

The Assembly met at 13:30.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, I stand to present a petition from people throughout the province who are concerned that Humboldt maintain its territorial operations office for Saskatchewan Housing Authority. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the proposed closure of the Humboldt territory operations office for Saskatchewan Housing Authority, and to renew their commitment to rural Saskatchewan and maintain a full, functioning territory operations office in Humboldt.

And the signators on this petition, Mr. Speaker, are from the community of Lake Lenore, Middle Lake, and the cities of Saskatoon, and the city of Humboldt.

I so present.

**Ms. Draude:** — Thank you, Mr. Speaker. I rise today to present this petition on behalf of people who are concerned about the closure of the Humboldt territory operation office for the Saskatchewan Housing Authority. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to immediately reconsider the proposed closure of the Humboldt territory operations office for the Saskatchewan Housing Authority, and to renew their commitment to rural Saskatchewan and maintain a full, functioning territory operations office in Humboldt.

The people that have signed this petition are from Muenster, Middle Lake, Annaheim, Humboldt, Bruno, and Quill Lake.

**Mr. Gantefoer:** — Thank you, Mr. Speaker. I rise this afternoon on behalf of citizens in my constituency who are concerned about the crop insurance program changes. The prayer reads as follows:

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.

Signatures on these petitions this afternoon, Mr. Speaker, are from the communities of Melfort, Tisdale, and Kinistino, and I'm proud to present on their behalf.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I have a petition to present on behalf of citizens concerned about the

overfishing at Lake of the Prairies. The prayer reads:

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

The signators, Mr. Speaker, are from the communities of Willowbrook, Bredenbury, Saltcoats, Hudson Bay, and Saskatoon.

**Mr. Stewart:** — Mr. Speaker, I rise to present a petition signed by citizens concerned with the deplorable and dangerous condition of Highway 42. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury or loss of life, and to prevent the loss of economic opportunity to the area.

This petition is signed by individuals from the communities of Eyebrow, Brownlee, and Regina.

I so present.

**Ms. Bakken:** — Mr. Speaker, I rise today to present a petition on behalf of the constituents of Weyburn-Big Muddy who are concerned about retaining their school in Pangman. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to maintain K to 12 education in the community of Pangman.

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

And the petition is signed by residents of Pangman and Ogema.

I so present.

**Mr. Brkich:** — Mr. Speaker, I have a petition to improve Highway 42.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to make the necessary repairs to Highway 42 in the Arm River constituency in order to prevent injury and loss of life and to prevent the loss of economic opportunity in this area.

As in duty bound, your petitioners ever pray.

Signed by the good citizens from Tugaska and Central Butte, Eyebrow, Brownlee.

I so present.

**Mr. Weekes:** — Thank you, Mr. Speaker. I also have a petition

from citizens concerned about the high crop insurance premiums. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to halt its plan to take money out of the crop insurance program and hike farmers' crop insurance premium rates while reducing coverage in order to pay off the provincial government's debt to the federal government.

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

Signed by the citizens of Biggar and Clavet, Saskatchewan.

I so present.

**Ms. Harpauer:** — Thank you, Mr. Speaker. Mr. Speaker, today I have a petition with citizens concerned about Highway No. 15. And the prayer reads as follows:

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

And the signatures, Mr. Speaker, are from Simpson, Imperial, and Moose Jaw.

I so present.

**Mr. Allchurch:** — Thank you, Mr. Speaker. Mr. Speaker, I rise again in the Assembly to bring forth a petition signed by citizens of Saskatchewan that are concerned with the Besnard Lake situation. And the prayer reads as follows:

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

And the signatures on this petition, Mr. Speaker, are from Debden, Air Ronge . . . (inaudible) . . . Allan, Saskatoon, and La Ronge.

I so present.

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

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

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

Mr. Speaker, this is signed by the good folks of Orkney, Bracken, Climax, and Val Marie.

I so present.

### READING AND RECEIVING PETITIONS

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

A petition concerning the closure of the Humboldt territory operations office for Sask Housing Authority; and

Addendums to previously tabled petitions being sessional paper no. 7, 11, 18, 23, 129, and sessional paper no. 132.

### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Bjornerud:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 60 ask the government the following question:

To the Minister of Agriculture: in the 2002-2001 fiscal year, how much did the government pay out under the farm land education tax program; and (2) how many applications were received under this program; how many were approved; and how many were rejected because they were submitted after the deadline?

**Mr. Kwiatkowski:** — Thank you, Mr. Speaker. It is an honour to follow my colleague from Saltcoats and give notice that I shall on day no. 60 ask the government the following question:

To the Minister of Environment: for each municipal sewage treatment plant in Saskatchewan, what was the specified requirement in terms of allowable coliform count in water being discharged in the year 2001; in the case of each facility how many times was this requirement breached; and what date did such a breach occur in the case of each facility; what was the coliform count on those days?

And I have similar questions for the year 2000, 1999, 1998, and 1997. Thank you, Mr. Speaker.

### INTRODUCTION OF GUESTS

**Mr. Hart:** — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you and through you to all members of this Assembly a group of 14 grade 12 students seated in your gallery. These students come to us today from the school of Southey.

They are accompanied by their teacher, Ms. Diana Ritter, chaperones Arlene Stubar, Tammy Mohr, and Donna Siebert. I'll be meeting with them, Mr. Speaker, after question period and I'm sure they will have many questions for me after witnessing question period, Mr. Speaker.

Also while I'm on my feet, Mr. Speaker, I have another guest here today. Seated in your gallery is a long-time friend, Ms. Clara Gee, who is a former resident of Southey who actually just moved to Regina from Southey a couple of months ago. She's a keen political observer and has watched us on television and so on, and she's here to witness the proceedings today. I would ask all members to welcome these guests, Mr. Speaker.

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

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Speaker. I'd like to introduce a number of guests who are here today to witness the second reading of The Ethanol Fuel Act. And I want to apologize in advance to any who we met with earlier before the session convened if I don't have them on my list.

From Shaunavon are Jack Salmon, Sharon Dickie — the mayor; from Weyburn, Ray Hamm; from the southeast REDA (regional economic development authority), Dylan Clarke; from Tisdale Alfalfa Dehy, Jim Boxall; from the town of Tisdale, Doug Hay; from AGB Technologies, Bill Russell; from the Eden REDA, Roger Vogelsang; from Treaty 4 Executive Council, Senator Roland Crowe and Marv Hendrickson; from Melville, Mayor Michael Fisher; from SARM (Saskatchewan Association of Rural Municipalities), Ken Engel; from the Canadian Renewable Fuels Association, Roy Button; from AgriBuild, Dan Prefontaine and Monty Stewart; from the livestock industry as well, Wayne Morsky; from Agrivision, Red Williams; from the SAC (Saskatchewan Agrivision Corporation) Hibernia (Ethanol) Task Force, Lionel Labelle; from the Saskatchewan Research Council, Doug Soveran; and from the Moose Jaw REDA, James Leier; and from the Regina REDA, Tim Feduniw.

Mr. Speaker, these men and women are very interested in diversifying and building on our agriculture industry in rural Saskatchewan. I know all members will be supporting this legislation because that's exactly what it allows to happen. And I would ask all members to join with me in a very warm introduction to these very interested and hard-working Saskatchewan people.

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

**Mr. Wakefield:** — Mr. Speaker, I'd like to take this opportunity to introduce to you and through you to the members of the legislature, 28 students from the Lashburn School. They're sitting in the east gallery. They've come a great distance, Lashburn being one of the further schools from Regina, and we appreciate them taking the time and the opportunity to come and see what goes on here.

All those from the Lashburn School — there's a lot of students up there — could you put your hands up so we know. There you go. So will you in the legislature welcome these students here.

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

**Hon. Mr. Belanger:** — Thank you very much, Mr. Speaker. I'm very happy and very honoured to introduce to you and the members of this Assembly, Mr. Vance Petriew who is seated in your gallery accompanied by his wife Jennifer and his daughter Emily.

Vance Petriew was born and raised in Saskatchewan on a farm northwest of Saskatoon. He has a degree in physics from the U of S (University of Saskatchewan) and a diploma in computer engineering technology from Saskatchewan Institute of Applied Arts and Sciences. Vance lives here in the city and works as a

computer consultant.

He is also, Mr. Speaker, a dedicated amateur astronomer. Vance discovered astronomy as a young boy and his parents bought him his first telescope when he was 12. His interest in astronomy led him to acquire an impressive 20-inch reflecting telescope. And, Mr. Speaker, last August Vance took his telescope to Cypress Hills Interprovincial Park to join other amateur astronomers, including Richard Huziak who assisted Vance with this discovery, for an outing called the Saskatchewan Summer Star Party.

Our wonderful Cypress Hills Park is an ideal place for stargazing, Mr. Speaker. It is far from urban light pollution, has crystal clear air, and it's the highest spot between Labrador and Rocky Mountains.

Vance was guiding his telescope towards the famous Crab Nebula when he noticed a curious smudge of light in his eyepiece. At first he thought it might be a distant galaxy, but he soon realized he had discovered a new comet, Mr. Speaker.

Discovering a new comet has always been a great triumph for astronomers. Comets are named for their discoverers and finding one brings instant fame. Hale-Bopp, Hayakutake and Shoemaker-Levy are just a few of the names we know because of comets. Lately though, most comets have been found by robots.

Mr. Speaker, I am proud to point out a small irony here in that Vance has clearly demonstrated that we . . .

**The Speaker:** — Order, please. Order, please. If the member could complete his introduction.

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

**Ms. Harpauer:** — Thank you, Mr. Speaker. And, Mr. Speaker, on behalf of the official opposition, I want to join with the government in welcoming the business people and community leaders who are interested in the ethanol industry in our province. I hope they enjoy the proceedings this afternoon when we finally get Bill No. 1 up for second reading for the first time. So if everyone would join me in welcoming them here once again.

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

(13:45)

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, we have in our Assembly many traditions that we observe and that we've grown to appreciate. Whether it's the daily entry or whether it's question period, these are traditions that we've come to expect.

Mr. Speaker, we have another tradition in this House and that is an annual visit from the social studies grade 12 class at Balfour Collegiate, and they're with us again this year. They are seated in your gallery, and I would like to draw your attention and that of the members to these students. They're accompanied by their teacher, Karen Jackson.

I would like all members to join with me, and also the member from Elphinstone who wants to extend a special welcome to his neighbour, Katrina. I would like all members to join me in extending a very warm welcome to these students on their annual visit to the legislature.

Thank you, Mr. Speaker.

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

**Hon. Mr. Osika:** — Thank you, Mr. Speaker. I too would like to add my welcome to all the community leaders that have come here this afternoon.

I would also like to welcome someone else who's travelled here from Melville, a long-time friend and his wife, John and Carman Persson, hard workers in our community. And I would like everybody to help me welcome them to the Assembly this afternoon.

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

### STATEMENTS BY MEMBERS

#### Federal New Democratic Party Leader Resigns

**Ms. Hamilton:** — Mr. Speaker, "An important part of leadership is knowing when to pass the torch." Those were the words of Alexa McDonough as she announced she was resigning as leader of the federal NDP (New Democratic Party).

In 1980 McDonough became the first woman to lead a recognized federal or provincial party. For the next four years, she was the only woman in the Nova Scotia Assembly. She served there for 14 years, laying the groundwork to form the official opposition and to be in contention for provincial government.

McDonough sought and won the leadership of the federal NDP. At a time when the party was without official standing in the House of Commons, McDonough and her caucus led the fight that produced an NDP breakthrough in Atlantic Canada in 1997, helping to secure the official party status and position the party as a Canada-wide electoral force with representation from coast to coast to coast.

In her last appearance in Regina, she reminded us that we move medicare forward not by abandoning the sick and the injured to the mercies of the marketplace, but by building on our Canadian values of compassion and co-operation.

McDonough's parliamentary highlights include leading the fight for victims of Westray mine disaster. McDonough also shifted national political priorities away from tax cutting towards rebuilding the health care system and other social programs.

In closing with a quote of her own words, "If there's one thing that fuels my passions about politics, it's the understanding that we're there to serve the public interests."

Mr. Speaker, we wish her well in all her future endeavours.

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

#### Saskatoon Crisis Shelter Receives Funds

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, a few weeks ago the staff of Saskatoon's YWCA (Young Women's Christian Association) expressed their concerns regarding the possible closure of the crisis shelter unless immediate and significant financing was made available.

The YWCA's 34-bed, 24-hour crisis shelter plays an important and a valuable role in the Saskatoon community, Mr. Speaker. And the members on this side of the House thought that the hundreds of women and children who access its services every year deserve to know just how high up on the NDP's list of priorities they were.

Well, Mr. Speaker, they got their answer because none of the members opposite were willing to commit to financially helping victims of violence and abuse. None of the members opposite thought it important to keep Saskatoon's largest crisis shelter open for the most deserving and often forgotten members of our society.

Instead, in what we've come to expect from the members opposite, the staff of Saskatoon's YWCA were told they should talk to the federal government. Well, Mr. Speaker, they did. And I'm very pleased and encouraged by their response — \$300,000 in federal funding has been arranged. The Saskatoon YWCA crisis shelter will remain open for the time being.

But I also note, Mr. Speaker, that it seems these federal funds were not secured for a long term. In fact the Saskatoon YWCA will once again be approaching the government to ensure that adequate and sustainable funding will be made available.

We sincerely hope that the members opposite realize that keeping a 34-bed, 24-hour crisis shelter open is truly the right thing to do.

Thank you, Mr. Speaker.

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

#### SaskPower Addresses Climate Change Issue

**Mr. McCall:** — Thank you, Mr. Speaker. The issue of climate change is of critical importance to our collective future. In Saskatchewan, where we rely on the burning of fossil fuels to generate the bulk of our electricity, this issue is of especially great concern. We currently await further direction on a national climate change strategy; however, that doesn't mean we are standing still on this issue.

One very important example, Mr. Speaker: I want to salute the proactive work of SaskPower in trying to address the issue of climate change — work documented in the 2001 progress report on SaskPower's long-term climate change action plan.

The plan outlines SaskPower's short-term strategy to rely on offsets to reduce greenhouse gas emissions. Until commercially viable technology is developed, offsets will help SaskPower balance the need to preserve the integrity of the environment

while providing customers with cost-effective electricity. An example of these offsets is an agreement with Saskatchewan Environment which has secured 22 million tonnes of offsets in northern Saskatchewan forest.

Other proactive activities noted in the progress report include the purchase of 11 megawatts of wind power from the SunBridge wind power project and the announcement of plans to install an additional 6 megawatts of wind power in 2002.

These and other measures are very much needed. They're steps in the right direction and we need more of them, Mr. Speaker. I would urge all members to join me in commending SaskPower for their leadership in tackling the very important issue of climate change. Thank you, Mr. Speaker.

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

#### **Tricky's Troop Raises Funds for Cancer Research**

**Mr. Brkich:** — Thank you, Mr. Speaker. I rise today to talk about the continuing remarkable achievements of Tristan Vincente of Bladworth.

The members recall Tristan took part in the Relay For Life fundraising event for the Canadian Cancer Society this time last year. This past weekend Tristan and his fellow youth members of Tricky's Troop took part in the Saskatoon Relay For Life event and once again Tristan won first prize for the most money raised by an individual by raising \$1,479 for cancer research.

His team also finished first by raising the most money for any team with \$3,526 towards cancer research. This represents a first overall province-wide as the relay grew from three events last year to 10 events across Saskatchewan in 2002.

Tristan's parents, Lou and Carol Vincente, are obviously very proud of their young son who continues to battle cancer with bravery and courage. Indeed, Tristan remains an inspiring leader of all those people, young and old, who are currently coping with the effects of cancer.

Tristan's spirit, inspiring spirit, is at it again in 2002 and his team won first prize for best decorated campsite in the Relay For Life. Also on the team was my three-year-old nephew who had a battle with cancer, and thankfully today he's still healthy.

After the great challenge of raising money for the Relay For Life, Tristan now faces the prospect of a major operation at the end of June which will help him with his fight with cancer. I would ask that every member pray with me in hoping that he gets through this, and congratulating Tristan on his remarkable achievements.

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

#### **Building Naming Ceremony at Innovation Place**

**Ms. Jones:** — Mr. Speaker, the tenants of our two research parks contribute nearly \$400 million a year to the economy of Saskatchewan and they employ almost 5,000 people directly and indirectly. They are significant players in our provincial life as well as being beacons of our commitment to research and

technology, in partnership with the government, universities, and industry. They are a tribute to the vision of far-sighted individuals.

And this morning, Mr. Speaker, one of those individuals was honoured in a ceremony at Saskatoon's Innovation Place attended by the ministers of Crown Investments Corporation and Finance, university and community officials, and members of the individual's family.

