

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I rise to present a petition on behalf of citizens of Saskatchewan who are disappointed with the treatment of the snowmobile industry in this province by the current government. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to recognize the financial savings that could be made by contracting the Saskatchewan Snowmobile Association to groom provincial trails and obtain funding for this through the sale of provincially owned grooming equipment, mandatory trail permits on Crown land and provincial parks, and the attachment of trail permits to snowmobile registrations.

Mr. Speaker, I have three petitions and they are signed by citizens of Naicam, Tisdale, Big River, and Prince Albert.

I so present, Mr. Speaker.

Ms. Draude: — Mr. Speaker, I too have a petition to present today by people who are concerned about the lack of interest in the snowmobiling industry:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to recognize the financial savings that could be made by contracting the Saskatchewan Snowmobile Association to groom provincial trails and obtain funding for this through the sale of provincially owned grooming equipment, mandatory trail permits on Crown lands and provincial parks, and the attachment of trail permits to snowmobile registration.

The people that have signed this petition are from Weekes and Porcupine Plain.

Mr. Stewart: — Mr. Speaker, I rise to present a petition signed by citizens concerned with this government's 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 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, Mr. Speaker, this petition is signed by individuals from the community of Moose Jaw.

I so present.

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, again today I present a petition on behalf of constituents in the Cypress Hills constituency concerning crop insurance premium hikes and coverage reductions. And the prayer reads as follows, Mr. Speaker:

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.

As in duty bound, your petitioners will ever pray.

This petition was signed by producers from Cabri, Lancer, and Abbey.

I so present.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I stand today to present a petition on behalf of citizens that are concerned about the deductible for prescription drugs. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in Saskatchewan.

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

And this is signed by folks from Estevan, Regina, and Lampman.

I so present. Thank you.

Mr. Brkich: — Mr. Speaker, I have a petition here with people opposed to possible reduction in services to the Davidson and Craik health centres.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Davidson and Craik health centres be maintained at their current level of service at a minimum of 24-hour acute care, emergency, doctorial services available as well as lab, physiotherapy, public health, home care, long-term care services available to the users from the Craik and Davidson area and beyond.

As in duty bound, your petitioners will ever pray.

Signed by the many citizens from Craik and Aylesbury.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. I have a petition this afternoon by citizens of the ... Saskatchewan who are concerned about the ineptitude of the tobacco legislation. And the petition reads as follows, Mr. Speaker:

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 \$50 . . . \$100, pardon me.

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

And, Mr. Speaker, this petition has been signed by the good people from Prince Albert.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition from citizens concerned about the government's tobacco strategy. 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 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.

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

Signed by the good citizens of Delisle and Saskatoon area.

I so present.

Mr. Hart: — Thank you, Mr. Speaker. I rise to present a petition on behalf of constituents concerned with the recent changes to the drug prescription plan. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in Saskatchewan.

As in duty bound, your petitioners will ever pray.

Signatures to this petition, Mr. Speaker, come from the community of Cupar.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition signed by citizens of Saskatchewan concerned with the deductible on prescription drugs. And the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in the province of Saskatchewan.

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

And the signatures, Mr. Speaker, on this petition are from Duck Lake.

I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, I rise today with a petition also concerning the costs of drugs and the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reinstate a reasonable annual deductible amount for prescription drugs in Saskatchewan.

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

And, Mr. Speaker, this is signed by the good citizens of Glentworth and McCord.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received as addendums to previously tabled petitions being sessional paper nos. 7, 11, 18, 23, 24, 31, and 59.

NOTICES OF MOTIONS AND QUESTIONS

Ms. Bakken: — Mr. Speaker, I give notice that I shall on day no. 47 ask the government the following question:

To the Minister for SLGA: what is the annual cost of operation and staffing for the kitchen facility in the Albert South liquor store in Regina; what are the hours of operation of this kitchen facility; how many people are employed to operate the kitchen facility; were the jobs attached to the operation of this kitchen facility publicly advertised or tendered?

Mr. Wakefield: — Thank you, Mr. Speaker. I give notice that on day 47 I shall ask the government the following question:

To the Minister of SPMC: (1) what are all the details concerning the provincial government's lease of the new aircraft including details regarding the Saskatchewan Government Growth Fund and any private companies involved in the lease; and (2) will the government table the cost analysis it used to compare this lease arrangement with the cost of using charter aircraft.

INTRODUCTION OF GUESTS

Mr. Kasperski: — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to my colleagues in the Legislative Assembly 51 grade 4 and 5 students seated in the west gallery.

They're from Henry Janzen School in my constituency and they're accompanied by their teachers Mrs. Taylor and Mrs. Sorensen. And it's really nice to have Mrs. Taylor back again and I'm looking forward to meeting Mrs. Sorensen today. I

should point out that they're also accompanied by some chaperones: Mrs. Battams, Mrs. Sthamann, and Mrs. Katzberg.

So, Mr. Speaker, I'm looking forward to meeting with them a little later, around 2:30, taking a picture. And I'd just like you and all my colleagues here to welcome these grade 4 and 5 students here today.

Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. I'm pleased too to introduce a number of students to the Assembly today. There are 30 grade 8 students from Rosetown Central High sitting in the east gallery. Mr. Speaker, they are accompanied by their teachers Miles Bennett and Avis Dahl. And they also have some chaperones along although I'm sure they're not needed. Their names are Mr. Brigham, Mrs. Eskelson, Mrs. Montruel, and Mrs. McDaniel.

Now, Mr. Speaker, they already were able to see the special celebration outside the doors in honour of Queen Elizabeth II, Her Majesty's 50th Anniversary, and they received books and a pin as well. So I'm hoping that might get me off the hook for the trip to the Dairy Queen.

Nevertheless, Mr. Speaker, I would ask all members to join with me in welcoming them to the Assembly. I hope they enjoy the proceedings and I know I'll have a chance to visit with them afterwards. Welcome to the Assembly.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. Well I'm very happy and excited this afternoon to be able to introduce to you and through you to all members of the Assembly, two groups. The first are a group of women and their escorts, seated in your gallery, Mr. Speaker. One has already been introduced in the ceremonies from the IODE (Imperial Order Daughters of the Empire), Noreen Edwards. And the others are part of the Prairie Lily Chapter, with their escorts — Gladys and Ken Davis, Adeline and Keith Watson, Reva Laing, Phyllis Wright, and Edith Chisholm. They're accompanied this afternoon by someone who's very important and a very special part of my life, my constituency assistant, Tammy Watt.

And I'd ask all members to join me in welcoming the members of the IODE.

Hon. Members: Hear, hear!

Ms. Hamilton: — While I'm on my feet, Mr. Speaker, another reason to be excited about today is I have special guests from the constituency, the grade 4 students from Jack MacKenzie School and they're seated in the west gallery. There's 27 students accompanied by their teacher Joanne Patron, and parent supervisors, Mary-Anne Wihak, Raelynn Fry, Dona Jones, Nina Lobb, Sheila Moore, Dan Price, Layne Prudun, Charlene Sawatzky, Kathy Serbu, Janice Stefan, Wendy Tsang, and Sophia Yannitsos.

I'd like to ask all members to give them a warm welcome. They're going to be especially privileged today to meet with the

Lieutenant Governor at 2:30 in the Cumberland Gallery.

Thank you, Mr. Speaker, and please welcome our special guests.

Hon. Members: Hear, hear!

The Speaker: — And members of the Assembly, it's my pleasure to introduce to you, sitting in the Speaker's gallery, members of the Saskatchewan Committee for the Queen's Golden Jubilee Celebrations. They had a meeting this morning at Government House, followed by a noon luncheon, and they're here to celebrate the events of the day with us today. And I'd ask all members to join in welcoming them here.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Musical Comedy at Birch Hills School

Mr. Wiberg: — Thank you, Mr. Speaker. Mr. Speaker, last week Birch Hills School staged the musical comedy, *Dragon Tale*. This play, written by John Carter and Mary Kay Beall, is the story of a drifting nobleman that outwits a barbarous dragon.

Mr. Speaker, Birch Hills School annually conducts a musical that is always well received by the local community. However, Mr. Speaker, Birch Hills School in recent years has taken on the additional role of inviting elementary students from neighbouring schools to witness their delightful endeavours.

Mr. Speaker, Darcy Sander, who is also the school principal, directed *Dragon Tale*, assisted by a multitude of staff members. Although five students — Jordan Dyck, Kendra Barkman, Rachelle Larson, Jordan Ruder, and Rebecca Quale — performed the lead roles, approximately 75 other students had roles and responsibilities in *Dragon Tale*.

Mr. Speaker, performances such as these require months of preparation and dedication so that hundreds and hundreds of adults and students who attend the three days of the performing can enjoy a first-rate musical comedy.

Mr. Speaker, to all the staff at Birch Hills School, a big thank you for all you do for our children. And to all the students involved in *Dragon Tale*, congratulations on a well-performed event.

Mr. Speaker, I ask that all members join me in giving Birch Hills staff and students the well-deserved recognition they have earned. Thank you.

Some Hon. Members: Hear, hear!

Saskatchewan Potash Industry

Mr. Addley: — Thank you, Mr. Speaker. As we heard yesterday, this week is Opportunities Week in Saskatchewan as well as Mining Week. During this double-purpose week, it is worth a moment of our time, I think, to reflect on how our potash industry serves to enrich the provincial economy,

enhance national exports, and reduce world hunger.

Mr. Speaker, Saskatoon calls itself the POW city — potash, oil, wheat. That proud title helps encapsulate the significance of this major provincial industry in spurring economic diversification, steady employment, and ongoing investment.

(13:45)

Mr. Speaker, we have potash reserves able to meet world demand for several hundred years. These high-grade reserves are easily accessible, giving the industry the lowest production costs in the world.

Our 10 potash mines had sales last year of \$1.6 billion; only five per cent of that is consumed in Canada with about two-thirds going to the US (United States) and the rest to the Pacific Rim markets.

The Saskatchewan potash industry directly employs over 3,000 Saskatchewan people, and spends about \$100 million a year in capital investment. These are good, well-paying union jobs. And this is money invested in Saskatchewan.

As well we have in POW city a world-class corporate headquarters which has in turn funded a research Chair at the University of Saskatchewan.

Food for the world and opportunity at home. We are fortunate to have this resource and this industry in Saskatchewan.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Scholarship Winner

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to have this opportunity to give recognition to a constituent of mine, Mr. Bernard Levesque, of Prud'homme.

At a recent scholarships ceremony at SIAST, (Saskatchewan Institute of Applied Science and Technology) Kelsey Campus in Saskatoon, Bernard Levesque was awarded the Edward Ted Clayton Memorial Award. Mr. Levesque is a student in SIAST agriculture machinery technician program.

Edward Ted Clayton Memorial Awards are awarded to full-time students based on academic standing in both theory and practice and the individual's application of skills and initiatives.

Congratulations, Bernard, on this achievement.

Some Hon. Members: Hear, hear!

Standard Machines Opens New Facility

Hon. Mr. Melenchuk: — Thank you, Mr. Speaker. As we've heard, Saskatchewan Opportunities Week is about celebrating and highlighting the many successes of Saskatchewan's people.

And my constituency, Saskatoon Northwest, is home to many

new, exciting, and successful business stories. One such business is Standard Machine which has recently made a new 75,000-square-foot facility on 60th Street East in Saskatoon Northwest, its new home.

Mr. Speaker, Standard Machine employs 100 people and does everything from precision grinding, highest quality gear manufacturing, to welding and fabrication. It is one of only a handful of full-service machine shops in North America to have such a diverse assortment of machining and metal fabrication services under one roof.

And Standard Machine has enjoyed success far beyond the Canadian borders. They have shipped their products to as far away as Asia and South America and they continue to take on other and new world markets.

Mr. Speaker, as we celebrate Saskatchewan Opportunities Week, I would like to congratulate Greg Porter, Standard's president and owner, for expressing his confidence in Saskatoon and Saskatchewan because he has helped to set the standard for successful business stories in our province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Wilkie Volunteer Firefighters Honoured

Mr. Peters: — Thank you, Mr. Speaker. The town of Wilkie and surrounding municipalities of Buffalo, Reford, Tramping Lake, and the town of Scott honoured volunteer firefighters at a banquet in their honour on Saturday, May 10.

A number of firefighters were awarded plaques for their years of service. But special awards were presented to Ed Elder and Jim Coffee who have retired from completing nearly 37 years of voluntary service to their community.

Shirley and I were pleased to be able to attend this important event. It is very fitting that we recognize the commitment of these dedicated individuals. This is another example of the importance of volunteers in keeping many of our local organizations operating successfully.

I would ask all members to join me in saluting and thanking all volunteers and especially the Wilkie firefighters. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Moose Jaw and District Launches Business Resource Centre

Hon. Mr. Hagel: — Thank you, Mr. Speaker. Mr. Speaker, we know it's Opportunities Week in Saskatchewan, but in my hometown of Moose Jaw where the entrepreneurial spirit is doing very well and the tourism industry is thriving, business is doing very well thank you. Mr. Speaker, we consider every week to be opportunities week.

Well, Mr. Speaker, this morning along with Mayor Schwinghamer and several of the business community in Moose Jaw, I helped to launch what will be another terrific

resource for our city's business people — the Moose Jaw and District Business Resource Centre.

This partnership between the Moose Jaw Chamber of Commerce, our local regional economic development authority, the South Central Community Futures, and Saskatchewan Industry and Resources will combine many business services under one roof — a one-stop, full-service centre making it even easier for people to start or expand their businesses.

At this one-stop shopping centre for business, people will be able to access services provided by each of the partners. Alone, each of these partners is a valuable asset. Together they make an unbeatable team — a team to improve service delivery, reduce overlap in government services, and enable increased job creation.

Mr. Speaker, this is good news for Moose Jaw and the surrounding area and it was a good way to start my day, Mr. Speaker.

Some Hon. Members: Hear, hear!

Richmound Selected for Saskatchewan Baseball Hall of Fame

Mr. Elhard: — Thank you, Mr. Speaker. This past April 24 the small community of Richmound in the Cypress Hills constituency was recognized for its history as a baseball town.

Richmound has the unique distinction of being the first community with a population less than 1,000 to be selected into the Saskatchewan Baseball Hall of Fame. This is a new category and it seems fitting that the town of Richmound, which has an illustrious baseball history, be chosen as the first recipient of this award.

The induction ceremony will take place on August 17 in the town of Battleford. The community's first ball team was organized back in 1913. And since that time, Richmound teams have been winners perennially at tournaments and championships throughout Saskatchewan, Alberta, Montana, and North Dakota.

This community has produced outstanding baseball players and promoters of the sport, two of whom have already been inducted into the Saskatchewan Baseball Hall of Fame.

Now over the years, many dollars have been raised to maintain and improve the diamond. And in 1998, a new diamond was built when the Richmound team hosted the provincial bantam championships.

The residents of Richmound have always been sports minded and have supported all types of sporting events from early homestead days to the present. The selection of this community to the Saskatchewan Baseball Hall of Fame is a tribute to the players, the managers, coaches, fans, and volunteers both past and present. They've contributed much to the sport of baseball and to its history.

Mr. Speaker, I would ask that all members of the Legislative Assembly join with me to offer congratulations to the

community of Richmound for the recognition it so truly deserves.

Some Hon. Members: Hear, hear!

Claude Resources Finds New Gold

Mr. Goulet: — Mr. Speaker, Claude Resources has made a new gold discovery on the Currie Rose property that surrounds the Seabee mine in northeastern Saskatchewan.

Tests indicate that the area has high concentration, 55 grams per tonne, well above the average indication of 8 grams per tonne. Most of the holes drilled contain between 2 and 15 grams per tonne in one-three metre intervals.

The gold vein on the Seabee property runs east and west, but this deposit is north of that main trend on the Seabee property. Claude spent \$250,000 on the 18-hole drill program and will continue drilling to find out how far the system extends to the northwest and southeast. That's exciting good news for northern Saskatchewan. It means more jobs and more investment.

President Neil McMillan has said that:

It really exemplifies how much potential there is for that area to become a major mining camp.

Mr. Speaker, I might add that over these years, we had increased some support in the government side by providing an airline fuel tax downturn. Also as well, we also had the 12 per cent royalty rates go down to 5 per cent, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Employment of Consultants by Crown Investments Corporation

Mr. Wall: — Thank you, Mr. Speaker. So this morning a number of MLAs (Member of the Legislative Assembly) from this Assembly were in Crown Corporations Committee meetings hearing testimony from the CIC (Crown Investments Corporation of Saskatchewan) president, Mr. Frank Hart.

And we found out that the NDP (New Democratic Party) keeps coming up with ways, creative ways to pay off their NDP friends. But this one really takes the cake, Mr. Speaker.

Last year CIC paid Reg Gross's and Garry Aldridge's firm \$36,000 to survey the board of CIC about what they thought of CIC. Mr. Speaker, that's incredible. The board of CIC is made up entirely of NDP cabinet ministers. Shouldn't they be telling CIC what they think on a regular basis?

