum with the media following that and talked about what our position was on it, and that we were not talking about a mandate immediately.

I received a call from one of the industry people and he said I noticed that you're not planning on mandating right away. What's with that, why don't you . . . why aren't you going to be mandating? And I said, well part of it is that we recognize that there are certain economies in the refining industry that mean that mandating is not necessary — that in fact if you have a will in the industry, you can actually make money in this whole process, you can refine the aromatics out.

And Don O'Connor had helped us get an understanding of this. The eastern refineries are doing this. You refine some of the aromatics out of the gasoline which reduces the octane, those aromatics, benzenes, and others can be sold to other industries, to petrochemical industries, to cosmetics industries, and then you add the ethanol back in to increase the octane.

And so in fact the refineries, if they had a will, could increase their refining and the economics were good enough for them that you've got a carrot out there. They could decide to go ahead and blend on their own. But if they didn't, Mr. Deputy Speaker, our legislation enables us to then say you must blend a minimum of 10 per cent or whatever that is.

And it's really kind of exciting that this is actually the first — not just in Canada, as our . . . as the mover had said — but the first in North America that actually has the potential to legislate . . . excuse me, legislate a blend of ethanol. The others will legislate an oxygenate level, but this is the first to our

knowledge to legislate a certain percentage of ethanol.

And so a very exciting piece of legislation; I think maybe groundbreaking for other jurisdictions as well.

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Thank you very much. I think also wonderful pieces on the environmental side. We've talked about some of those and I'll just highlight a couple — a couple of those again: that using a 10 per cent blend of gasoline reduces greenhouse emissions. The common view is that it reduces greenhouse emissions by about 30 per cent.

If you're using flex-fuel vehicles, and there are a number of manufacturers that have actually been making flex-fuel vehicles for quite a number of years — Chrysler mini vans, the 3-litre, I believe it is; some of the new Chev V8 motors, GM V8 motors that are coming out are flex-fuel vehicles; and Ford Taurus has been manufacturing their 3-litre engine, which is also a flex-fuel vehicle. All of these without any adjustments can burn up to 85 per cent ethanol.

And if you're burning 85 per cent ethanol, you're reducing greenhouse emissions by about 55 per cent. So again some tremendous environmental gains if we're doing this kind of work.

And I'd just like to give a couple of the other pieces here in terms of using oxy-diesels, blends of about 7.7. I spoke briefly about this but this can reduce nitrous oxide by 3 to 6 per cent, particulate matter by 30 to 35 per cent, carbon monoxide by 20 to 25 per cent, aldehydes by about 15 per cent. And this is all done, Mr. Deputy Speaker, all done with no reduction in fuel economy.

This is pretty incredible in diesel to be able to find these kind of results. And there are tests going on right now in Manitoba, in the city of Winnipeg with their buses, and I believe there are other tests going on throughout North America that will help us get a sense of how viable and how valuable this fuel is, ethanol-blended fuel is, in helping to clean up our environment.

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Well as you can tell, Mr. Deputy Speaker, I am really excited about the potential of this. I'm really thrilled by the opportunity that I had to study the whole issue for significant period of time. And so it is my hope that it will help to build the economy in this province.

I look around. I see groups like Agrivision; I see some of the other industry groups that are really committed to developing this industry and have done tremendous research. And I am confident, Mr. Deputy Speaker, that we will reach those goals — that by our regulatory environment, our tax environment, we will reach the goals that we have set, a preliminary goal of 400 million litres by January 1, 2005.

(15:30)

And I expect, Mr. Deputy Speaker, that that will only be just the very, very beginning, just the tip of a wonderful industry that

will be a boon to Saskatchewan, will be a boon to Canada, and to North America.

With that, Mr. Deputy Speaker, I just want to say that I'm happy to be able to second this motion. I'm happy that we have got the legislation in place. I am thankful for all of the work that has gone on by a wide variety of people, the community groups — the groups in Shaunavon, the groups in Melville, in Birch Hills, all around this province — groups that have worked on developing this industry, who have invested money; groups like the one in Rosthern who have been working away to try and make sure that they've got a good development in their area.

I thank them for their work, I thank them for the time that they gave to listen to me, to speak to me, to work with me, to try and put together a plan for this province.

Mr. Deputy Speaker, this is a plan that will work. This is a plan that will help clean our environment. This is a plan that will help build industry in Saskatchewan. This is a plan that will be successful for generations to come. Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Thank you, Mr. Speaker . . . Mr. Deputy Speaker, thank you. It's a pleasure to join in the debate today on a very important topic about ethanol development in our province.

Mr. Speaker, I certainly have listened with great interest to the mover and seconder on the government side, and I am pleased to say that in the bulk of their presentation, I would have to say that we on this side are in complete agreement about the potential of the ethanol industry in this province.

I was taken, with a little bit of humour, the revisionist type of historical rendition that the seconder had in terms of how this all happened. And I know it'll come as a great surprise to people who have studied and understood the industry, to know that in fact the Saskatchewan Party had posted on its Web site, as early as last September, the plan that the government announced just at the end of the year.

And so we're extremely pleased to recognize and acknowledge that the government is at least technologically adept enough to be able to copy information off of our Web site. And for that we congratulate them, and agree completely with them.

Mr. Speaker, the member and the expert for ethanol from Regina shouts from his seat and tries to interrupt an acknowledgement of the fact that the government was able to at least read our Web site. And that's important that they be recognized for those small accomplishments. Mr. Speaker, Mr. Speaker . . .

The Acting Speaker (Mr. Harper): — Order. Order. Order. Order.

Mr. Gantefoer: — Thank you, Mr. Deputy Speaker. I mean it is always quite amazing to me that the louder that the opposition on the government side howls at us, the more you realize is that what you are saying over here must have hit a

nerve.

And, Mr. Speaker, the whole point of this argument is to take some modest exception to the way the seconder to this motion, sort of, reconstructed his impression about the fact that he'd been working on this project for a great deal of time. That is true.

And he also became a lot wiser about the project after we put on our Web site and the member from Watrous had released a very thorough discussion about what should be done. And we're very pleased, we're very pleased that that would happen.

And by and large, Mr. Deputy Speaker, by and large from what we've seen and listening very carefully to the seconder of the motion today, I think that by and large the government is getting it right. They've actually talked to enough people, and watched what we were saying and doing, and learnt enough to maybe to be by and large on the right track. And, Mr. Speaker, we're very hopeful that that will continue.

However we do have a number of concerns that I think, based on the past record of this government, are legitimate concerns that we and people in the industry that we talk about have legitimate basis for our fears.

The first concern that we have is that the government doesn't repeat its practice of thinking that the only engine of economic development in this province is going to be controlled, and manipulated, managed, or taken over by some Crown corporation and drive out the private investment.