The newest building in our park is named after Dr. Jack McFaull. Dr. McFaull was an original member of the Management Advisory Committee of Innovation Place and served until his death in 1999. He was also a member of the Board of Governors of the University of Saskatchewan when Innovation Place was created more than 20 years ago during the administration of Allan Blakeney.

He was also involved with companies like SED Systems and POS, companies which are typical of the tenants of Innovation Place — a man who, in his life, typified the partnership I mentioned earlier.

Mr. Speaker, the Jack McFaull Building is completely full. It is environmentally friendly and energy efficient. It provides flexible spaces to accommodate a variety of requirements — and it is a good-looking building to boot.

Thank you, Mr. Speaker.

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

#### **Eastend/Frontier Super Cities WALK for Multiple Sclerosis**

**Mr. Elhard:** — Thank you, Mr. Speaker. Mr. Speaker, this past Sunday, June 2, I had the pleasure to welcome more than 50 area residents to the Eastend/Frontier Super Cities WALK for Multiple Sclerosis. The Super Cities WALK for MS (multiple sclerosis) is a fun, one-day, non-competitive walk that takes place all across Canada in over 140 communities. They're going to raise funds specifically for MS research.

Now this was an extremely successful fundraising activity for our region as the local group there raised over \$13,000 in one day for MS research.

On Sunday, Mr. Speaker, it actually rained in Eastend but organizer Bonnie Gleim indicated that, rain or shine, we walk. Ms. Gleim has been one of the driving forces behind this successful fundraiser and last year was the recipient of an award of inspiration provided by the MS Society for having shown great determination in helping to raise funds in order to find a cure for MS.

Other successful events for the group's fundraising schedule included an MS music night, providing entertainment to a sold-out crowd, a K to 6 dance at the school in Frontier, and a planned walk by students of the Eastend School in support of the Super Cities WALK. Many from the area will be participating in the Regina MS bike tour scheduled for August 17 and 18.

The Eastend/Frontier organization's mission is to be a leader in helping to find a cure for multiple sclerosis and enabling people with MS to enhance their quality of life. Mr. Speaker, I'd like all members to join with me in congratulating the Eastend/Frontier MS Society, and the volunteers and organizations who assisted throughout the day, and the walkers who participated in this very successful event.

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

## ORAL QUESTIONS

### Information Services Corporation

**Mr. Hermanson:** — Thank you, Mr. Speaker. My question is for the minister responsible for the Information Services Corporation.

Mr. Speaker, in 1999 the NDP announced its intention to create a new Crown corporation with the mandate to automate Saskatchewan's paper-based land titles system. By the time that the NDP had announced the formation of the new Crown corporation in January of 2000, the mandate of the ISC (Information Services Corporation of Saskatchewan) was expanded to, and I quote:

... seek markets for new products and services made possible because of the new (integrated LAND information system.)

Mr. Speaker, ISC has been operating for more than two years now. Will the Minister rise to his responsibility and share with the people of Saskatchewan how much money ISC has spent marketing its land titles program outside Saskatchewan since January 2000? And what is the total value of sales ISC has made outside the province during that time?

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

**Hon. Mr. Axworthy:** — Mr. Speaker, let me say to the member, who must surely know more about information technology than he indicates in his question, that corporations engaged ... new corporations engaged in IT (information technology) are engaged in a complex operation, Mr. Speaker, which requires a longer term strategy for marketing than in most instances. The member I'm sure will know that.

And, Mr. Speaker, we have a land titles system here which I will quote from a Microsoft ad ... (inaudible interjection) ... Well, I'm sure you ... I'm sure, Mr. Speaker, the members opposite have heard a lot of things that they haven't taken any notice of.

But, Mr. Speaker, the Information Services Corporation of Saskatchewan, Mr. Speaker ...

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

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. Well, as I was saying, Mr. Speaker, recognized by Microsoft as being industry leaders in land information systems, Mr. Speaker.

I ask the members to show some faith in the information technology skills and attributes of people in this province to support that, Mr. Speaker, to support the ...

**The Speaker:** — The member's time has elapsed.

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

**Mr. Hermanson:** — Thank you, Mr. Speaker. Well the minister verbally circumvented the globe, but he never touched down and answered the question.

Mr. Speaker, in December of 2000, former minister of Economic Development, Janice MacKinnon, sent a memo to the NDP cabinet warning that ISC ...

**The Speaker:** — Order, please. Order, please. Order, please. I would ask for a little more order so that we could hear the question.

(14:00)

**Mr. Hermanson:** — Thank you, Mr. Speaker. Former minister Janice MacKinnon sent a memo to NDP cabinet warning that ISC was out of control and operating far beyond its mandate. According to Ms. MacKinnon, ISC had no business plan to demonstrate how they were going to turn a profit by expanding into areas far beyond handling land titles services in Saskatchewan.

MacKinnon warned that ISC's expansion could threaten the growth of private information technology and cost taxpayers millions of dollars. Mr. Speaker, Janice MacKinnon was right. In just two years — just two years — ISC has lost more than \$17 million.

Will the minister admit in the House today that the NDP has lost control of Information Services Corporation at a cost of at least \$17 million, and the number is growing?

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

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. The member will know of the endorsements of ISC from across Canada. Not just, Mr. Speaker, from leading ... the leading computer companies but from others involved in land titles systems as well, Mr. Speaker.

So, Mr. Speaker, let me just ... Maybe I can ask the member opposite a question. What is it, Mr. Speaker, what is it in the genes of the members opposite that stops them from recognizing the technological advancements of ISC? And what is it that stops them from indicating, from knowing, from saying, that Saskatchewan is the most technologically sophisticated jurisdiction in the world? You can get high-speed Internet where you live; you can't get it in New York City. That's how good it is.

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

**Mr. Wall:** — Thank you, Mr. Speaker. The minister asks, what is it about ISC that bothers the official opposition? It's the same thing that bothers the taxpayers of this province.

This government promised an automated system that would cost them between 20 and 30 million. The bill is now \$60 million and rising. They promised them a system that would respond within 24 to 48 hours. It's not doing that, Mr. Speaker. They promised a system that would work, and it doesn't work. That's what bothers the people of Saskatchewan about this system.

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

**Mr. Wall:** — Mr. Speaker, yesterday at Crown Corporations Committee the CEO (chief executive officer) of ISC, Fraser Nicholson, testified that indeed he wasn't able to say whether or not ISC had a sales target even for these overseas sales of the technology. We couldn't even determine if they have a sales plan.

What we do know . . .

**The Speaker:** — Order, please. I ask members to come to order. The member has got 10 seconds.

**Mr. Wall:** — What we do know, Mr. Speaker, is that they haven't made a single sale of this technology. So the question to the minister is this: will he finally admit that their international sales program for this technology is a failure?

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

**Hon. Mr. Axworthy:** — Mr. Speaker, the member opposite will know of representatives of land titles systems from other parts of the world, from Australia, from Scotland, from other places, Mr. Speaker, who've come to see Saskatchewan's system. Why does the member think they come to see the system we have in Saskatchewan? Because it is, as it's described by experts in the field, Mr. Speaker, the leader in land titles systems in the world.

And, Mr. Speaker, that system works. Mr. Speaker, the system is cheaper, as the member knows. And Mr. Speaker, the numbers of transactions that have been carried on by the system are truly monumental.

Mr. Speaker, let me just ask the member once again, what is it that he has against the information technology industry in this province that says to him that he can't support the major advances that are taking place here? Why doesn't he support Saskatchewan industry rather than somewhere else?

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

**Mr. Wall:** — Thank you, Mr. Speaker. Well that minister, like many of his colleagues, is very anxious to ask questions of the Saskatchewan Party. They'll have ample chance to do that after the next election, Mr. Speaker.

Mr. Speaker, yesterday even the NDP members of the Crown Corporations Committee, even the NDP member for Saskatoon Greystone had some very legitimate concerns. They had concerns that ISC would try to sell its computer program internationally until its LAND (Land Titles Automated Network Development), automated land titles system, actually was operational here in the province.

Since those NDP backbenchers don't have the opportunity to ask questions in question period, and since likely their questions can't be heard over the yelling within their own caucus that we hear that's going on these days, we'll ask the question for them, Mr. Speaker.

Why is the NDP allowing their officials at ISC to travel the world selling a system that isn't yet fully operational in the province of Saskatchewan?

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

**Hon. Mr. Axworthy:** — Well, Mr. Speaker, the ISC has, as the member knows, obtained contracts overseas for consultancy work based on land titles systems. The member will also know . . . he doesn't know how to run a country music hall of fame, but he must know that in this industry people . . . in this industry, Mr. Speaker, people first get consulting contracts then they go on to get further contracts after that.

Mr. Speaker, this institution, ISC, will make money next year, Mr. Speaker. It will be in profit next year as budgeted. Mr. Speaker, this is the world leader in land titles systems. I know it hurts for the members to hear that but, Mr. Speaker, it's true.

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

**Mr. Wall:** — Thank you, Mr. Speaker. Mr. Speaker, that minister's own colleague, own NDP colleague, the member for Saskatoon Greystone had some serious questions yesterday in Crown Corporations.

Here's what he said, he said, quote:

. . . I don't want to see an all-out sales pitch on this technology until we've got it fully operational in this province.

He said, here's what he said, Mr. Speaker, this is the member for Saskatoon Greystone:

I just can't imagine ISC finalizing a sale until it's got a fully operational system in this province with, you know, with all of the conversions completed in the eight centres and with the objectives that we set with the technology here in Saskatchewan . . .

That's what their own members are saying.

So the question to the minister is this: if that's what his own members are saying and if that's his position, will he put a stop to ISC's world globe-trotting to try to sell a system that isn't working yet in the province of Saskatchewan?

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

**Hon. Mr. Axworthy:** — Well, Mr. Speaker, the system is working, as the member knows. The system has been tested first in Moose Jaw, and then to Regina, now over almost all the rest of the province. Very shortly the whole province will be covered.

Mr. Speaker, the member will know that what was learned in

Moose Jaw was implemented in Regina and throughout the rest of the province.

Mr. Speaker, the system works. The member knows the system works. Mr. Speaker, the member knows that the IT industry is partnering with ISC in this work, Mr. Speaker. And I guess it's just another one of those successes that the members opposite just simply can't stand, Mr. Speaker.

What is it, Mr. Speaker, in their genes that says to them if it's built here in Saskatchewan, it doesn't work?

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

**Mr. Wall:** — Thank you, Mr. Speaker. Mr. Speaker, the minister keeps saying that it works. The testimony the committee received yesterday clearly contradicts the minister, and his own member contradicts the minister. Here's what the member for Greystone went on to say. This was in the context of the member's position . . .

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

**Mr. Wall:** — The member's remarks were made in the context . . .

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

**Mr. Wall:** — Mr. Speaker, the member's comments were made in the context of his concern that we would be selling something before it's operational. Here's what he said:

And obviously (the member said) we want to see a higher percentage of successful transaction completions than (we're currently achieving) . . .

Well that doesn't sound like the system is working.

So the question to the minister is this: does he agree with his member that the system is not yet working as it should be, or is it his position that everything's fine and they should continue to spend money travelling the globe, selling a system that frankly has far too many bugs in it?

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

**The Speaker:** — Order, please. I would just ask . . . take a minute here to ask members to please refrain from overdoing it. I'm just seeing a little too much gratuitous and repetitive heckling which ends up to be noise, and it's very difficult for the question to be put and the response to be given.

**Hon. Mr. Axworthy:** — Thank you, Mr. Speaker. Maybe I could give the member opposite a few facts about how the system is working. I don't suppose he'll like these either.

But there are, Mr. Speaker, eight servers have performed 22.5 million computer transactions since August 2001, Mr. Speaker — 22.5 million — at a success rate, Mr. Speaker, of 99.82 per cent. I'm sure we could do better, Mr. Speaker, but I think we're not doing too badly there.

More than 275,000 paper titles converted to electronic form;

more than 30,000 title transfers; more than 27,000 interests and mortgages, Mr. Speaker.

Mr. Speaker, this has been a system that has been working. And, Mr. Speaker, perhaps the member doesn't want to take my word for it, but how about the director of New Brunswick's land title system: there's nothing on the market with ISC's LAND product capabilities. How about, Mr. Speaker, Mr. Paul Martin, Mr. Speaker, who I'm sure they listen to: the system seems to be working pretty well, Mr. Speaker. Or David Chow, they know about David Chow, Mr. Speaker, a prominent Moose Jaw lawyer, he says: we're quite pleased with the system now.

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

**Mr. Wall:** — Thank you, Mr. Speaker. Here's the situation. The NDP promised an automated land title system for between 20 and 30 million. The bill is already up to over 60 million taxpayers' dollars. The project's way behind and it is filled . . .

**The Speaker:** — Order, please. Members, I will have to interrupt you more on an more often basis. Simply finding it impossible to hear the questions and to hear the responses. And I just ask you once again to use your good judgment and to keep the quips down to wits . . . witty quips but not to go into a system which involves . . . to be noise.

**Mr. Wall:** — Mr. Speaker, they promised a 20 to \$30 million automated LAND titles project. The bill is already over \$60 million, Mr. Speaker. They justify the massive expenditure though — the NDP do — by saying, well don't worry we're going to sell this technology all over the world, Mr. Speaker; that's what they said.

And they launch an all-out international sales blitz to achieve that. Mr. Speaker, last year they spent over \$200,000 on this international sales blitz. The problem of course, Mr. Speaker, is that they didn't make any sales.

So then the president of ISC, Mr. Nicholson, comes back and tells members of the committee that well, actually it was never really part of their plan to make any sales. That's what he intimated yesterday at the Crown Corps Committee. They never actually predicated their plan on making sales.

So the question is this to the minister, Mr. Speaker. Has ISC given up on selling its product outside Saskatchewan? Are international sales of their technology still a linchpin part of their plan for automated land titles in Saskatchewan?

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

**Hon. Mr. Axworthy:** — Mr. Speaker, the member will know that the mandate of the corporation is broader than the one he indicated and it was broadened prior to it being instituted in January of 2001.

And the member will know too that the work being conducted by ISC, both here and elsewhere, and bringing people from elsewhere to Saskatchewan is all part of that mandate and, Mr. Speaker, none of it is outside that mandate.

Mr. Speaker, let me say too that the member will know, I'm



sure, that the market in the United States is a viable, strong market for ISC. Indeed, Mr. Speaker, the member might look to the Alberta system which is practically falling apart, Mr. Speaker. So there are opportunities across this province . . . across this country, Mr. Speaker, south of the border, and other countries.

But I want to ask the member once again: what is it that stops him from admitting that Saskatchewan is the most technologically advanced, technologically sophisticated, jurisdiction in the world, Mr. Speaker?

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

**Mr. Wall:** — Thank you, Mr. Speaker. Well, Mr. Speaker, so far the minister has contradicted his own colleague, the member for Saskatoon Greystone, and by his last answer now he's contradicting the word and the information provided by the president of his Crown in the *Leader-Post* where he said . . . where the *Leader-Post* reported:

. . . Nicholson continued the effort Tuesday, telling committee members it wasn't correct to say the LAND project was "originally positioned on system sales".

"The original business case presented to CIC did not contain a single system sale," . . .

So who's right, Mr. Speaker, the member for Greystone, the minister, the president of ISC? We don't know for sure, Mr. Speaker.

Mr. Speaker, yesterday the ISC president also told the Crown Corporations Committee that it would be revealing a secret if he had to divulge whether or not ISC even has a sales target, Mr. Speaker — not what the target is, not who the target is, but whether or not they even have a sales target. He said that was a secret.

Mr. Speaker, does the minister agree with that? Does the minister agree that it's a secret to be kept from the taxpayers that this runaway wreck of a Crown has even a target for sales to return some of the taxpayers' money?

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

**Hon. Mr. Axworthy:** — Mr. Speaker, I'll tell you what is not a secret. It's not a secret that Microsoft says that our LAND title system is the industry leader in land information systems, Mr. Speaker. And maybe what the member could do is start spreading that word rather than the word he wishes to search . . .

(14:15)

#### **Drought Relief Program for Livestock Producers**

**Ms. Harpauer:** — Mr. Speaker, the recent rains that we've just had in our province will hopefully help the crops in the southern part of our province. But it's probably not enough moisture to address the feed and water shortage for the cattle industry.

And two weeks ago the Saskatchewan Party called for new

money for well digging and dugout digging, and water pipeline equipment. But the Minister of Agriculture said, Mr. Speaker, he said that it was a dumb idea. And now he seems to have changed his mind a little bit. And the minister now says the province, you know it will be willing to put in provincial money into a federal-provincial water program.