Why does CIC need to survey the board of CIC to find out what they think of CIC, and why did the government pay \$36,000 to its political friends for this phony-baloney survey?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Well thank you very much, Mr.

Speaker. I see there's only one person who doesn't see over there, Mr. Speaker — it's that member over there.

Mr. Speaker, the consulting firm, Points West, does a lot of consulting, first of all, right across the province, inside and outside of the province, Mr. Speaker. They're a professional consulting firm, and the member, if he's suggesting that the survey that they did was only related to CIC board members, is incorrect.

The survey that they did, Mr. Speaker, included boards on the different Crown corporations, Mr. Speaker. And it's all about, Mr. Speaker, it's all about trying to provide independent advice so that we . . . so that we can put in place boards that manage our Crowns in a very proper way, Mr. Speaker.

And you will know, Mr. Speaker, from the number of times that . . . you will know from the number of times that I've been on my feet in this Assembly, our Crown corporations have amongst the best governance structure in all of Canada, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Wall: — Mr. Speaker, the minister missed one group that this NDP firm also surveyed. The NDP firm that received \$36,000 for this didn't just survey the board of CIC and the other boards of the Crowns that are wholly owned by CIC, they also surveyed, I understand, the senior management of CIC to find out what they think of CIC.

Let's go through it again, Mr. Speaker. The NDP government paid its NDP friends to survey NDP ministers about what they thought of NDP Crowns. And it cost \$36,000 in taxpayers' money. It's absolutely ridiculous. Why do they need a survey? Do they not hold board meetings? Are they scared to tell CIC president Frank Hart what they think to his face, Mr. Speaker?

Why is the NDP handing out untendered contracts to their close political friends for needless surveys?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Mr. Speaker, we always look for ways to improve the structures of the board, Mr. Speaker. Mr. Speaker, and part of the way you do that is you bring in . . .

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

Hon. Mr. Sonntag: — Part of the way you do that, Mr. Speaker, is you bring in independent advice who can survey the . . .

The Speaker: — Order, please.

Hon. Mr. Sonntag: — Part of the way you do that, Mr. Speaker, is to bring in independent advice. It's standard business practice, Mr. Speaker. Mr. Speaker, the Conference Board of Canada rates the governance structure of our Crowns amongst the best in Canada, Mr. Speaker.

The Institute of public accountants . . . of Public Administration of Canada awarded CIC the Governor . . .

The Speaker: — Order, please, with apologies to the minister. There are too many people talking.

Hon. Mr. Sonntag: — Mr. Speaker, the Institute of Public Administration of Canada awarded CIC the Governor General's gold medal for our governance and performance management systems, Mr. Speaker.

I don't think there is anything inappropriate whatsoever about having an independent body doing an analysis and providing advice. What sense would it make, Mr. Speaker, for the boards to examine themselves, Mr. Speaker, and then make recommendations without independent third party advice, so that we can continue to improve the governance structure of our boards, Mr. Speaker, to serve the people of Saskatchewan even better?

Some Hon. Members: Hear, hear!

Mr. Wall: — Thank you, Mr. Speaker. You know, it's no wonder that the NDP is so out of touch. This is the kind of consultation they do, Mr. Speaker. The NDP pays the NDP to ask the NDP how they think the NDP are doing, Mr. Speaker. That's the kind of consultation they do.

It would be funny, Mr. Speaker, it would be funny if it hadn't have cost the taxpayers \$36,000. Mr. Speaker, Points West, the firm that was awarded the contract without tender, is run by Garry Aldridge and Reg Gross. They got \$36,000 taxpayer dollars from CIC for this survey.

Altogether they got a quarter of a million dollars last year in untendered contracts. What did they do to deserve those contracts besides being political friends of the NDP?

Some Hon. Members: Hear, hear!

(14:00)

Hon. Mr. Sonntag: — Well, Mr. Speaker, this is great political theatre. But, Mr. Speaker, the point is that you need to have good governance structures in place to provide good services for the people of Saskatchewan.

And that member and that party can portray this consulting firm as a bunch of political hacks, Mr. Speaker, but I look on their Web site, Mr. Speaker — I look on their Web site — and who are some of their . . . who are some of the people they do consulting for, Mr. Speaker? They consult for Alliance Pipeline Partnership. They consult for, Mr. Speaker, the Canadian Association of Petroleum Producers — that's CAPP, Mr. Speaker. They consult for Enbridge. They consult for Federation of Saskatchewan Indian Nations. They consult for Greystone Capital Management. They consult for IMC (International Minerals and Chemical Corporation (Canada) Ltd.) Kalium. They consult for IPSCO, Mr. Speaker. And I could go on.

The point is, Mr. Speaker, that you need to have good third party advice and independent advice, Mr. Speaker, so that we can ensure, Mr. Speaker, that we have a governance structure in place that continues to serve the people of Saskatchewan in the best possible way we can.

Some Hon. Members: Hear, hear!

Investment in Ethanol Industry

Ms. Harpauer: — Thank you, Mr. Speaker. Well it ends up that Points West does not only just consult, they also lobby with CIC.

Mr. Speaker, my question is for the Premier. Last week it was revealed that the NDP have been negotiating with US-based Broe industries through Points West to set up several ethanol plants in Saskatchewan. In fact, the NDP are planning to make a multi-million dollar equity investment in some plants to secure the deal.

John McCook is the president of Canadian BioEnergy Inc., an Alberta company that is one-third owned by Saskatchewan business people. He says that they are doing the groundwork to build ethanol plants and integrated feedlots in Saskatchewan, but the announcement that the government may help finance Broe industries has made them rethink their plans.

Mr. Speaker, why is the NDP planning to finance Broe industries when there are other companies prepared to build the ethanol industry in Saskatchewan with private investment dollars?

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Thank you, Mr. Speaker. I think that what the member should understand is that anybody that wants to build an ethanol plant in Saskatchewan today is welcome to come forward and do so. That is point one.

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Point two is, is that unlike the members opposite who are ideologically hidebound and committed to selling off our Crowns, we believe that the Crowns can play a role in rebuilding rural Saskatchewan. You tell us that they can't invest offshore. You tell us that they can't invest out of province. And you know what? Now you tell us they can't even invest in your own communities.

I think what we're seeing here today is exactly what the Sask Party is all about. It's about ideology. It's not about growth, it's not about Saskatchewan, and it's certainly not about the economy of this province . . .

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Speaker, what that minister needs to add is, anybody can invest in ethanol in this province if they're willing and they have deep enough pockets to invest against that government's money.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Speaker, local investment groups and other established bioenergy companies are interested in building ethanol plants in Saskatchewan. But now some of those groups are reconsidering because they do not want to compete with the government.

Canadian BioEnergy has been working very closely with a group in Nokomis, who has raised local financing, concluded a feasibility study, and is proceeding with the geotechnical work. The next step for the group is to develop a business plan. But John McCook says if the NDP grants exclusive manufacturing rights for ethanol production to Broe industries, and I quote:

. . . any further work on the integrated facility could be negated.

Mr. Speaker, will the NDP assure everyone interested in ethanol development in Saskatchewan that Broe will not be given exclusive ethanol manufacturing or production rights in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Mr. Speaker, I can be very clear, as we have been about this. This we believe: there is an opportunity here for a 400 million litre industry. We believe that this industry will be first and foremost an export industry.

What I say is investors that are interested in investing in ethanol in this province in our rural communities is certainly welcome to do so. The question in terms of how that ethanol will be sold here in the province is one . . .

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

Hon. Mr. Thomson: — Thank you, Mr. Speaker. The question of how the ethanol in this province will be sold will need to be worked out with Federated Co-op. That's the marketing arm that we are going to need to work with.

But let's be clear. If a company wants to come in and they want to build a plant, they can build a plant, just as a successful plant in that member's riding will continue to function.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Speaker, the Saskatchewan Party believes that there is unbelievable potential — not necessarily just capped at 400 million litres. We believe that it is as good as the private sector wants to drive it. We believe that the markets are the ones that the private sector are willing to find.

Mr. Speaker, the minister failed to answer the question. And the question was: will the NDP assure everyone interested in ethanol development in Saskatchewan that Broe will not be given exclusive ethanol manufacturing or production rights?

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Mr. Speaker, I . . . When I was the minister responsible for ethanol, I met with many different companies that are interested in investing in this province and developing it. And I'll tell you what — these companies tell us that they are interested in going into partnership.

Incidentally, you have to ask yourself, is the party opposite — the Saskatchewan Party — do they support us helping to put this industry on the map in this province or don't they? Do they support us using public funds to kick-start a 400 million litre

investment, a 400 million litre plant, a half-billion litre . . . a half-billion dollar investment? And the question, I think, also has to be . . .

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

Hon. Mr. Thomson: — Thank you, Mr. Speaker. We have a potential here for a half-billion dollars worth of investment. If the province can put some money in to help kick-start that, why wouldn't we? If that's good enough for the ethanol plant in the member for Watrous's riding, why wouldn't it be good enough for other plants throughout the province?

This is the issue today — is how do we now move beyond ideas and get into production? That's what we want to work on on this side.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Speaker, it's very concerning that the minister opposite will not directly answer the question about exclusive rights with Broe industries. And there's a number of communities that have been putting together dollars, putting together plans, and I'm sure they would like to hear the answer.

The other question that I would like to ask the minister is, can retailers purchase their fuel wherever they choose, or is this government planning that they will have to purchase their ethanol-blended fuel from the Co-op?

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Mr. Speaker, when I announced the policy some six weeks ago now, we said at the time that we thought that this policy would result in a blend of different sizes and locations of plants. This policy that we have introduced will do just that.

In terms of the number of investors, in terms of the companies that are involved, it is up to the investors. Surely I don't need to explain to the Saskatchewan Party how the free market works.

But they cannot seem to get it into their mind is, why would we say no? Why would we say no to a potential multi-hundred-of-million dollar investment of out-of-province money in their rural communities? Why would they oppose that? Why would they oppose it, and yet in this House complain that we may look at putting some money into it?

This is what I do not understand, Mr. Speaker. And I think it's time the Sask Party come clean — not only with this legislature, but with their constituents.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Speaker, I would like to ask the question one more time. Will the NDP assure everyone interested in ethanol development in Saskatchewan that Broe will not be given exclusive ethanol manufacturing or production rights?

Some Hon. Members: Hear, hear!

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

Hon. Mr. Thomson: — Well, thank you, Mr. Speaker. I can say to the member opposite that companies that are in production of ethanol today, we have worked with to keep in production and we will continue to work with to keep in production. Incidentally, the company in that member's constituency we have helped out and we will continue to.

Now if other companies are interested in coming out . . . coming into production in this province and we can assist them, we will assist them. There is nothing wrong with that.

We are talking about building a 400 million litre industry in this province's rural communities and we are looking at the markets being south of here. We are not looking at this all being sold here in Saskatchewan, so there is going to be lots of room in Saskatchewan for lots of different companies to do lots of different investment.

I ask the members opposite . . .

The Speaker: — Order, order. Order. The minister has 15 seconds.

Hon. Mr. Thomson: — Thank you, Mr. Speaker. I appreciate the opportunity to complete my answer. I would say to the members opposite it is time for them to start standing up for their constituents, not just their party, and to come forward and help us build the ethanol industry, support what ACRE (Action Committee on the Rural Economy) has said that we should invest where it's necessary, support what this government's policy is, and leave your ideology behind, please.

Some Hon. Members: Hear, hear!

Saskatchewan Liquor and Gaming Authority Price List

Ms. Bakken: — Mr. Speaker, my question is for the minister responsible for Saskatchewan Liquor and Gaming Authority.

Annually, SLGA publishes their official price list. This price list was mailed out to vendors and became effective on April 1. But a few days later they got a second booklet with a new price list that was effective April 2. It turns out that the first price list does not include the liquor tax increase that was announced in the March budget.

Mr. Speaker, will the minister explain when this first price list was printed and why the tax increase was not included in the first booklet.

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. It was obviously as a result of the budget having been announced on March 27. And as the member and members would probably know, that in advance you prepare information for your customers, for people that work in the industry. And as it turned out after, subsequent to the announcement, there was a need to make changes. That's — very simply — that's the reason for it. The prices changed on April 1.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, another difference between the two price lists is a full page ad inside the first booklet from the Lang Family Distilleries but, when the second publication came out, somehow this advertising was not included. It's only in the first book.

I wonder how much the Lang distillery paid for this ad only to have it disappear on the second day's advertising in the second booklet. Will this now mean that SLGA will have to print yet another official price list because they forgot the ad in the second book?

Mr. Speaker, how much did the distillery pay for this ad and will they be reimbursed?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, I thank the member for that question and I will take note and report back to her exactly what the costs were that were involved.

Some Hon. Members: Hear, hear!

Ms. Bakken: — Mr. Speaker, it's apparent that the minister does not know what has happened with these two booklets.

Just last week, we brought up the issue of a certain toll-free number in the Environment department which the NDP said was a mistake caused by human error. Well is this human error too or is this just an April Fool's joke, a sad April Fool's joke?

Liquor vendors are shaking their heads at this botched price list. Mr. Speaker, they are already calling the 3 per cent increase in liquor tax a huge expense for their industry and then they receive two price lists dated one day after the other. They see this as pure waste and incompetence. Is anyone in charge over there?

Mr. Speaker, how much did it cost SLGA and ultimately the taxpayers of Saskatchewan for the latest mismanagement and incompetence of this government?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Well, Mr. Speaker, I'm not sure exactly how that member spends all of her time doing all this very important research, Mr. Speaker, but I thought that my first answer was quite logical.

When you print materials in advance — I don't know how quick those members are — and then there are changes that need to be made, you have to make those changes. It doesn't happen overnight.

So, Mr. Speaker, the questions that are raised with respect . . .

The Speaker: — Order. Order. Order. Order. The minister has 10 seconds.

Hon. Mr. Osika: — So, Mr. Speaker, those specific answers with respect to those particular costs, I will be happy to supply

the member with any time. All she had to do was call my office. I would have supplied her with those answers.

Some Hon. Members: Hear, hear!

(14:15)

Assessment of Agricultural Land

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, my question's for the minister of Municipal Government.

SARM (Saskatchewan Association of Rural Municipalities) had a news conference this morning asking for changes to property assessment to remove inequities between ag land and other properties. After the 1997 reassessment and then again in 2001 we saw a dramatic shift, placing a much heavier burden on agricultural land to do with education tax. They are asking to return to the ag land being assessed on a productivity based system.

Mr. Speaker, will the Liberal-NDP government consider changing the way that SAMA (Saskatchewan Assessment Management Agency) values agricultural land? Will the minister consider this, Mr. Speaker?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. I'm very pleased to respond to that question, just to underline the fact that yes, municipal . . . Government Relations works very closely with municipal governments and with SAMA and this is certainly something that was brought to our attention. It was brought to SAMA's attention and they are in the process of reviewing all aspects of the whole assessment process.

So I'm very pleased to report to the House and to the hon. member, Mr. Speaker, that yes, there are some reviews being carried out and we're including all the affected people that this will apply to, Mr. Speaker. So yes, we are looking at all that.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Well thank you, Mr. Speaker. Mr. Speaker, the minister might remember that back in 1997, after that reassessment, the then minister Carol Teichrob give us exactly that same answer. And then about three or four consecutive ministers since then has also said, we will review it.

And what was SARM asking today? Finally, to finally make some changes, to take the load off of education tax off farm land to the degree that it's not fair for farm families.

So while the minister is saying, yes we will review it, how long, Mr. Speaker, are farm families going to be downloaded on by this government before they finally get some action on this?

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Mr. Speaker, I can report to the hon. member that as a result of the consultations with our good friends in the municipal sectors that SAMA . . . my understanding is the SAMA board will be reviewing this very

situation, the agricultural land valuations, at its May 21 meeting, this year, in a very short period of time. Just in a very few sleeps, Mr. Speaker.

But I do want to tell you one thing that municipalities in this province are very happy about, that the same thing didn't happen to them as what happened to Alberta where \$631 million of projects were cut; where there was almost \$724 million of tax and fee increases in that province — something that didn't happen here.

We supported our municipal sector; we increased the revenue sharing, Mr. Speaker; and we're working with them to improve all aspects of concern to that community.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Well the minister might . . . Let's review a little bit for the minister, Mr. Speaker.

The ag budget this year cut dramatically, another \$25 million cut on the education tax rebate. They gutted crop insurance. How long will they continue to download these taxes onto farm families?

They said, Mr. Speaker . . . this government said years ago to the farmers of this province, diversify. They diversified. They said, get more efficient. They got more efficient. And what have farmers seen in this province? Continual downloading by this NDP government.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Well this morning Neal Hardy talked about the drought; he talked about high taxes; he talked about the things that our farmers have to deal with day after day under this socialist government. He's asking for some reprieve.