Mr. Speaker, we have seen that far too many times in the past to not be just a little bit concerned and nervous that this government will take another step out its own book of revisionist economic development and say that the Crown corporations are the only organizations that have the money and the opportunity to remove the private investors and thereby dominate an industry.

And we're concerned. And we want to go on the record to make sure that we are in opposition to the government developing the ethanol industry along another potato industry and we end up with a SPUDCO (Saskatchewan Potato Utility Development Company) fiasco like the government is well noted for.

So, Mr. Speaker, the first thing that we want to say is that we want to insist that if the ethanol industry is going to develop, it's going to be given the opportunity to develop as a private investment industry in this province for Saskatchewan citizens.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Mr. Speaker, it is important, it is important that we do develop this industry and we create the environment for it to develop.

Mr. Speaker, I spent the weekend in Tisdale at a trade fair. And while I was there, I had the opportunity to meet with Mr. Jim Boxall, who is the chairman of the Tisdale Alfalfa Dehy project who are the spearhead coordinators of putting together a proposal for the northeast part of this province for an ethanol plant.

And I spent a couple of hours with Jim, talking about the project, talking about how it might be constructed, and what they have in mind and what their vision of the development of the ethanol industry is in the northeast part of the province.

Mr. Speaker, I remember some time ago when I was active involved in the poultry industry — I'm sort of reluctant to mention that it's probably 25 years ago — in the growing of poultry chickens and the marketing of those chickens across the country.

And we used to talk about a concept of comparative advantage and that some parts of this country had an easier time taking advantage of some natural advantages that they had, compared to other parts of the country.

And you know, Mr. Speaker, that in the Northeast and the eastern part of the province, that's where there are the highest grain transportation rates in the country. And so there's a natural advantage for the Northeast to take advantage of that reality instead of just looking at it as a bad thing, to say, what can we do to value-add our grains in that part of the world? And certainly an ethanol project of this nature is perfect for that concept of taking advantage of the natural geographic comparative advantages that there are in some parts of this province.

And so, Mr. Deputy Speaker, I was very encouraged to hear that we had a major group of people in the northeast part of the province that are spearheading the development of one project in the Northeast.

And I was also pleased that there was a number of things that they're looking at that are very worthy of support. And the first thing is, is they said they're going to take a geographic area that may extend from the treeline to the East to west of Melfort, from the treeline in the North to considerably south of the Melfort-Tisdale line.

And somewhere in that geographic area, they're going to ask their consulting engineers and people that they're going to hire, on the basis of a solid business plan rather than community competition, to come up with a plan and a location for this ethanol project. And I thought that that was a very responsible position to take.

You know, over in the Northeast over the last number of years, there's been a great deal of effort made between the communities in the Northeast — and particularly the three major communities of Melfort, Tisdale, and Nipawin — to increasingly work together in co-operation rather than individual competition to see to it that things happen in that corner of the world.

And, Mr. Deputy Speaker, there have been many examples of indeed that happening and working really well. In health care, the renal dialysis project in Tisdale is a great example of the three communities coming together and working in common purpose to have something that they all needed and to put it in a location that made the most sense on a business case rather than community competition.

And, Mr. Speaker, that spirit is actually growing. And I'm

pleased to see that a group like Tisdale Dehy is spearheading a project that's going to bring benefit throughout the whole Northeast.

I'm further pleased to say that in discussion with the mayors of the communities in that area, they too believe that this is the best way to go. And you see the communities working together.

Mr. Speaker, the size of the project that's being proposed in this corner of the world is very significant. And I would like to relate that a bit back to what the member from Regina Qu'Appelle was talking about when we talked about a provincial scheme of things.

The project for the Northeast is envisaged to be something in the magnitude of 100 million litres a year — an 80 to \$100 million project. It's estimated that it's going to require 300,000 metric tons of grain and an estimated 260,000 acres of production, and would draw grain from an 80-kilometre radius of the facility. It's estimated that it'd create 80 jobs in the region and have a payroll of \$3 million. That is a very significant project.

And as the member before me said, there are a number of configurations that you can use when you establish these plants. Certainly this project would be one of the ones that would be indicated to be more of a stand-alone site, and the distiller's grain that is a by-product of the ethanol process needs to find a market in order to really take advantage of all of the input costs for this plant.

And, Mr. Deputy Speaker, they've got plans to basically take the water out of the product with centrifuges, and then it would be in a form that's able for feedlots to pick up and to use in their feeding program. And what that then creates is an environment where we could have five or six feedlots that have relationships, economic relationships, with this plant to produce a very economical and cost-efficient product for the livestock industry.

And so potentially a project like this not only develops the ethanol industry and all the benefits for the grain and value added for the grain industry, it lets us really form the basis for developing and maturing a livestock industry that develops again more value added and feeding out of our cattle.

Instead of just shipping the cattle and our barley and our kids to Alberta for finishing, we can start doing this in the Northeast of the province and hopefully we will attract and retain opportunities for young people in that corner of the world. And so it's important.

The interesting thing as well that I heard from Mr. Boxall on the weekend is that there are proposals coming together right across this province in a very rapid way. And so there's going to be a number of people that are going to be looking at this and they're going to have to do some very serious economic studies to make sure it makes sense. And that whole concept of comparative advantage has got to make sense.

We understand and he told me that there's a group in the Shaunavon area that are proposing a 150 million litre plant. Again, very significant.

It was indicated to me by him as well on the weekend that in the Melville area there is another group of people that are working with an Ontario company to put another 150 million litre plant in production.

So with those three projects that have been explained to me that are on the discussion and investigation sides, you already have 400 million litres, which is approximately three times what we would use with a blended fuel supply in this province.

So clearly while it is very important to have that commitment for the blended fuel support in this province as a base volume, very quickly if these projects come on line we're going to clearly see that the vast majority of the ethanol produced is going to be into the export market.

And so we have to make sure that we understand that our Saskatchewan companies are not going to be able to rely on the Saskatchewan domestic market in order to make their project viable; they're going to be into a national and international market almost instantly.

And so, Mr. Deputy Speaker, it's not enough just to talk about supporting the removal of the 15 cent a litre tax in Saskatchewan; we're going to have to do everything we can to make sure that our Saskatchewan companies are competitive in the global world, to make sure that they actually are competitive to take advantage of being able to export into the national, international market.

And so other issues like the capital tax and investment tax and all of those things, the regulatory regimes that apply to Saskatchewan companies generally and have caused Saskatchewan companies to struggle under this NDP government also have to be looked at and dealt with if we're going to build an ethanol industry that is going to take care of the advantages that it's going to have.

(15:45)

If we don't do that, Mr. Deputy Speaker, we're going to have the Saskatchewan ethanol industry stifled by the same oppressive attitude that this government has demonstrated right across the piece in the past.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — And that, Mr. Deputy Speaker, would be too bad. It would take a very good idea and a very good concept and a very good opportunity and waste it, Mr. Deputy Speaker, because this government doesn't understand you just can't look at these things in isolation. You have to look at the big picture, and you have to look at the entire environment that this government creates in order to make Saskatchewan companies be placed in a position to compete.