Mr. Speaker, has the minister spoken with Lyle Vanclief about a new drought relief program and are they working out on developing a new program for our province?

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

**Hon. Mr. Serby:** — Mr. Speaker, I listened carefully to the Leader of the Opposition when all of the Canadian . . . the Western Canadian premiers were in Saskatoon just recently. And the Leader of the Opposition stood in front of an assembly of people and said, you know what, in Saskatchewan today we invest 5.5 per cent of our budget in agriculture, is what he said.

And then he went on to say, Mr. Speaker, that the Canadian government doesn't invest only 1 per cent in agriculture in Canada. And he pled, Mr. Speaker, he pled with the leaders from Ottawa, the three federal leaders from Ottawa, and said you need to put money into Saskatchewan, is what he said.

And then a day later, the member opposite stands up in the House — from Watrous — and says you know what, Saskatchewan taxpayers and farmers should be paying 100 per cent for their own difficulties that they're having in Saskatchewan today, contradicting the Leader of the Opposition within 24 hours of when he made the statement, Mr. Speaker — within 24 hours, Mr. Speaker.

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

**Ms. Harpauer:** — Mr. Speaker. Mr. Speaker, when is our minister . . .

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

**Ms. Harpauer:** — Mr. Speaker, it is absolutely astounding, and it is no wonder that it takes this NDP government so long to recognize a problem when they don't even know the difference between trade distortion and water infrastructure.

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

**Ms. Harpauer:** — Cattle producers have been talking about water and feed shortage since last fall and yet as recently as just two weeks ago that minister was saying that there's plenty of hay around, don't worry about it. And he said helping cattle producers with well digging was a dumb idea.

And now after cattle producers are already in a crisis situation — they're selling off their herds — the NDP finally realize that it's time to start talking to Ottawa. Well, hello. And, Mr. Speaker, why did it take so long for the NDP to realize that there's a problem in this province?

And how much longer is it going to take to get a program in place so that the cattle producers can actually start digging wells and dugouts?

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

**Hon. Mr. Serby:** — The member opposite would know or should know, as the Leader of the Opposition should know, that in Saskatchewan last year when we had a drought that was less severe than it is this year — but severe — we went to Ottawa, Mr. Speaker, and we got additional money for two fronts.

We got money, Mr. Speaker, last year for \$200 million for Saskatchewan producers in this province. And then we went to Ottawa, Mr. Speaker . . .

**The Speaker:** — Order, please. Order, please. Order, please. Order. And I would ask the member for Humboldt to try to restrain some of the hollering.

**Hon. Mr. Serby:** — Last year we went to Ottawa and we found 200 million more dollars that we brought back to Canadian and Saskatchewan producers in our province right here — Ottawa/Saskatchewan money. And then we went to Ottawa and said we need an additional \$1.5 million for water for Saskatchewan people.

We said we needed five. They gave us 1.1 and we ponied up, unprecedented fashion, another 1.5 for Saskatchewan, giving Saskatchewan producers money for water from Ottawa, matched. This year, Mr. Speaker, the member from Watrous comes up and stands up in this House and says we should get 100 per cent water money from Saskatchewan people.

And to that, Mr. Speaker, I say where Saskatchewan people are asked to pay for all of the services in Saskatchewan which are Ottawa's, that's what the media is saying is dumb, dumb, dumb, Mr. Speaker, is the member opposite saying that it should be paid for by Saskatchewan people.

That's the dumb part, Mr. Speaker, to get money for . . .

**The Speaker:** — Member's time has elapsed.

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

**Ms. Harpauer:** — You know, Mr. Speaker, it's getting more and more difficult to take this NDP government seriously when they can't even get their own story straight.

Yesterday when the minister was out in the rotunda telling the media that he was willing to put provincial money into a water program, his own NDP member from Coronation Park was in the House saying that there would be no provincial money for well digging in this province. It's no wonder that no one takes the NDP seriously in this province. In fact, the member from Coronation Park said he doesn't even listen to the Minister of Agriculture and the minister's comments have no relevance to him. Mr. Speaker, the Saskatchewan producers know the minister is irrelevant, but it's interesting to hear that his own colleagues are saying the same thing about him.

Mr. Speaker, cattle producers need help now. How soon can we expect to see a federal/provincial program to address the water shortage? How much longer is this minister going to just talk to Ottawa before we see any action in this province?

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

**Hon. Mr. Serby:** — Mr. Speaker, on this . . .

**The Speaker:** — But first I ask for some order.

**Hon. Mr. Serby:** — Mr. Speaker, in this province, on this side of the House, when we needed money for farmers, we provided additional money for farmers for emergency aid. Mr. Speaker, on this side of the House, we provided money for emergency aid. When we needed additional money for water unprecedented — which was a national responsibility — the Saskatchewan government came forward and put additional money in. This year, Mr. Speaker, where the federal government has still not ponied up any money, we said that we'll put some money in to assist because it's a difficult time, Mr. Speaker. We said we'd put that in.

But, Mr. Speaker, we have an agricultural industry that requires a lot more. We have an agricultural industry that needs to build an ethanol industry in Saskatchewan, Mr. Speaker. And on that side of the House, Mr. Speaker, everyday they criticize the building of an ethanol and the livestock industry, in this House, connected.

And today, when we have a second reading of a Bill that will build the ethanol industry in Saskatchewan, not one member of the other side of the House, Mr. Speaker . . . (inaudible interjection) . . . and would help us build an ethanol industry. No, they object to the ethanol industry, Mr. Speaker.

And who is it over there who is going to participate, Mr. Speaker, in building an ethanol industry in Saskatchewan with us?

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

**The Speaker:** — Order, please. Order, order. Order, please. Order, please. Order, please. Order, please. Order. Order. Order, please. Order. Order, please. Order. Order, please. Order. Order, please. Order. No, order. Order, please. Order, please.

Why is the member on his feet?

**Hon. Mr. Belanger:** — To ask leave to introduce a guest.

Leave granted.

#### INTRODUCTION OF GUESTS

**Hon. Mr. Belanger:** — Mr. Speaker, I want to first of all apologize for trying to make a lengthy introduction and to also thank the Assembly for leave. And I'll just continue where we started off, Mr. Speaker. I would point out . . .

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

**Hon. Mr. Belanger:** — To ask for leave to make a personal statement, Mr. Speaker.

Leave granted.

## STATEMENT BY A MEMBER

## Introduction of Vance Petriew

**Hon. Mr. Belanger:** — Thank you, Mr. Speaker. I'm very, first of all, very appreciative of the fact that we had co-operation to make this statement, so I'll start, Mr. Speaker.

I'm very happy and very honoured to introduce to you and to the members of the Assembly Mr. Vance Petriew, who is seated in your gallery, accompanied by his wife Jennifer, and his daughter Emily. I'd ask Vance to stand up.

Vance Petriew was born and raised in Saskatchewan on a farm northwest of Saskatoon. He has a degree in physics from the University of Saskatchewan and a diploma in computer engineering technology from the Saskatchewan Institute of Applied Arts and Sciences. Vance lives here in the city, Mr. Speaker, and works as a computer consultant.

He is also a dedicated amateur astronomer. Vance discovered astronomy as a young boy and his parents bought him his first telescope when he was 12. His interest in astronomy led him to acquire an impressive 20-inch reflecting telescope. And last August, Mr. Speaker, Vance took his telescope to Cypress Hills Interprovincial Park to join other amateur astronomers, including Richard Huziak who assisted Vance with this discovery, for an outing called the Saskatchewan Summer Star Party.

Our wonderful Cypress Hills Park is an ideal place for stargazing, Mr. Speaker. It is far from urban light pollution, has crystal clear air, and is the highest spot between Labrador and the Rocky Mountains.

Vance was guiding his telescope towards the famous Crab Nebula when he noticed a curious smudge of light in his eyepiece. At first he thought it might be a distant galaxy, but he soon realized he had discovered a new comet, Mr. Speaker.

Discovering a new comet has always been a great triumph for astronomers. Comets are named for their discoverers and finding one brings instant fame. Hale-Bopp, Hayakutake, and Shoemaker-Levy are just a few of the names we know because of comets. Lately though, most comets have been found by robots, computer-controlled telescopes that relentlessly scan the sky looking for near-earth asteroids and comets. So when an amateur astronomer finds a new comet it is a remarkable and noteworthy event.

I am proud to point out a small irony here in that Vance has clearly demonstrated that we humans are not yet ready to be replaced by computer technology; the same technology that provides financial resources for Vance's astronomical activities.

I am sure, Mr. Speaker, when the Comet Petriew returns to the neighbourhood of the earth in about four years from now, Vance and many other amateur astronomers will be watching for it, and that amateur astronomers will continue to have a role in furthering our understanding of the cosmos.

In conclusion, Mr. Speaker, I'm very proud — the government is very proud of Vance. And on that note I'd like to announce

that on August 10 in conjunction with this year's Saskatchewan Summer Star Party, Saskatchewan Environment will be hosting a small celebration and installing a plaque to commemorate the discovery of Comet Petriew and to recognize Vance Petriew as the first person in Saskatchewan and only the eighth Canadian to discover a comet.

Vance, to your entire family, to your community, we're very proud of you. Good luck and keep up the great work. Thank you, Mr. Speaker.

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

(14:30)

**The Speaker:** — Why is the member from Regina Qu'Appelle on his feet ... (inaudible) ... The member from Regina Qu'Appelle has asked leave to introduce guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Wartman:** — Thank you very much, Mr. Speaker, and members. During the introduction of guests by the Minister of Industry and Resources there was one member from Shaunavon that was not on his list who I would like to introduce to the House — Gary Wicentowich who is the general manager for Great Western Railway Ltd., one of our short-line railroads in the province. He has been very active in their ethanol development committee and is also seated in your gallery. And I would like him to be welcomed as a part of the gathering here today. Thank you.

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

## ORDERS OF THE DAY

## WRITTEN QUESTIONS

**Mr. Yates:** — Convert for debates returnable.

**The Speaker:** — No. 258 converted.

**Mr. Yates:** — Thank you, Mr. Speaker. We're extremely pleased today to stand on behalf of the government and table a written response to question 259.

**The Speaker:** — A response for 259 is tabled.

**Mr. Yates:** — Mr. Speaker, we'll convert for debates returnable.

**The Speaker:** — No. 260 converted.

**Mr. Yates:** — I'm pleased today to ... I'm extremely pleased to stand on behalf of the government and table a written response to 261.

**The Speaker:** — The response to 261 has been tabled.

## GOVERNMENT ORDERS

## SECOND READINGS

## Bill No. 1 — The Ethanol Fuel Act

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Speaker, I am very pleased to rise today to move second reading of Bill No. 1, The Ethanol Fuel Act. This new legislation supports my government's plans to create the necessary climate for the private sector to lead the way in developing a vibrant ethanol industry in Saskatchewan.

Mr. Speaker, as a result of this legislation Saskatchewan will become the first jurisdiction in Canada to establish the legal framework to allow for mandating the use of ethanol-blended gasoline.

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

**Hon. Mr. Lautermilch:** — Mr. Speaker, during the past year a great deal of good work has been done to help understand the opportunities for ethanol development in Saskatchewan. And I want to thank my cabinet colleagues, the MLAs (Member of the Legislative Assembly) for Regina South and for Regina Qu'Appelle Valley, for the work that they did on this file.

As members of the Assembly know, Saskatchewan is well positioned to be the home of Canada's ethanol industry. We have an abundance of the kinds of raw materials needed for ethanol production; we have reasonably priced land; and, Mr. Speaker, we have an extensive transportation infrastructure, rail and road, that is needed to move ethanol to market. We have access to relatively inexpensive electrical power and an extensive water supply. And we have, Mr. Speaker, a government that is committed to support the growth of ethanol and the development of the ethanol industry in Saskatchewan.

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

**Hon. Mr. Lautermilch:** — In addition, Mr. Speaker, to our natural advantages there are several reasons why now is the time for us to capitalize on these opportunities.

For instance, improved technology has helped us to reduce the cost of producing ethanol. As well, there is a need for additional ethanol in order to help the United States meet its commitments to reduce smog in its major cities and improve their air quality. And potential international agreements to reduce greenhouse gas emissions such as Kyoto, along with the public's heightened environmental awareness, has made cleaner-burning gasoline a very attractive option.

Mr. Speaker, in fact, Canada and American governments have both stated their desire to increase renewable fuel content in gasoline to reduce their dependence on foreign sources of oil.

There are also economic reasons why now is the time to pursue ethanol. Many people believe that ethanol production can boost the economy of rural Saskatchewan by opening doors to farmers to diversify and to add value to their operations. And indeed, Mr. Speaker, the Action Committee on the Rural Economy identified the expansion of the ethanol industry as a prime opportunity.

Because ethanol production creates many useful co-products which can be used as a protein or an energy component of livestock feed, we believe the growth of the ethanol industry can assist in the development of a livestock industry, creating even more jobs for rural Saskatchewan. Our province is ideally suited for the feedlot industry to expand alongside a growing ethanol industry. So, Mr. Speaker, quite clearly, there are a lot of solid reasons why this industry is poised for growth.

And our *Greenprint for Ethanol Production* outlines the main reasons where government has a role to play in supporting the industry's growth. Mr. Speaker, as part of our strategy, we're introducing legislation that will provide a legal framework for us to establish a mandate to sell ethanol-blended gasoline in Saskatchewan. This legislation will provide the regulations and provisions to allow us to create the right climate for the private sector to develop a vibrant ethanol industry here in our province.

When it is proclaimed, The Ethanol Fuel Act will require every distributor to sell ethanol-blended gasoline in Saskatchewan. Mr. Speaker, while it is important to introduce this legislation now in order to demonstrate the government's commitment to supporting the ethanol industry in Saskatchewan, the existing industry does not currently have the capacity to supply enough ethanol to meet our consumption needs. Therefore, we will need to allow the industry to develop at its own pace, based on careful planning, solid business plans, and direct private sector investment before we enact this legislation.

Once the industry has had a chance to develop enough to support our domestic market needs, then cabinet will be asking for its approval to proceed with the mandating. We will then proclaim the Act to allow for mandating.

Mr. Speaker, while this legislation will make distribution of ethanol-blended fuel mandatory, there may still be a need to have fuel for sale that is not blended with ethanol. Straight fuel will have to be made available for specific purposes. Therefore, in order to deal with these issues, this legislation contains provisions to allow us the flexibility needed to accommodate these circumstances.

Over the coming months, we will be consulting with vehicle manufacturers, retailers, consumers and others to determine what exemptions are needed. And we will look to other jurisdictions, like Minnesota, where the use of ethanol-blended gasoline is also mandated to see how they have handled specific concerns.

Mr. Speaker, as members of the Assembly know, ethanol is an environmentally responsible energy source that will reduce greenhouse gas emissions. With this legislation the province is taking a leading role in reducing environmental contaminants for Saskatchewan and Canada by promoting the use of ethanol.

Ethanol has a great potential for improving the environment while achieving a more diversified economy in rural Saskatchewan. And this legislation is just one component of our strategy to nurture and grow the ethanol industry in Saskatchewan.

Detailed information on all of the components of the

government's plan can be found in our *Greenprint for Ethanol Production* document which I am pleased to say is now available through my department.

Mr. Speaker, I'm confident that all members of the House will work together to ensure a speedy passage of this legislation to support and to grow the ethanol industry in our province.

And I want to close, Mr. Speaker, by thanking the people of Saskatchewan who have moved this issue forward, who have brought to the attention of this government the need to diversify and build our rural economy, working together in a spirit of co-operation, who have joined with other communities to put together and put forth plans for us to build a stronger rural Saskatchewan, a stronger agricultural economy. And it is in that spirit, Mr. Speaker, that I move and I now present The Ethanol Fuel Act, second reading.

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

**Ms. Harpauer:** — Thank you, Mr. Speaker. Mr. Speaker, although there may be a lot of shouting across the floor, I don't think there can be any question that both sides of the House believe that the ethanol industry is extremely important for our province. We may differ on the strategy of that. We may differ on what policies we feel is important to see the industry expand. But ultimately, we do agree that it's extremely important to see the ethanol industry developed and expanded in our province.

And there's a number of reasons and the minister just mentioned a lot of them. There's, you know, environmental advantages to the use of ethanol in our fuel. There is a job creation advantage in the construction of plants. When the plants are operational, there will be jobs created. And there will be service industry that will be dependent and grow from those ethanol plants through trucking, through suppliers, and other service industries.

And it'll be an advantage to our agricultural sector by the local use of products, by adding value to our grains, and spinoff industries for those plants that may also be in conjunction with the feedlot.

So it will be good for the economy of the province as a whole. But the difference I find, one of the major differences that we have from this side of the House to that side of the House perhaps is policy and strategy, but it also . . . we have a huge difference in the sense of urgency.