Will the minister, Mr. Speaker, promise once and for all? Make changes to SAMA, don't wait for it to happen. Take the initiative, do the right thing, help farm families in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. It's very easy for the members opposite to look at all the negative aspects of a very good, positive budget this year. It's simple to pull those out. I . . .

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

Hon. Mr. Osika: — Mr. Speaker, I know that the municipalities and our friends and neighbours out in rural areas recognize the fact that . . .

The Speaker: — Order, please. Please be patient.

Hon. Mr. Osika: — The municipalities recognize that, under the circumstances, this coalition government is doing everything it possibly can to ease the burden.

Matter of fact, Mr. Hardy, that the hon. member had referred to, said that he was pleased to see that there was an additional \$4.3

million increase in revenue sharing grants to RMAs (rural municipality), Mr. Speaker.

In addition to that there will be some money for roads and fixing bridges.

So really it's easy to look at the downsides but there are very many positive aspects of what's been happening in our efforts to assist our rural communities.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 49 — The Charitable Fund-raising Businesses Act

Hon. Mr. Axworthy: — Thank you, Mr. Speaker. I move that Bill No. 49, The Charitable Fund-raising Businesses Act be now introduced and read the first time.

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

Bill No. 50 — The Department of Agriculture and Food Amendment Act, 2002

Hon. Mr. Serby: — Mr. Speaker, I move that Bill No. 50, The Department of Agriculture and Food 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.

Bill No. 51 — The Farm Financial Stability Amendment Act, 2002 (No. 2)

Hon. Mr. Serby: — Mr. Speaker, I move that Bill No. 51, The Farm Financial Stability Amendment Act, 2002 (No. 2) be now introduced and read for the first time.

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

TABLING OF REPORT

The Speaker: — I would like to advise the Assembly that I hereby table the Saskatchewan . . . the report, the 2001 Annual Report of the Saskatchewan Children's Advocate.

MOTIONS

Congratulations to Her Majesty Queen Elizabeth II

The Speaker: — Members of the Assembly by prior agreement of the Government House Leader and the Opposition House Leader, this Assembly will be considering a motion of congratulations to Her Majesty Queen Elizabeth II prior to orders of the day.

It is my duty at this time to advise the Assembly that I have received a message from Her Honour, the Lieutenant Governor, Dr. Lynda M. Haverstock. Would all members please rise. The message is as follows:

**CANADA
PROVINCE OF SASKATCHEWAN**

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories
QUEEN, Head of the Commonwealth, Defender of the Faith.

WHEREAS the year 2002 marks Our Golden Jubilee of Our Accession to the Throne as Queen of Canada; and

WHEREAS We wish to express Our thanks for the affection and loyalty of Our Canadian people which We have enjoyed for the past fifty years; and

WHEREAS We have invited Canadians, by Proclamation under the Great Seal of Canada, to join in celebrations of this happy occasion and to recognize their achievements during Our Reign; and

WHEREAS Our Executive Council of Our Province of Saskatchewan has indicated its desire that Our Golden Jubilee should be formally recognized in the Province; and

WHEREAS Our Legislature of Saskatchewan will observe Our Jubilee on the 14th day of May, 2002, and Our Province will mark Our Official Birthday on the 20th day of May, 2002, through a Golden Jubilee Celebration at Our Government House in Our Regina;

NOW KNOW YE, that by and with the advice of Our Executive Council of Our Province, We do by these Presents proclaim Our Will and Pleasure that the 14th day of May to the 20th day of May, 2002, shall be *The Queen's Golden Jubilee Week in Saskatchewan*.

OF ALL WHICH PRESENTS Our loving Subjects of Our said Province and all others whom they may concern are hereby requested to take notice and govern themselves accordingly.

IN TESTIMONY WHEREOF We have caused Our Great Seal of Our Province of Saskatchewan to be hereunto affixed.

WITNESS: Our right and trusty and well-beloved Honourable Lynda Maureen Haverstock, Lieutenant Governor Of Our Province of Saskatchewan.

AT OUR GOVERNMENT HOUSE in OUR CAPITAL CITY OF REGINA, in Our Said Province, this Eighth Day of May, 2002, and in the Fifty-first Year of Our Reign.

By Command,
Joanne Crofford
Provincial Secretary
Lorne Calvert
President of the Executive Council
Chris Axworthy
Attorney General

(Signed), Lynda Haverstock
Lieutenant Governor

GOD SAVE THE QUEEN

Please be seated.

Hon. Mr. Calvert: — Mr. Speaker, I ask leave of the Assembly to move a humble address to Her Majesty the Queen.

Leave granted.

Hon. Mr. Calvert: — Mr. Speaker, it's an honour and a pleasure for we in this legislature and across Saskatchewan to be extending congratulations to Her Majesty Queen Elizabeth II on this occasion marking her 50th anniversary of her accession.

Mr. Speaker, in her accession speech in 1952 the Queen declared the following, quote:

I shall always work, as my father did throughout his reign, to uphold constitutional government and to advance the happiness and prosperity of my peoples, spread as they are all the world over.

Mr. Speaker, it is a task she has undertaken faithfully and unflinchingly, through good times and bad, for 50 years. And we have witnessed directly her inspiring example of devotion to duty and unselfish labour on behalf of the people of Saskatchewan, the people of Canada, and in other nations of the Commonwealth.

This Golden Jubilee is an occasion both to look back at the role the Queen has played in the affairs of our province and nation and Commonwealth over the last 50 years, but also an opportunity to look forward. The Queen has expressed the wish that her Golden Jubilee should be an occasion for celebration involving the whole community throughout the Commonwealth.

And so, Mr. Speaker, on behalf of the Government of Saskatchewan, we join with all Canadians and members of the Commonwealth in doing just that — celebrating this occasion and trusting that she may reign for many years to come in health, happiness, and in the affectionate loyalty of her people.

And so, Mr. Speaker, I would move, seconded by the member from Rosetown-Biggar:

That a humble Address be presented to Her Majesty the Queen in the following words:

TO THE QUEEN'S MOST EXCELLENT MAJESTY:

MOST GRACIOUS SOVEREIGN, QUEEN OF CANADA:

We, the Legislative Assembly of Saskatchewan in Session assembled, wish to extend our sincere congratulations to Your Majesty, on this year of celebration marking the fiftieth anniversary of Your Accession.

The People of Saskatchewan have been honoured to welcome Your Majesty and other members of the Royal Family to our province during Your reign and have witnessed directly, your inspiring example of devotion to duty and unselfish labour on behalf of the welfare of the people of Canada and in the other nations of the Commonwealth.

We trust that Your gracious and peaceful reign may continue for many years and that Divine Providence will preserve Your Majesty in health, in happiness and in the

affectionate loyalty of Your People.

Motion agreed to.

Mr. Speaker, I so move.

Hon. Members: Hear, hear!

Mr. Hermanson: — With leave to respond.

Leave granted.

(14:30)

Mr. Hermanson: — Thank you, Mr. Speaker. It's with a great deal of pleasure that I stand in the Assembly today on behalf of Her Majesty's Loyal Opposition in the province of Saskatchewan, and join with the Premier and all members of the Legislative Assembly to congratulate Her Majesty Queen Elizabeth II on her Golden Jubilee, the 50th Anniversary of her accession.

A 50-year reign is indeed a magnificent milestone and a reason to celebrate. Over the last 50 years, Her Majesty has played an important role in the affairs of the Commonwealth Nations. Indeed she is respected and revered around the world.

She visited Saskatchewan, and on one occasion in 1987, visited just a number of communities; Regina, Fort Qu'Appelle, Saskatoon, Canora, Yorkton, Veregin, Kamsack, Kindersley. In other words, she showed an interest in the entire province.

And she said on that occasion in Saskatoon, that the constitutional monarchy has always placed the emphasis on people and community — as it were, a national family with a sovereign as its head.

Mr. Speaker, Her Majesty's 50-year reign is a time for reflection on how our nation and our lives have changed over a half century. It also provides us with an opportunity to look to the future, guided by the principles that sustained Queen Elizabeth throughout her reign.

I would like to second the motion, in honour and celebration of the Queen's 50 years of dedicated service, and wish her many more years of health, happiness, and loyalty from her people.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Motion agreed to.

Hon. Mr. Hagel: — Mr. Speaker, I request leave to move a motion of transmittal.

Leave granted.

Hon. Mr. Hagel: — Mr. Speaker, I move seconded by the Opposition House Leader:

That the address to Her Majesty, Queen Elizabeth II be engrossed, signed by Mr. Speaker, and forwarded through the proper channels.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I stand today on behalf of the government by leave to respond to written questions no. 173 through 180 inclusive and question 191, 192.

The Speaker: — Responses to questions 173 to 180 inclusive have been tabled. Also have been tabled questions . . . responses to 191, 192.

Mr. Yates: — Mr. Speaker, by leave, I move that we convert for debates returnable questions 181, 190 . . . through 190 inclusive.

The Speaker: — The Government Whip has requested conversion of questions 181 through to 190.

SEVENTY-FIVE MINUTE DEBATE

Ethanol Industry

Ms. Harpauer: — Thank you, Mr. Speaker. Mr. Speaker, it's a pleasure today for me to stand up and talk about the topic of ethanol because I believe that it is something that is sincerely felt on both sides of the House, that it's an extremely important economic opportunity that we have in this province.

It's an opportunity not only for the environment and an opportunity to go a long ways to meet the Kyoto agreement if that ever needs to be ratified, but it's an industry that would create jobs with the construction of the plants. It'll create jobs when the plant is up and running and it'll create jobs in the service industries from the trucking companies and different suppliers.

And it's an extremely important industry for the agriculture sector in our province, Mr. Speaker, because it'll be a place where we can locally use our products that we grow. It's a value-added industry, so there's an opportunity to take the products that we grow that has depressed prices right now and add value and sell them as a product that perhaps is more valuable. And it'll help in the spinoff industry. And in particular I know a lot of different private investors and communities are looking at building feedlots in conjunction with the ethanol plant or expanding existing feedlots that they have already.

So it's a win situation for the environment and for the community of the whole . . . as a whole and it's a win-win situation for our province, Mr. Speaker.

So although I do sincerely believe that both sides of the House have a strong belief that it's important to our province, I think the difference that we are experiencing in the House, is who should ultimately be the driver of such an important industry.

And as everyone in the House knows, I'm quite familiar with Pound-Maker Agventures, which was built over 10 years ago now, by a group of investors. These investors, Mr. Speaker, had a vision for the future — for the future needs of a friendly

environment or an environmentally friendly fuel. And this was even before the Kyoto Agreement was talked about. And it was before there was such a huge downturn in agriculture, and it was before value-added just became a real common buzzword that we hear all over the place.

They were a group of investors, Mr. Speaker, that had a vision and they had leadership. They had the wisdom to recognize the potential market and they had the willingness to take the risk. And now it is our . . . right at the present day it's our province's only existing ethanol plant and it's the largest feedlot we have in our province.

And the question that we have to ask is, how did that happen? Was Pound-Maker Agventures just an accident? Is it something that's really rare? Is it a fluke, a chance, Mr. Speaker? Or is Pound-Maker Agventures an example of what the producers and the business people of this province are capable of and all we have to do is give them a chance and the business environment to do so?

Mr. Speaker, the appetite for a renewal, environmentally friendly fuel is accelerating at an incredible pace right now.

The Speaker: — Order, please. Order, please. Order. Order. Order, please. The member from Watrous has the floor. Order, please.

Ms. Harpauer: — And it's common knowledge that we in Saskatchewan have an abundance of feedstock.

It's interesting that the Minister of Agriculture is presently yelling across the floor that the government was detrimental in the building of Pound-Maker Agventures and he said that the government's involvement was with Sask Wheat Pool. So it's interesting to . . .

The Speaker: — I would ask the member from Yorkton and the member from Redberry to allow the member to speak, please. The member from Watrous has the floor.

Ms. Harpauer: — Thank you, Mr. Speaker. It's interesting to know that the Minister of Agriculture thinks that the government owns Sask Wheat Pool.

Now it's also interesting that after dragging its heels for a number of years, the NDP has finally recognized the opportunity for economic development that we have here and introduced a piece of legislation to promote ethanol production. Now they need to get their heads around the policy that should go with it.

And the fundamental question that we should all be asking here in the House is why do we want to build an ethanol industry in our province? Do we want to build an ethanol industry simply to become the number one ethanol producer in Western Canada? Or do we want to build an industry that can revitalize rural Saskatchewan and grow Saskatchewan?

And the Saskatchewan Party believes that we can do both, but only if we leave it in the hands of the private sector with CIC's involvement restricted to the sole role of a lender of last resort.

It's no surprise the Saskatchewan Party received a couple of anonymous letters from someone concerned about CIC's beginning a deal with Broe industries out of Denver, Colorado. And Frank Hart has told us — from CIC, the president of CIC — has told us that the deal isn't signed yet but they are negotiating. And the question is, why? Why are they negotiating with anyone at this point in time?

The Speaker: — Order. Members are being completely unfair to the member who is on the floor — completely unfair. And I would ask the members . . . I would ask the members to give the member who has the floor the respect that any member and every member in this Assembly has, and that is the right to speak without being interrupted.

Ms. Harpauer: — Thank you very much, Mr. Speaker. So again I ask the question. Why is CIC considering signing any deal at all only weeks after the NDP ethanol announcement? If this government is so sincere about allowing the growth of the industry to be driven by the private sector — which is what the minister who made the announcement said in a number of different forums, many of which that I was at — then what is the rush for CIC to get involved?

And why are they favouring Broe industries who is a real estate company in Denver, Colorado — a company that has absolutely no experience in ethanol? And why are they favouring that deal over and above any others?

This government's dragged its feet for years on even going so far as creating a level playing field in our province by exempting the road tax, which is what our neighbouring provinces do for their ethanol producers.

And they announced a study that was supposed to be released last summer and they then said it was going to be released last fall, and then I believe they said it was going to be released the beginning of this year, and so on and so forth.

It finally was released, Mr. Deputy Speaker, and when the announcement came along with the release of the study the minister had said that it would be driven by the private sector and they wouldn't be picking winners and losers.

And interestingly, perhaps they forgot to tell Frank Hart at CIC. I had the privilege of going to a CIC committee meeting on May 7th and I would just like to, if I may, quote something that was said by Mr. Hart.

The question that was posed to him is — there was questioning on why he was involved with the ethanol industry, why they were getting involved with, in particular, Broe OmniTRAX and when this all began. And he said:

. . . late last fall I think. And you know, the opportunity potentially to do some investment in the ethanol business came forward and we agreed that we would look at it together to see if there was in fact potential to do something.

So in other words, Frank Hart was in negotiations with Broe industries last fall. And that's rather interesting because the report was not complete, according to the government. They

hadn't completed the report; they hadn't made an announcement. However, Frank Hart seemed to have an inside track on that and he was already busy making . . . or having negotiations with Broe industries even though the minister announced that it would be driven by the private sector.

So who's in charge? Is the private sector going to be allowed a chance or not? And by the answers of the minister to the questions during question period this morning, I really question if the private sector is going to have a chance.

Broe industries is asking for an exclusive right to the manufacturing of ethanol for a five-year time period in this province. They are picking four communities; they are picking the size of the plant; they are picking all of these factors. So where does the communities come into play here? Where do the private sector dollars come into play?

At committee Mr. Hart said all the right things about how the industry is important and how they're willing to help out because they're needed, and everybody's going to need them to help out. But when I quizzed him as to if he knew of a private sector companies that were willing to put their own dollars into it, that perhaps, maybe, CIC wasn't needed; perhaps there was enough investment dollars, enough interest amongst communities and private businesses, he didn't know. He said that CIC had no process in place to find that out.

So I questioned him. And again, I quote from the *Hansard* from that meeting. I said:

How do you know then if there's a need for you to become involved in the industry?

And Mr. Hart said:

Because so far the individuals we've talked to have told us they want us to involved.

(14:45)

Well, Mr. Deputy Speaker, no kidding. I don't think the private sector's going to go and have coffee with Mr. Hart and say, how's the weather, nice day out, and by the way we don't need help from you. We just stopped in to have coffee.

The people that are approaching Mr. Hart of course are the ones that are asking for help. That is no indicator to the number of groups and communities that are not asking for help.

Mr. Deputy Speaker, the other question that I have to ask, you know with Broe industries, it's quite alarming. We're talking about an American-based industry. So why is Broe their choice? They've been negotiating with some other companies that I can understand as well. And the only connection that makes any sense as to why the deal is being negotiated with Broe Industries over and above other industries that have experience in ethanol, other industry — or other companies that rather — that have or that are Canadian owned, is the fact that there's a connection to Points West.

And again, in question period we pointed out how Points West is connected to our government. Points West has done over a

quarter of a million dollars of consulting fees for CIC. So you have to sort of wonder why that they are doing this in conjunction with just Broe Industries.