Mr. Deputy Speaker, there are a number of things that could be gone over, a lot of technical information that could be shared in terms of how the ethanol industry is going to be able to potentially develop. But I would like to make just a very few comments about the general way that we think that this has got to work.

First of all, I've said and outlined, we've got to make sure that we create an environment where free enterprise investors are going to be able to be a part of this investment regime, with the absolute commitment from this government that those investments are not going to be put at risk by competition from Crown corporations that this government is so fond of using to develop their economic future.

We need that commitment. We don't want to see another situation where SGI or another Crown or any of these entities are created in order to go into competition with free market Saskatchewan men and women who are going to put their own money forward in order to build an ethanol industry.

We need the government of this province to say unequivocally that they will not be competing in the market with the free enterprise investors in this province in the ethanol industry. We need that to happen.

We need certainly to have that base commitment of the ethanol blend opportunities happening in the province. And insofar as this legislation comes forward and talks about it, we're going to be supportive of that. It's important.

We also have to see that it's important that we end up with a new look at the regulatory environment and the tax structure for corporations in this province so investors will want to put their money into this province again because, quite frankly, they no longer trust the intention of this government and their good words about saying they're not going to go into this, and they've learned their lessons from past experiences, and what they're going to do is do a . . . turn over a new leaf, and they're going to deal better with ethanol than they've dealt with potatoes or Channel Lake or any of the other fiascos that these guys have been involved with over the last decade or so. So people are a little bit suspicious.

Mr. Deputy Speaker, as well we would hope to see that this is not only going to be exclusively the opportunity for large pension funds or things of that nature to invest but we want to see the opportunity for Saskatchewan men and women — farmers, rural people, urban people — to also invest in what we think potentially is a very bright future for this province and a great opportunity.

And, Mr. Deputy Speaker, we've got to see that there's a new breath of fresh air put into this province, and that this government probably is past changing its way in terms of looking at the other parts of government to make sure that an attitude of positive, go forward, let's make things happen in this province permeates this province instead of we're losing people; what are we going to do; let's manage the decline; let's make excuses for everything that's happened over the last decade that has resulted in this province being dead last on almost every important indicator that there is in this nation.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Mr. Speaker, we end up with a situation in this province, Mr. Deputy Speaker, where the rest of this country, the rest of North America has recovered from the September 11 situation. Every other state, nation, and province in this country has recovered except Saskatchewan, and they

say it's a coincidence.

Well, Mr. Deputy Speaker, it isn't a coincidence and we're very concerned that the opportunities that we see available in ethanol are going to be squandered because the wrong people are making the decisions about the future of this province.

Some Hon. Members: Hear, hear!

Mr. Gantefoer: — Mr. Deputy Speaker, few people will disagree that ethanol shows a great deal of promise into the future but most people also say it isn't an automatic and it isn't a given. It's going to have to be done on a progressive, stepped way so everything fits together. And if this government misses some important components we could put the industry in jeopardy.

And we definitely, from this side of the House, want to make sure that the marketplace and free investment dollars, the experts in the industry are going to be able to work in an environment where they're willing to put their money forward and take the chances that are going to have to be taken in order to move this industry forward.

Mr. Deputy Speaker, by and large we're in agreement with the words that were uttered today on the other side of the fence in terms of the technical aspects of this industry and the general direction about how the industry is going to have to evolve. That's true.

But we're concerned from where these words are coming from. The people of this province are concerned where the words are coming from because, quite frankly, the track record is pretty poor in terms of any other experience from the members opposite.

Mr. Speaker, I am pleased to be in general support with the motion, but I think it leaves out some important aspects that I think should be added to, not taken away from the motion as it's stated.

And therefore, I would like to move, seconded by the member from Cypress Hills:

That the following words be added after "Saskatchewan":

if the government takes the necessary steps to attract private investors to build this industry in our province as outlined in the Saskatchewan Party ethanol plan released in September of 2001.

Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Deputy Speaker. It gives me real pleasure to be able to stand today to speak to the motion that's before the House and also to the amendment that has been added to the original motion, because the ethanol issue has been one of a great deal of significance to my constituents and people who have worked very hard on this particular industry in the area immediately to the east of my own constituency, in the community of Shaunavon.

Mr. Deputy Speaker, I heard of ethanol as a potential for the fuel industry some years ago. And I think the whole concept has been developed rather slowly and methodically through a variety of improvements to technology and application. But it's only in the very recent past few years that the real potential of ethanol has been recognized for this province and for the industries that depend on fuel in this immediate area.

I guess the one individual that has played the biggest role in raising the awareness of ethanol and the potential that it has to offer is Mr. Brad Wildemen, who's in charge of the Pound-Maker operation at Lanigan. He has been a prophet, virtually, on that particular front, given his lone voice speaking on behalf of the ethanol industry for a long time.

And he's worked hard, he's worked extraordinarily hard, talking to anybody who would listen, bending any ear that might give him some time. And he has advanced the cause of ethanol significantly through the whole province and, most importantly, I suppose, in my own estimation of the value of the industry, he's played a very significant role.

I remember when Mr. Wildemen came to this building, actually I believe he spoke to members of the government caucus, and to our caucus as well, and lauded long and loud the advantages of ethanol and what it could mean if that industry was developed properly to the overall economy of this province. I'm sure that, as he talked, there was some element of skepticism among the people who were listening to his presentation that day. But when somebody is as convinced of the rightness or the benefit of the point of view they're holding and espousing, almost any obstacle can be overcome. And I think that that's what we have seen in this province over the last couple of years.

Finally, the reality of ethanol is about to be experienced, and I think the one thing I would like to say, Mr. Deputy Speaker, without prejudice of any kind, is that this is an industry that can seriously impact our economy for good. It has such tremendous potential.

And because it was introduced . . . legislation was introduced by the provincial government to that end, does not make it any less important. We would like to, as members of the official opposition, recognize that this industry can only succeed if it is promoted fully and endorsed wholeheartedly by both sides of the House and that we want to acknowledge credit and give credit where it's due today.

Having said that, I would like to talk briefly about what the Saskatchewan Party has seen as the significance of this industry and how we approached the whole, whole issue of developing an ethanol policy — something that could benefit the province, that could be implemented, that could be developed over the long term . . .

The Acting Speaker (Mr. Harper): — Why is the member on his feet?

Hon. Mr. Hagel: — To raise a point of order, Mr. Deputy Chair.

The Acting Speaker (Mr. Harper): — Would the member state his point of order, please?