This side of the House has been looking at ethanol also for some time and I know there's been a lot of chanting going on today where they've suggested that we've held up the Bill or there's been a problem with the Bill on this side of the House. Well the Bill was introduced, Mr. Speaker, on March 21 and this is only . . . that was the first reading of the Bill and it has not come to the floor of this Assembly since then.

And I can name other Bills, such as example, there was a Bill introduced on March 22, that's Bill No. 2, and it's already passed. There was a Bill written on . . . or introduced on March 19 — that was before this Bill — Bill No. 5, and it's already been passed through all the readings.

So it's a little disappointing when they sit there yelling at us that perhaps we held up the Bill, perhaps we had a problem with the Bill. They never brought the Bill to the floor of the House and that is their option to do so.

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

**Ms. Harpauer:** — So with that we do feel it's important and it is not a usual practice in the House for a Bill to be introduced for second reading and then be sent to Committee of the Whole on the same day, but that is what will happen in this Assembly today.

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

**Ms. Harpauer:** — So basically the one question I have initially is, what took the government so long? They announced, and they've re-announced, and they have announced again, initiatives for the ethanol industry in this province.

And this industry is not new globally, and it's certainly not new in our province because . . . And the members opposite have heard me speak a number of times on Pound-Maker Adventures, which is over 10 years old in our province.

And it was built by a group of investors, yes, with partnership in some larger private companies. And these investors had a vision for the future. They had a vision that the future needs of environmentally friendly fuels was going to be important. And they had this vision before there was the downturn in agriculture that we're seeing today, and they had this vision before the value added became a common buzzword throughout our province.

And it took their vision, it took their leadership, and it took their wisdom to recognize the potential market. And it took — those private investors, Mr. Speaker — it took their willingness to take a risk.

And since that time the ethanol plant has done extremely well in my community and the feedlot has expanded from that. And they are leaders in that community that I am proud to say that I am the member representing.

(14:45)

And now within Canada, within actually the global situation, there's an appetite for renewable, environmentally friendly fuel that's accelerating at a rapid pace. And there isn't a wheel to reinvent here.

Globally there are more and more jurisdictions putting into place policies and initiatives to increase the production and the use of renewable, environmentally friendly fuel. There are lots of jurisdictions in which to study and look at and I myself have done some travelling doing exactly that. So what has this government been waiting for?

Most of us, I'm sure in this room, I have no doubt have heard of the success of the Minnesota model. They saw a potential for the future. They had a vision. They saw their state as a leader. They felt that they could lead their country in production and they were willing to take a risk. Even if it could prove to be a

mistake they had the intestinal fortitude to do it as a stand-alone state.

And it's interesting that the minister who spoke just before me said that, you know, he's quite proud that we're doing this as a stand-alone province. And yet I remember being at function after function . . . One in particular was an ethanol conference that was held in Saskatoon. It was hosted by Agrivision and I was there along with the member from Regina South, who was the minister at the time, who said there was no way we should do this as a stand-alone province. He argued that point. He really thought that my idea of it being a stand-alone province was just wrong, that we couldn't do that.

And you know, Minnesota did it for a number of reasons. They did it for environmental reasons. They did it for economic reasons. And they did it to assist their agricultural sector because most of their plants, the majority of their plants, are producer owned. And they put forward specific and well-thought-out policies and regulations and incentives, and they turned their vision into a reality, and the rest has been history for that state.

And the Saskatchewan Party has had a similar vision for our great province. And it will take certain policies and regulations and incentives to make it happen here.

But . . . And in fact the Saskatchewan Party had a news release, dated September 19, 2001, quite considerably before the government made their own announcement.

And that news release said:

A Saskatchewan Party government would promote the expansion of the ethanol industry by introducing an environmental tax credit for ethanol blended gasoline and requiring all gasoline sold in the province to be 10 per cent ethanol blend.

(The) Saskatchewan Party leader Elwin Hermanson made the announcement this morning during a breakfast meeting with the Regina Chamber of Commerce.

"Saskatchewan has the opportunity to lead the way in the production and consumption of environmentally friendly ethanol," Hermanson said. "Ethanol production has the potential to create new jobs, diversify the struggling agriculture industry and contribute to a cleaner environment but we must act now."

And at that luncheon, the Leader of the Saskatchewan Party:

. . . committed to cut the corporate tax in half for all new capital investment in the province.

"Lower (the) taxes on capital investment will stimulate expansion of (the) ethanol production right here in Saskatchewan using Saskatchewan grown wheat, feed grains and straw."

Hermanson warned that Saskatchewan doesn't need another crown corporation taking an ownership position in the financing, construction or operation of (the) new

ethanol facilities.

He said that:

1. Ethanol is (a friendly) an environmentally friendly substitute or additive for gasoline so burning more ethanol as fuel means cleaner air and cleaner environment for Saskatchewan families;
2. Ethanol production would create a new market for Saskatchewan grown wheat, feed grain and straw;
3. The construction and operation of ethanol production facilities would create hundreds of new jobs for Saskatchewan people.

And there's more in that announcement and it was . . . I'll just give the members opposite the date again, September 19, 2001, because they often say, what's your plan? This is it; this was our plan. This was our plan last year and it still is what we will say this year. It hasn't changed.

So of course we agree with the introduction of the NDP's ethanol Bill. I would suggest it needs to be . . . to even go a little farther, because there isn't a lot of substance in that Bill as it exists. It doesn't commit to anything. Everything is in regulations. Nothing is in the actual Bill itself where it can be debated on the floor of the legislature.

It needs to be a little bolder and a little more direct and forthright, because we're competing with other jurisdictions for the investors that we need.

We need to look at the exemption of the excise tax and I know the government has said that they will do this. We need to look no further than here in our province to see why that is important. When Pound-Maker first established, the road tax was exempt and the sales of ethanol-blended fuel rose to 3 million litres in our province. And that was at the time when there wasn't the environmental concerns or knowledge, quite frankly, on the benefits of using ethanol-blended fuel.

But in 1995 this NDP government, who say they're such leaders in the ethanol industry, terminated that tax rebate and they created an unlevel playing field, Mr. Speaker, with our own neighbouring provinces. And the sales that were at 3 million litres in our province plummeted to 500,000 litres. That's the vision for ethanol that this government has demonstrated in the past, Mr. Speaker.

So there is no doubt that now they're talking about again exempting that road tax. We absolutely support that initiative — 100 per cent support it. They announced it in their 2000 budget speech. They didn't implement it but they did announce it two years ago. We absolutely supported it then and we absolutely support it now.

The Saskatchewan Party also supports a legislated, mandatory level of ethanol in all gasoline sold in our province. And we understand fully that it needs to be phased in as the production allows within our province. And we realize that there may be some resistance from oil companies. But we realize the oil companies also are understanding that there is an importance.

And in actuality, I have no doubt that some oil companies will probably consider — maybe not here; maybe the opportunity won't be here — but oil companies have in the past and I'm sure oil companies will in the future consider partnering with other investors in building ethanol plants.

Once all the fuel sold in our province is 10 per cent ethanol-blended fuel, locally producing and consuming 160 million litres in our province — and those local sales will mean 445,000 metric tonnes of our feed grain will be consumed right here in our province.

And it won't stop there. Because I think more and more jurisdictions are looking at requiring the use of a renewable, environmentally friendly fuel. So the export potential is enormous because we have the feedstock here in our province and we have what it takes to make this industry work. We have what it takes right here within our province to make the industry grow.

We could, and I believe we will, become a leader. But we need to ensure that the industry grows and expands here and not in Manitoba and Alberta and BC (British Columbia). We need to do what it takes to attract capital investment. And the suggestion the Saskatchewan Party has given is to cut the corporate tax in half. The advice that the Saskatchewan Party has given is, don't be competitive; don't make the investment dollars be competitive with the Crown corporation. That is a deterrent to attracting capital dollars to our province. It has proven to be a deterrent in the past and it'll be proven to be a deterrent in the future. So it's going to be extremely critical.

Manitoba is also putting forward initiatives to develop the ethanol industry in their province. So this is a critical time for our province to make decisions because private sector investors are going to be looking at both provinces. And they're going to be looking at where they want to spend their money. And quite frankly, Mr. Speaker, I would like to see those dollars come here. I would like to see us put policies into place that will encourage those dollars to come here to Saskatchewan.

The Minnesota success story didn't just happen. The Minnesota success story took smart decisions, Mr. Speaker. And they went from 2 to 14 plants in a very short period of time. And none of those plants, Mr. Speaker, are state owned. Most of those plants are farmer owned. So it's the producers that are taking . . .

**The Speaker:** — Order. Order, please. Order, please. I ask the member from Sask Rivers to come to order, please.

**Ms. Harpauer:** — Thank you, Mr. Speaker. I think it's very, very important that we involve as many producers as what's entirely possible. When you talk value added, Mr. Speaker, and you're taking a low priced commodity, it is only to the advantage of the farm gate if you add value to it. If you sell it for the same price that you could sell it anywhere else and someone else adds value to it, you have not realized an advantage at the farm gate. And, Mr. Speaker, I think that's extremely important for this province. We need the farm gate to have an advantage at the . . . for the expansion of this industry.

So with that, Mr. Speaker, I know the ethanol industry is going to expand. And I know it's extremely important. But I think that

we need to be very, very careful and we need to put policies that will encourage and not discourage outside investment; and we need to allow the private sector to be as involved as they possibly can. And we need to involve the producers of this province. We need producer involvement in order to add value at the farm gate. And that's extremely important, Mr. Speaker.

So let's do what it takes. And today, as I said before, the Saskatchewan Party will speak to this Bill, but we will see it go to Committee of the Whole.

**Mr. Wall:** — Thank you, Mr. Speaker. It's a pleasure to enter the second reading debate on Bill No. 1, Mr. Speaker, and in so doing there are several members on our side of the House that wish to speak to this Bill.

They will complete their second reading remarks though, today, so we can, in what is a very rare thing for this House, so we can move it quickly to the Committee of the Whole for deliberation there.

And before I get into the body of my remarks, Mr. Speaker, I think it's also important that we recognize again that if there is any hope for this industry to grow in the province of Saskatchewan, for this industry to contribute to some economic renewal in this province, that we need to know . . . we need to understand that it is the people at the grassroots level, the people in community development, the people at the community level that have come together and identified ethanol as a way to help keep their areas viable.

That's who deserves the credit for any industry that we are able to develop in this province and the Saskatchewan Party certainly understands that.

You know though, through the remarks of my colleague, the member for Watrous, several of those members were chirping from their seats, Mr. Speaker, about, well, why don't you vote the Bill off today, why don't we get the whole Bill done today? What's the holdup?

And that's hard to believe, Mr. Speaker, because this government introduced this Bill two and a half months ago — that's when they gave it first reading. For two and a half months they have sat on their hands. For two and a half months they have refused to bring this Bill into the legislature for whatever reason.

And now in some sort of an attempt for perhaps some political grandstanding or to score a few points, what they did, Mr. Speaker, is they brought it in today. They brought it in today maybe hoping that we would hold it up so they could be able to score some cheap political points.

But they should have known, Mr. Speaker, that our party has been on the record in terms of what this Bill intends to do at least what it is intended to do. We have been on the record in support of those changes, Mr. Speaker, and we'll remain on the record in terms of this particular Bill in that regard.

Mr. Speaker, Mr. Speaker, the concerns though that we have with the Bill, we're going to deal with them in Committee of the Whole. We're going to get it to committee. Because you

know, if you take a look at the body of the Bill there's nothing in it. There's nothing in it in terms of achieving the specifics that the former minister of ethanol said we needed to achieve . . . well it's the truth.

(15:00)

He doesn't agree with me but I'd ask him to point out specifically how it mandates ethanol and gasoline, other than providing the framework and giving all that authority to cabinet. Mr. Speaker, that is what the Bill does. There are no specifics in this Bill.

And let no one be confused by the fact that there are no specifics in the Bill. What the government of the day is doing, Mr. Speaker, is saying trust us. That's what that minister is saying — trust us as a cabinet, trust us to pass the right regulations, and we'll achieve these sorts of things, Mr. Speaker.

Well that is an amazing argument. It comes from the same man who said we'll have to put 100 million taxpayers' dollars into this industry directly because all of the companies that may want to come into the province need a guarantee from the province, from Saskatchewan, from the cabinet, will need a guarantee that the rules aren't going to change.

Well how about for a start, Mr. Speaker, putting the rules in the Bill? How about that to send the right signal to the industry, to any company whether they're US(United States)-based or otherwise? Put it in the Bill.

Maybe that's why these companies are a little bit concerned about making an investment here, because they had a look at Bill No. 1. It's been introduced two and a half months ago. Maybe they had a chance to look at it and realized that there's nothing specific in it.

So these are the questions that we want to ask at the Committee of the Whole level. We want to make sure it's the right piece of legislation. It's also why we're prepared to move it very quickly today to that level, so we can get the job done.

But, Mr. Speaker, I don't think it should be lost on anyone that this government, this government, introduced this Bill two and a half months ago — two and a half months ago. And, Mr. Speaker, they bring the Bill in today, they vote it off today — how absolutely absurd and how ridiculous, Mr. Speaker, on the part of that minister.

Maybe it was some sort of political scheme that he had cooked up that he thought might play to his favour. Instead of worrying about the industry, Mr. Speaker, he wanted to practice a bit of politics. Instead of worrying about developing the ethanol industry he thought he'd slip a quick one past people, thinking for some reason we'd oppose a Bill which we're on record as supporting.

And so for two and a half months, Mr. Speaker, the Bill has remained in first reading, has not moved to the point that it needs to be today. So there are some specific questions that we'll be wanting to ask about the Bill when it gets to Committee of the Whole.

You know, Mr. Speaker, when the ethanol policy for this government was first announced by the former minister who we've said time and time again had it right, he was pretty clear about the government's intention with respect to this industry. He was very clear. He simply said that the government wasn't going to be the leaders in terms of developing this industry with direct investment. In fact, he said quite the opposite. He said the private sector would lead the industry.

And only when the media pursued him at the end of his news . . . or, from what I understand, at the end of his news conference, Mr. Speaker, did he say, well as a last resort — as a last resort — we might invest directly in the industry, but we want to give the private sector a chance. That's what he said.

He also went on to say that they weren't going to get involved in dictating the scale of plants or the location of plants and they wouldn't pick winners and losers. And those are his words, Mr. Speaker. And so we wanted to hold him to those words, and his successor to those words.

And that's what we have tried to do in this Assembly; understanding that there have been groups on the ground long before the minister ever stood in this place and gave first reading to this Bill. There were groups across this province, including the one in southwest Saskatchewan that I'm most familiar with, that have been working hard on this project long before he ever stood up and indicated what the government policy was.

Well we know now because of the testimony in Crown Corporations Committee that, while the former minister was committing that the government wouldn't be involved in this, Mr. Speaker, that minister, the current minister of ethanol, and maybe the current Minister of CIC (Crown Investments Corporation of Saskatchewan), was negotiating a deal with a company to get directly involved in the ethanol industry.

And how is it wrong for any responsible opposition at any given time to stand up and call a government when they have so obviously, Mr. Speaker — so obviously — played a bit of a misdirection play on the people of Saskatchewan about what they say they will do and what they're actually doing, Mr. Speaker?

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

**Mr. Wall:** — And there are more than just the former minister that are on record as saying the private sector must lead it. The current Minister for Government Relations and the member for Melville, a week ago, said the same thing. He said it's our intention . . . we got to let the . . . give the private sector a chance. And I'm paraphrasing, but I don't think I'm being too . . . I think I'm being fairly generous with what the member stated. That's what the member for Melville said last week. That's what we agree with today.

And you know, Mr. Speaker, last Friday even the Minister of Industry went outside in a scrum and portrayed, once and for all, that he completely understands the problem with economic development in the province. He understands that we are plagued by a history — and it's a non-partisan thing because it's a history that spans five decades and three different political



parties — but we're plagued by a history of a government all too ready to intervene directly in the economy and send that signal to venture capitalists and community groups that they ought to first stop at the Government of Saskatchewan if they're pursuing a project, or at least that should be at the top of their list.

You know, Mr. Speaker, I was in the practice of economic development for five years at the city of Swift Current. And I could tell you this, Mr. Speaker, I could tell you this. If a project like this came along for the city of Swift Current, if a project like this came along for the city of Swift Current and that group had gone to the government and the government had indicated a willingness to invest directly in that project, Mr. Speaker, we would pursue, we'd pursue it at the city of Swift Current.

And that is the problem with the province of Saskatchewan. We do not blame any community group in this province that's trying to grow its community and further its own development. We don't blame them for exploring all of the avenues of venture capital they can.