The third question, and I think this is a fundamental question on growing Saskatchewan, how does this deal add value at the farm gate?

The Deputy Speaker: — Order. Order. Order.

Ms. Harpauer: — Thank you, Mr. Speaker. How does this add value to the farm gate, if we have a company that's solely American and government owned?

The way to add value to a product is you take the low-priced products — and our prices are low right now, Mr. Speaker, because of subsidy wars, international subsidy wars — you turn that product into something of greater value. And if the producers and the communities are involved, then the producers themselves can add that value and that is how they realize a better profit at the farm gate.

Now if the government owns that company, who's adding value? Who's getting the profit out of it? And I assure you that it's not going to be the farm gate.

And if they're in partnership with Broe Industries, those profits, where are they going, Mr. Deputy Speaker? Are they going to be spent in those local communities or are they going to the US? These are questions that need to be asked.

Are we going to build an industry for the profit dollars to be going into two coffers — one is that of a company in the US and, secondly, that of the government? What is the advantage to the farm gate?

Is this company going to pay the producers more money for their grain? I hardly think so, Mr. Speaker. I really doubt that very much.

So also, you know, since the announcement has been made, there hasn't been all that long a period of time that has passed, but there has been a number of communities, Mr. Deputy Speaker, that have started to look into perhaps this being a possibility in their community. They've done water tests, soil tests. They've done feasibility studies. They've done a lot of work. And it doesn't come without a dollar value.

So if all of a sudden they're written off by some exclusive deal made by the Crown corporations so that we can have a state owned ethanol industry in our province, who compensates those communities?

They were encouraged by the minister of the day that this was going to be driven by the private sector, that there was a place for these communities to be involved in this decision. They were not told that there would be four winners and four winners only.

So with that, I would like to move the motion, seconded by the member from Redberry Lake:

That this Assembly call upon the provincial government to

live up to its original commitment regarding the ethanol industry in Saskatchewan and let the private sector build the industry here and that the provincial government refrain from interfering in the determination of the location and number of ethanol facilities in the province and from picking winners and losers in the ethanol industry.

Some Hon. Members: Hear, hear!

Mr. Weekes: — Thank you, Mr. Deputy Speaker. It gives me a great deal of pleasure to speak on this motion today.

We have to remember that the whole ethanol debate goes back some time. It actually goes back to September 19 when the Leader of the Opposition made an announcement concerning the Saskatchewan Party's plans for the ethanol expansion. And the Leader of the Opposition announced that a Saskatchewan Party government will promote the expansion of ethanol industry by introducing an environmental tax credit for the ethanol-blended gasoline, require all the gasoline sold in the province be 10 per cent ethanol blend.

Other aspects of the announcement, Mr. Deputy Speaker, was that Saskatchewan should lead the way in the production and consumption of environmentally friendly ethanol. Ethanol production has a potential to create new jobs, diversify the struggling agriculture economy, and contribute to a cleaner environment that we must all act on soon.

Doing that announcement, we talked about the lower tax on capital investment that would stimulate expansion of the ethanol production right here in Saskatchewan by using Saskatchewan-grown wheat, feed grains, and straw.

The announcement went on to say that Saskatchewan doesn't need another Crown corporation taking ownership position and financing the construction or operation of new ethanol facilities. And we believe that the private sector construction and expansion of ethanol production facilities is good news for Saskatchewan for many reasons, Mr. Deputy Speaker.

Ethanol is an environmentally friendly substitute or additive for gasoline, so burning more ethanol as fuel means cleaner air and a cleaner environment for Saskatchewan families.

Ethanol production will create a new market for Saskatchewan grown feed wheat and grain and straw, and the construction and the operation of ethanol production facilities would create hundreds of new jobs for Saskatchewan people.

As well, the ethanol production creates several valuable by-products including high-protein cattle feed that we use as a key input in large feedlot operations, and also a significant increase in number of feedlot operations could supply cattle necessary to attract large-scale slaughter facilities as well as meat processing and packaging facilities.

Mr. Speaker, as we know after that the government basically stole the Saskatchewan Party's plan and took credit for it, and we as the Saskatchewan Party would not have any problems with that if they took our plan in whole. But unfortunately, that's where the comparisons end.

Mr. Deputy Speaker, this government does not believe in private sector investment. They believe that the government must have its fingers in every facility and every business venture in this province. And it's very disappointing to not only the people of Saskatchewan but also to the potential investors of this province that the government, once again, is entering into agreements with foreign multinational companies and taking equity positions where the private sector would be more than glad to take the position.

And I'd like to point out that initially the minister said, and I'd just like to quote from *Hansard*, that:

... the former Energy minister, the member . . . (of) Regina South, announced the NDP's ethanol strategy in March, (and) here's what he told *Leader-Post* reporter, Bruce Johnstone:

"Thomson promised the province would not be involved directly in the industry either through equity investment, debt financing, or Crown corporation participation."

Well unfortunately, unfortunately, we see now it was, it was less than two months later that the government has totally changed its mind. Or maybe the government didn't know what they were doing at all, because as we know, the Crown corporation that is involved, CIC, has been negotiating this deal that they've . . . that the government is announcing, in the process of putting together more than a year ago.

So unfortunately, the minister of the day did not have any particular clue what he was really talking about. He said one thing, and unfortunately the CIC president had other ideas that he didn't inform the government and the minister of the day of what the intention was.

And so not only the government has not lived up to its original commitment, but this whole process is scaring away private sector investment in this industry. And it's a signal to the private investors that this is not a province to invest in. And once again, that this is not good for Saskatchewan. This is no way to grow Saskatchewan. And the private sector and the people of Saskatchewan desperately want the government to change its mind and get out of the business of doing business and let the private sector do the job that it does so well.

The government is not only being an investor in these projects, but also is picking winners and losers as far as which communities the ethanol plants are going to be in. They have picked four communities.

But what about all the other communities in this province? I can name a number of them that have plans to build feedlots. And part of their plan is, after the feedlot is up and running, to expand and introduce an ethanol plant to their operation. First Nations people are looking at investing in ethanol production and feedlot production.

Communities all across the province are looking at investing in this very important industry with a high potential for growth. So what is the government saying to those, those folks?

Unfortunately they're giving a negative . . . sending out

negative signals and the . . . So the private sector is stepping back. Now they're stepping back because there's the government — got their hands in the pie, their fingers in the pie once again. And it's a very detrimental effect on the industry that is just being developed.

We've had one ethanol plant and it — in Saskatchewan — and it was started with private investors and ran . . . and it's still running today — a very successful operation without any Crown investment or government investment in an equity position in any way. And this is very . . .

The Deputy Speaker: — Order. Order. I'm having difficulty hearing the member so would all hon. members please come to order.

Mr. Weeks: — Thank you, Mr. Deputy Speaker. As I was saying, it has really, really sent bad vibes through the private sector in this province. And not only that, it's sent the wrong signal to potential investors across the country and across North America.

Because as we know, as the ACRE report said, we need billions of dollars of investment in this province. We do not have the money in this province, whether it be government money or private sector money. We have to access capital from around Canada, around the world, and we need to start now to encourage that investment and set a good example to these businesses so that they feel confident that their investments will turn out in a favourable way.

And the government's present tax policies, their present policies of government involvement in the private sector is not sending the right signals to the industry in any way, Mr. Deputy Speaker.

And we only have to look into the details of this arrangement that they're trying to do with the Denver . . . it's a Denver-based real estate company. It's a company that has never produced a litre of ethanol in its whole history and this government wants to go into a project with a company that has no background in the industry. So one must wonder why the government has chosen to be a partner with this particular company and to go into the ethanol business with them.

And also again the government is picking the winners and losers by picking the communities that the ethanol plants will be constructed and operated from, Mr. Speaker.

Mr. Speaker, one has to wonder why they would do a deal with a company that has no expertise in the industry, but also one has to wonder why that they have given . . . they are in the process of giving this company exclusive rights to production and marketing of the products.

And again this is a very serious situation where the signals are sent out, negative signals to other private investors in the province or outside the province that are willing to set up ethanol plants in the province when they also . . . not only they are competing with taxpayer money in the construction and ownership of the facilities but now they must go to this new arrangement that the government has set up with this Denver-based company to market their product and to produce

their product.

(15:00)

And now as we see it, it seems, even though the minister would not answer the question, so it seems that they've also set up an arrangement with Federated Co-op — the Co-op Upgrader — to blend the ethanol and so . . . exclusively . . . so one must wonder what other deals are in the making.

So it gives me great deal of pleasure to second the motion by my colleague from Watrous.

Some Hon. Members: Hear, hear!

Mr. Harper: — Thank you, Mr. Deputy Speaker. It's my pleasure to enter into this debate at this particular time, a debate I think is relatively timely and on an issue that is prevalent to Saskatchewan. I think, Mr. Deputy Speaker, it's made even more prevalent with the recent announcement in the United States of their government's intention to expand and enhance their farm subsidy program. In fact I believe the President of the United States simply signed that program a few days ago, which, as you and I and everyone in Saskatchewan knows, that it's going to have a very negative impact upon Saskatchewan, Saskatchewan economy, particularly on Saskatchewan farmers and the rural way of life.

So that is why it is probably a timely debate to have at this time because what we're looking at here is a move, a desire by this government to recognize the fact that in order to maintain a strong Saskatchewan economy, a strong Saskatchewan rural economy, we need to move Saskatchewan from what it has been for the last two or three or four generations, I guess, since its becoming a province.

And it has had an agricultural industry that has been a commodity-based industry; an industry that has produced the raw product and exported it abroad. And for a number of generations there was enough margin, enough profit in that type of operation that we were able to support family farm type operations.

But as the world has changed and as agriculture has changed too, fairly dramatically, we are now experiencing competition in our commodity-based operations — not just from within Canada, not just from within North America, but right around the world.

We're seeing the ability of countries which . . . oh, a mere 20 years ago were net importers of our king product, our wheat, to move to . . . Those countries have moved to a production of wheat that has now made them self-sufficient in wheat. In fact in some cases they are even now net exporters of wheat.

Great Britain is one of those countries that comes to mind. And we know that during the Second World War and certainly for a long period after the Second World War, Great Britain was a net importer of Saskatchewan-grown wheat.

But through plant breeding technology, improvements in plants and in wheat products, Great Britain farmers now are able to produce wheat that not only meets all their domestic needs but

they also export nearly 10 to 14 per cent of their annual production. So of course this has had a very negative impact upon commodity prices.

In more recent years — the last 10, 12, 15 years — we've seen the European Common Market countries along with the United States locked in a battle over market share; causing those federal governments in those countries — the European Common Market countries and the United States — to come up with a subsidy program to offset the productivity costs of their farmers.

For example, the price their farmers receive is much greater than the price that that product is sold for on the international market. Unfortunately our federal government has not seen fit to stand up to those unfair trade subsidies from both the United States and the European Common Market by supporting our Saskatchewan farmers with that type of subsidy program that would allow free competition and the survival of Saskatchewan farmers.

Instead, our federal government has backed away from its responsibility and left Saskatchewan farmers to compete directly with the treasuries of European common markets and the United States.

But with this in mind has been a recognition certainly by this government, but a recognition I think by a growing number of Saskatchewan people that there's a real need for the Saskatchewan agriculture economy to move away from its traditional base of a commodity-based economy to a value-added base. And this debate over ethanol and ethanol production and the establishment of an ethanol industry here in Saskatchewan is certainly a part of that.

Is it the whole picture? Is it the single answer? No, but it is a part of the puzzle that will move the Saskatchewan agriculture economy from a commodity-based economy that through the last dozen years or more has faced a cash crisis every spring. Because of the low prices the farmers receive for the commodities compared to their high cost of production, farmers find themselves in a crash . . . cash crunch every spring.

And we've seen the need for the federal government and the call on the federal government on a consistent basis over the last 12 years, 15 years, for the federal government to pony up to its responsibility and come through with a cash support for our Saskatchewan farmers.

So far they have failed to do that. In fact in more recent years they're indicating their unwillingness even to entertain the idea. That's why it's most urgent that we here in Saskatchewan move our agriculture economy to a value-added economy. That, Mr. Deputy Speaker, can partially be done through a development of an ethanol plant — an ethanol industry in this province.

As we know, there's . . . ethanol alone, isn't the only answer. There's certainly a commerce around ethanol production. But there's even a greater commerce that fulfills the whole picture is in the utilization of the by-products of ethanol production.

I think a classic example of what I'm trying to get to is Pound-Maker's feedlot at Lanigan, Saskatchewan. And I along

with my colleague, the member from Regina Victoria, we had the opportunity this summer, when we were part of the Premier's bus tour, to stop in at Lanigan and meet with the board of directors, representation from the board of directors, and some of the people who . . . you know, in charge of the operation there. They gave us, certainly a very broad outline of their operation, and gave us the history and the background of it. And then we were most pleasantly surprised when they agreed to give us a tour of the facility.

And as you, I'm sure, are very much aware, Mr. Deputy Speaker, that that facility comprises of a feedlot which was their initial operation. And then a number of years ago they added to that an ethanol operation where they now produce ethanol and export much of that ethanol production, but they use a by-product from the ethanol production in their feedlots.

The raw material, the brand, the starch that's left over from the ethanol production is very rich in nutrients and works quite well for the production of beef. And also the liquid that's produced in the ethanol production is also very rich and very nutritious and that is pumped through the waterlines so that the animals not only get the by-products now for their dry intact, but they also get the liquid part which is also very rich in nutrients. And according to the operators there, they have indicated that their records show a higher rate, again, from those animals who are fed from the by-products of an ethanol plant.

So it adds to the envelope of a complete operation that has very good economic returns. Not only for the direct investors but for all the community around it. Not only through the jobs, not only through the opportunity for livestock producers to have a new market for their animals, but also the spinoff positives such as silage production because silage is very intricate part of their operation. So they produce . . . Several thousand of acres of silage is harvested and stored and utilized by the feedlot. And that creates jobs in that spinoff to seasonal workers involved in the silage production.

There is also, of course, the grain production as they buy grain, much of their grain from the local farmers there which creates another market for the farmers that grow the grain in that area.

And then there's jobs created through the cleaning of the corrals and the spreading of the manure and so on. So there's not only a commerce from the ethanol production, not only a commerce from the feedlot end of operations, but also the spinoff, all the support mechanism that takes to support that type of operation.

And I just . . . As I see my time is running down, Mr. Deputy Speaker, I just want to say that it's obvious that this government is on the right track. It's obvious simply by an issue . . . an article in the Saskatoon *StarPhoenix*, Friday, March 22, 2002 where the former critic of Agriculture for the opposition, Bill Boyd, said:

"It's a positive development for agriculture," said Boyd.

And I quote from the article:

"Farmers have been asking for . . . marketing choices. It will provide another market (choice) for our grain(s) here in Saskatchewan . . . (It's) certainly . . . (very) positive."

Said Mr. Bill Boyd, former Agriculture critic for the Sask Party, the members opposite.

I'm believing that Mr. Boyd's seen the light. Maybe that's the reason why he left that party, left those benches, and went back to his farm. I don't think he could stand the negative attitude, the tunnel vision of the members opposite.

And, Mr. Deputy Speaker, I would like to move an amendment to the motion, seconded by the member from Saskatoon Elphinstone . . . pardon me, Regina Elphinstone. And the amendment will be . . . I'd like to move the amendment:

Amend by removing all the words after "Assembly" and replacing it with the following:

commend the provincial government for following its original commitment regarding the ethanol industry in Saskatchewan.

I so move.

Some Hon. Members: Hear, hear!

Mr. McCall: — Thank you, Mr. Speaker. With that talk earlier of Saskatoon Elphinstone, I was worried that redistribution was getting way out of hand.

But it's a pleasure to take part in this debate and to second the fine amendment put forward by the member from Regina Northeast, and to stand in the House today to lend my voice to those who support the development of a thriving ethanol industry in Saskatchewan.

Mr. Speaker, ethanol represents a natural opportunity for our province. It has the potential to address many of the most important issues and opportunities in Saskatchewan today. The development of a strong ethanol industry in the province has the potential to add value to locally grown grains, to create market opportunities for grain producers, to create an expanded feedlot industry, and to contribute to the growth of Saskatchewan's livestock industry. In short, Mr. Speaker, growing the province's ethanol industry will encourage the further growth and diversification of our agricultural industry. Further, Mr. Speaker, it will create valuable jobs and economic activity in rural Saskatchewan.

One of the greatest opportunities we have for diversifying our agricultural sector and creating rural jobs and wealth, Mr. Speaker, is in the area of expanded livestock production. Saskatchewan is home to many natural advantages in this area.

We have an expansive, affordable land base, competitive costs of production, access to high-quality feed grains, minimal disease risk, high-quality breeding stock, access to and utilization of leading-edge technologies, and a recognized research infrastructure. In other words, Mr. Speaker, the opportunities for growing our livestock industry are tremendous.