Hon. Mr. Hagel: — Thank you very much, Mr. Deputy Speaker. I apologize for it taking a moment until I had a chance to see a written copy of the amendment moved. And I would ask that you would rule the amendment out of order, Mr. Deputy Speaker, on these grounds: when I look at the amendment in the context of the original motion moved by the hon. member for Saskatoon Greystone, I remind you and the House that the motion is to ask that this Assembly support the policy released by the government.

In the amendment then, as proposed by the hon. member for Melfort-Tisdale, the amendment is, in effect, to redefine what that policy is. And I would suggest that this is not an amendment which brings some condition . . . altering condition to the original proposal but in fact moves to deny the original proposal, and that the appropriate course of action would not be to amend it but . . . that's achieved by defeating the original motion.

And therefore on those grounds, Mr. Deputy Speaker, I would ask that you would rule the amendment out of order, and that debate would proceed on the original motion as moved by the hon. member for Saskatoon Greystone.

Mr. McMorris: — Thank you, Mr. Deputy Speaker. To respond to the point of order, with leave.

Mr. Deputy Speaker, the amendment certainly backs up what the government has said, plus goes a little bit further. It adds to it; it's not a . . . It's a friendly amendment that just adds to the, to the motion put forward by the government, simply stating that ethanol production in the province is a great idea and it could be even supplemented with ideas such as that that have been put forward in September as mentioned in the amendment, Mr. Speaker.

(16:00)

The Acting Speaker (Mr. Harper): — Members, upon the advice I've received, I believe that the amendment seeks to qualify the ethanol and express support of the Assembly for the — and I guess you'd say enrich — the main motion and does not contradict the main motion.

As such I find the point of order not well taken and I will resume debate.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Deputy Speaker. I concur with the idea that the government's motion is a good motion. It talks about an industry that is going to be significant to this province. I think there is some debate as to where the idea originated and who developed it first and who developed it most significantly, but nevertheless I think this particular industry needs to be encouraged by the substance of the debate here this afternoon.

I had talked earlier, Mr. Deputy Speaker, about the role played by maybe one or two individuals in this province who promoted ethanol day and night and beat the tub on that particular issue when nobody seemed to want to listen.

But finally, finally it's like a light went on. There was some

opportunity for those of us who had never considered the significant impact or potential of that industry for this province, to give due recognition to that prospect.

And out of that particular moment of enlightenment came a couple of initiatives. And I know the provincial government appointed one member of their caucus to look at ethanol, but so did the official opposition.

We asked the member from Watrous to take on, as a challenge and an opportunity to contribute to this debate, a thorough search of the existing technology and the literature that was available on the subject and to maybe do a tour of some of the plants and facilities that were producing ethanol, especially in the state of Minnesota. Which incidentally, Mr. Deputy Speaker, appears to be the leading jurisdiction when it comes to the implementation of ethanol legislation and the production of the product itself.

I know that as a result of the good work of the member of our caucus, the member from Watrous, we as a caucus came up with a very thorough and complete ethanol proposal, policy, and strategy. And we spoke about that publicly. We went on record very early, Mr. Deputy Speaker, on the initiatives that the official opposition would have proposed for the general public in this province, especially as early as September 19, when the Leader of the Official Opposition spoke to the Regina Chamber of Commerce.

I attended that particular event and I remember clearly the way the Leader of the Opposition laid out our strategy and our proposal to the members of the chamber of commerce who were gathered at that particular meeting, and how well received that idea was. There was, no doubt, some room for question and there were people who had some areas of concern and they felt that the whole strategy needed to be developed much more thoroughly. But you know, you have to start somewhere, Mr. Deputy Speaker, and that was the inauguration of the Saskatchewan Party's ethanol policy that particular morning.

And I have with me, actually, a copy of the speaking notes of the Leader of the Official Opposition from that morning. I'm just going to quote a few pieces from it for the record today. And I would recall if you would, Mr. Deputy Speaker, this speech was given on September 19 in Regina here. And I'm quoting here from the Leader of the Official Opposition where he says:

... as I (have) said, today I want to focus on one industry as an example of what is possible in the province of Saskatchewan ...

an industry that holds tremendous potential for our province if we eliminate the massive bureaucratic, political and workplace barriers that have been erected in Saskatchewan over the past decade.

It's the ethanol industry.

Saskatchewan has traditionally been known as the breadbasket of Canada because we are a major producer of wheat.

Unfortunately, the price of wheat has been driven down by an international subsidy war and a world-wide grain glut.

And since there is little reason to believe the price of grain will significantly increase over the next decade, the future of the traditional Saskatchewan grain farm is not bright.

But that doesn't mean the future of agriculture in Saskatchewan or our economy must suffer.

Nor does it mean Saskatchewan farmers do not have the ability to make more money from each acre of land.

What we require are new and potentially more lucrative markets for our primary agricultural production.

And ...

He goes on to say:

... we need to build processing and manufacturing operations here in Saskatchewan that add value to our raw products.

Some producers continue to look to government to subsidize farming operations in years where low commodity prices, drought, flood, insects, or disease, make it impossible to turn a profit.

But many other farmers are looking, as business commentator Paul Martin and others have advocated, for ways to add more revenue per cultivated acre.

And I'm quoting specifically again from this speech, Mr. Deputy Speaker, when the Leader of the Opposition said:

The ethanol industry holds the potential to build a lucrative chain of value-added products in Saskatchewan from Saskatchewan's primary grain production.

Now how would all this translate into good news for the province of Saskatchewan? Well we'll number them off for you, Mr. Deputy Speaker.

First of all, ethanol is an environmentally friendly substitute or additive for gasoline and potential addition to diesel fuel. Burning more ethanol as fuel means cleaner air and a cleaner environment for Saskatchewan families. And it will go a long way in achieving the carbon reductions targeted in the Kyoto agreement.

Second, Mr. Deputy Speaker, ethanol can be manufactured from wheat, feed grain, and straw. And Saskatchewan certainly could use new markets for those particular products.

Third, the construction and operation of ethanol production facilities would create hundreds of new jobs for Saskatchewan people.

Fourth, ethanol production creates several valuable by-products.

Fifth, a significant increase in the number of feedlot operations could supply the cattle necessary to attract large-scale slaughter

facilities, as well as meat processing and packaging facilities.

And finally, over the past few months Ottawa has all but confirmed the federal government will be announcing new initiatives. Unfortunately, I might add, Mr. Deputy Speaker, that has not happened yet.

In short . . .

And I quote again:

. . . ethanol production provides a new market for raw Saskatchewan product while establishing the basis for new value-added investment.

So the question naturally becomes: why isn't all this happening in Saskatchewan today?

Hopefully, Mr. Deputy Speaker, with the initiatives taken by the provincial government, we are about to see that industry to start developing in this province.

And I am very hopeful that the initiatives will not drag out. That we will see the industry develop in a very deliberate, careful, but effective way, to benefit farmers, construction companies, communities that are hoping to be participants in the ethanol boom and certainly any other supply side part of the industry that might benefit from the development of ethanol.

