

The Assembly met at 13:30.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

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

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

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

This petition is signed by citizens of Kelvington and Nut Mountain.

I so present, Mr. Speaker.

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I'm proud to stand today to present a petition on behalf of citizens of Humboldt and area, citizens who would like to see the Humboldt territory operations office of the Saskatchewan Housing Authority maintained in Humboldt.

And the prayer reads as follow, 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 signatures on this petition, Mr. Speaker, are from the new, exciting, and vibrant city of Humboldt.

I so present.

Ms. Draude: — Mr. Speaker, I'm pleased to stand today to present this petition on behalf of people who are concerned about the cost of prescription drugs.

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

The people that have signed these petitions are from Rose Valley and Kelvington.

Mr. Gantefoer: — Thank you, Mr. Speaker. This afternoon I rise on behalf of citizens concerned about the shortcomings of the tobacco legislation. The prayer reads as follows:

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

The signatures on this petition this afternoon, Mr. Speaker, are from the communities of Tisdale, Kelvington, and Archerwill.

I so present.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with the deplorable condition of Highway No. 58. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action and make necessary repairs to Highway 58 in order to avoid serious injury and property damage.

This petition is signed by individuals all from the community of Chaplin.

I so present.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of citizens who are concerned about the crop insurance premiums. And 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 crop insurance programs 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.

And the petition is signed by residents of Weyburn, Trossachs, McTaggart, and Moose Jaw.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition from injured workers who are not being covered by WCB.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to acknowledge the concerns of the taxpaying citizen by causing the Government of Saskatchewan to ensure that absolute fairness and equitable treatment be given to those injured and disabled people and their families and be diligent in this most urgent matter.

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

Signed by the citizens of Wymark, Swift Current, Blumenhof, Wymark, and also Cadillac.

I so present.

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

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

And the signatures, Mr. Speaker, demonstrate how well travelled our highway is because they're from Kelvington, Watrous, Imperial, Craik, Cupar, Simpson, Davidson, Saskatoon, Meadow Lake, and Eston.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I bring forth a petition today signed by citizens of Saskatchewan 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 Nation 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, Mr. Speaker, on this petition are from Parkside, Shellbrook, Prince Albert, and Holbein.

I so present.

READING AND RECEIVING PETITIONS

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

A petition concerning workers injured permanently in the work . . . in work-related accidents; and

Petitions previously tabled during this session as addendums to sessional paper no. 7, 11, 18, and no. 157.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Hillson: — Thank you, Mr. Speaker. I give notice that I shall on day no. 65 ask the government the following question:

To the Minister of Health: will the minister provide an itemized statement as to how the \$33.3 million from the initiative announced by the federal government for purchasing crucial diagnostic and treatment equipment was spent in Saskatchewan; (2) what diagnostic and treatment equipment was purchased and at what cost; (3) what purchases were made other than diagnostic and treatment equipment and at what cost; (4) what money are left over

from this initiative?

I so present.

INTRODUCTION OF GUESTS

Hon. Mr. Osika: — Thank you, Mr. Speaker. This afternoon I'm very, very pleased to welcome in your gallery, introduce to you and through you to the rest of the members of the Assembly and people who are watching our proceedings, community leaders that I'm very, very proud to be associated with and co-operate with on many matters of mutual interest.

I would like them to stand as I introduce them. There are community leaders here, mayors of our cities and some of their staff that have accompanied them here today as well: Mayor Tim Perry from Estevan; Mayor Pat Fiacco of the city of Regina; Mayor James Maddin, Saskatoon; Mayor Phil DeVos from Yorkton; Dennis Korte, mayor of Humboldt. And with them in attendance this afternoon, Mr. Speaker, I'm also pleased to introduce Theresa Dust from the city of Saskatoon; Shelly Brown, city of Regina; Merrilee Rasmussen and Keith Schneider, who's the Saskatchewan Urban Municipalities Association representative.

Please help me welcome these fine people to our gallery this afternoon, Mr. Speaker.

Hon. Members: Hear, hear!

Hon. Mr. Osika: — And while I'm on my feet, Mr. Speaker, if I may I would also like to introduce a long-time friend and a former mayor, a former mayor of the city of Melville who happens to be here today and now works with me at my constituency office, Jim Walters from Melville. Please help me welcome him as well.

Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, on behalf of the official opposition I would also like to welcome the mayors, their staff, and SUMA (Saskatchewan Urban Municipalities Association) representatives here this afternoon. I'm sure they're here for the anticipated first reading of The Cities Act and just want to pass along to them that there's no reason that that Bill can't be introduced and passed by the end of this session. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you very much . . .

The Speaker: — Order, members. Order, members. We're still into introduction of guests, members.

Hon. Mr. Sonntag: — Thanks again, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to members of the Assembly a number of guests in your gallery, Mr. Speaker. We have two grade 4 students from the White Bear Education Complex on the White Bear First Nation: Brittany Lonechild and Taneka Kequahtoway Lonechild. If they'd please rise. They were in the Legislative Building this morning actually for the unveiling of some very special artwork

which the member from Cumberland will tell the House about in a moment.

Joining them is their teacher, Georgia Dangster, who brought them to Regina today. Also with them are two SaskEnergy staff, Margot Almas and Gillis Lavalley. They are here to watch the proceedings this afternoon and I would ask all members to join me in welcoming these special guests to the Assembly today.

Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce some grade 7 and 8 students from Dinsmore, from the Dinsmore School. They are seated, Mr. Speaker, in your gallery and they are accompanied by teacher Lisa Reinfelds and by chaperones Sue Lytle, Ellen Manson, and Rodney McConnell.

Mr. Speaker, I had the opportunity to meet with this class before lunch and they made a special effort to come back so they could watch some of the proceedings here in the legislature. And I would appreciate it if all members would give these Dinsmore students and their teacher and chaperones a warm welcome.

Hon. Members: Hear, hear!

Mr. Hermanson: — Secondly, Mr. Speaker, I have two very special people in your gallery that I would like to introduce. First of all, my wife Gail, but also particularly I would like to introduce Calla Högnabba, who is an exchange student that has been living in the Hermanson household for the past several months, taking her grade 11 in Beechy High School.

She comes from — and I'm really struggling pronouncing this — but she comes from Terjärv in Finland. She's just been a real pleasure to have in our home and she will be leaving soon to return to Finland after the end of the school year.

And I would appreciate if you would give Gail and Calla a warm welcome to the legislature as well.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. It's my pleasure to stand and introduce to you and through you to all members of the Assembly, students from a school in my constituency.

And to properly do that, I think back to the sod-turning ceremony at the school that is shared, a joint-use school, with Jack MacKenzie. And I remembered Ron Kruzeniski at the time saying that Mr. MacKenzie should pick wisely a name of a saint that he would like to have his name joined with in perpetuity, Mr. Speaker. And the choice of course is a good one. It's St. Gabriel.

So today I'm introducing 71 grade 4 and 5 St. Gabriel angels to the Assembly. They're seated in the west gallery, Mr. Speaker, and they're accompanied today by their teachers, Ms. Erichsen, Ms. Reding, and Ms. Weafer.

They'll be with us for a time and then they're going to join with

me for a picture and some good questions and answer time in room 218.

They are also accompanied today by the chaperone, Ms. Hydaman. And I'd ask all members of the Assembly to join with me in a warm welcome to the students of St. Gabriel School.

Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Thank you, Mr. Speaker. Today I would like to introduce to you and to the rest of the Assembly, 87 students, grade 6, 7, and 8 from St. Jerome School in my constituency. They are seated in the east gallery. And I was able to visit with them earlier on in the day.

They are accompanied by Dave Gartner, teacher, Corinne Bzdell, Darla Keen, and — no stranger to this Assembly — Vice-principal Bill Allen, who used to be a member.

And I would like all members to join in welcoming this group to the Assembly today.

Hon. Members: Hear, hear!

(13:45)

STATEMENTS BY MEMBERS

Drug Abuse Resistance Education

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, yesterday I had the privilege of attending the grade 5 Whitewood School D.A.R.E. graduation. Mr. Speaker, D.A.R.E. stands for Drug Abuse Resistance Education. And in my constituency now, we have three communities, the Whitewood, Broadview, and Grenfell high schools that have included the D.A.R.E. program into their educational program.

Mr. Speaker, in talking to the students, they are very excited about this program. Certainly parents and now some of the past graduates have certainly looked back on the educational format and have been young people that the grade 5 students can look to as they think about the reasons for the program. And this program is designed to help students say no to drug or abusive situations.