We've already seen this opportunity realized, Mr. Speaker, in the province's pork industry. Big Sky Farms was established in Humboldt in 1995. Over the last several years the company has

expanded its operations throughout rural Saskatchewan. It has doubled — doubled — its annual production of top-quality hogs, and has become one of the largest producers in Western Canada.

With that growth, Mr. Speaker, have come valuable jobs and economic activity for rural Saskatchewan. Our pork industry is now attracting investment and interest from companies outside of Saskatchewan and the country.

Mr. Speaker, the province invested \$15 million in Big Sky Farms. That investment helped to stimulate industry growth and made possible ongoing development in the province. The growth of our pork industry, Mr. Speaker, is an excellent example of an opportunity that was identified and acted upon and that became a true Saskatchewan success story.

We have an opportunity to create another Saskatchewan success story, Mr. Speaker, by proceeding with the development of a provincial ethanol industry . . . (inaudible interjection) . . . I would suggest, Mr. Speaker, if the member has questions for me, there is a question and answer period. Perhaps she can restrain herself until then.

Anyway, such development would stimulate further expansion of our livestock industry and would open the door for rural development and revitalization. The development of a strong ethanol industry, Mr. Speaker, will directly contribute to expanded feedlot and livestock industries in Saskatchewan.

Mr. Speaker, there are currently 1.1 million cows in Saskatchewan. However, only 280,000 calves are fed within the province, and more than 700,000 Saskatchewan calves are sent to Alberta to be finished and slaughtered every year. Following them are Saskatchewan-grown feed grains and forages. The related job opportunities and economic benefits that could be staying in Saskatchewan, aren't.

The development of an ethanol industry that would contribute to the expansion of our feedlot industry would put an end to this, Mr. Speaker. It would keep value-added opportunities, jobs, and wealth right here in Saskatchewan where they belong.

A domestic ethanol market of approximately 150 million litres, Mr. Speaker, would feed in excess of 600,000 calves with the grain that is a by-product of ethanol production. If we maximize that opportunity for exporting ethanol, Mr. Speaker, we could feed up to 1.2 million calves right here in Saskatchewan.

Mr. Speaker, there is a direct correlation between the development of the ethanol industry and the growth of the Saskatchewan cow herd — growth that could help Saskatchewan position itself as a world leader in beef production. Creating an ethanol industry in the province and realizing the potential of our feedlot and livestock industries, Mr. Speaker, would result in tremendous benefits to rural Saskatchewan and to the province as a whole.

Just last month the Action Committee on the Rural Economy released its final report, representing one of the most comprehensive reviews of rural Saskatchewan ever undertaken in this province. Through their extensive consultations with rural people, businesses, and organizations, they identified more

than 40 priority recommendations for stimulating rural development and achieving rural revitalization.

Some of the key opportunities ACRE identified, Mr. Speaker, lie in the areas of ethanol production, livestock production, and value-added activities.

Mr. Speaker, ethanol represents an opportunity for Saskatchewan that we cannot afford to lose. The benefits ... the development of an ethanol industry has to offer in terms of strengthening our agricultural sector, in terms of stimulating rural economic development and creating rural jobs, it's tremendous.

Some Hon. Members: Hear, hear!

Mr. McCall: — Mr. Speaker, I believe that ethanol development is good for agriculture, good for rural people and communities, and good for Saskatchewan. I strongly support the development of an ethanol industry in this province. And I'll certainly be voting in favour of the amendment.

But before I close, Mr. Speaker, I'd like to say a few words in response to the statements made earlier by the members opposite as they launched the debate. It seems that public dollars, public investment in any way, shape, or form is anathema to them.

You know, it reminds me earlier, earlier on in this session, Mr. Speaker, a number of weeks ago ...

The Deputy Speaker: — Order. I would appreciate if all hon. members would give the member who has the floor a chance to complete his speech, just as other members would give members who have the floor.

Mr. McCall: — Thank you, Mr. Speaker. In terms of public investment in kick-starting this industry, as was mentioned in question period and has certainly been talked about since the announcement of the policy six weeks ago, you know we have never precluded a role for public investments in this exciting opportunity. But the members opposite insist on playing games where they tack together half-truths and misquotes to try and construct this story counter to what the position is of the government.

And, you know, it's interesting, Mr. Speaker. It indicates an ideology that is so heavily blinded upon the members opposite. You know, there a few weeks ago the member from Swift Current stated that we've endured — endured — close to 60 years of unremitting, unrelenting socialism in this province. So there was 9 years of that Grant Devine socialism and there was 7 years of that Ross Thatcher socialism, and the member's agreeing from his chair. But you know he's the only person that I've ever ... (inaudible interjection) ... One of my colleagues is saying that for 60 years the people got it wrong. How dare they.

It's interesting, Mr. Speaker. If Grant Devine was such a big socialist and if Ross Thatcher was such a big socialist, I can only conclude that the members opposite — as represented by the comments of the member from Swift Current — I can only conclude that they're so far to the right that they're going to fall

off, Mr. Speaker.

Anyway, Mr. Speaker, this government, this government believes that there is a role for public dollars to partner with the people and the industry to make sure that this opportunity is realized and that the jobs and the benefits are returned to the people of this province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Thank you, Mr. Deputy Speaker. We have obviously heard, previously, the words of a sanctimonious socialist — I'd say at his best but obviously any sanctimonious socialist is never at his or her best.

Mr. Deputy Speaker, I'm very pleased to enter into the debate on ethanol. I'm a firm believer in the ethanol industry in this province. I think all of us are ...

The Deputy Speaker: — Order. Hon. members, we have 75 minutes, so I recognize the member for Wood River.

Mr. Huyghebaert: — Thank you, Mr. Deputy Speaker. Shall I start again?

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Mr. Deputy Speaker, we're all ... we're all very keen on the ethanol industry in this province. There's many, many reasons; we've heard an awful lot of them here this afternoon.

The greenprint, definitely an asset to have ethanol and ethanol blend in gasoline. However, when we start looking at the methodology that this NDP government wants to drive the ethanol industry, to me it is totally wrong.

Mr. Deputy Speaker, as soon as you get government involvement in industry, it drives away investment. It drives away investment dollars. We are bound by this for the last 60 years. That's one of the reasons investments does not come into this province.

And it's very, very interesting to hear members opposite even talk about the cattle industry. I'm not so sure how much of the cattle industry the member from Regina Elphinstone really knows, but I've been saying this since my involvement in politics. We send 750,000 head of feeder cattle out of the province to be fed. Why? It's because this province, under a socialist government, has been unable to develop the feedlot industry because of investment, because of government red tape. That's the only reason the cattle are going out of the province.

Now what we want to do is develop an ethanol industry in this province that is paid for by the private sector where you can draw investment capital in from the private sector. Why in goodness gracious does the government want to get involved other than through their ideological presence of they have to control?

Mr. Deputy Speaker, there's an article in the paper that I just received ...

The Deputy Speaker: — Order.

Mr. Huyghebaert: — There's an article in the paper here that really identifies an awful lot of the problems that we in Saskatchewan are facing and have faced over the last number of years. And the headline . . . the headline in the paper actually is very, very succinct: "Place proves socialism makes things worse." Talking about Saskatchewan. Socialism makes things worse.

And the author of this article, and I'm going to read a fair bit of it, says:

Sixty years ago, Saskatchewan decided the only solution to the Depression was the CCF and the inimitable Tommy Douglas, Baptist preacher turned social gospeller decided the state was the only entity that could be trusted to fix things.

The state is the only entity trusted to fix things. Mr. Deputy Speaker, that is the problem we have today with the socialist government. They think that they are the only organization that can fix things. And in fact it turns it off. It changes. It makes things worse.

Mr. Deputy Speaker, Mr. Deputy Speaker, we hear comparisons to Alberta on a continuing basis. And I'm going to quote this article again. There's a lot of merit in this:

Today, Alberta has a population of three million, a GDP of \$150 billion, and a lot of former Saskatchewanians making a lot of money for themselves and others in our province. (This is Alberta.)

Saskatchewan, on the other hand, has a population of just over a million and shrinking, a GDP of . . . 25 billion, and an exodus of its best and brightest.

Ah, you say, but Alberta discovered oil in 1947. Yes, I say, but Tommy Douglas chased the oil companies and wildcatters out of Saskatchewan in the 1940s, prudently arguing that Saskatchewan resources be left for future generations. As a result, some roughnecks went poking around Leduc with a rig that they had with them when ejected from Saskatchewan.

And now — oh, the cruel irony of it (all) — Albertans are funding and pumping, finding and pumping oil in Saskatchewan.

The royalties from the oil and gas drilled from . . .

The Deputy Speaker: — Order. Order. Thank you. I'm interested in what the member has to say but the issue before the Assembly is dealing with ethanol, so I would encourage the member to start bringing it back to the main motion.

Mr. Huyghebaert: — . . . very much pertinent to the ethanol industry, Mr. Deputy Speaker. And the reason I say it's very pertinent, we'll be driving the ethanol industry out of this province just like the oil was driven out of this province back in the earlier days of the CCF (Co-operative Commonwealth Federation) government.

So much-needed revenue is what the oil companies are putting back into this province now.

So, in other words, the industry created when Saint Tommy chased the evil wildcatting snakes from his socialist paradise is now saving Saskatchewan's sorry skin.

Mr. Deputy Speaker, when the oil businesses were chased out of this province, that is the worry that I have and we have with the ethanol industry. If you get the government involved in this and start picking the winners and losers, where are the investors going to come from other than from within the government? And therefore you're going to drive investors out. And where are they going to go?

If this continues, Mr. Deputy Speaker, 10 years from now we'll be sitting in this legislature saying, boy, wouldn't it have been nice if we would have got the ethanol industry in Saskatchewan? Well we can't have it both ways. We can't have a government involved in picking winners and losers and expect the ethanol industry to stay here.

Mr. Deputy Speaker, there's an awful lot of pluses with the ethanol industry. And I want to go back to the cattle — why we don't have the feed here for the cattle, or the feedlots. Again it's a government bureaucratic red tape that has been hurting the feedlot industry in this province.

One feedlot that I spoke to about eight years ago tried for seven consecutive years to get a licence in this province and failed and they ended up moving to Alberta. That's progress. That's rural revitalization under this NDP government.

Now I look at . . . We have a feedlot that opened in my constituency in spite of the government — in spite of. Now their biggest problem . . . I was called on a fairly regular basis from this organization and usually it was a problem that they were having with government agencies. So now what we have to do is again make sure government gets out of the road of industry in this province, and specifically the ethanol.

Another aspect of the ethanol industry I just want to touch base on is, we have a government here that introduced the ethanol Bill very much like ours except for one single item that was missing. We stated in our ethanol policy last fall that we would legislate a percentage of blend in gasoline — an ethanol blend in gasoline.

The Deputy Speaker: — Order. I would ask all hon. members to give the member who has the floor the consideration to complete their speech.

Mr. Huyghebaert: — We would legislate the per cent of ethanol blend in gasolines. And now we have a government that brings out the policy but does not want to bring in the blend of gasoline until later.

Well why, for goodness sake, would you want to do it later? Why not do it now so you would entice some private industry into this province and some investment? I believe now, Mr. Deputy Speaker, the reason that it wasn't included in the Bill is because the members over there knew all along that it was going to be a government-run ethanol industry. So therefore

they didn't need to legislate ethanol if it's going to be a government-run industry. The hypocrisy of it all is mind-boggling, Mr. Deputy Speaker.

(15:30)

And we talk about, we talk about a 400-million-litre capacity in this province. Why for goodness sake would we limit it to 400 million? If we let free enterprise run the ethanol industry in this province, if they find a market for it why not let them build? Why say only 400 million litres?

My goodness, if it's free enterprise let them find the level mark for it. Don't let the government sit and say we're only going to allow 400 million litres.

Mr. Deputy Speaker, the value added for farmers with the ethanol industry is phenomenal, especially if it's left alone without government influence. Choices, choices for farmers for product, what they can grow, where they can sell it. Ideologically again the members on that side of the House are Wheat Board people, and so now people can, farmers can grow grains outside of the Wheat Board and sell to feedlots or to ethanol plants.

Mr. Deputy Speaker, I will be supporting the motion and not the amendment.

Hon. Mr. Thomson: — Thank you, Mr. Deputy Speaker. It is a pleasure to enter this debate today in the Assembly about ethanol and ethanol development. I think there's a lot of misconceptions about what exactly it is that we are talking about here and some of the parameters that are naturally around the industry.

I listened to the member for Wood River talk today and clearly he is confused about what exactly is necessary to build an industry. When we speak about a 400-million-litre industry being built in this province we talk about that after the economic studies have been done. It's based on the amount of available wheat.

Now the member opposite may understand that if you're building a wheat-based industry there's a certain amount of wheat that's required here. To build a 400-million-litre industry we're talking about 1 billion ... sorry, 1 million tonnes of wheat, 1 million tonnes.

Now what there is — and maybe you could loosely title my comments today economics 101 for the members opposite — what we have here is there is an exchange in terms of the amount of wheat that's available and the price that you can get it at so that you can put it into the ethanol, so you've got a reasonable exchange value so you don't inflate the price of gasoline.

This is a basic, simple formula. What we are talking about here is the ability to build an industry that doesn't see the price of gasoline inflate as you put in the blend. The member asks, why didn't we introduce legislation with a specific 10 per cent blend?

Well the reason's very simple. We don't have enough ethanol in

Saskatchewan today to blend in 10 per cent. So what they would suggest instead is that we import it. What they would suggest instead is that we build in a market model which may inflate the price of gasoline. Mr. Deputy Speaker, this is what the consequence would be of that kind of a mandate.

Legislation I've introduced in this Assembly allows us to put in a graduated mandate. As production comes on-line we have the ability to put it into the blend. Why the members wouldn't understand how this works is I think somewhat mind-boggling.

Clearly the member for Wood River doesn't, as is given by his statement saying that he was going to move an amendment, that he wants to make sure we got the 10 per cent blend built right into the legislation. Well that's foolishness. It's bad for consumers, it's bad for developing the industry. It is not a good sound policy and the member should understand that.

Now I listened to the member for Watrous talking today and I think that she makes some very serious allegations, allegations that I think she should take outside of this Assembly so that she can be called to account on them. If she is alleging, if she is alleging that our policy around ethanol development is based on who we're dealing with in terms of consultants, I want to tell her right now she is wrong.

Listening to her today talk about a Saskatchewan company like Points West in the derogatory way that she did, I find very interesting when it was only — what? — two weeks ago that the leader of that party stood up bragging in this House that one Verna Thompson, Verna Thompson was going to run for the Sask Party.

Well goldarn it, you know what? As I look at who's on the letterhead of Points West, who's there but Verna Thompson. What an unmitigated scandal. What a socialist operation that Points West must be to have that Verna Thompson there. Well there you go, there you go.

So what we have here is another unfounded slur against Saskatchewan enterprise. Another unmitigated slur. I say to her, if she has serious allegations, make them outside of this House. Let's just see what the people have to say about this.

But substantively today, what we're here to talk about is how do we build an ethanol industry. And what I think is interesting is listening to the members opposite trip over their ideology as they attempt to try and talk about investment.

We have an opportunity to build a 400-million-litre industry. The amount of investment required for that will be in excess of \$300 million just in infrastructure, potentially \$500 million in infrastructure, not to mention the amount of capital that's going to be required for the hog barns, not to mention the amount of capital that's required for the cattle industry, not to mention the other value-added processes that might be built around it.

And do you know what, Mr. Speaker, I find very interesting is that now all of a sudden the members opposite have good investment and bad investment. When we talk about bringing in outside investment, private sector capital, they say, oh no, no, no, no. Please don't bring that in. Oh, no, no, we can't have any of that bad outside investment in our province. We have to

drive that off, they say; we just cannot have that.

What is wrong with outside investment? What is wrong with capital coming into this province to help build our rural communities? And what is wrong with doing that in partnership — in partnership with the communities, in partnership with local investors, and in partnership, if they ask, with Crown Investments Corporation? What's the problem with that?

I don't hear the members opposite complaining that we've got Weyerhaeuser in the province, a big American company out of the US. I don't hear them complaining about the fact that we've got Cargill in the province. I don't hear them complaining about that. I don't hear them complain that we've got Esso and Exxon here in the province.

What we're talking about, Mr. Deputy Speaker, is how we build an ethanol industry here and to do that we require capital. I sat in this Assembly the other night and I listened to the presentation by ACRE. And ACRE representatives that came before this House . . . maybe the members took notes, maybe they didn't, maybe they listened, maybe they didn't care. They said time and again that what we needed to do was attract capital into our province. What the proposals are that we're looking at would do just that.

And it's not just American capital. We've been out talking to local investors. We've been talking to credit unions. We've been talking to other investors across this country to ask them to invest in here.