The problem is, Mr. Speaker, that in this province, in Saskatchewan, for five decades the first stop, or at least one of the first stops for venture capital, has been the taxpayers, Mr. Speaker. We don't blame them for recognizing that reality, Mr. Speaker. Absolutely that's what projects are going to do. That's what they're doing with respect to the ethanol industry.

But you know the difference is this, Mr. Speaker, we have a vision and we have a plan for this province that one day, one day, Mr. Speaker, the very first stop for venture capital on the part of projects like this will not be the government, will not be the taxpayers, but will be private sector venture capital. That's our vision and we can debate and argue that — and the minister is a very able debater — we can debate about whether or not that's achievable or not.

I think the minister agrees that it's something we should try because he said that last Friday. He said the problem with the province is that the government intervenes in the economy too much. The difficulty with . . . (inaudible interjection) . . . Well, Mr. Speaker, Mr. Speaker, it was pretty clear that the minister was saying the problem in Saskatchewan has been government intervention. Mr. Speaker, that's what he said and he's right and he's right and he's right.

And so what we're going to need in this province is a government that has the courage to step off the merry-go-round. To step off and say, you know what, we are going to put the environment in place. We are going to pass the necessary ethanol regulations, as we're debating here today. We're going to do the right thing with respect to capital tax. We're going to look at some innovative ways we could possibly activate the giant pool of RSP (registered saving plan) capital in the province.

We're going to encourage outside venture capitalists to look at the province and we are going to try what we haven't tried for five decades under three different governments — to grow this economy in the only way that it has been grown with any success and any sincerity in any other jurisdiction in the

Western world, Mr. Speaker.

We're the only place doing this. And how has it worked so far? How has it worked so far? Well it's not, it's not working so far, Mr. Speaker. It's not working.

So, Mr. Speaker, the opposition, the Saskatchewan Party, does not blame any local group, any local group for accessing whatever venture capital they can to make dreams happen at the local level. We just fundamentally disagree, we fundamentally disagree that that venture capital, the equity, the risk capital should come from the taxpayers.

And until we can make a change, what choice do communities have, Mr. Speaker? Until the Saskatchewan Party can fundamentally start to change how we do economic development in the province, how can communities . . . how can any community do anything but what it has to do to make projects a reality? And we wish it wasn't that way, Mr. Speaker.

We have a feeling that if we hadn't gone down this road so many decades ago and under three different political parties — Liberal, Progressive Conservative, NDP — if we hadn't gone down this road, we might not have chased away all the venture capital. Mr. Speaker, we might not have sent venture capitalists away from our province.

Why would they come with the spectre of competing against the government in any number of industries? Why would they come? Of course they're not.

Mr. Speaker, for the minister, for the minister to portray our questionings of him on this file in any way other than a responsible opposition, asking questions of a government poised to spend \$100 million taxpayers' dollars, a government, Mr. Speaker, whose track record involves . . . most recent track record involves a \$28 million loss in the potato industry, if it's his position . . .

**The Speaker:** — Order, order. I would ask all members to concentrate on the debate and to refrain from engaging with any visitors that are in the galleries. Order.

**Mr. Wall:** — . . . it's his position that we shouldn't ask those questions, if it's his position that we shouldn't lay out a competing vision for the province that says, look, we have to take those first few steps to developing a private sector venture capital pool or at least attracting the interests of venture capitalists from across the country, if it's his position that we shouldn't do that, then we're going to sorely disappoint him because that is exactly what the Saskatchewan Party is going to do now and up to the next election, Mr. Speaker.

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

**Mr. Wall:** — And we're going to implement a plan for economic development in this province the likes of which we haven't seen under three different governments, but the likes of which, that where it has been tried in earnest, has worked.

It has worked for the people in those jurisdictions, Mr. Speaker. It's attracted businesses that's . . . (inaudible interjection) . . . Well, you know, Mr. Speaker, the member for Regina South

amazingly is the one yipping from his seat. I can't believe it, Mr. Speaker. This is the same member who only two months ago stood up and said, the government's not going to lead the charge in this, the private sector is. All the while he knew, or if he didn't know he should have known, that his officials were working on a deal for direct government investment, Mr. Speaker.

Well let me just conclude, Mr. Speaker, by saying that where the government has been inconsistent, where the government has flip-flopped on its position in a matter of two months, we've been consistent. The Saskatchewan Party's been consistent, and we'll continue to be consistent, Mr. Speaker. We'll continue to speak to an economic plan for our province that can cultivate the kind of environment and atmosphere that attracts private venture capital, Mr. Speaker, that attracts private venture capital to grow these kinds of industries. We're going to continue to speak to that.

And we're also going to, Mr. Speaker, we're also going to indicate very clearly that this party doesn't blame any community group, any local economic development group, or any group of interested investors from dealing with the situation they find themselves in. And the situation they find themselves in, unfortunately, in the province of Saskatchewan, is that the number one venture capitalist is the NDP government opposite.

Mr. Speaker, other members will want to have a few remarks today but I can't emphasize enough that we do intend to move this Bill immediately to committee from this second reading debate that we're having right now. Thank you, Mr. Speaker.

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

**Mr. Wakefield:** — Thank you, Mr. Speaker. I have one or two comments that I would like to add, and it's a very short few comments that I'd like to make regarding the ethanol plant.

I want to assure the people that are here, the people that are watching today, the people in the gallery, that in fact the Saskatchewan Party is very much in favour of the ethanol development in this province.

Ethanol is a very important part of the future of our province. It's an opportunity that has come along in this province and maybe only comes along once in a while. But now, now is the right time. There's spinoff opportunities for ethanol. We've talked about it. Both sides agree on the value of the opportunities, not only with ethanol but of certain . . . as I mentioned the grain spinoff, the cattle spinoff, the materials, the value-added that will result from this. And we certainly want to move it along.

(15:15)

This is one of the few times in the last few months, Mr. Speaker, that I've seen some optimism in the agriculture in this province. Here's something that we can get a hold of, people can visualize it, and we have to make sure that it becomes realized. We want to make sure, Mr. Speaker, that it's done in the right way with the right fundamentals in place.

My colleagues have talked at length about some of the

problems that we see with the existing ethanol program that the government is putting forward. When I looked at the Bill recently, it is very short of detail. It shows very little direction as to what should be done, how it's going to be done, and yet there still is the euphoria of the future. But it's not a panacea for all the problems on the farm. And I think that's an important statement that has to be made. We cannot look at ethanol as the item that's going to fix all the problems.

One of the things that is troubling to me, Mr. Speaker, is the fact that, other than the details that are left out of the legislation and I assume will be coming in regulation — which would be outside the control or purview of the legislation — I see that maybe we're falling into the same trap that we have in other opportunities we have in this province. When there was an opportunity for irrigation and that moved into potatoes — everyone understands what has happened with potatoes — we ended up with a great deficit on our hands at the expense of the taxpayers of this province and also the private investor in those particular businesses.

One of the things that we do in this province — and we've had a tradition of doing — is saying, we can grow wheat, we can grow crops. The world owes it to us to come and buy our products. We have to get away from this mentality of, we can do it, therefore we will grow it and they will come. That hasn't worked in the past.

Where I'm going, Mr. Speaker, is the fact that I haven't seen any information that has come out about a strong business plan for marketing and the marketing of the product, marketing of the by-products of the ethanol. I'm sure that those studies have been made. If people are putting . . . are offering to put money on the line, I'm sure that they're going to be giving it due consideration.

But in this province where we see that the government is anxious to put their money in place, our money in place, taxpayers' money in place, due diligence has to be done on the . . . on terms of marketing. How is this going to . . . How are we going to market not only the ethanol in this province from these very large, expensive plants, how is that going to affect the cattle population, the feeder cattle population? How is that going to affect the grain grown in particular areas? How is that going to divert from the normal agriculture practices in an area? Because a lot of those kind of things will make a huge impact in the different regions.

I'm sure that will be done. But if we are putting taxpayers' money upfront and at risk here, I think we owe it to the taxpayers that business plans outlining exactly what the consequences of that investment are and the consequences agriculturally of that, I think that becomes a very important issue. And I haven't seen it and I don't think that that has been forwarded to people in this province.

When we look at the . . . We ran into that same, we ran into that same trap when we decided that we would in this province start supporting things like pasta production, semolina production. We grow it in this province. The whole theory is then that we should be having a plant in this province and people will come to us and take it off our hands. That is not a marketing strategy that fits into the 21st and into the future — 21st century and into

the future.

We have to make sure that we . . . everybody that's involved, including the producers and those people that are investing local money, understand exactly what those consequences are. Once that is determined, then I think we're going to be able to see even more confidence — not just euphoria but confidence — that we can move ahead. It's the confidence that triggers investment, and it's investment into businesses exactly like this that we need.

We cannot afford to get involved in signing up contracts with companies with exclusivity clauses. That is not the way to move in this province and we want to be very clear and be on record that that is not an acceptable way. That does not create confidence in this province by investors.

If they understand that some plants will have government funds in it, other investors will not come and compete against that. It's just not a level playing field. That has to be established, and established very clearly.

Again the track record of government being in business is not a good track record. That kind of a signal is not the greatest for attracting investment. If we have a good project, we are going to get adequate investment. And there is investment available for these projects.

Talking to some of my colleagues that have interest in their areas for ethanol plants, the investment doesn't seem to be a problem. They have not gone to the government. They have not gone to CIC with their hand out asking for that kind of money and that kind of investment. I understand that several of these projects would be able to be carried on very well, thank you, without that kind of involvement.

And the reason . . . That is exactly the reason that we shouldn't have them involved in any of the projects. It should be private enterprise driven entirely and that is the position of our party, that is the position that the government started with and now has made 180 degree turn on that particular investment issue.

There's other issues that need to be addressed in terms of taxation. There's things that we can agree on in terms of the taxation on the ethanol itself. But we also have to look at the taxation on the capital investment. That is certainly a penalty type of taxation. It's not on productivity, just on investment, exactly the thing that we need. We need investment. We don't need those penalties.

So, Mr. Speaker, with those thoughts, particularly emphasizing the fact that we need that outside investment, we need the confidence, we need the non-exclusivity needed for outside investment and confidence in that investment, we need to have a very clear marketing strategy and a strategy of consequences for the agricultural area surrounding these regions and for the private investment.

Mr. Speaker, we in fact do support the ethanol industry in this province and we encourage it to move ahead. We continue to think it's an opportunity just waiting. If the fundamentals are correct, it will advance and it will advance quickly. Thank you, Mr. Speaker.

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

**Mr. Gantefoer:** — Thank you very much, Mr. Speaker. Mr. Speaker, it's with pleasure that I have an opportunity to speak briefly on this very important issue that's before the House today.

Mr. Speaker, the northeast part of the province has always been identified as one of the very logical areas of the country where value-added grain projects should happen because really it doesn't matter, from our part of the world if you transport grain to the East or West Coast, we have the highest freight rates, and so we have the greatest natural competitive advantage to have value-added projects happen in the agricultural sector in our neck of the woods.

And, Mr. Speaker, ethanol has certainly increasingly been a topic that has identified and caught the attention of people in our part of the world, in the communities that I represent, and also the combination of those communities through the Eden REDA there has been a great deal of interest and work done around the whole issue of the ethanol industry.

I was pleased a year or so ago to attend meetings at Iogen, for example, were having. And it's my understanding that they are moving forward in trying to identify all of the opportunities to use straw to build an ethanol industry that would be perhaps centred in the Birch Hills area. And so that is an exciting possibility for the whole northern part of the province and particular the northeast.

And we think that that is an important initiative and we hope that the advanced technology that Iogen is experimenting with is going to bear fruit so something of this nature could happen.

And so, Mr. Speaker, when we look at this project that the government has proposed, and projects in our area that community people from our community centres have proposed, and they've proposed in, I think, in a fairly responsible way in that they said they're not going to identify a particular community where this project should be attached to; they're going to look at where the greatest, best benefit is going to be for the project and make the decision on a business case model.

And I think that kind of an approach to things in a pragmatic, sensible way is to be commended and it allows local initiatives to happen.

Mr. Speaker, what's of some confusion to me is why the government has to make something so obvious so difficult. Why they have to bring forward Bill No. 1, the very first Bill presented in this legislative session, and leave it sit on the order paper for 55 sitting days, and then suddenly get into a great confrontation about saying that it now has to go forward in a matter of two hours.

Well I think that people can judge for themselves. If we we're working on this in a common-sense, collaborative way it would have been moving forward much sooner than this. And if the government could have got its story straight so that we could have some comfort, as an official opposition, about what message was coming from the government it would have been very helpful and I think we could have moved this forward.

Mr. Speaker we have heard that there's going to be the potential of an exclusive arrangement with one single company. Then we hear the government say there's no exclusivity. And that's why it's so difficult when we get those constant missed . . . mixed messages to really understand what's going on.

And so, Mr. Speaker, it's important for us to stand in this House and say, look it, if there's no exclusivity, that's an important concept. Let's say that clearly once and for all on the record that there's no exclusivity.

Let's say once and for all on the record that private investment is going to be encouraged and everything that's possible be done for these projects to access private investment is going to happen. Let's make sure those kinds of concepts are on the table. Let's make sure that the government isn't telling these groups that they have to take CIC on as a partner. Let's make sure that it's on the record in a clear and simple way, and this industry can move forward very effectively and efficiently because it will simply make sense to do so.

It's hard to understand from our part where the government's going when there's different messages coming from the member who was in charge of this file before, when the head of CIC comes out with a different sort of statement, and when the current minister is being less than forthright in terms of saying what's going on now.

So, Mr. Speaker, it's important for us to stand in the House and say we are supportive of the ethanol industry. We applaud and commend agencies and organizations in our communities who are doing their very best to bring forward ideas that are going to make sense and are going to benefit not only our communities, but the province as a whole. They need, as much as we do, clarity on this issue. And I certainly hope that today's discussion and the fact that this Bill is coming forward is going to assist that clarity.

I certainly hope that when we get into Committee of the Whole in the next few days and this Bill is discussed in detail, we will be able to have an opportunity to further get clarity and clarification from the minister when the discussion happens in detail in Committee of the Whole. Because, Mr. Speaker, all of us in this House on both sides, I think, are very much interested in that this province takes maximum advantage of the ethanol industry and all its potential. And, Mr. Speaker, we on this side certainly support that principle.

Thank you, Mr. Speaker.

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

Motion agreed to, the Bill read a second time and referred to a Committee of the Whole at the next sitting.

**The Speaker:** — Why is the member from Wood River on his feet?

**Mr. Huyghebaert:** — With leave to introduce guests, Mr. Speaker.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Huyghebaert:** — Thank you, Mr. Speaker. Mr. Speaker, in the east gallery this afternoon we have 14 students from the Limerick School in the east gallery, and they're accompanied by their teacher, Shirley Bourhis; their chaperones, Darrel Goruick and Agnes Markovovich.

We're in a debate this afternoon on ethanol and I hope you get to hear some of it. We're just finishing up the debate on ethanol, but I'd ask members to join me in welcoming the group to the Assembly this afternoon.

## SECOND READINGS

### Bill No. 43 — The Saskatchewan Health Research Foundation Act

**Hon. Mr. Nilson:** — Thank you, Mr. Speaker. Mr. Speaker, I rise today to move second reading of The Saskatchewan Health Research Foundation Act. In developing this legislation, consultations have taken place with a wide range of groups concerned with health research.

I wish to thank all of our partners for their dedicated hard work in helping bring about this Act today.

Mr. Speaker, I would also like to acknowledge the vital role that health research plays in improving the health of Saskatchewan residents. Health research contributes significantly in a number of important ways. It focuses attention on health issues of particular relevance to the province. Diabetes, for example, is an issue affecting a large segment of the Saskatchewan population.

Health research also provides evidence for sound health care decision making. It helps attract additional health research dollars from outside the province.

And last and very important, medical and other health care specialists are attracted to locations with a strong research environment. By strengthening research opportunities we hope to keep and attract the best and brightest minds to stay right here in Saskatchewan.

With these considerations in mind, the Saskatchewan Health Research Foundation is being established to manage and allocate most of the Saskatchewan health research funding.

Mr. Speaker, we believe the creation of this new foundation has many advantages. First, it will ensure that research will be funded on the basis of scientific merit and impact. The foundation will review funding decisions for consistency within an overarching health research strategy.

Through peer review processes there will be an assurance of fairness and objectivity. The total provincial government budget for health research in 2002-2003 has increased by \$4 million, doubling the commitment made in our action plan last December.

By moving to a more strategic way of funding research, the possibility increases of the foundation attracting more health

research dollars from the federal government and others in the future.