Mr. Speaker, I believe it's a very good program. The reason the program is doing so well is because of the efforts of Constable Sutherland, Sandra Sutherland, a young individual in the RCMP (Royal Canadian Mounted Police) detachment in Broadview who has a real heart for these young people and is a very enthusiastic individual. And I can see just by her enthusiasm why the students have enjoyed the program so well.

So I would like to extend my congratulations to the three schools and the grade 5 students in Grenfell, Whitewood, and Broadview for their participation in this program and their graduation.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Donelda Klein Retires after 29 Years at *Hansard*

Ms. Hamilton: — Thank you, Mr. Speaker. Twenty-nine years ago when Donelda Klein first walked into the *Hansard* office and hooked herself up to whatever infernal contraption of a recording machine and typewriter they used in those days, she was able to hone her craft with the likes of Allan Blakeney, with his particular phraseology; Davey Steuart, with his every other word a rasp, sometimes colourful delivery; and the young Roy Romanow, who even then could shatter glass when he got wound up.

Through her 29 years, Donelda has ably, accurately, and without prejudice transcribed the word by words of dozens of parliamentarians. And she has trained literally hundreds of *Hansard* employees, including, I am told, several directors.

She has been involved in some of the momentous debates of this legislature and remarkably has given the same care and attention to the completely inconsequential because all are a part of public record.

We have been able to boast nationwide our ability to read *Hansard* the very next day and now thousands can pick it up on the Net, with some not small thanks to Donelda and her staff for that work.

School groups would know her as the woman above the Speaker. Mr. Speaker, we know the jobs we perform every day as members of this Assembly has had many hands that make it work. Donelda, I am proud to say, is my constituent and has a pair of the most capable hands in the building.

As she leaves us to pursue her real avocations of gardening and golf, we wish her and her husband Bill all of the very best in the future.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Scott Canadian Firefighters Combat Challenge

Mr. Wall: — Thank you, Mr. Speaker. On the first weekend in June, Riverside Park in Swift Current hosted the Scott Canadian Firefighters Combat Challenge. Mr. Speaker, I'm pleased to report that two of the top three finishers in the major event for the day, the relay, were from the constituency of Swift Current.

The city of Swift Current emergency services team placed first, edging out the Edmonton fire department. Meanwhile the RM (rural municipality) of Swift Current volunteer team surprised many with a great third place finish.

Overall the city of Swift Current lost their right to boast that they were the reigning champions, Mr. Speaker, to the department team from Edmonton. However there are several congratulations that also should go out to some individuals, including Rick Anderson of Swift Current who finished second in the over 40 individual division, Elizabeth Randall who finished third in the female division, and Peter L'Heureux of Swift Current emergency services who finished second overall in the male category.

Mr. Speaker, I had the privilege of calling many who currently work at Swift Current emergency services my colleagues when I was at the city of Swift Current. And I recall their efforts earlier on to launch a combat challenge team.

Very quickly they proved themselves to be among the elite in Canada, and as for departments from smaller cities like Swift Current, there is none that can compare.

Mr. Speaker, congratulations to the organizers of the Scott Canadian Firefighters Combat Challenge in Swift Current two weeks ago, to all of the teams who participated. And I know you and members in the Assembly today will join with me in wishing them the best of luck as the city of Swift Current team competes at another challenge in Vermilion this weekend.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Economic Growth in Assiniboia

Hon. Ms. Higgins: — Thank you, Mr. Speaker. Mr. Speaker, some very positive news coming out of the city of Assiniboia. *The Assiniboia Times* in May 2002 reports that the Assiniboia business community created 206 new full-time jobs and 108 new part-time jobs over the last five years.

With the recent job numbers indicating that 11,000 jobs were created throughout the province, it is good to see that Assiniboia is also taking part. The Assiniboia Economic Development Authority interviewed 161 businesses during 2001.

It discovered that existing businesses are an integral part of creating economic activity and job growth within a community. And estimates indicate that between 60 and 80 per cent of the new employment in the community is due to existing and established businesses.

Mr. Speaker, Assiniboia has a large number of successful, long-term businesses. Over 46 per cent of existing businesses have been operating for more than 15 years. The majority of businesses have experienced an increase in gross sales and expected that trend to continue.