You know, I just find it very interesting though that the members opposite seem to now all of a sudden be picking and choosing as to what kind of investment is okay and what isn't. I think it's time that they come clean with this Assembly. I think it's time that they come clean with their constituents, and I think that they should explain to them why we would not welcome the investment into our province that can help build a clean, friendly, alternate energy source which is good for Saskatchewan. It's good for our farmers, it's good for our rural economy, it will allow us to diversify into cattle.

These are the reasons we introduced an ethanol policy. These are the reasons we have pursued this kind of an investment policy and, Mr. Deputy Speaker, I think that those members opposite should come clean and tell their constituents that it's their ideology that they're trying to protect. It's their seats they're trying to protect. It's not their home communities.

Mr. Deputy Speaker, that's a shame. That's a shame that they are so caught up in the cheap politics that they cannot look beyond that in order to support the local investors and the kind of communities that we support.

For the member for Wood River to stand up and say that we shouldn't be looking at a partnership deal which may very well bring a plant into his constituency — into his constituency — I think is shameful. Isn't that amazing?

Well the members opposite say it's pork-barrel politics. Well whose pork barrel? It's not a riding I represent. It's not an NDP riding. This isn't a case that we're trying to feather our own nests. We're trying to build rural Saskatchewan.

Goodness knows, Mr. Deputy Speaker, that when we have an opportunity to bring in private sector investors and private sector capital and we can do that in partnership, and we can help work with communities, we should do that. Why wouldn't we do that?

The member for Watrous often talks about the role for the private sector. She says it should be all private sector. The government should invest. I'd be very interested to know whether or not she takes the same view with the ethanol plant in her own hometown? Does she now say that we shouldn't be putting forward government money to support that?

I'll have a chance, I guess, in a couple of minutes to ask her this question directly. But this is, I think, one of the things that we really do need to get into a discussion about. If we can build this community, if we can build the ethanol industry, if we can build something here in Saskatchewan for Saskatchewan's rural communities that help Saskatchewan's urban communities, that help Saskatchewan's environment, why wouldn't we go to all lengths to do it?

Leave the ideology behind, Mr. Deputy Speaker. Let's move forward. Let's get some agreement on this.

And I ask the members again to join with us. Drop the ideology. Drop the politics. Let's get on with finding the investors.

Thank you very much, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. After listening to all that drivel, I think it needs a response.

The minister is absolutely wrong. We need private involvement without government control.

The Deputy Speaker: — The member's time has expired. We shall now have a 10-minute period available to — order, order — we'll now have a 10-minute time to allow members to ask questions and comment briefly to matters relevant to the contents of the speeches and allow members who spoke in the debate to respond to questions raised.

Mr. D'Autremont: — Thank you. Thank you, Mr. Speaker. Mr. Speaker, my question is to the minister of correction services, the member from Regina Albert South.

His initial statements dealing with the ethanol industry were that it would be privately driven, Mr. Speaker, private investment. Then later he changes it to, well, it's private investment with government investment as well. And now it's going, Mr. Speaker, to the idea that there will be government investment through CIC plus one private company, Mr. Speaker.

And the question has to deal with, will that private company have exclusive manufacturing capabilities in this province, that you have to deal with CIC and that company if you want to manufacture? Will other people, who might be interested, be given permits to develop their own ethanol industry, Mr. Speaker. And will there be exclusive blending rights through

the co-op?

Hon. Mr. Thomson: — Mr. Speaker, it would seem to me that if you have 60 or 70 per cent of that investment being private sector, that that would be a private sector driven initiative. I don't know how else the members opposite would view it.

If you've got that . . . a majority of ownership and you've got the control in the private sector, it would seem to be a private-sector-driven initiative. If this private sector is picking the locations, that would seem to be the private sector driving the process.

Now the members opposite seem to have a problem with this. And I think that we should just get this out in the open. Let's understand. Do they agree with having public-private partnership or do they not? Do they agree with the approach that we put forward, or do they not?

Will there be room in this province for investors of different companies? Absolutely. Nothing is stopping anybody today from building an ethanol plant in this province. Nothing.

Some Hon. Members: Hear, hear!

Mr. Yates: — Thank you, Mr. Speaker . . . Deputy Speaker. My question is for the member from Wood River. Mr. Speaker, my question is simple. Would the member from Wood River proclude any ethanol plant development in his constituency if it required some percentage of public investment for the company to proceed? Or for that matter, any form of loan guarantee, which also puts it on the public debt load, Mr. Speaker?

Would he proclude proceeding in his constituency if that was required?

Mr. Huyghebaert: — Thank you, Mr. Deputy Speaker. I suppose a simple question deserves a simple answer, but I'll make it a little bit more complex for the member.

If you, if this government would allow private investment in my constituency — I have organizations that are working on fully private investments — would that government allow a fully privately funded ethanol plant any place in this province with . . . without exclusivity given to Broe enterprises?

I would support any venture within my constituency, but I would definitely like to see the venture have the opportunity to be fully privately funded without influence from the government or without being co-opted or coerced by government.

Ms. Harpauer: — Mr. Deputy Speaker, my question is for the member from Regina Elphinstone. If we have a signature or a deal that's made through CIC and a private company — and that could be any private company — that they have exclusive rights for manufacturing and producing ethanol in the province, if these are the two owners of all ethanol production in the province, how does that provide more money at the farm gate?

(15:45)

Mr. McCall: — Thank you, Mr. Deputy Speaker. When it

comes to, you know, taking questions from the members opposite based on hypotheticals, it's a bit of a mug's game, you know, so I'd prefer, I would prefer to judge them by what they have said on the record before. They promised the doom and gloom but it isn't borne out in reality.

Mr. Speaker, they referred to the last provincial budget as a fudge-it budget, as an example of jiggery-pokery. You know, those hard-headed money men at Moody's were so impressed with their rhetoric that they upgraded our credit rating, Mr. Speaker. So when it comes to taking things on faith from the members opposite, I have a little trouble with that.

Thank you, Mr. Speaker.

Mr. Yates: — Mr. Speaker, now that the member for Wood River, has confirmed that they would in fact take public investments in the ethanol industry and did a flip-flop on their position, I would ask the exact same question of the member from Watrous. Would the member from Watrous allow, permit, grace us with any form of public investment or loan guarantee, public partnership in an ethanol plant in her constituency?

Ms. Harpauer: — Thank you, Mr. Deputy Speaker. I've already given a scenario in my constituency, and actually I've given two scenarios in my constituency — one of which is an ethanol plant that is already built on private sector dollars and one where a company has been working with the community of Watrous which is also in my community . . . or in my constituency that is using private sector dollars. So that's two ethanol plants, one that's in place and one that's potential that's happening in my constituency on private sector dollars.

And I was more than . . . if anyone, if the member opposite would have been listening, I said very, very plainly and very explicitly in my speech that I feel that the only role that government has to play — and I was . . . they can go back to *Hansard* and check it out — is the lender of last resort.

Mr. Hillson: — Yes, Mr. Speaker, I would like to ask of the hon. member for Regina South whether it is the intention of his friends from Broe OmniTRAX to ship heavily subsidized US corn to our ethanol plants here — to use US corn with its heavy US subsidies as the raw material for the production of ethanol in this province.

Hon. Mr. Thomson: — Mr. Speaker, I think it's helpful in this debate if we stick to the facts. The members opposite don't seem to be able to understand this.

We are interested in building a wheat-based, ethanol process here in Saskatchewan. Now if the private sector wants to come up and build itself a plant and import corn and then ship the ethanol back into the States, if they want to do their value-added processing in Saskatchewan, what would stop that? What would be wrong with that? We've been doing it the other way for 100 years.

But I can tell you this: projects that the government is interested in partnering on are going to be wheat-based, they're going to involve partnerships with the communities, and they're going to help facilitate cattle development in this province. That's what we're interested in, is a grain-based ethanol industry and I

would ask the member just to support us on that.

Mr. Yates: — Thank you, Mr. Speaker. Now that the member from Wood River has confirmed that they would take public investment in a ethanol industry in Saskatchewan; the member from Watrous has confirmed that they would take public investment in the ethanol industry and already has in her case, in her constituency.

And now for the member from Redberry Lake. The member from Redberry Lake I asked the same question to. Would the hon. member from Redberry Lake accept public investment if it was required, a public loan guarantees to build an ethanol industry in his constituency, Mr. Speaker? Would he allow public investment? Would he support it if it was required to build an ethanol industry in his constituency, Mr. Speaker?

Either loan guarantees or direct public investment, both show up on the public debt, Mr. Speaker.

Mr. Weekes: — Thank you, Mr. Deputy Speaker. I'd be glad to answer that question. The people of Saskatchewan or the people of Redberry Lake want this government to get out of the way so that they can get back to their own projects. They don't want the government sticking their noses into everything, every potential project and scaring away potential investors. People in Redberry Lake are ready and willing to invest in this province. They want this government to get out of the way and stay away so that they can do what they do best — and that is to grow Saskatchewan.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — Mr. Deputy Speaker, my question is to the member opposite that just asked the last question.

It has been said a number of times . . . (inaudible interjection) . . . No, I don't. It's been said a number of times on the other side of the House that there has been government, direct government investment into the ethanol industry in my constituency.

I want them to outline where that government investment — direct government investment — that has been an equity position in the ethanol industry in my constituency came from. Let's back this up.

The Deputy Speaker: — The time has expired.

PRIVATE MEMBERS' MOTIONS

Motion No. 10 — Rural Economic Development

Mr. Weekes: — Thank you, Mr. Deputy Speaker. It gives me a great deal of pleasure to speak on rural revitalization. Rural revitalization is fundamental to the future of Saskatchewan. And we must keep in mind that if Saskatchewan is to grow into the future, that we have to work, both in the cities and in rural Saskatchewan to grow together and to encourage investment in our province to grow rural Saskatchewan for the good of all of the province.

We have seen many examples, Mr. Deputy Speaker, of rural

communities working on projects. And we've just finished a 75-minute debate concerning the ethanol industry and we see that the people in rural Saskatchewan are ready, and willing, and able to do their own projects, to invest in their own projects in rural Saskatchewan.

And I can list many examples of investments that are proposed and are taking place in rural Saskatchewan. And they are doing it on their own and they want to do it on their own. The main one that people in rural Saskatchewan are looking at are building intensive livestock operations. That may be hog operations or chicken operations and feedlot operations.

And there's many proposals we see around the province where the community gets together, they raise funds, and they look for investors to invest in their projects. And different projects are at different levels and different scales of development and of sizes. But it's very important that we encourage these developments in rural Saskatchewan.

The government has a responsibility and the right to create the atmosphere for investment in this province. And as we have seen in the government's involvement in the ethanol industry, their way is not the right way. They are chasing away private investors, chasing away private money, and this is to the detriment of future projects that are coming on stream.

There's an example in Redberry Lake that a group of local ranchers and farmers and investors are proposing to build a feedlot neat Borden, Saskatchewan. And they are, initially, they are going to build a 10,000 or a 15,000 head feedlot, expand it to a 20,000 or 25,000 head feedlot down the road.

They also have a proposal to build an ethanol plant in conjunction with this feedlot. They're taking the approach that they're going to build the feedlot first and expand later into the ethanol business. As we have seen now with the way the government is handling the ethanol industry, this proposal may be shelved because they are limited to their future expansion because of the pending deals that this government is making with companies as far as production and manufacture of ethanol, exclusive rights to one company.

These projects are driven by the private sector. They know how the private sector works. They know how a business works and they will find the best opportunities and the best way to market their products in the future. And it should be left up to them to do that because they, at the end of the day, are experts in their future.

This ethanol plan that the government is announcing with a company that is basically a real estate company, they have no expertise in developing ethanol plants and manufacturing . . . construction of the plants or manufacturing ethanol and producing nor selling the products anywhere in North America. And then one must wonder what is going on behind the scenes to eliminate or cut out the private investors, the local people in Saskatchewan and give these rights, exclusive rights, to a multinational company and to the detriment of the . . . to the rural areas in this province.

As we see, other examples that the provincial government must work towards to encourage investment in this province is basic

infrastructure. We have talked many times about the need for a community to have adequate highways and roads. And in many areas and not only in Redberry Lake but areas all across the province, the highways are deteriorating to such a state that there's many examples that are brought forward of damage done to vehicles.

In Redberry Lake, as an example, Highway 40, year after year, has two areas, two stretches of highway that the whole pavement falls away. There's huge potholes and the government does not fix them on a long . . . for a long-term basis. They only patch them. They patch them year after year and only do the patching after there's been considerable damage done to vehicles, to stock trailers, to half-tons after they've fallen through the pavement and caused considerable damage.

It's not only just a damage or an economic factor, it's a health and safety factor as well. There's a high potential of accidents in this area whenever the pavement breaks away, and plus the damage of the increased insurance claims and concerns from the insurance company concerning the highways.

Highways and roads are such a critical factor. The government has been underfunding RMs for a number of years and this is a critical factor when we look at investment in rural Saskatchewan to revitalize the economy in the province.

Of course not only highways is very important. The cell phone access is also very important. Any business nowadays in a modern economy needs a cell phone; they use the cell phones quite a lot.

Right now in many areas . . . I know up in the Blaine Lake area and Hafford area the cell phone coverage is quite poor. This not only affects . . . But when you have bad highways and I'll speak at some length about the poor health care system in the Redberry Lake constituency in many areas, you need proper cell phone accessibility just for a safety reason, not only for business reasons.

Now today farmers and ranchers are very in tune with the latest technologies and they are able to use the cell phone technology, if it's available in their area, to keep up to date on markets and use the develop . . . the satellite systems as far as their crop rotations and activities in the field.

The other area that is very critical in many rural areas is the lack of hospitals, lack of proper health care, lack of doctors. Redberry Lake is just one example of an area that has lost their hospital. They have a doctor that comes in once or twice a week. There's a real need.

There's a senior centre in Hafford and no doctor that is available. This is not something that the area needs, they need adequate hospital and doctors in the area to attract investment and to develop the infrastructure that is needed to revitalize and grow this part of Saskatchewan.

As we also know, Mr. Speaker, there's many other potential businesses that can be developed in the province. And in Redberry Lake constituency there's one area of huge potential value, and it's the Redberry Lake Biosphere Reserve. And as I've talked to my colleagues from all parts of the province, and

every constituency in this province has a huge potential for tourism, ecotourism, attracting foreign tourists.

There's different areas that have dinosaurs in their area or woolly mammoths, and the province is not developing these finds in a way that will attract investment and attract tourism to this province. And we must build on these attractions.

(16:00)

We certainly have in . . . not only in that area but we also have a huge potential working with the Aboriginal community to develop a tourism trade. As we know, the Europeans and other people from all around the world are very . . . are really attracted to our Native culture. And this is something that we're really missing out on as far as encouraging investment, encouraging tourism into this province based on our, based on our natural beauties . . . beauty.

And as an example, Redberry Lake Biosphere Reserve and the Native communities that are in that area, I see a huge potential for tourism attraction in this area. But they've ran into so many roadblocks. And the local community has worked very hard at developing this.

Redberry Lake Biosphere Reserve is not that far from Saskatoon. There's certainly a potential to, now that we have the Canadian Light Source, the synchrotron in Saskatoon, why not build on that? People are coming into Saskatoon for . . . to use the synchrotron or for other business activities, and why not have a package put together where they can go out to this internationally recognized biosphere reserve up at Blaine Lake, tour that area?

People that are very interested in wildlife and birds and that sort of thing would have a great opportunity to spend a lot of time and spend valuable dollars in that area. It would encourage the restaurant trade and the other spinoffs that would be created around the biosphere.

But also just north of the Redberry Lake Biosphere there are two First Nations — Mistawasis and Muskeg Lake. And what a great opportunity to put a part of that package, that tourism package together to encourage people from Europe to go into that area to see not only the Redberry Lake Biosphere, but also take part in First Nations powwows and look at their Native culture. There'd be a great potential that people could . . . could come to and develop the tourism trade in that area.

As I've mentioned, every constituency in this province has the similar potential to develop in their area. And, Mr. Speaker, we not only can build on all those opportunities for investment in ecotourism and the Aboriginal peoples but we also must . . . a big part and the essential part of rural revitalization must be to continue to add to our agricultural base.

Agriculture is still number one in Saskatchewan and we have a great opportunity, even though we are going into some bad times right now, we still have a great opportunity to build on our agriculture. And we must continue to develop our agriculture base, not only through diversification, but our crop production and diversifying in our crop rotations so that we can continue to develop our grain operations in this province.

And I'd just like to — there's been much debate about the US farm Bill — and I'd just like to take a moment to outline what the Saskatchewan Party's policy or position is on . . . concerning meeting with the premiers. As we know, they met . . . the premiers and the opposition leaders met last Friday.

And the member from Rosetown-Biggar, the Leader of the Official Opposition, sent a letter to all the premiers and the leaders of the official oppositions in Western Canada. And I would just like to state some of the Saskatchewan's Party's positions:

Saskatchewan Party supports the proposal outlined in . . .