Mr. Speaker, the foundation is being established as a corporation and will be governed by a board consisting of a chairperson and vice-chairperson as appointed by the Lieutenant Governor in Council. Up to 10 additional members will be appointed to three-year terms.

Members will be selected to ensure a broad representation of the clinical, biomedical, health services, and population health research communities. Members will include representatives from the University of Saskatchewan, the University of Regina, regional health authorities, and three provincial government departments — Health, Industry and Resources, and Learning.

We anticipate the foundation will be in operation by the fall of this year.

Mr. Speaker, as part of our government's commitment to quality, accessible, and responsive health services for the people of Saskatchewan, we believe it is important to bring this legislation to the House today.

Mr. Speaker, I am pleased to move second reading of The Saskatchewan Health Research Foundation Act. Thank you.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. Well, Mr. Speaker, this is an interesting Act in the creation of a health research foundation. You would almost think that health research has not been taking place in the province of Saskatchewan and so you need some avenue by which to promote health research.

Or perhaps you would think, Mr. Speaker, that a health foundation is being put in place to try and attract private investment in health research, Mr. Speaker. But that's not the case. So you really have to wonder, why is there going to be a health research foundation?

The government is simply transferring money that it has been allocating for health research through the Department of Health, through the department of Education — Post-Secondary Education — now into this foundation.

But to what advantage, Mr. Speaker? What changes is this going to mean for the actual research being done in the province of Saskatchewan on health? If it enhances it, if it means that there is more research, Mr. Speaker, well and fine. That's good that there be more research. In fact we need to encourage more research in health both for the health of our citizens and, Mr. Speaker, for the economic developments that can be translated from that.

But if this is simply an exercise in bureaucratic shuffling, then what's the point of it, Mr. Speaker? And the minister in his speech didn't really outline any real reasons to have a research foundation, Mr. Speaker. How this would be better than what is in place today?

The minister talked about the mechanisms involved but he

didn't talk about the reasons why, Mr. Speaker, it would be important to have a health foundation rather than what we're doing now. So it's a mystery, Mr. Speaker, why this needs to happen. What are they shuffling and why are they shuffling it, Mr. Speaker?

When you look at the makeup of the board of directors for this particular foundation when it comes into place, it's a representative from the University of Saskatchewan engaged in teaching or research in health sciences; a representative from the University of Regina in the same fields; a member from the Department of Health; a member from the Department of Learning; a member from Industry, Trade and Resources; and at least one member from a district — or official, Mr. Speaker — from a district health board someplace in the province.

Well how is that that much different from what's already happening? The Department of Health is looking after the money that it allocates for research. The department of Education — or Learning now after the shuffles — looks after the money that they are providing for educational research. If Industry and Resources are providing money, they look after that. So what really changes, Mr. Speaker? What benefit is there to health research in the creation of a new entity?

It's not like the government is going to get a tax benefit, Mr. Speaker, from the establishment of a foundation, which is a reason why a lot of foundations are established. You have to question what is the government trying to do here, Mr. Speaker.

In the establishment of a board of directors with 12 members, the ones that they've indicated, Mr. Speaker, all come from the cities of Regina or Saskatoon. There's not one designated from outside of those two cities, Mr. Speaker, and not all health research takes place in Regina or Saskatoon, even though perhaps the majority of it does.

I would like to see, Mr. Speaker, that when it says under clause 4(2)(f):

... a member or official of a district health ...

that that be health district outside of the two major cities, Mr. Speaker. And that it not say official, that it say a member.

Now under the current scheme that is virtually a government official appointee anyways, because all the members of the district health boards under ... The new Bill that is being presented that will be debated after this one, Mr. Speaker, appoints all of the members of the district health boards. So perhaps it's irrelevant that we ask for a member to be appointed to this board because they are a government representative. They're selected by the government, by whatever criteria the government of the day may feel is important to them. You know, are they philosophically aligned and those kind of considerations, Mr. Speaker.

But I think it would be worthwhile if at least one of the members on this board came from outside of the two major cities, that they came from outside of one of the departments, that they came from outside of the universities, Mr. Speaker. And so that's why I would suggest to the minister that it be a member of a health district outside of the two major cities.

I do like one part of the Bill though, Mr. Speaker, where it talks about that no member shall hold office for more than two successive terms. I believe that is an important criteria so that you don't get stagnation on the board by having the same members sitting there for virtually the eternity, Mr. Speaker — that you do get some change; you get some new and fresh ideas, Mr. Speaker.

Mr. Speaker, health research can be a good economic generator, Mr. Speaker, a good opportunity to enhance the knowledge and the capabilities of the people of this province, a good opportunity to enhance the capabilities and teaching abilities in our universities, Mr. Speaker. Therefore there are some benefits certainly to be accrued from health research and we would want to encourage them.

But I guess the real question is, Mr. Speaker, what advantages does a health research foundation provide over the system that is currently in place today? And so we'll give the minister the opportunity, Mr. Speaker, to do his research and come up with that answer.

So at this time, Mr. Speaker, I would move we adjourn debate.

Debate adjourned.

#### **Bill No. 61 — The Regional Health Services Act**

**Hon. Mr. Nilson:** — Thank you, Mr. Speaker. I rise today to move second reading of The Regional Health Services Act.

As you know, Mr. Speaker, in December following extensive consultation with the public and our partners in the health care system, the Premier and I announced the action plan for Saskatchewan health care. The action plan is this government's response to addressing the challenges in the health care system. It provides us with the ability to guide future decisions and investments in our health care system in order to make the best use of our health care resources.

Mr. Speaker, our approach in this government is to undertake measured, balanced change at a manageable pace with the support of our health care partners. This plan, Mr. Speaker, is a solid blueprint for achieving this goal.

The Regional Health Services Act which I'm speaking about today, Mr. Speaker, is yet another step in fulfilling the commitments made in the health action plan. The purpose of The Regional Health Services Act, Mr. Speaker, is to improve coordination, province-wide planning, and accountability in our health care system. We must ensure that we make the best use of our available health care resources.

To further this goal, Mr. Speaker, the action plan will reduce the number of health districts from 32 to 12 new regional health authorities. This Act allows for the formation of those 12 new regional health authorities from the existing 32 districts in the province.

The Regional Health Services Act will also improve long-range planning in the regional health authorities. It'll provide longer term, multi-year funding targets for regional health authorities. It'll clarify and strengthen the authority of the Minister of

Health to set province-wide priorities for the health care system. It will define the responsibilities of regional health authorities so that they are better able to organize, manage, and deliver health care services across the province. And it will establish community advisory networks to ensure public involvement and communication in each regional health authority area.

The new Regional Health Services Act, Mr. Speaker, prescribes a new regime of accountability within the health care system and a new relationship between the regional health authorities, affiliates, and other health system partners, along with the provincial government.

(15:45)

The Act will also clarify the responsibilities of the Minister of Health and the minister's increased role in strategic . . . setting strategic direction for the health care system, establishing performance goals, developing standards, and creating health policy. As well, Mr. Speaker, this legislation will clarify the role of the regional health authorities by assessing health service needs and preparing annual budget plans and delivering quality health care services and evaluating performance in the health care system.

The Act also mandates the establishment of the community advisory networks to make certain that the appointed regional health authority boards benefit from local participation and involvement. In order to ensure that regional health authorities are accountable to the public, there will be a requirement that all meetings of the regional health authority boards are open to the public, except for some very specific situations, and that annual reports of the regional health authorities are tabled in this legislature.

Furthermore, Mr. Speaker, the Act allows the minister to take action in the event of non-compliance with provisions of this Act and to an order . . . and to order inquiries into any matters deemed necessary. Mr. Speaker, much of The Regional Health Services Act pertains directly to board members and employees of districts.

In February this year, Mr. Speaker, we took the first step in establishing the new regions by appointing the new regional health authority planning committee Chairs and committee members. Mr. Speaker, we received nearly 500 applications from interested persons across the province. The members that we appointed, Mr. Speaker, bring a wide range of experience and impressive qualifications to their planning committees.

Mr. Speaker, I meet on a monthly basis with the newly appointed regional health authority Chairs and have met often with the planning committee members since they were appointed in January. I can say with certainty that they bring experience, enthusiasm, and commitment to their work in the health care system and to the people of the communities they represent across Saskatchewan.

They will sit on the new planning committees until the regions are officially created by the Act before us today, Mr. Speaker. They will then become the board members of the new regional health authorities.

We have maintained continuity, Mr. Speaker, between the former health districts and the new regional health authorities by appointing a combination of existing board members and new nominees to the new regional health authority planning committee.

Mr. Speaker, I'm pleased to advise that the planning committees are currently working with our existing district health boards and other health system partners to ensure a smooth transition from 32 districts to 12 regions.

I would like to take this opportunity, Mr. Speaker, to publicly thank the outgoing district health board members for their strong leadership over the years and for the co-operative approach they have taken in ensuring a smooth transition to the regional health authorities.

Mr. Speaker, there are other aspects of this Act that I would like to mention, which are unique and represent some firsts in the health care systems in Canada.

Mr. Speaker, this Act will replace The Hospital Standards Act and The Housing and Special-care Homes Act. Those Acts govern acute and long-term care standards in the province. By replacing them with this new Act, we are updating standards in legislation that have been in place for many years. The new Act, Mr. Speaker, reflects the increased level of integration of those services within the new regional health authorities and across the province.

No other jurisdiction in Canada, Mr. Speaker, has an Act that has taken such a comprehensive approach to upgrading and integrating standards for a wide range of acute and long-term care health services. Hence the title, Mr. Speaker, The Regional Health Services Act.

Mr. Speaker, the Act also establishes a process requiring the regional health authorities to report critical incidents to Saskatchewan Health when they occur. Each critical incident report will be analyzed by the regional health authority and the Department of Health to determine the circumstances leading to the incident with a goal of preventing future occurrences.

This formalized reporting and review process will promote the highest standards of patient safety and the delivery of quality health care services in Saskatchewan. We'll be the first province to require such critical incidents reports within the health system.

The action plan proposes the establishment of a surgical registry to manage solutions related to waiting times for surgical services. This registry will provide province-wide guidelines to access patient priority in obtaining surgical services. This registry will support the commitment in the action plan to increase access to surgical services in the province and ensure effective use of our resources.

Mr. Speaker, the purpose of this legislation is to make sure that our health care system integrates the improved standards of quality for the delivery of health care services directly with the organization and performance of the regional health authorities. This, Mr. Speaker, requires that both quality and accountability combine in the operation of the regional health authorities and

the health care system.

Mr. Speaker, we are leading the country not only in what this legislation mandates, but also in the way it has been developed and the manner in which it will be implemented. This is an important wide-ranging piece of legislation which signals a new approach to the way we organize our health care system in this province. We are not forcing major change upon the health system without consultation as we observe has happened in other jurisdictions, Mr. Speaker. This Act, and the action plan from which this legislation arose, are the culmination of extensive and ongoing discussions with the public and our partners in the health care system.

Mr. Speaker, this is how the people of Saskatchewan have been consulted. The Commission on Medicare, headed by Mr. Ken Fyke, hosted numerous meetings where many interested persons and groups from across Saskatchewan expressed their views about our health care system. The commission also consulted hundreds of health care professionals and other members of the public throughout the province. As well, Mr. Speaker, the commission sent a survey to all Saskatchewan households to ask their views about the future of our health care system. More than 33,000 people replied.

Mr. Speaker, you will recall that the Standing Committee on Health Care was created in this legislature last year on May 16. The committee was instructed by motion of this Assembly to receive and report on representations from the public with respect to the final report of the Commission on Medicare authored by Ken Fyke.

The standing committee consulted with our health care partners and the public about the recommendations in the final report of the Commission on Medicare. Mr. Speaker, you and members of this Assembly, will recall that the Standing Committee on Health conducted hearings over a six-week period concluding in late July. During that time, 109 individuals and organizations appeared before the committee, from which the committee received 134 written briefs. The committee received an additional 512 written submissions from a cross-section of interested individuals in Saskatchewan.

Mr. Speaker, the work of this committee was about listening to the people of Saskatchewan and hearing their views about what changes they thought needed to be made in the health care system. Mr. Speaker, I would like to take this opportunity to thank the member from Saskatchewan Eastview and her committee for their excellent work.

In addition, Mr. Speaker, during the development of our action plan for Saskatchewan health care we've formed eight working groups in the Saskatchewan Department of Health that consisted of nurses, doctors, board members, administrators, and other health care professionals. We consulted with these committees regularly on an array of issues from primary care to governance.

Finally, Mr. Speaker, we consulted our health partners on the proposed legislation and have received their comments. We found their advice and expertise to be extremely valuable throughout all of these processes and it has resulted in an excellent piece of legislation, Mr. Speaker. Nowhere else in

Canada do we see a health care system that has taken such a co-operative approach.

Mr. Speaker, I'm proud that once again we have demonstrated that by working together we can create a Made in Saskatchewan solution. Our collective effort has resulted in a leading edge piece of legislation designed to improve and sustain our health care system into the future, Mr. Speaker.

This Act will allow us to build a stronger, more consistent and coordinated province . . . provincial health care system. Together we are improving province-wide planning, clarifying roles, increasing accountability, and establishing quality based standards for health care services.

Mr. Speaker, we know that our health care system is one of the best in the country. With our action plan and our new Regional Health Services Act, we are providing leadership in making the changes needed to strengthen and sustain our health care system for the future.

Mr. Speaker, I am pleased to move second reading of this Bill, The Regional Health Services Act.

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

**Mr. Weekes:** — Thank you, Mr. Speaker. It's with great interest I listened to the minister's speech concerning Bill No. 61, an Act respecting the delivery of health services, establishing and governing health regions and regional health authorities, governing health care organizations and so on.

It's a very important Bill that the people of Saskatchewan are very interested in. And I believe there's going to be . . . going to need to be a great deal of care taken in discussing this issue with the stakeholders in the province — not only the health care professionals but the citizens of Saskatchewan — concerning the problems in health care and the whole aspect of reorganization and reducing the number of health boards and establishing regional health authorities.

There's a number of questions that we as an opposition have and the citizens of Saskatchewan have concerning the changes in the health authorities, the amalgamation, and the boundaries, and of course where the CEOs and the staff of the various districts fit in.

So we would like to take this and speak to the stakeholders and talk to the citizens of Saskatchewan that are very concerned about health care, and at this time I'd like to move to adjourn debate.

Debate adjourned.

**Bill No. 62 — The Health Statutes Consequential Amendments Act, 2002/Loi de 2002 apportant des modifications corrélatives à certaines lois sur la santé**

**Hon. Mr. Nilson:** — Mr. Speaker, I rise today to move second reading of The Health Statutes Consequential Amendments Act, 2002. The proposed Bill will amend the following three bilingual Acts: The Co-Operatives Act, 1996. The Interpretation Act, 1995, and The Vital Statistics Act, 1995.

Since these are all bilingual statutes, any changes made to them must be made in both French and English and require a separate Act to convey consequential amendments required by both The Medical Profession Amendment Act, 2002 and The Regional Health Services Act.

Amendments to The Co-operatives Act will update the definition of hospital and show the authority by which community clinics are funded as a result of changes made within The Regional Health Services Act.

The amendment to The Interpretation Act, 1995 will correctly define the phrase duly qualified medical practitioner once provisions to regulate podiatric surgeons within The Medical Profession Amendment Act, 2002 are proclaimed.

Mr. Speaker, within The Medical Profession Amendment Act, 2002 amendments will address incorporation, discipline, and housekeeping issues as well as providing the authority for the College of Physicians and Surgeons of Saskatchewan to regulate podiatric surgeons.

An amendment to The Vital Statistics Act, 1995 will update the definition of hospital as a result of changes made within The Regional Health Services Act. Since The Hospital Standards Act will be repealed, the definition needs to be changed to reference the new Regional Health Services Act under which hospitals will be designated.

Mr. Speaker, each of these amendments are being made to bring these statutes up to date. And with that, Mr. Speaker, I move second reading of this Bill.

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

**Mr. Weekes:** — Thank you, Mr. Speaker. A pleasure to speak on Bill No. 62 although the minister has outlined basically that it's an update of various, of various areas in the statutes, and one of them as being including the Bill in the French language and bringing many of the different areas up to date.

So again, we will take this to the stakeholders and discuss this with the stakeholders and see if there's any concerns. And at this time I would like to move to adjourn debate.

Debate adjourned.

(16:00)

**COMMITTEE OF FINANCE**

**General Revenue Fund  
Industry and Resources  
Vote 23**

**Subvote (IR01)**

**The Chair:** — I invite the minister to introduce his officials.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. To my left is Bryon Burnett, who is the ADM (assistant deputy minister) of industrial development; to my right, Larry Spanner, the deputy minister of the department; to



his right, Debbie Wilkie, who is executive director of corporate resources; immediately behind me is Dan McFadyen, who is the ADM of resource development; Denise Haas is — Denise moved on me — Denise is to his right. Denise is the executive director of investment services.