The words I read into the record presented by the member from Rosetown-Biggar, the Leader of the Official Opposition, were a direct result of the good work of our member from Watrous. And I want to recognize that officially today.

Some Hon. Members: Hear, hear!

Mr. Elhard: — I want to speak also, Mr. Deputy Speaker, of some of the developments related to ethanol in the community of Shaunavon and in the extreme southwest part of the province as well.

I think it's been recognized for some time that initiative had to be taken at the local level by certain key individuals in that area of the province to see some of the negative impacts that the downturn in agriculture had created in that particular region of the province.

There's also a belief in that area, Mr. Deputy Speaker, that it's absolutely essential for people to help themselves, that initiative has to come from individuals and individuals working together and communities working together, and that the only true success that can be generated is the co-operative effort of local people.

The Cypress Hills Regional Economic Development Authority and the Economic Development Committee for the town of Shaunavon were among the first in this province to look at the creation of an ethanol facility generated entirely by local initiative and they have spent incredible time and energy in seeing that idea advanced. I've been very well informed of their activities. But more importantly, I've been very pleased with and, might I say, proud with the initiative shown there and with the thoroughness with which that group of people have pursued

this possibility.

(16:15)

The ethanol production facility that that group in the Shaunavon area are proposing is not a small plant. It's not an inexpensive proposition. It's not going to be an easy industry to develop, or to construct and to operate. They're looking at a fairly significant operation there. They're talking about a plant that will produce 150 million litres of ethanol a year, and investment costs approaching \$100 million. Projects of that size are rarely heard of in this province, at least certainly in the last decade or so.

This is a megaproject by today's standards, in Saskatchewan certainly. And this is a project that has been developed at the local level. Not with the abilities, not with the promotion, not with the influence of the provincial government, but at the local level by individuals who have seen the need, have recognized an opportunity, and have decided to go for it.

I also understand that there is some conversation with the government from time to time by that group of people in order to clarify what the government's role will be and what their intentions will be. And governments do have a necessary role to play at the regulatory level. But what concerned the people in the Shaunavon area was that the government might decide to take a much more aggressive position from an investment point of view or an economic participation point of view.

And I think that their biggest concern, Mr. Deputy Speaker, is that that might be the government's preferred way of approaching that particular industry. And they are saying clearly that's not what they want.

And I think that we would be, we would be happy, Mr. Deputy Speaker, to have the assurance of the government that they have no intention of doing anything but setting the proper environment in place for these types of operations to flourish.

The group that I had spoken of from the Southwest has come together across all political persuasions. And I think what appeals to me so much about their initiative is that they have put aside the small things that might divide them for the benefit of the greater good in that particular community.

And if the plant that they are proposing comes into . . . comes to fruition and is actually up and running someday, we are looking at thousands of grain cars per year delivering grain to this particular operation. So if you extrapolate that, it has a tremendous impact on all the farmers, all the grain growers in that area. It has tremendous potential to impact the short-line railway that exists in that area. It has a tremendous potential for local businesses. It will help develop a great spinoff economic effect through the whole southwest.

And that, that frankly, Mr. Deputy Speaker, can't come soon enough. We need that kind of initiative. We need to see it develop not just in the community of Shaunavon, but we need to see it developed in other communities throughout this province — other communities that have the same vision, the same potential of benefiting from working together and seeing this particular industry developed to its fullest potential.

You know, Mr. Deputy Speaker, I, I did have some concern about where the government was planning to go with this, this industry. And before they articulated some of their, their ideas and put them forward for public consumption, I talked to the newly minted minister of ethanol, at that time, and had a little conversation with him at a private function. And just said, look it, these are some of the concerns that people in my area have with regard to the development of the ethanol industry, what do you think?

And I was quite encouraged, frankly, to hear his response because he very much agreed with the idea that this is an industry that needs to be driven by the public sector . . . (inaudible interjection) . . . Did I say private sector? Did I say it, did I say it loud enough and clear enough for everybody to hear? The private sector.

But in talking to other ministers from the government side on that very issue, I wasn't nearly as assured, frankly, that that was the way things were going to unfold. And I'm still not sure, Mr. Deputy Speaker, that that's going to happen.

Because with the introduction of the Bill, recently, on the ethanol industry, there's nothing in it. There's virtually nothing in there of any consequence. It outlines a few penalties if you violate this or that or the other thing. But it doesn't really say how this industry is going to be built, how it's going to be achieved, how it's going to be developed, and what the government's role really might be in the, in the completion of that industry.

It leaves everything quite anonymously to regulations. Regulations that we haven't seen yet and regulations which could amount to anything. We have no idea what will be contained in the regulations; we don't know how that will affect the development of the industry. And I think that if we have any real questions about the government's intent, I hope they will be clarified when we see the eventual release and development of the regulations.

There are, as we mentioned earlier, some serious requirements to make this particular industry all that it can be. There has to be a support for the proper environment — regulatory environment — by the provincial government for this industry to flourish. There has to be put in place the right taxation policies. And I think that the government has not seen fit to go far enough in that regard as yet, especially as it concerns the corporate capital tax.

There were some changes in this most recent budget on that particular matter. But in talking to people who are about to launch onto the development of huge and expensive capital-intensive ethanol plants, they're telling us that one of the most serious debilitating elements to the development of their projects is the corporate capital tax, because that tax comes into effect and has to be paid right at the construction stage of these big facilities. And it's an insidious tax because you have to pay it before you make a nickel's worth of profit.

And I think that if anything discourages investment in this province and in maybe investment in the ethanol industry with all its potentiality, that is one of the taxes that has to be addressed in a much greater way by this government.

The corporate capital tax in this province, even though there was a very slight change made in the previous or the most recent budget, is still the highest in Western Canada. And it detracts from our competitiveness when people are looking at . . . when investors are looking at places to put their money. And if they know that they come to Saskatchewan and pay tax before they . . . at a higher rate than they would pay in other jurisdictions, that is a disincentive to their investment here. And I think we need to address that particular concern for outside investors soon, in fact, sooner than later.

One of the concerns I think that has to be considered in this whole industry is the size of plants that are proposed so that they will maximize the efficiencies required. You know, ethanol . . . there's a debate about the efficiency of ethanol from an investment point of view and an efficiency point of view and a cost-recovery point of view. There are differing points on those various aspects.

But I don't think anybody seriously disagrees now with the wisdom — conventional wisdom — of the industry. And that is that you have to reach a certain level of production to recognize the most benefit from the investment and also a return on the energies required to make ethanol from the various feedstocks.

I know that there have been a lot of communities looking at ethanol opportunities for their own use and their own development. But it concerns me that too many communities are looking at small operations that won't be viable over the long run. The cost of a small operation . . . when you look at the construction and the design and the engineering and all of those elements, the cost of a small ethanol facility is going to mitigate against its profitability.