He's referring to the letter of . . . the premiers' letter:

Namely the three Prairie provinces call on the federal government to provide a 100 per cent federally funded trade injury payment of at least \$1.3 billion, that the federal government take aggressive trade action at the World Trade Organization or WTO to challenge the recent US farm Bill.

And it goes on to say:

The Saskatchewan Party would like to see the Western provinces take a number of further actions to reinforce or call for the federal government to live up to its responsibility to respond to these (US) unfair US subsidies.

And it's interesting when we speak of rural revitalization, we must keep in mind that agriculture is the number one thing that we need to build on. Build on our strengths, and agriculture is definitely our strengths.

Watching CNN (Cable News Network) the other night, I noticed it was interesting to see that the US trade Bill is not well received in the United States either in many, many areas. Unfortunately it's . . . the trade Bill is brought in basically for political reasons. And I don't believe the US are actually attacking Canada when they bring in this trade Bill. I think the main concern is the European subsidies. The Europeans continue to heavily subsidize their agriculture sector.

And they have their own reasons, as it's been noted, that because of their past wars and lack of food that they will not ever find themselves in the position of being short of food again. But I believe that the Europeans are misguided in that concept. If they want to believe in the free trade around the world, they must open up their markets and trade like everyone else in the world — in a free market situation without subsidizing.

But the US lawmakers have decided to fight the Europeans in the trade war by matching their subsidies. And unfortunately Canada's been caught up in that.

As an example of what the US subsidies are doing to the US businesses, they talked about the sugar industry in the United States. And the Americans subsidize their sugar industry, I believe, up to 27 cents per pound is what the farmers are getting for their sugar.

And in Canada they are able to purchase sugar, I believe, at

around 12 or 14 cents per pound. And Chicago is the centre of the candy industry in the United States. And I guess that goes back at least 100 years where Europeans immigrated to the United States and they were actually experts in the making of candy and using sugar products, and they settled in the Chicago area.

And now they see because of this subsidy and the high level that they're having to pay for their own sugar products in the United States, these companies are now shifting their operations to Canada because . . . The main reason is because of the . . . is the difference in the cost of their main product, the sugar, but also the difference in the dollar. And in Canada there's a well-trained base for employees, and so they're shifting many of their operations to Canada.

And this just is an example of what this unfair . . . well, unfair subsidies can do not only to the country that imposes them, but to other countries around them. And hopefully, the Americans will see the light and reduce their subsidies to their agriculture sector.

But I would just like to go on in the letter that Mr. Hermanson sent to the leaders. Your province should work together to clearly identify the total financial impact of the new US farm Bill on our provincial economies. And number two, the provinces should compile documentation to build a strong argument that the response to the US farm Bill is a federal responsibility. And I think it's very important that we outline that.

For example the federal government's responsibility in this area was clearly identified in the recently released report of the Prime Minister's task force on future opportunities in farming. The report said:

Canadian farmers are among the most efficient producers in the world but they are unable to compete against the treasuries of the United States and the European Union. Canada's level of foreign support as a percentage of gross domestic product lags all (OECD . . . sorry) . . . OECD countries except Australia and New Zealand.

The Prime Minister's task force report also called for an additional short-term bridge financing for Canadian farmers. And this recommendation was made before the new US farm Bill was passed.

The federal government has often argued that the agriculture subsidies could not be increased and in some cases needed to be reduced in order to avoid trade action against Canada under the WTO (World Trade Organization). However, this is clearly not a valid argument when you see the ever increasing size of US and European farm subsidies and the fact that Canadian subsidies are now nowhere near those same levels.

These are just two examples of the kind of documentation that needs to be compiled to support the argument that the response to the international subsidy war is clearly a federal responsibility.

And, Mr. Chair, it goes to the point about the subsidies in the United States that are indirectly hurting their own industries.

And as an example with the sugar industry, the Americans are losing jobs and investment in their own economy because of an unfair subsidy that they think are helping their own producers.

The letter goes on to say, Mr. Chair:

The provinces should compile information that clearly demonstrates how commodity prices and the number of jobs in the agriculture sector have fallen as international farm subsidies have increased.

Again the Prime Minister's task force report states:

Subsidies lead to overproduction and flooding of rural markets resulting in lower world commodity prices and lower prices to farmers. This has resulted in a dramatic increase in the number of farmers and agriculture-related jobs in Canada.

In Saskatchewan alone the number of jobs in agriculture has declined by over 22,000 people in the last four years. The new US farm Bill would drive thousands more producers out of agriculture if there's not an appropriate response from the federal government.

And we can see that not only statistics point that out, but it's obvious that people are leaving Saskatchewan and leaving rural Saskatchewan. And it's one of the factors that is hurting rural Saskatchewan and we must deal with this.

Farmers are very good at looking for new opportunities. As we see, farmers have diversified into other crops, and now unfortunately, this US trade Bill is beginning to subsidize some of those crops that Saskatchewan and Canadian farmers have gone into.

It creates many problems but also shows how innovative our farmers are, and given really a fair shake in this world, Saskatchewan farmers can out produce anyone in the world, quite frankly, and respond to the market conditions. But we have to get back to the market conditions where they can produce on a level playing field.

And I have great confidence in Saskatchewan farmers to rebound and continue to produce excellent food for the people of Canada and the world.

The letter also goes on, Mr. Chair:

The provinces should work together to develop a post-trade subsidy payment mechanism. The provinces should work together to advocate a long-term response to the issue of international farm subsidies. Unfortunately this problem is not going away any time soon. The new US Bill enacts increased farm subsidies that will be in place for the next 10 years.

The federal government must develop a long-term plan for dealing with this attack on Canadian agricultural. In addition to increasing the level of agricultural support from the federal government, this plan should consider various options for trade retaliation against the US if the level of farm subsidies is not reduced.

The last item, Mr. Chair:

The Western provinces should consider strengthening our position on international trade issues by developing a common front in other areas like softwood lumber and the Kyoto agreement. British Columbia also should be included in these discussions.

The Western provinces may also wish to consider the appointment of an international trade representative to represent our common interests on these and other trade issues in Ottawa and other countries. And for too long the federal government has been able to ignore the interests of Western Canada because we did not always speak with one unified voice. By working together in the Saskatchewan Party, I believe that we can create a voice for Western Canada that is impossible for Ottawa to ignore.

And that was our position and is our position concerning the US trade Bill. And as I said, not everyone in the US are very happy with the US trade Bill but they are into an election cycle. They have elections this fall, and it appears that even the President of the United States said he signed the trade agreement or the subsidy Bill and he wasn't totally happy with it but he went ahead and signed it anyway.

So it leaves room for considerable optimism that there can be some changes made in the future, with discussions with the United States. And we need to pursue all avenues in this, really, battle that we must fight on behalf of our rural constituents and the farming community in this country.

(16:15)

But there's other things that the province of Saskatchewan should and could do. When we talked about — you know, we've talked about infrastructure, highways and cell phone service, telephone service, 911 service — we also spoke of the need for better quality health care in rural Saskatchewan.

And whenever a business is looking at an area to invest, if we want to go back to the ethanol debate, if a company wants to set up a ethanol plant, well, they need adequate water. They need adequate roads and highways; they need adequate telephone and cell service, the Internet service. They need schools. They need hospitals for the families that are going to come to that area to live and work. And so we must ensure that all these facilities are in place to attract these businesses to our communities in rural Saskatchewan.

And the other serious concern, as we have heard in this past year, is water, the quality of water, the access to water not only to the individuals living in the communities, but to plants — industries and manufacturing businesses need good quality water.

Where I come from, in the area around Biggar and Perdue, there is adequate water. The problem is the infrastructure and as we know in the Perdue situation that the community has really been let down by governments of all levels.

They realize the need to upgrade their sewer and water treatment facilities; and for three years running they've applied

to the Canada-Saskatchewan Infrastructure Program and have been turned down three years in a row. And this is becoming quite a burdensome situation on the town.

Now they have been given informal promises that if they apply again — they are to apply in July for the Canada-Saskatchewan Infrastructure Program — that they will most likely get the grants involved. But there's no guarantees, and they've already had a well go down and were lucky enough to get that well going again. But you just never know when the system is going to fail and this village of 400 people are going to be left without water.

As we know, in many areas across Saskatchewan communities are digging dry holes. There's no water because of the serious drought circumstances.

And so it's very . . . it's a very serious situation, not only for the health and welfare of the individuals but to enable and attract investment into a community. The water is one of the essential ingredients that an industry or a potential manufacturing business will need and want to have in order to set up . . . to spend thousands, tens of thousands, hundreds of thousands of dollars to invest in a project. And they need these fundamental resources in that community in order to have the wherewithal to invest.

As I've mentioned in the Perdue situation it became a very serious situation as outlined by this letter that was sent to the mayor and their council from an officer from the environment office from the Saskatchewan Environment and Resource Management. It's concerning the water treatment plant problems in Perdue. And the letter goes on to say:

In my November 30, 2000, letter I recommended that the village hire a water treatment plant consultant to audit the plant, suggested ways to improve the potability of your treatment water supply, and apply and find the resources to correct the problems identified. It is my understanding that the village has followed through on my recommendations, but to date has not acquired sufficient funding to fix the problems. As a result the situation now has reached a critical level.

And the letter goes on to say:

By way of this letter I strongly urge council to use every means possible to acquire the necessary funding to correct your water quality problems. Failure to correct these problems immediately could result in serious safety issues for your citizens and libel issues for council.

And this is a serious concern for local government. They are . . . and the Minister of SERM (Saskatchewan Environment and Resource Management) also stated in question period a few weeks back that if the local government did not solve the water problem by the end of June, I believe the minister said, that they would have legal action taken against them.

And this really was a chilling effect to small communities all over this province. The spectre of being charged with a problem that's been growing and developing over 10, 20, 30 years, to be threatened with court action if there was any concerns. The

provincial government obviously has a huge responsibility to help out the municipal governments deal with their water and sewage treatment concerns.

And as we see in the North Battleford situation, that the government was really responsible for the bulk of the concerns there and the problems. And the judge that did the inquiry stated quite emphatically that the provincial government was responsible for most of the concerns there.

And so unfortunately, when we talk about rural Saskatchewan and the small towns and RM's and the councillors and mayors and reeves, people have . . . come to me and say, well they're scared to run for local office because of these concerns. Someone coming in as a mayor of a town that's never been . . . never held office before now could be charged with a criminal offence if something went wrong as far as the water supply. And so it's really a chilling effect, a dampening effect on drawing new people into local government.

And again, this is not creating a atmosphere where businesses have the confidence to come into a community if there's an . . . as in the Perdue situation and many other situations where there's pending legal action or concerns about the quality of water or they're . . . many communities are under a water-boil advisory. And so this is not exactly the environment that is needed to encourage investment into rural Saskatchewan and to help revitalize the rural economy.

And in recent discussions with the local Perdue council, I was told that they're hoping to get the Canada-Saskatchewan Infrastructure Program. But they are having to raise their tax considerably now with the anticipation of having to fund at least one-third of the cost of their overall problems. And they have considerable . . . considerable costs that they will have to deal with. So initially they've raised their tax and they're looking at raising their taxes later on.

And of course this is not the way that we should be going in rural Saskatchewan. We need to lower the tax base right across the province. But unfortunately, because of lack of commitment from the provincial government and the federal government, local communities are having to bear the brunt of many of these costs.

Some Hon. Members: Hear, hear!

Mr. Weekes: — I would just like to go on. The government members have always tried to portray the Saskatchewan Party as not having any plan for growth in this province. And I'd just like to, just like to go over once again — and I've done it a couple of times in the Throne Speech reply — I'd like to outline the Saskatchewan Party's plan for growth in Saskatchewan. And I think the members, the members would have . . . should sit back and listen to what the plan is for . . . that the Saskatchewan Party has for growing Saskatchewan. And we're going to . . . we plan on growing Saskatchewan both in urban and rural areas.

And our main focus of our plan for Saskatchewan is to grow the population of Saskatchewan by 100,000 people over 10 years. And it's fundamental to any plan in . . . to develop the economy. We need more taxpayers. We need to broaden our tax

base. We need . . . and by encouraging and by bringing in more people into the province, we will have more tax revenue for the government of the day. And I'm very confident the Saskatchewan Party will be the government of the day very shortly.

And just to go back to some of the record of this past government. As an example, last year Saskatchewan lost almost 15,000 jobs and that was the worst job loss record in the country and the worst job loss record in Saskatchewan since the Great Depression. And the workforce in Saskatchewan at the end of the year was 460,000 people working in the province. That was the smallest number of people working and paying taxes we've had in Saskatchewan for five years, Mr. Chair.

And the problem with jobs isn't that it's confined to a struggling economy. Saskatchewan is losing jobs in every major industry except for the . . . for government. And again and again we've seen this government on the wrong track. And when we look at government's expenditures, all we see is this NDP Liberal coalition growing government, not growing Saskatchewan.

And this is not conducive to a future growth. It leaves a bad impression on future investment in the province and it's certainly not the way to go. What we need to do is grow the economy of Saskatchewan, the private sector, broaden the tax base, and to have more people living in this province, have a growing economy, and growing families in this province.

Over the past three years, Saskatchewan has suffered a net loss of more than 22,000 people to out-migration. Fact, our province has suffered near net population loss for 13 quarters in a row of the worst sustained period of population loss since the Second World War. This is not very encouraging, Mr. Chair.

Mr. Chair, the real serious part of losing people is . . . isn't the people . . . the age group and . . . that we are losing in this province. The Canadian average indicates a greater number . . . Sorry, Mr. Speaker, the . . . What we have is a larger portion of younger people and this . . . and I'd like to speak about our youth and the future and potential of our youth.

And we have a higher percentage of people older . . . in the older generation than the rest of Canada. But the problem that we have is a small workforce. We have a small . . . a smaller number of people that are actually working in this province, and that is a considerable problem to the future of the province.

Saskatchewan's economy is shrinking, people are leaving and, as I said, the government is growing. And as we have said, the government was busy going from riches to rags. And last year the government was swimming in a . . . well two years ago the government was swimming in a budget surplus of \$840 million and this year the NDP is now running a budget deficit of almost \$500 million.

But who really knows until we actually see all of the books. But definitely, the government is running a deficit. They are trying to hide it by taking money out of the Crowns, having the Crowns borrow money to pay for government to put in . . . to pay off the deficit. The Fiscal Stabilization Fund is now widely known that does not exist — there is no money in this fund. The

government has had to borrow money to raise overall debt to pay off its deficit and really no hope of balancing the budget in the future.

Now clearly Saskatchewan is on a path that is unsustainable and, if left unchecked, threatens the future of our province. We must, as a province, take steps immediately to stop our economic decline and grow Saskatchewan. And over the past eight, nine months, that's why the Saskatchewan Party and their leader, Mr. Hermanson, is going around the province talking about how to grow Saskatchewan.

And as I mentioned before, the plan . . . the goal of the game plan for growth is clearly stated — grow Saskatchewan by 100,000 people in 10 years. That is the key. It's a bold goal, but it's also an achievable goal. Something that this government, coalition partners do not understand.

It means, what it really means, is Saskatchewan must grow at a rate of 1 per cent per year — 1 per cent. And that's about the annual growth rate for the whole country over the past two decades. One per cent is all we need to do to grow the province by 100,000 people. It's a bold plan and we believe that . . . We are confident that the plan will be achieved here in Saskatchewan if we all agree on a plan to get there, Mr. Chair.

(16:30)

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

Mr. Weekes: — Thank you, Mr. Chairman. I'm glad to hear all the enthusiasm on the government side to hear about the Grow Saskatchewan plan. And the Grow Saskatchewan plan is going to grow all of Saskatchewan, both urban and rural Saskatchewan.

Now the game plan for growth, and I'd like the members to just listen very carefully, eight points: cutting personal income taxes; reducing taxes on growth and productivity; delivering smarter and smaller government; providing world-class educational and career opportunities in Saskatchewan; establish fair and balanced labour laws, something the Minister of Labour might want to look into; focus our Crown corporations on their core businesses; keying economic expansion in areas where Saskatchewan holds a natural advantage; building a strong social partnership for growth.

And I'd like to now just go through each item. First, personal taxes, Mr. Chair. We think the best way to lower personal taxes is by increasing personal and family exemptions to be competitive with Alberta. Right now, in Saskatchewan a couple with two children gets to pay provincial income tax once their combined income reaches \$20,000. That same family in Alberta pays no income tax until their combined income reaches \$33,500. We must close this gap or continue to watch as salaries of our most productive young people leave Saskatchewan.

And, Mr. Chair, this is a very serious problem. As we know, rural Saskatchewan, the young people from rural Saskatchewan have been going mainly to Alberta, to other provinces — but around the world — to work, many in the oil industry. And they continue to come back to Saskatchewan to farm, but they have

to have that second income in order to survive in the farming industry.