And in the back are Jim Marshall, the assistant deputy minister of economic policy; George Patterson, the executive director of exploration and geological services; Bruce Wilson, executive director of petroleum and natural gas; Roy Anderson, president and CEO of Tourism Saskatchewan; Louise Usick, director of finance and administration for Tourism Saskatchewan; John Treleaven, president and CEO of Saskatchewan Trade and Export Partnership, and boy I hope they've left someone in the department to run the place.

**Mr. Wakefield:** — Thank you, Mr. Chair. And, Mr. Minister, welcome to all your officials here, and I'm going to turn it over to my colleague from Redberry Lake for just a couple of questions, if you don't mind.

**Mr. Weekes:** — Thank you, Mr. Chair. And welcome to the minister and his officials. I'd like to ask the minister about a situation in my constituency, Redberry Lake. Just a bit of a background to the situation concerning a UN (United Nations) biosphere reserve which needed some grants to open this spring and of course that time has passed.

The biosphere was designated by the United Nations as a pelican nesting site and ecological area located about 100 kilometres north of Saskatoon and is a world biosphere reserve making it 1 of 375 such areas in the world and 1 of 10 in Canada.

And the centre, the interpretive centre, was closed for lack of funding leaving school groups unable to use the facilities, displays, and library. The local committee has been working quite diligently at trying to get funds to reopen the centre. Their funding was cut back by the provincial government some time ago and leaving the interpretive centre there but unable to hire staff to look after it.

The committee in the Redberry Lake area, the citizens of Blaine Lake and Hafford, have been working diligently at encompassing the biosphere as a really a source of economic development.

And not only just opening up the interpretive centre to allow school groups in and as a source of tourism and an informational site, they also would like to hire a reserve coordinator. And the reserve . . . the biosphere coordinator would assist to conserve biological diversity, promote research and monitoring, assist the agencies, the community . . . sorry, the community committee and a variety of scientific, cultural, and education and development agencies to develop the Redberry Lake biosphere reserve as a model of sustainable development in the service of the community and the people of Saskatchewan and Canada.

And the coordinator will also facilitate co-operation exchanges at regional and international levels. Specifically what the committee in the Blaine Lake/Hafford area, the biosphere, would like the biosphere coordinator to maintain the Redberry

Lake Interpretive Centre for the use of school groups, the general public, the partner agencies under the direction of the community committee; conduct and coordinate the development and delivery of interpretative programming to school groups and the general public under the direction of the community committee; assist at meetings of the community committee and its five standing subcommittees as follows.

The first one is culture, research, and education; number two, economic development; number three, health and social welfare; number four, ecosystem research and conservation; and, number five, agriculture.

Also assist research partners through coordinating logistical support, assist in the preparation of partnership proposals, maintain accurate records including visitor statistics and partnership project records.

And lastly, other activities under the direction of the community committee.

And I would like to ask the minister, there was somewhat a vague promise from the Premier when he visited the area this past spring, and left the committee and the public in that area with what, as the paper said, is with great optimism and dedication the community believes that the centre will reopen.

And unfortunately funding did not arrive in time for this year and was just asking, we'd like to ask the minister: is he aware of the biosphere and the needs that they have for, really, start-up money to open the interpretative centre and also broaden the whole . . . the area of economic development in that area? And is there any assistance or future assistance that this group can get from the government?

**Hon. Mr. Lautermilch:** — Mr. Chair, I want to thank the member for the question. I have had the good fortune, as a matter of fact, to be at the Redberry Lake Biosphere Reserve sometime ago. I've seen the operations, had the opportunity to tour the lake as a matter of fact on a, on a little ship that they had out there. It was a very good experience. Peter Kingsmill was kind enough to take us around and I appreciated that.

The Redberry Lake Biosphere Reserve has requested about \$220,000 in funding over a four-year period for core operational expenses. In the 2002-2001 fiscal year the former Department of Economic and Co-operative Development along with Saskatchewan Environment and Resource Management each provided \$15,000 in support to assist the . . . to maintain operations of the interpretative facility.

I would want to say to the member, we certainly recognize the importance of that facility to the community and to the school children that have the opportunity to visit the environmental significance of the area. However we do face a financial situation that doesn't afford us the ability to give support, further support, and the four-year support that was requested at this time. However the request is still under review and I can assure the member that we are looking at what we might be able to do to achieve some funding as it relates to that reserve.

I can say that a number of local people have met with me directly. I talked with . . . As a matter of fact, interestingly

enough, just the other day the former member for Redberry, Mr. Jess, was in the legislature. I think he might have been introduced here. And he was asking me what we might be able to do to find some funding to facilitate the longer term support for this initiative. And I indicated to him that we're looking at it and we're attempting to find funds, and I would say the same to you, sir.

**Mr. Weekes:** — Thank you, Mr. Chair. I appreciate the fact that the government is short of funding and . . . But I would like to emphasize a couple of points.

The biosphere at Clayoquot Sound on Vancouver Island received \$12 million from the federal government and it was, I believe it was opened the same year as Redberry Lake Biosphere. And there certainly seems to be an issue with the federal government concerning the funding for these projects.

And I would just like to ask the minister, have you or will you in the future work with the committee at the biosphere to try to access some of this federal funding?

And also, as a secondary question, to supply funding just initially to keep the interpretive centre open — because I know the RMs (rural municipality) and towns and individuals have donated money to the interpretive centre — and at least as a first step, keep the interpretive centre open? As a promotion, it will develop more clients and tourism and hopefully in the future earn extra funding, and with federal and provincial help, go on to the next phase of the added plans.

**Hon. Mr. Lautermilch:** — Right. I'm informed by my officials that we are, you know, looking internally, but as well we're talking with the federal government to see if we could attract their interest.

**Mr. Wakefield:** — Thank you, Mr. Chair. And, Mr. Minister, my . . . I have another colleague that has a question that he'd like to get out of the way. I think it's rather an important question because it's focusing, it's focusing very much on economic development and into the future. And I think it's important to have the question on record and I'd sure appreciate your answer.

**Mr. Hart:** — Thank you, Mr. Chair. Mr. Minister, in the Speech from the Throne, your government indicated that you were going to be establishing a Saskatoon . . . a Saskatchewan synchrotron institute. And to date I haven't really heard much more about that other than your . . . the commitment in the Speech from the Throne.

I wonder, Mr. Minister, could you bring us up to date as to if there's been any movement in this area? I think it's a vitally important issue that needs to be dealt with.

The people in Alberta are far ahead of us once again in establishing an Alberta Synchrotron Institute. I attended the official opening of the synchrotron building a year ago this past winter, and at that time the Alberta people already had their institute up and running. They had an information display there and so on. And Saskatchewan at that time had nothing to compare to that.

And seeing that this world-class facility is being built in Saskatoon, it's the largest scientific project to take place in this country in the last 30 years, I'm just wondering where Saskatchewan is and what plans your government has to capitalize on the opportunities that — the huge opportunities — that the synchrotron will present this province with?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. I can say to the member opposite that we have signed an agreement. There are four partners. There's the Canadian Light Source itself, the University of Saskatchewan, the Government of Saskatchewan, the Government of Canada. The funding has been identified; the final agreement is awaiting announcement. And if I can find a day out of this place, I'll go up to Saskatoon and make that announcement along with others.

But it's imminent, the agreement was there, we're willing, and we're just ready to make the announcement.

(16:15)

**Mr. Hart:** — Mr. Chair, to the minister, I'm certainly pleased to hear that there is movement in this area. I guess a follow-up question that I would have is . . . Putting in place a synchrotron institute is one thing — it's a good step forward. But I think your government has to do more than that.

I wonder, I don't see any demonstration of a plan that your government has to capitalize on the opportunities that this scientific installation is presenting us . . . the opportunities it's presenting us with.

I think what the . . . I talk to the people at the Canadian Light Source on a relatively frequent basis and they are . . . they have expressed some concerns that perhaps the light source, the synchrotron, isn't given the importance that it should be. They tell me that there are numerous opportunities for your . . . for various departments of this Government of Saskatchewan to make use of the synchrotron, to reap its benefits. And that is one whole area.

And then another area would be of course what initiatives your government is looking at to encourage the economic spinoffs that can . . . are . . . be associated with scientific installation of the magnitude of the synchrotron. And I wonder, Mr. Minister, if you could perhaps tell us what other initiatives your government is looking at, or perhaps hopefully has in place to deal with the opportunities that the synchrotron presents us with.

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, I guess I would take some umbrage with, frankly, the comment that he makes and says that we're doing nothing. The member may know — or he may not know — that the former department of Economic Development put \$25 million into the project to match the \$56 million that the federal government put in through the Foundation for Innovation, and that the federal government put in \$21.8 million, and that the University of Saskatchewan put in \$7.3 million, and that the city of Saskatoon put in \$2.4 million, and that SaskPower put in \$2 million.

So I would say to the member opposite to suggest that this government has done nothing is in no small way inaccurate. We

want to say to members opposite that the CLS (Canadian Light Source) is owned by the U of S and we are participants in terms of their board of directors. We work very closely with them. We meet on a regular basis with them.

I can tell you that the Saskatchewan Research Council is very much a part of what's happening as it relates to the CLS; but most importantly, sir, the private sector is going to be I think very interested in what is happening up there.

We will be establishing, as I've said earlier, a Saskatchewan synchrotron institute. We have developed our partnership; we're putting funding into that.

We have put funding into the building of the CLS, it's the largest technology and research project in the history of our country. And members of this side of the House, of this administration, were able to attract that largest investment in research in the history of our country, right here to this province.

So I think a far cry from having done little, we have done lots. And I would want to say with respect to the institute that you asked about, we've also hired I think a man who's very reputable and who has a reputation not only in Saskatchewan but across Canada, Dr. Dennis Johnson, who is the executive director . . . will be the executive director of the light source . . . or of the institute.

And so I think we have done a lot. But to say that we've done a lot, we can do more, and we will do more. And the synchrotron, the CLS, will be a big-time success and it'll be supported by this administration for many, many years to come.

**Mr. Hart:** — Mr. Chair, to the minister. Mr. Minister, I don't think we're arguing with you that the Government of Saskatchewan hasn't put its money in place to build . . . to help build the facility, but that's only one part of this whole strategy that needs to be put in place.

I'm afraid, and those of us on this side of the House are afraid, that if this scientific facility isn't given the importance in your government that it should be, that we will be simply the operators of the facility. That we will provide a few scientists and a few technicians who will operate the beam lines. The scientists will come in from all parts of the world, do their research, leave, and once again we will simply be the providers of a scientific facility, and the operators, but really gain very little other than that. And that's not good enough, Mr. Minister.

What your government needs to do is realize the exceptional potential of this facility and have a policy throughout government to facilitate its successes, other than just simply being the operators of a beam line.

You need to have a strategy throughout government that wherever . . . to encourage the use initially by government departments. And there are numerous examples of your government not doing that.

I'm told that a number of months ago the university hosted a symposium and brought in a world specialist in medical imaging through the use of a synchrotron. And I'm also told

that there wasn't one person from the Department of Health at that seminar. Now those are the types of things that we are talking about.

You need to have strategies in place throughout the government departments that help bring the scientists and the people required to maximize the use of the synchrotron and help with all the various problems that the university and the operators of the synchrotron may encounter. And again I don't see that in place, Mr. Minister, and those are the . . . that's the question I'm asking.

Does your government have a strategy that says, look, we have a valuable installation that's being built in our province; as you indicated, the biggest scientific project in this country in the last 30 years. And do you have a strategy in government to make sure that the good things that can accrue from this installation will happen in this province? And that's what we are asking, Mr. Minister.

**Hon. Mr. Lautermilch:** — Well, very interesting the words from the member. And I'm kind of disappointed that someone from the Department of Health wasn't there but the member may want to know and understand that a beam line — a medical beam line — will be driven by the College of Medicine, University of Saskatchewan, not by the Department of Health. It will be driven by academics.

The institute, the Synchrotron Institute, is going to be there to train scientists from both the University of Regina and the University of Saskatchewan so that they can be functional operators of the beam lines. So the institute is training scientists; the College of Medicine will do its work as it relates to medical research. That's what universities are about.

**Mr. Hart:** — Mr. Minister, I guess what I'm asking your government to do is to be, if nothing else, the promoters and the champions of the synchrotron. And the example that I used is an example where perhaps your government could have done more. There are other examples of where the people of this province can benefit through government agencies being the promoter of this scientific installation.

And that's what we're asking. And we're not seeing that happening to the extent that it should have, Mr. Minister, and we're afraid that we will simply be the operators of a scientific installation of a light source.

And I am told that just simply operating a beam line, if you want to use a ratio, will generate a dollar. But having the wherewithal to interpret and facilitate the information that comes from the research will generate \$10. It's a 10:1 ratio, and I think Saskatchewan needs to have a piece of that action.

And it is . . . I think this is where our government can play a role as a facilitator, facilitator to see that these types of things happen, Mr. Minister. And that's the concern that I would like to express today.

**Hon. Mr. Lautermilch:** — And, Mr. Chairman, I think the member is exactly right. We need to help to facilitate to market the research . . . or the synchrotron. And we do. We do it when we're on trade missions with Saskatchewan Trade and Export

Partnership. We try to create awareness in the private sector whenever we travel. The synchrotron itself has a marketing arm, the member should know.

The Saskatchewan Research Council is very active in promoting synchrotron and very active in facilitating interaction between different arms of government, the private sector, and opportunities in synchrotron. There are some, I think, some very good, positive things happening as it relates to developing knowledge and understanding of our synchrotron.

And I would want to say that we have been very proactive as a government on trade missions and other initiatives ensuring the people understand and industry understands, whether we're in Dallas or whether we're in Los Angeles or whether we're in Ireland, you know, England. We travel around. Our people travel around, from my department.

And one of the things we promote is a positive image about this province. We promote the fact that we're the world's largest producer of potash. We're the world's largest producer of uranium. We have the largest area of farm land in this province. We've got a good investment climate. We've got a good business climate. We've got a positive image about ourselves in this province, and there's a lot more that we can do.

We're promoting this province all the time not only on the CLS, but we promote this thing internally as well.

Today we're promoting a brand new industry, and it's called the ethanol industry. And we're promoting the people, the private sector people, who are putting together the investment dollars. Whether it's Commercial Alcohols who will bring money to this place or whether it's Broe who will bring money to this place, we're promoting this place as a good place to invest.

We promote the CLS as part of what we can do in this province to develop wealth opportunities for the private sector, wealth opportunities in medical research and medical knowledge. We're promoting this all the time.

And we would only say to members opposite: join us in promoting this province. It's a good place to do business, a good place to do research, a good place to make money, and by golly you'll find you wake up in the morning and you feel a lot better about it and so will the people that you talk to, as a matter of fact.

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

**Mr. Wakefield:** — Thank you, Mr. Chair. Mr. Minister, let me go back a step. I'd like to try and get a better handle on this new Department of Industry and Resources, particularly with the economic development . . . economic and co-operative development function that has been in place for some time. Now it's blended into a much larger ministry.

We're now looking at mining, petroleum, minerals, forestry. Can you tell me how the economic development . . . economic and co-operative development focus that you had before is now being looked after and looked after adequately in this new, expanded format?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, I guess I would want to say that I had been quite fortunate in that I had the, I would say, very pleasant experience of being minister responsible for the former department of Energy and Mines for, I think, almost seven years. And so I got to know not only the people involved in that department, but I got to know the stakeholders of the department and I got to understand the corporate culture within the department.

And I got to understand why we've been able to double oil production in this province in the last 10 years. It's because it's a good-business-sense department. It's got a culture of economic development. It's got a good relationship with the stakeholders and shareholders.

I had about 10 months to be able to experience the Department of Economic and Co-operative Development and I guess unencumbered by my duties as the minister of Energy and Mines. So I had the opportunity to understand how this department markets the province, how it relates to tourism, how it relates to trade issues, and how it relates to assisting businesses in Saskatchewan to develop business opportunities.

And so when you look at that and when you look at forestry as a component of the economy, I guess, again from a personal standpoint, I had the chance to look at forestry development because I represent a forest industry town, as many of your members do, so I had some understanding of that.

So it only made sense that if you put together, in terms of a one-stop shopping arrangement, an opportunity for business to access government through a single door, that that could be a very positive benefit because I think you have a stronger department; you have a stronger voice for government within the department.

And I think we've created some synergies. I don't . . . the fact that it's a larger department, I don't believe will encumber the ability to serve the industry which is really what all of these departments are about. I think it creates some very positive synergies. I think we have a more strategic approach to economic development and I think we can move a little faster.