If you, if you take a . . . if you take a larger plant, if you take a larger plant, Mr. Deputy Speaker, the cost of design and engineering is no greater than for a small plant. The cost of construction is only proportionately higher than a small plant. But the return on investment to a large plant is much quicker and much more significant. And I think that communities that are looking at these projects need to consider seriously whether or not their plans are viable.

I think that we would be doing a disservice to communities if we suggested that this is the panacea for every small community and they could go out and invest 25 or \$30 million and have an economic return and a big economic impact on their community in any kind of short order. That's simply not going to happen. We do need to be encouraging the proper level of investment, the proper production capability, and we need to be encouraging pragmatic and careful use of whatever investment resources are available to the communities.

There are, as I said many, many communities in this province who have looked to this industry as a potential economic saviour for their area. I believe, in talking with people well-placed in the, in the federal and provincial government agencies, that there could be as many as 30 or 40 communities who are considering ethanol as a possibility.

And when it comes right down to it I don't think that that's realistic in any respect. And I think that if these communities do their homework and check with companies that specialize in

building these plants, specialize in managing these plants, specialize in marketing the product from these plants, they will soon come to realize that there is an economy of scale that has to be considered in their ideas and their plans.

So I would just urge caution, Mr. Deputy Speaker, for communities that are looking at this as a possibility. I know that there are, I know that there are small communities in my own constituency who have talked about getting involved in the ethanol industry and they are, they're looking for something that will benefit them. But whether or not they really want to invest their own money in a plant that would be at risk financially, I doubt that seriously. And I think that they need to look carefully at all of the cost considerations and all of the implications of their decisions in that regard.

I guess the other thing that's kind of interesting about ethanol is that almost everybody associates the production of ethanol with a feedlot. And while that has worked very effectively in the Lanigan enterprise at Pound-Maker there, that's not going to be the reality for every project that comes up.

And in fact, I think that there are some ethanol projects that will benefit from other types of products. There might be an opportunity to dry down the distiller's grain, pelletize it, maybe export that, move it around to other jurisdictions. You don't have to have your feedlots all immediately tied to the ethanol facility. They could be scattered around the province and there are those potentialities.

I guess there's CO₂ recovery that could be accomplished. There might be opportunities to use energy from other sources to help recover the costs of and the needs of energy for the ethanol production. I think that there is flare gas that is burned up and wasted in some areas and that flare gas could be used effectively in a cogeneration or a symbiotic type of relationship with some of these ethanol plans.

So there's a lot of element, a lot of various elements, and a lot of different ideas that can be developed from the basic ethanol concept. And I think the opportunities are so diverse and so potentially tremendous for this province that I really want to see this industry get up and running. And I think that we're going to witness, in the southwest part of this province, some of the very first opportunities for ethanol production.

I was listening to one of the members from the government side speak earlier about the mandating of ethanol, by implication suggesting that the Saskatchewan Party's plan was a little impractical because we were going to mandate this, the use of this stuff.

You know, Mr. Deputy Speaker, some people must think we're stupid, you know.

Some Hon. Members: Hear, hear!

Mr. Elhard: — You know, I get the impression, Mr. Deputy Speaker, that they think all wisdom resides on their side of the House. Now if that was true, they would be government in perpetuity, but that's going to come to an abrupt end soon.

Some Hon. Members: Hear, hear!

(16:30)

Mr. Elhard: — But, Mr. Deputy Speaker, everybody knows that you're going to have to mandate the use of this fuel in order to develop and encourage the development of this industry.

But nobody is going to wake up one morning and find out that every litre of gas is going to contain 10 or 15 per cent of ethanol. You know, that industry has to be developed and promoted and encouraged. And that industry is going to have to find export markets. That industry is going to have to be up and running before any full mandating could apply here. And just as they have suggested in their own documents that they would mandate on an incremental basis, anybody with a brain would want to approach that issue the same way.

And so I . . . you know, I'm resentful, frankly, of the implications of that kind of . . . that charge. It just is . . . it's beyond belief that somebody could think that little of their opponents that they would suggest that, frankly, Mr. Deputy Speaker.

Mandating will be an important part of the development of the industry — not just to encourage the industry but because it's good for the province. It's good for the environment. It's good for your vehicles for that matter. I'm using ethanol-blended fuel in my own car right now and I'm finding that my car runs better. I get better mileage; I got more power when I need it. And I think that people will buy blended ethanol fuel because there's an advantage to them for doing that.

Maybe mandating won't be such a big issue. The sheer brilliance that people would exude by having recognized the benefits of ethanol would override any need to mandate. We're being a little facetious, Mr. Deputy Speaker. But you know, I think the mandating issue is a moot point. I think it's not nearly as significant to this whole debate as might be made out to be by some opponents, frankly, of the ethanol industry.

Now is the ethanol industry going to be harmful to the petroleum industry? I don't believe that for a moment. I think that there is a very real benefit to the petroleum industry by encouraging this ethanol blending of fuels. I think that we have renewable resources and non-renewable resources. If you can combine the two to achieve a good purpose for the economy, for the environment — certainly for the ag economy — I think it's something that we need to pursue as public policy. And that's why I'm glad to be supporting the development of the ethanol industry today.

Mr. Deputy Speaker, there are probably a number of other issues that we could develop today. But I think that one of the things that we need to have on the record is an assurance given to the people of this province by the government of the day that they will do what they can to encourage the development of this very important industry and will not stand in the way of the development of the industry.

What do I mean by that? Well we talked about the corporate capital tax and the need to level the playing field in that area to help the development of the industry and to encourage investment to this province. Investment that would be willing to come here if the conditions were right and if the return on

investment was proper.

We need to look at the implications of our labour legislation. Frankly, Mr. Deputy Speaker, there are provisions in our labour legislation that make it difficult, that make it difficult for us to attract the investment to this province that we so desperately need.

We are not looking at wholesale changes. We're not looking at undermining workers' rights. We need a balanced approach and a fairness test for labour legislation that would meet the standards of other provinces.

You know, you just simply cannot put barriers around your province to this kind of investment and expect it to play no role, to have no effect on whether or not people invest in this province. You can't, you can't say this is not that important, this is insignificant; this is more important than an investor's rights or opportunities without having a negative consequence. And the last thing this province needs, Mr. Deputy Speaker, is another negative consequence.

So while we want this, while we want this industry to succeed, I think the people of this province want assurances that the government will put into place every opportunity for the industry to succeed and remove every barrier to success that exists right now.

And I really . . . I would encourage the government to take these concerns seriously, to act on them and to do the right thing and make the growth of our economy and the potential of our economy realized by the removal of any barriers to investment in the province of Saskatchewan.