But unfortunately, many of these people now are taking up residence in other parts or other provinces. They're paying their taxes in other provinces. So Saskatchewan is a net loser again when we, when we drive away the young people from Saskatchewan to live and work in other parts of Canada or the world.

Now the second point, Mr. Speaker. We must reduce taxes on growth and productivity by eliminating the small-business tax and cutting the corporate capital tax in half. Small business is the largest creator of jobs in Canada. But Saskatchewan small-business tax is a major barrier to growth and small businesses also need private sector capital investment to grow. By making Saskatchewan a small business tax-free zone and reducing the tax on capital investment, we must take a giant step in creating the economic climate for growth and job creation.

Now if we go back to the ethanol debate we had earlier, this government, instead of reducing taxes or eliminating small business tax, what they want to do is to take taxpayer money, invest in potential business ventures in the province, and chase away all the private investors.

We need to attract private investors. We need to attract capital into this province. As the ACRE report said, we need approximately \$1 billion dollars a year for the next 10 years to revitalize rural Saskatchewan and Saskatchewan. And this government now is chasing away that potential investor.

Number three, we need to deliver a smaller and smarter government that gets rid of the current regulatory gridlock blocking business growth and new job creation. People expect their government to keep their taxes as low as possible and make the most effective use of every tax dollar spent.

The Saskatchewan Party would review every activity of government to ensure that every tax dollar is spent as effectively as possible with the broad goal of growing Saskatchewan. And the key word is growing Saskatchewan.

As we see, this government is in basically total disarray. They talk about reducing the number of civil servants. At the end of the day the government only spoke the words; they never took any actions to make smaller government.

They talked about reducing to save money but at the end of the day, this government did not reduce; they did not make any cutbacks. And so they continue in the same free-spending ways that they always have with no hope of balancing the budget in the future.

And again, this government has put on layers of regulation and red tape as any business or person moving into this province can see — that the red tape and regulation is overwhelming. And really another factor why businesses are not coming to Saskatchewan is because of really the way, the negative attitude this government has towards potential investors and potential investment in this province.

Now this comprehensive review will examine every activity of government based on the following questions. Does it serve a compelling public interest? Is it affordable within the fiscal environment of the province? Is it being delivered or offered in the most efficient way? Is it accountable to the taxpayer? And most important, does it contribute to growing Saskatchewan by 100,000 people in 10 years?

No part of government will be left out of this exercise and the result would be a smarter, more efficient, and smaller government, the government that serves the best interests of the taxpayer in a way that is fully accountable to the taxpayer.

And this is very crucial. As we see in the ethanol debate, the government is not accountable.

We have the minister, we have the minister saying at one time, at one point that there'll be no government investment in the ethanol business — none whatsoever. And we see less than two months later the head of CIC, Mr. Hart, announcing that he's been negotiating a deal behind the minister's back for over a year. And one must wonder, you know, like, who's in charge, who's in charge? The minister obviously had no idea what he was talking about.

And now the government has come out with all these hare-brained schemes to get the ... to have government investment in every project that has the potential of being developed in this province and bringing in rules and regulations, exclusive rights for a potential partner in this ethanol industry. For whose benefit?

I mean what we want to do is encourage other potential investors in the ethanol industry and this exclusive right that they're giving to this one company, which by the way a company that has no expertise in ethanol. They've never produced a litre of ethanol, never sold any ethanol. And now this government is going into a deal with this company that has no expertise and giving them exclusive rights to manufacture and sell the product.

And again any other company ... as I'd mentioned before, in rural Saskatchewan there's many intensive livestock operations being considered and what does this say to those companies when they are missing ... will be restricted to where they can sell the product?

So it's very important that the government is accountable to the taxpayer, and that's another aspect where we can create the environment to attract investment, to attract jobs to this province. And right now the government's just doing the opposite to that. They're chasing investment away and they're chasing the jobs out right behind them. Now Saskatchewan is losing 1,000s of young people every year to other provinces because they don't see an opportunity for a future, successful future, here in Saskatchewan.

A key component in the challenge of growing Saskatchewan is to provide world-class educational opportunities for our young people that are relevant to the new knowledge economy. But we must also take steps to encourage graduating students to stay in Saskatchewan with competitive tax rates, new job creation, and tax incentives for graduating students who stay in

Saskatchewan.

Now number five in our Grow Saskatchewan plan is balanced and fair labour laws. Saskatchewan needs a fair and level playing field when it comes to labour laws. Competitive, balanced, and fair labour legislation is fundamental to attracting new capital and business investment in Saskatchewan.

And our game plan for growth includes implementation of legislation to make workplaces democratic in the process of certification or decertification of unions, a full review of Workers' Compensation Board organization, governance, policies, and fee structure, an elimination of union-preference tendering on all government and Crown corporation construction projects. This fair and open approach to encourage new investment and remove another government-created barrier to growth in Saskatchewan.

And I'd just like to make the point about right-to-work legislation. The Saskatchewan Party has shown that we listen. We listened to the stakeholders of this province, we listened to labour. The right-to-work legislation was introduced in the first sitting of this session by myself as a private member's Bill.

But we listened to organized labour and organized labour said they did not like that piece of legislation. And so we've taken that piece of legislation, the right-to-work legislation, out of our platform. It's no longer a part of the Saskatchewan Party platform and will not be introduced as a private member's Bill in the future. So that's an example of the Saskatchewan Party listening to organized labour and responding to their concerns and needs.

The other part of our labour legislation is we also listen to the workers of this province. And what the workers of this province said, that they would like a secret ballot when it comes to certifying and decertifying unions in this province. And there's much debate about signing cards, as if that's some democratic process that is open and where coercion or intimidation would not take place.

But at the end of the day, only a secret ballot is the way to go in any democratic institution where people vote to make their decision. And we believe what the workers of this province have been telling us. And they have said that they want a secret ballot when it comes time to certify or decertify a union. It's only fair that a secret ballot is in place to make this very important decision in their lives and in their workplace.

The other private members' Bill that we have introduced in the past and will continue to introduce is freedom of information, again responding to the employers of this province. And the employers of this province said lookit, we need to have a role when it comes time for their workers in their . . . on their shop floor to make a decision whether to certify or decertify a union. And the employers said that we now do not have the right to discuss that issue with the workers in their operations without having unfair labour practices laid against them.

So we have listened to the employers of this province and we believe a freedom of information Act which gives them a right to communicate with their employees is very important.

So that's the three fundamental parts of our platform. We listen to organize labour, we've taken the right-to-work legislation out of our platform and will not introduce it as a private member's Bill, but we've also listened to the workers of this province who want a secret ballot when it comes time to certification and decertification. And we listened to the employers of this province who want a role and a say . . . a role to communicate their side of the story during a certification or decertification process.

And the other part of our platform is to . . . concerning the elimination of union preference tendering in all government Crown corporation construction contracts. And it's only common sense that every project should be awarded to the company that offers the . . . that gives the lowest bid, given that they're a qualified company and do the work up to standards.

And right now . . . and it's this government obviously is doing this at the expense of the taxpayers of this province. If a construction project costs more, well who pays for it? It's the taxpayers of this province pays for it. And it's one thing to have friends in . . . this government has friends in the union movement, but it's certainly another item to really abuse the taxpayer of this province for their own very selfish needs, basically to fund their re-election campaigns in the future at the expense of the taxpayers of this province.

The sixth point is stop expansion of Crown corporations to compete with existing Saskatchewan businesses.

Some Hon. Members: Hear, hear!

Mr. Weekes: — And a very important part of achieving a goal of growing Saskatchewan by 100,000 people in 10 years is to immediately stop the expansion of the Crown corporations in the areas that are not directly related to the provisions of the core services of power, natural gas, telecommunications, and insurance.

It is worth noting here that the Saskatchewan Party is not bound to the continued government ownership or sale of our Crown corporations. What we are committed to is to ensure Saskatchewan taxpayers receive the best possible service and the best value for investment they have made in our Crown corporations. Getting them to refocus on their core business is the first step.

(16:45)

Now, Mr. Speaker, I would like to read into, I'd like to read into the record a couple of letters from constituents from Redberry Lake . . . how they're being treated by the Crowns.

As we see, the Crowns are investing in Australia and Chile and South America and they're losing a lot of money in many of those ventures. But when you look at the past performance they're really paying off these debts, these losses in foreign companies, by taxing the local Saskatchewan people.

And I'd just like to read a letter from . . . (inaudible) . . . Ag Services Ltd. from Radisson. The letter reads:

The name of my country is . . . (inaudible) . . . Ag Services

Ltd. and I am in the process of putting up a fertilizer facility near Fielding on No. 16 Highway. There are some issues that I would appreciate if you and your office could look into for me.

First are the telephone lines. SaskTel has informed me that the first telephone line will cost me, the owner, \$499 to install. (That's fair and reasonable, \$499.) An additional line will cost me \$9,000 per line.

SaskTel is going to charge this, this new business, who is willing to put thousands of dollars into an investment, build and refurbish buildings, and start up a new business, they're going to charge them \$9,000 for a second line.

Two lines would cost me \$9,499. Three lines would cost me \$18,499.

He said, this is totally ridiculous. And I have to agree. Today you need a telephone line, at least one telephone line. You need a line for a fax; you need a line for the Internet; you need at least three lines. That's going to cost this business, for three lines, \$18,499. And this is at the expense of this one individual.

It goes on to say:

They want \$1,300 an air mile per line for the primary area which is Radisson, and since I am seven miles from Radisson it would cost me \$9,000 per line after the first line. The pedestal that they have come (to) . . . from is about one-half mile down the road, one-half mile. The property that I'm building on has a telephone line already on the property.

When I inquired about temporary service, because SaskTel does not plough in cable until after the long weekend in May . . . (Why is that? Why do they not plough in cable after the long weekend in May?) . . . they want \$4,000 for two lines. When I asked a lady at SaskTel about when the line would be ploughed in, she said after the long weekend in May.

She also said they did . . . why did I get them to plough the line in in August?

And he goes on to say, well I didn't know he was going to be building his new facility and starting up his business back in August.

So this is the kind of reception that people get that are trying to build a business in this province. They get a smart remark — why didn't you get the line put in in August? Well unfortunately again a Crown corporation of the government is totally out of touch with what's going on.

And it goes on to say:

Secondly, Fielding is an unincorporated hamlet in the RM of Mayfield with a population of four people.

Four people. And this family is willing to build, start up this new business in Fielding, which has four people in the town, and this government and this SaskTel, this Crown corporation is

going to, for three lines, telephone lines, going to charge him \$18,499. Now could you tell me where . . . where does this . . . is helping to revitalize rural Saskatchewan?

I'd say that SaskTel is gouging this person and we should be encouraging this person to set up his business in Fielding, Saskatchewan, right on Highway 16. This is very important to this community and this area.

And it goes on to say:

Now I understand why business is staying away from Saskatchewan, especially rural Saskatchewan, when your own government gives you a hard time. When you're trying to keep jobs in the rural sector, instead of helping you, you really want to say the heck with it and go someplace else where you are encouraged to build.

And again and again, Mr. Speaker, we have seen that this government is really forcing people out because of their unfair treatment of businesses and families in rural Saskatchewan.

I have another example, Mr. Speaker, of a constituent from Redberry Lake. It says:

Dear Sir:

My wife Donna Nagus and myself are in the process of opening a store in the Pike Lake area. We have approached SaskTel to have the telephone reconnected (reconnected) and also to hook up a second line for a credit card machine.

Need two lines; one for the credit card machine.

I was put in contact with a lady named Jan in the Prince Albert office. The cost of reconnection for the telephone line was quoted at \$99, which is reasonable.

I have to agree, which is reasonable.

The cost of the second line was quoted at (guess what) \$9,100.

\$9,100 for the second line, even though the lines are already in the building. They just have to go over and hook the telephone line up. They're going to charge this business \$9,100 to hook that second line up. No ploughing they don't have the excuse of digging . . . telling the people they should have it dug in in the fall. It's there, it's already hooked up.

I was so surprised at the staggering amount quoted that I laughed, (this person said). I laughed, thinking this must be some kind of mistake.

Well of course, of course they'd think it would be a mistake.

I was assured that there was no mistake and that this is a tariff rate which they are required to charge.

I asked her what the cost would be to have a separate line installed into my home for computer use and was told that it would be \$475.

That's in their home — \$475. But if it was a business they're going to charge them \$9,100. What kind of a message is that sending any business in this province?

Our government says they want to create employment in this province but it looks to me like they want to stifle it when this is the kind of policy that our Crown corporations are allowed to pursue. I would hope you can make some sense out of this because I definitely cannot.

Signed by Harvey Pittman from Pike Lake area.

These are two examples of this government driving businesses out of this province and two businesses in rural Saskatchewan — rural Saskatchewan. They're having to pay exorbitant fees for telephone service. And it's totally unfair and I believe there certainly have to be some changes made to the government's policies in this area.

And many of my colleagues have letters, similar letters from all over the province complaining about SaskTel. And this is while SaskTel is investing in businesses and ventures all over the world. And they're not investing in their own people and they're not investing in rural Saskatchewan where we must key on in order to grow Saskatchewan.

Number seven, key economic expansion to areas of natural advantage. We will:

... focus economic expansion in those areas where we (already hold) ... a natural advantage.

Number one:

value-added manufacturing and processing, particularly food processing.

Intensive agriculture; tourism; technology; our natural resources industries, particularly forestry, mining, and energy; and the rapidly growing young Aboriginal population.

And first thing, I'd like to speak about the rapidly growing Aboriginal population. It is a huge potential that we have in this province, that we harness this growing young families and children in this province. Saskatchewan has a great potential to grow this Saskatchewan hand in hand with the Aboriginal people.

And one of my colleagues was down in the US, I believe it was Kansas. Kansas is losing people; they have an aging population. And they looked at our demographics and they said you have such a huge potential. You're so lucky to have this huge potential of young people that will be coming into the labour force as workers. But also people that will be entering our educational system and also building businesses in which we need to harness to build and grow Saskatchewan.

It's fundamental and I think it's critical that we harness our young people and develop policies and strategies that keep our young people in this province. And we must work hand in hand with the Aboriginal community to harness this huge potential to the benefit of all Saskatchewan, of all peoples in this province.

Some Hon. Members: Hear, hear!

Mr. Weekes: — The other point in our key economic expansion, and I spoke somewhat on it, is tourism — ecotourism technology. Mr. Speaker, in Redberry Lake we have a unique, a very unique area.

And there's been a committee that's been set up — The Redberry Lake Biosphere Reserve, a community's plan for sustainability was prepared by Sherry Sian, an environmental planner on behalf of the community committee for Redberry Lake Biosphere Reserve. And they've done just amazing work. The community's really gotten behind this project and they've developed this plan for sustainability in that area. As I've mentioned, it's a great opportunity for that area and for the whole of Saskatchewan to capitalize on this unique area.

And as I said, Saskatchewan's opportunity to capitalize on the unique national and international recognition where United Nations recognize world biosphere reserves or world heritage sites in other provinces of Canada, but in Saskatchewan there is only one, and that's the Redberry Lake Biosphere Reserve which was designated by the United Nations Education, Science and Culture Organization in January, 2000.

And what is the UNESCO (United Nations Educational, Scientific and Cultural Organization) world biosphere? It is not ... the biosphere's not a park, although Redberry Lake Biosphere Reserve includes a regional park. A biosphere reserve is not a town, although Redberry Lake Biosphere Reserve includes the town of Hafford. A biosphere reserve is not an RM, although Redberry Lake Biosphere Reserve includes parts of three rural municipalities. A biosphere reserve is not a wildlife sanctuary, although Redberry Lake Biosphere Reserve includes a federal migratory bird sanctuary as well as provincial wildlife refuge and a representative areas network site.

What a UNESCO World Biosphere is a centre of excellence for sustainable economic development. Redberry Lake Biosphere Reserve is managed by a community committee comprised of elected officials from the participating municipal governments and community boards operating as the Redberry Lake Regional Economic Development Authority.

A biosphere reserve is an internationally recognized centre for excellence in, and a resource for, conservation research and education. Redberry Lake Biosphere Reserve provides an opportunity for high-quality research into the impacts of global, regional, and local environmental change, and human activity.

This work is coordinated by a technical committee. Designation as a biosphere or reserve is a highly honoured status. Redberry Lake Biosphere Reserve is part of a worldwide network under the UNESCO of some 375 locations, 10 of which are in Canada. Redberry Lake is one of two designations for Canada in the decade leading up to 2000, joining high-profile Clayoquot Sound in BC. There are also biosphere reserves in Quebec, Ontario, Manitoba, and in Alberta.

Redberry Lake Biosphere Reserve is the only one in Canada that resulted from local grassroots efforts, a matter of great significance to UNESCO.

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

The Assembly recessed until 19:00.