(16:30)

But what we haven't done . . . And I want to say to the member, I'm sort of noticing that within this newly established, newly developed department that we give a . . . we are giving the opportunity for the best entities and the best components of all of these different departments a chance to rise to the top and be a model for the rest of the department to achieve that level of excellence.

And I think the member opposite and I have talked about Energy and Mines, as an example, and how's it been perceived to be a pretty pro-business and a pretty proactive kind of a department. So the merge with Economic and Co-operative Development, I think, has been really quite positive from my perspective. It's new and we're still learning and the department has some wrinkles and there's some things that happen within a reorganized entity, as you will know. But I think, ultimately, we will end up with a department that will serve the business community and serve the people of Saskatchewan very well.

**Mr. Wakefield:** — Mr. Minister, I agree. The areas that you've talked about have a lot of potential in this province. And I think they may need a lot of further development. There's considerable potential and opportunity in this province.

When I see the multitude of . . . multi-faceted department that you have, you have to be juggling a lot of balls at the same time to make sure that all of those different areas are covered. That puts a lot of pressure on you. Are you depending much more heavily now on deputy ministers and other officials?

The reason I'm asking is even in an expanded department with expanded definition of mandate your . . . the budget is less, the full-time equivalents are less. It would appear to me to have an expanded mandate with fewer resources and fewer FTEs (full-time equivalents) is not a good combination for success in the long run.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. I would say to the member opposite that probably what will result as a . . . and has been resulting as a result of the merger, is the ability to coordinate the duties of economic development; the opportunities for economic development become more streamlined. You know, as it relates to a ministerial calendar of events and things that are required of a minister, I think it helps in terms of being able to coordinate events as well.

Tourism is, as you will know, is part of the umbrella of this portfolio. Some very competent, capable people. I mean ultimately, basically what has happened, is what used to be within a former government department has been spun out; it's now more of a private sector entity — driven, managed, and controlled in the day-to-day operations by the private sector.

And certainly there are events that, as minister responsible for tourism, I'm asked to attend. I was at one this morning that I was really quite excited to be at because I think it's going to be a lot of fun, and I think it's going to be good for tourism in Saskatchewan too. And it's a photo contest that Tourism Saskatchewan has put on.

The department of Energy and Mines, the people in there . . . it's always been a very lean and a very small department in terms of personnel. And what we've been able to do is focus more on the day-to-day operational aspect of the department. Some of the policy issues have been brought together and there was perhaps some duplication within the department that's been consolidated.

So I think ultimately, although we all face financial pressures . . . And I mean, the department did face some downsizing. We in the context of putting together this budget and working towards a balanced budget this year, had to sacrifice as all other departments of this government did.

I mean people are asking us for a lean and an efficient government; members of the opposition are asking for the same. As I recall we hired a few firefighters and a few front-line people, not this budget but the last budget, and some of them are right up North now trying to protect our assets and our homes and our things. And there have been some pretty unfortunate circumstances.

But they don't happen without personnel. So there's a few more dollars there. We had to give up a bit of that so we can ensure those kinds of activities were able to be done by the department, now of Environment, and you know so you give and you take a little. But we have enough to do our job and we think we will do it well.

**Mr. Wakefield:** — Mr. Minister, are there some areas that have been overlooked? Is there areas that have been taken away from the department, have been transferred into something else, wound down, cancelled? I'm thinking of SOCO (Saskatchewan Opportunities Corporation) as an example. Can you explain how SOCO as an example — but maybe there are others too that have been removed from your mandate — how that now fits into economic development and the ability to do the things that they were doing.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I'm advised by my deputy that we have done some mergers within the department but that we haven't dropped any functions.

As it relates to SOCO, it was a subvote of the department of Economic and Co-operative Development. That has been moved from the subvote; it's not within the Department of Industry and Resources. The functions of SOCO are now dealt with through Crown Investments Corporation as it relates to the management of Innovation Place and the assets of Innovation Place.

So that was moved . . . that subvote was moved from the General Revenue Fund side of government; it's now over at Crown Investments Corporation. But in terms of the functions of the department, none have been, none have been repealed or removed as it relates to budget initiatives or any other initiatives.

**Mr. Wakefield:** — Mr. Minister, are you . . . is your department trying to stimulate economic development right across the government departments? Are you working directly with other departments to try to develop economic development initiatives there?

I'm thinking of rural revitalization. We've been debating ethanol most of the day and we've talked about that. But other than that, I can see rural revitalization as almost a negative at this stage.

Can you tell me how you've been working with other departments rather than just individually?

**Hon. Mr. Lautermilch:** — I think, Mr. Chairman, that's really been one of the challenges within governments of all stripes forever and forever, is to achieve intergovernmental harmony and relationships in terms of how they work together.

I can say to the member opposite . . . And I'll give just a couple of examples. The Department of Agriculture is working very closely with the Department of Industry and Resources, along with the department of . . . or, well, Crown Investments Corporation, along with, I am assuming, the Department of Environment when we move further along on the ethanol file.

But we're working very closely with the Department of

Agriculture because it's required if you want to develop and build and grow the intensive livestock industry and the cow/calf operations to support the feeder cattle operations. So of course we're doing . . . (inaudible interjection) . . . I understand.

The member opposite, Mr. Chair, has a neighbour that is in conversation. This happens in here on occasion. I think we're okay now.

But we work very closely with the Department of Agriculture and with other departments. Forestry is an example. The new Department of Environment and my department is working very much hand in glove. We've got some very positive initiatives that are hopefully going to come to fruition. There's discussions ongoing now with the possibility for a pulp mill with a newsprint plant, which will in turn spawn a couple of new, major-sized saw mills, if we can bring that together.

That is also have . . . has to be coordinated with Crown Investments Corporation because it has some implications with respect to power. The Department of Environment will be involved as it relates to water and water quality issues and environmental issues. And I think it's fair to say through . . . there are some very positive interdepartmental relationships that have been building. And I'm really quite excited to see that those relationships grow and build and become a matter of, you know, of assistance in developing our economy.

**Mr. Wakefield:** — Mr. Minister, as an example of the reason for the question was, when Premier Doer in Manitoba addressed the Romanow Commission on health care, one of the positive aspects of his submission was very much focusing on the advantage that Manitoba has with their health care as a economic development tool in that province. When we talk about health, I've never heard anybody here talking about the economic development opportunities in Saskatchewan which relate to health. That was one example.

And it seems to me that all departments have a function to do what they can to develop our province, to make our province grow. I think it's . . . the onus is on you as the minister to make sure that each of those departments are trying to direct their focus on what they can contribute to growing the province. Certainly they have to make sure that their mandate is fulfilled. But ultimately, we want to attract people here, we want to attract investment, we want to grow this province. And that's why I think it's so critical that your overview of not only your department, but coordinating with other departments, is very critical. I'd appreciate your comments.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. I think that really is sort of the overarching role of this department is coordinate different activities of different departments as it relates to economic development. That's really what we're about.

Whether it's through the Department of Agriculture, or Municipal Government, or whether it's the Department of Agriculture, it's one of coordination. And as you know, you will know, that coordination takes co-operation, and I would want to say that I think we've been really quite successful.

If you look at the work that's taking place at Innovation Place

as it relates to veterinary research through VIDO (Veterinary Infectious Disease Organization) and the fact that some of that may in fact turn into, not animal health, but turn into economic development as it relates to animal health, but as well to human health.

And the support that this government gives, not only through this department, but through other departments in terms of assisting the funding of those operations, you know the ag-biotechnology that is happening, the work that's taking place out at the research farm in Swift Current. These are all things that require coordination; it's part of what this department does. And I think that there's always room for improvement, my old grandmother used to say when I asked her if I'd been a good boy. And there always is room for improvement.

But I think, you know, that the department has been doing overall a pretty good job. And just . . . and if I can give just one example of why I think I can say that, you know, with some confidence, in the last 10 years oil production in this province has doubled. And that takes coordination, and that takes the support of the former department of Municipal Government, and the former department of Environment and Resource Management —and I would have to say that I found the co-operation between those departments and Energy and Mines to be very supportive; the co-operation from the Department of Finance as it relates to ensuring that we have competitive royalty and taxation rates, which is sort of an ongoing process.

So there you have in just oil and gas development, you've got one, two, three, four departments. That takes coordination, it takes co-operation, and that's I think what makes Saskatchewan a successful place to do business and a successful place to invest.

(16:45)

**Mr. Wakefield:** — Mr. Minister, the success though, has to be tempered with the fact that our GDP (gross domestic product) is probably the lowest in this last year, the lowest in Canada. And I think you also have to remember when you're referring to oil production and how the industry is moving along, \$26 to \$28 a barrel has to have something to do with that. Because we're in that particular cycle that development of the oil industry, as you well know and as I well know from my area, is very dependent upon return on investment.

And the return on investment is coming in, not particularly for reasons of economic development, because the head offices of virtually all of those companies in my area is on the Alberta side. They seem to find that the royalty rates or the royalty structure being different, the taxation being different, the area, certainly economically, is moving ahead. But based on petroleum, I agree. But about one . . . I'm told about one well drilled on the Saskatchewan side for about every five or five and a half wells drilled on the other side.

Nevertheless at the end of the day, we need more investment in this province and that's, and that's the signals that are being sent out of your department. And I think it's crucial that you, your department, puts the confidence, at least the fundamentals in place for those . . . for that confidence.

And I notice in the budget items, and I'm looking at (IR07), investment programs, there's substantively less of those kind of fundamentals in place that were there to try to assist the industry by being there to give them an idea of where you want to have the emphasis. And that particular part of the budget has been cut substantively.

**Hon. Mr. Lautermilch:** — Well let me say to the member, he's right that in 2001 we did have a zero growth in terms of GDP. We also had a fairly severe drought and it was also the year of 9/11 and a turndown in the North American economy. But what I want to say to him is, the year 2001 was on the heels of eight years of successive growth of an average of 3.5 per cent of the GDP growth. And I think the member, you know, the member opposite, who in his former world before politics, has an understanding that a growth rate of three and a half per cent over an average of eight years, in GDP growth, is not bad — not bad at all.

As a matter of fact it's quite phenomenal. And when you look at the fact that you've got an industry in those years under pressure by international trade — one of our major industries, being agriculture — the fact that you're still able to grow your economy by an average of 3.5 per cent over eight years is no small feat.

And I mean, even in spite of the fact that the media is not always as kind to this administration as I'd like to see, even they have to come out with some headlines that will tell you what's really happening in the province. April, 2002, "Building through the roof, construction activity jumps 85 per cent in the city." March 30, "Construction enjoyed record year in 2001." "Investors bet high on Saskatchewan diamond area." "Housing starts rise in the Queen City." "Kalium adding a phosphate centre." Mr. Chairman, I could go on, and maybe I will. "New car sells remain strong." That might be enough to make my point.

What I want to say, Mr. Chairman, one of the concerns I think that I have, as someone who is doing business and has done business in this province all of my life, is the attitude portrayed by some who believe, and have a philosophical belief, that this province has been a financial disaster for the last 50 years.

And he just walked in the door, the member from Swift Current. And I want to say, Mr. Speaker, I think that concept and that attitude is . . . does more to create failure in this province than anything I can think of.

And I want to give you examples of why I say that to be true. I'm not willing to buy the theory that my father and my grandfather were part of a province and part of electing governments over a period of 15 years, were part of a big failure, and part of a big economic disaster, an experiment that was a failure. I'm not willing to accept that, sir. And I'm going to tell you that I believe the vast majority of the people in Saskatchewan aren't willing to accept the theory of the member from Swift Current that we've had 50 years of successive failure — not willing to buy that.

And I'm not willing to accept, sir, that because that member worked for five years as an economic development officer in the city of Swift Current, that he is the be-all, the know-all, and

the understanding and the future of a vision for economic development in Saskatchewan. I'm not willing to accept that and I want to tell you why.

I indicated a little earlier today that in this province we've doubled our oil production in the last 10 years. And I agree with you that it's partly price driven; it is. Because it's an industry that needs price and they're price takers, and they've got to be able to make a return or they're not going to drill and they're not going to make money.

But it's more than that because we put in place in 1993 a horizontal drill program that's very well receptive. We've done some things like work on high-water-cut wells. We've done some things like deep-rights reversion.

And if you look at the royalty charts as we compare to our neighbours in Alberta — and I'm going to send you some across because I think you need to have a look at them — the upfront incentive in terms of those royalties gives a payback that is absolutely phenomenal. It's a quick payback and then the royalty curve is pretty much equivalent to Alberta.

And there are outside factors, and I know that — the corporate capital tax we talk about. Well I want to get back to attitude. You know here in this province we have the home of the largest potash industry in the world. And you know something? For a while it was private sector, and then it was public sector. And you know what? Now it's private sector. And it's successful and it works and it's efficient. And the Saskatchewan people have been very successful in developing it.

We've got the largest uranium industry in the world. And you know something? The federal government owned part of it for a while and the province owned a part of that corporation and it was publicly owned for a while. And you know what? Now it's privately owned. But you know what it is? It's the biggest and it's the most successful uranium industry.

And I want to say to the member — you and your colleague from Swift Current — that we delivered, this province delivered, my parents and my parents' parents delivered a program for this province called medicare, which is more than a social program. It's an economic program. Because what it does is it ensures that people aren't going to go without medical care and risk their health, risk their health because they can't afford to have it.

And I want to say the CommunityNet in his riding and in every riding in the rural ridings that you represent would not be there if TELUS was your private sector operator. I'll tell you it wouldn't be.

It wouldn't be. It wouldn't be in Shellbrook. It wouldn't be in . . . It'll be in Shellbrook. It isn't there now but it'll be there. And it wouldn't be in Birch Hills, which is the announcement the Premier just made the other day.

So now I say to members opposite, if you believe that this province is a social experiment and a failure, you believe that. But I want to tell you that you do not have the support of the people of Saskatchewan and that's why you guys . . . (inaudible interjection) . . . Oh no. That's why you guys never govern.

That's why you guys never govern.

The people of Saskatchewan support their Crown corporations, first of all. They support . . . Well, they can chirp all they want, sir. They can chirp all they want, Mr. Chairman, but the people of Saskatchewan support their Crown corporations. Why? Because they work for them.

And the people of Saskatchewan don't trust you with the Crown assets. Why? Because you can't be straight with them. When your premier . . . or your former . . . When your aspiring premier, your wannabe premier, delivers his economic development game plan in Saskatoon, he's privatizing Crowns and he's cutting taxes and he's cutting the civil service.

You want to know something, Mr. Speaker, this is day 54, 53, whatever day, and we never hear about that plan from him any more. And now he trots the member from Swift Current out, he trots him out, explaining what he really meant by privatizing the Crowns; explaining what he really meant. Oh, well, now we're going to cut the core services.

And he's taken on by a SaskTel worker in a paper here. It's kind of an interesting little paper called the *prairie dog*. And I watch his explanation to it and do you want to know something, Mr. Chair, Mr. Chairman? He hasn't got an explanation to it.

Do you want to know why? Because if they ever had power they would do what the Leader of the Opposition, the Leader of the Saskatchewan Party, said they would do and that's sell off the Crown assets to give tax reductions to their big corporate friends.

But you know what? I want to say, I want to say that you know what, you know what, you know what we're going to do my friends? What we're going to do is continue to create a balance of corporate tax reduction, of personal tax reduction, of small-business tax reduction, as this province can afford it. Because that is what's going to grow this economy in a sustainable way.

And we aren't going to, and the people of Saskatchewan are not going to allow you folks the ability to sell off their assets to pay for unsustainable tax reduction, and then create great big debt loads.

And I want to say, we will have this debate. The member from Swift Current and I will have this debate, but I want to say there's a fundamental difference here. You believe that our parents were failures and I say to you that they were very, very big successes in terms of the kind of society they built, the kind of an economy they built.

And they ain't never going to buy your theory because they had Bennett in the 1930s, they had Grant Devine in the 1980s, and they ain't taking you guys in the year 2000 because they're afraid of you and they don't trust you and they know your track record. So you can trot out your political philosophy all you want, but I say to members on that side of the House, people won't buy it because you can't be trusted.

And they're calling for an election, Mr. Speaker, and they're going to get an election. And when they get it they're going to

get as good a whupping as they had ever in their political careers. And there's going to be just a few of them sitting over there, Mr. Speaker, still whining and lamenting about the fact that they couldn't sell the Crown corporations off and that we aren't going to deficit budget in this province. It's going to be disappointing for them, but you know what, they'll live through it like they always do on that side of the House. And there you are, Mr. Speaker.

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

The committee reported progress.

The Assembly adjourned at 17:02.