So let's promote, let's promote policies. You know, let's look seriously at what is best for the province. Let's forget our ideologies. Let's forget about the public . . . the pressure group, the special interest groups that are putting pressure on us. Let's forget about those kinds of things and work for the common good on this particular industry. Let's try something creative. Let's do something that will work for the common good — the benefit of the province — without the other impediments that are so often brought up to bear on these, on these particular types of ventures.

I think that we need to emphasize more than anything the development of this industry through the encouragement of private sector investment. We have talked about two specific cases, in the speech by myself and by the member from Melfort-Tisdale, of communities that are prepared to develop an ethanol operation without government involvement. And I think that there are probably several other communities that are prepared to take the same approach.

But what they need, Mr. Deputy Speaker, I believe is a real and ironclad assurance from the government that they will allow the private sector to lead and benefit by their involvement in this industry.

The government has to resist. It just must resist the natural urge it seems to always succumb to, to the desire to take an equity position in anything that looks like it might succeed. There has to be a resistance on the part of this government from doing

what it's always done.

It's time for it to look seriously at trying an approach they've never tried before and in that area, Mr. Deputy Speaker . . . or Mr. Speaker, I'm sorry, we have, we have a need of assurance. We need that assurance that the government will set the parameters in place, build the foundation, and let the industry grow on its own.

Mr. Speaker, we think that, we think that this industry is so potentially important to the province that we desperately want to see it succeed. We desperately want to see the people of this province benefit from its success. We want to see the opportunities that this industry will bring with it realized by communities throughout the province. We need, we need, Mr. Speaker, the confidence as a people that a success in this industry would bring.

Every small town in Saskatchewan that would benefit from one of these programs, one of these plants, would see such a tremendous boost to their own confidence that the impact would be immeasurable, frankly. And I think that when we succeed as a province in these types of endeavours, it's only a matter of time until people are willing to try something else and take on another initiative and do something very positive for their province.

There's nothing worse than being beat down by failure, Mr. Speaker. And we have seen too many good ideas dissipate into failure. We cannot as a province have that happen any longer. The psyche is negatively affected and the reaction is, is demoralizing. And we just simply cannot afford to have that happen any longer, or again.

We need to look at ethanol as just one of many opportunities in this province. We have talked about a variety of potential spinoff industries. We have talked about potential in other related activities. But we also have some other very significant opportunities that might come our way, Mr. Speaker, if this industry gets off the ground. And it may not be because it's directly related to ethanol, but because of the sidebar effect of good planning, good ideas, good people, good opportunities. It's amazing what success in one industry will do to elevate the potential for success in other industries.

You know, we said earlier that ethanol plants don't necessarily require a feedlot industry to succeed. But I want to go back to that, Mr. Speaker, and talk about what the potential for the feedlot industry is in this province.

I've talked to a number of people who raise cattle. I have cattle myself. We run a few cows and have calves that we sell every fall. And, you know, those calves always go to a foreign buyer. Somehow they end up in an Alberta feedlot and almost always end up going across the line for slaughter.

You know, the potential for developing a feedlot industry in this province is so tremendous — with or without ethanol — that we have missed a golden opportunity, Mr. Speaker, to see that fully realized and to see the impact that that particular industry might have.

Do you know that there is, by all counts, about a million cows

in the breeding herd in this province and experts tell me that we could probably triple that number quite easily? We have the land base to do it. We have the people who are willing to do it. And if we did triple the cow herd, we could have a tremendous feedlot potential realized in this province.

We wouldn't be shipping our cattle to Alberta. We wouldn't be shipping our feed grains to Alberta. We wouldn't be shipping our children to Alberta to look after them. We could be doing that right here. And that feedlot industry could make an immense difference to the communities that are in some cases nearby the ethanol, but they not necessarily would have to be located in near proximity. They could be down the road 10 miles. They could be down the road 60 miles or 260 miles.

The ethanol by-product distiller's grain, if it's dried down and pelletized or if it's used as a wet feed, has a tremendous potential for the feedlot industry, the cattle industry in this province. And we need to look at the potential for that as equally important, frankly, to the economic opportunity and the development of our economy on a plane very close to what the ethanol industry itself might produce.

The big impediment, frankly, the big impediment to the growth of the cattle industry and the feedlot industry has been lack of initiative and lack of opportunity and too much regulation. There have been people in every quarter of this province who have, at one time or other, expressed an interest in developing a feedlot of some size whether it's just a few hundred head up to as large as 20,000 head.

But there is almost no opportunity for the people with the desire to establish a feedlot to get the approvals they need, to get the regulatory requirements fulfilled with any kind of efficiency. And too often, they are discouraged at every turn by government regulation, by investment complications, maybe by environmental concerns, who knows what they are. I mean the list is endless.

What we need in this province is a recognition that that particular industry could play a tremendously significant role and that there are people willing to participate in that industry and see it grow to maybe double or triple what it is right now.

(16:45)

The area in which I represent 10,000 people has maybe three small feedlots operating right now but there would probably be three more in existence within days if somebody would provide them with a single window of opportunity to get all the regulatory requirements approved.

The cattle are there, the people are there, the land is there, the water is there, the power is there. You know, the feed is going to be there if these ethanol plants produce the distiller's grain in the volumes that everybody says.

This is the time. The need is here, the opportunity is here; now is the time for that industry to take root and flourish in this province. And any possible effort that the government could make to lessen the complications faced by proponents of feedlot would be a welcome, a welcome addition to the economic opportunities of this province.

And I think that at this point the government needs to review the role that it plays in keeping that particular industry at bay. It has not realized its potential by a long shot and there's much that can be accomplished if the government would simply streamline the regulatory and environmental issues that mitigate against the development of feedlot industries.

Some Hon. Members: Hear, hear!

Mr. Elhard: — You know if you tripled the size of your feedlot industry in this province and you looked at the economic impact that would have, I think that the numbers would boggle the mind of the average person. They just don't understand the value of an industry like that.

You know when you have a cow now, an average herd cow . . . oh, let's say 4 or 5 years old, weighing 1,500 pounds . . . you know that cow is worth on the market \$1,500 to \$2,000 these days.

You sell a calf in the fall at 7 or 800 pounds, those calves are bringing you 7 or \$800 . . . (inaudible interjection) . . . We have some people on this side of the House who are involved in very special cattle because they think their calves are worth about a thousand dollars. But we'll overlook their optimism for the market and the futures in that particular industry.

But you take those kind of numbers, Mr. Speaker, and you multiply those by a million head more or a million and a half head more, and you look at the value that you would be putting into your economy by expanding the basic cow herd and the feedlot industry and you can see the multiplier effect of four or five times rippling through all of the small communities in rural Saskatchewan.

The implications for our economy are tremendous. And I think we need to, we need to give that particular industry every opportunity to flourish that we possibly can. And I'm hoping, I'm hoping that the ethanol industry will help contribute to the development of that feedlot industry.

You know, we haven't . . . when you talk about the growth of the cattle industry and how it could be encouraged with the ethanol industry, you know, all we've talked about basically are feeding operations. We haven't even talked about, you know, the slaughtering operations that ought to be in this province. We haven't even started to talk about the development of a packing industry.

You know, Saskatchewan used to have a fairly vibrant feed . . . I'm sorry, a slaughtering industry. We used to have a pretty vibrant packing industry in this province. And in the short time that I've been involved politically and for the few years prior to that, you know, we've seen the decimation of those two industries in this province. We have seen job losses in those industries; we have seen a real failure of opportunity in those industries. And I think that the blame for that, frankly, Mr. Speaker, has to lie at the feet of this particular government.

I remember a time when this government decided that the best way to invest their money was to buy into a packing industry. And I don't know exactly what happened to that investment but we've heard very little about it after it's gone broke.

Mr. Speaker, there are immense opportunities in this province. You know, I clearly recall the title of the Throne Speech being province of opportunity. What a great title. I think I referred to that once before — province of opportunity.

You know, the potential is so dramatic, so wondrous. But the realization is so pathetic. We have undersold ourselves to the point where we don't know any longer, we aren't even aware of how great we could be.

You know, we've accepted second best for so long that we don't know how great this province could be. And we need to revisit not just the opportunities, but the way with which we are so self-satisfied — so satisfied over the smallest gains, so satisfied over the smallest achievement. We should be going, Mr. Speaker, for the great things. We should be realizing at every turn all of the opportunities that this province has to offer.

And when I looked at the Throne Speech and saw the title, I thought this is right on track. When I read the Throne Speech for myself, I was sadly disillusioned. There was . . .

An Hon. Member: — You can't judge a Throne Speech by the cover.

Mr. Elhard: — You certainly cannot judge a Throne Speech by its . . . not its cover, but by its title. And we found that very loud and clear in the reading of the Throne Speech this year.

You know, we have covered quite a bit of ground in terms of the ethanol industry. We have talked about its great potential. We've talked about several different communities that have ethanol projects on the go. We have talked about the number of small communities who are looking at it as a panacea for their own economic future. We've talked about the pitfalls of getting involved in a project that is maybe too small or undercapitalized or hasn't been considered carefully in terms of the economies of scale that are necessary to make a successful venture. We have talked about ethanol and its implications for the economy and for the cattle industry and for other spinoff industries.

I also mentioned about the potential of the benefit to rail companies. In the Southwest we have a privately owned short-line rail operation that will move 3,000 cars — approximately 3,000 cars a year — just to supply the feedstock for the plant that is proposed for the ethanol plant in the community of Shaunavon.

But here's something that we have not talked about, having covered all those areas. And that is the potential for significant economic opportunity through the development of an export market.

You know, we have . . . we are sitting on the edge of an opportunity here that we won't even understand its full potential for a number of years. But if the state of California and if the state of Arizona and if the state of New Mexico, some of the states that find increased traffic and huge urbanization and air pollution bothering them more and more and more, if they go ahead and mandate not a 10 per cent ethanol blend, not a 15 per cent, but an 85 per cent ethanol blend, which is entirely possible, if those states that are growing at such a rapid rate, whose population — the state of California exceeds our national

population — but if those states mandate ethanol to that level, we have such a great opportunity for export, the potential for which we have not even sat down to calculate yet.

And I think that by being in the forefront of the ethanol industry, by having got this far with ethanol in this province now, we are just about to realize the first fruits of that great potential through export. You know, we have lots of land here; we have lots of raw materials here. We can do the ethanol here. But no market is growing as rapidly as the state of California and the state of Arizona. And we are going to be in a position to supply them, to be the primary source of ethanol for their needs.

You know, can you imagine how great that is to finally be on the winning end of a trade deal with the state of California? You know, we don't have to just sit here and take their oranges whenever they come. You know, we don't have to just sit here and take their lousy hockey teams when they come up here and play. You know, we are going to be on the winning end of an agreement with a state the size of California that has a real need of a product that we can develop here.

We are in the driver's seat on this particular arrangement. And I think that we need to make sure that not only do we drive a hard bargain, but we drive a thorough bargain and make sure that we're part of this whole process for many, many years yet.

And I sure am glad that we are in the vanguard that we're in the forefront of the development of this industry that can take advantage of an opportunity like that. I would certainly have been disappointed if we had sat back on this particular industry and watched the lead being taken by Ontario or Manitoba, and we sitting here simply saying, me too. You know, like a poor cousin — me too. It's so refreshing to have the province of Saskatchewan in a position where we are in the lead for a change and that we are going to capitalize on for a change.

Now I'm making some serious assumptions here, some . . . and maybe I'm on dicey ground here, maybe this is tenuous, but nevertheless, Mr. Speaker, we have the potential to reap tremendous benefits for the province of Saskatchewan through the development of the ethanol industry and by being the leading exporting province in the country.

And if we fail to take advantage of those opportunities when they present themselves, who knows how long it'll be till another opportunity of anywhere near that proportion presents itself again.

We simply cannot fail on this particular industry. And that is why once again — I find it important to reiterate — that is why once again, Mr. Speaker, we need to make sure that the conditions are right for the development of the industry — that the things are in place that will attract investment; that the playing field is as level as it can be in terms of attracting investment and labour here; that we are going to see every good opportunity realized in this province because we did it right.

And if there's anything that I can contribute to this debate, if there's anything that I can do in the future to make sure that we achieve the rewards that we deserve in this particular industry, I will do it, not just as a private citizen, although that's part of my imperative as well, but as the representative of the people of the

Southwest, of the constituency of Cypress Hills, the community of Shaunavon, which technically is not in my constituency. It's just on the outside edge of my particular constituency and is part of the Wood River constituency, so ably represented by the member sitting immediately behind me.

But our objective will be, Mr. Speaker, to make sure that the opportunities that they are chasing today, the opportunities that they are seeking on behalf of their communities, the opportunities that they are seeking for their friends and their neighbours will be realized, and that nothing this government does will prevent that opportunity from being realized to its fullest.

Some Hon. Members: Hear, hear!

Mr. Elhard: — I want to just refer to the Saskatchewan Party's announcement for the ethanol plan that we talked about earlier on this afternoon. And maybe if I can find it here, I will compare it directly to the press release issued by the then ministry of Economic and Co-operative Development. A word-by-word analysis and comparison might be appropriate this afternoon, but I think that in view of the debate about whether or not the amendment was valid earlier on this afternoon, Mr. Speaker, we really should maybe proceed with this comparison, so that the people of this House, and the people who are viewing these proceedings on television . . .

The Speaker: — Order. Order. Members of the Assembly, it is now past the hour of 5 o'clock. This House stands recessed until 7 p.m.

The Assembly recessed until 19:00.