Assiniboia has always been a very, very proactive community, Mr. Speaker, and members on this side of the House hope that attitude will ensure that the people and organizations will continue looking for the next opportunity to enhance their business, their industry, and their representation, Mr. Speaker.

Some Hon. Members: Hear, hear!

Jim Rose Charity Golf Tournament at Weyburn

Ms. Bakken: — Thank you, Mr. Speaker. Mr. Speaker, the ninth annual Jim Rose charity golf tournament was held at the Weyburn Golf Club on Saturday, June 1. This year 122 golfers took part and they raised \$6,000, which is \$1,000 more than they raised last year.

Some of the charities that will benefit include Kamp

KoKo-Moko, the Weyburn Youth Centre, and the Weyburn Big Brothers and Big Sisters.

The staff at the golf course, golfers, and many businesses in Weyburn work together every year to make this a great success. But, Mr. Speaker, this year something very special happened — and this is not surprising but it is special.

Andrea Heath, who owns and operates the local newspaper, *Weyburn This Week*, won the tournament with an impressive 88. Andrea had the honour to be the first female winner of the Jim Rose memorial golf tournament and was presented with the Brian Benning championship trophy and the prize championship jacket. So I'd just to congratulate Andrea and wish her all the best next year.

Some Hon. Members: Hear, hear!

First Nations Safety Calendar Winners

Mr. Goulet: — Mr. Speaker, for the second year, SaskEnergy has invited First Nations students from across the province to submit entries for its First Nations safety calendar. Eleven hundred students from kindergarten to grade 12 entered their art. Fourteen drawings were selected for the calendar; and if you want a preview, you can see them today in the Cumberland Gallery in the Legislative Building, along with biographies and pictures of the students.

Mr. Speaker, here are the name of the students who all our members should congratulate: Delainee Antoine-Tootoosis from Poundmaker; Constance Ahenakew, Muskeg Lake; Lynnae Cantre from Makwa Sahgaiehcan; Kevin Crookedneck, Island Lake; Joey Wahobin from Mosquito; Brittany Lonechild, White Bear; Taneka Lonechild, White Bear; Lorraine Albert, Muskowekwan; Charles Martell, Moosomin; Katelyn Mitsuing from Makwa Sahgaiehcan; Terry Bear, Little Pine; Misty Blackstar, Moosomin; Shane Naytowhow, Montreal Lake; Gordie Gladue, Island Lake; also Rayne Bass from Muskowekan.

Also the winning schools were Mosquito School with the highest percentage of school participation; the Moosomin School for the highest number of student entrants.

Let's thank the students for their good work in art, and also for their participation in a good cause of safety. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Congratulations to Canada Cord Girl Guides

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, on Sunday, June 16 in Nipawin, 17 Pathfinders will be awarded their Canada Cord. It takes a great deal of commitment and dedication to reach this goal.

In order to obtain their Canada Cord these young women must be a member of the Girl Guides for a minimum of nine years, they must prepare and deliver a speech on "What Guiding Means To Me," and they must also meet over 100 challenges.

These challenges include different areas such as community, home, outdoor world, camping, and leadership. It must be shown that they can contribute to each of these areas without benefiting themselves.

Three of the Pathfinders were recommended by their group leader Jan Hunter for their hard work in achieving this goal.

Mr. Speaker, their names are Heather Wheeler, Autumn Neighbours, and Chelsie Serack.

I would ask that all members join me in congratulating Heather, Autumn, and Chelsie on being honoured with the Canada Cord.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Financial Support for Agriculture

Mr. Hermanson: — Thank you, Mr. Speaker. My question is to the Minister of Agriculture. Mr. Speaker, the Saskatchewan Party has and continues to fully support the call from governments of the Western provinces, and from farm organizations, for a \$1.3 billion injury payment in the face of the US (United States) farm Bill.

We believe that any trade injury payment should be 100 per cent funded by the federal government — it is their responsibility.

After the Premier learned from the media that the federal government is planning a new farm package to be cost shared with the provinces, he decided to jet off to Ottawa to meet with the Prime Minister.

Now I understand that in question period today, the Prime Minister stated that the provinces would be happy to share a cost of the pending farm assistance package.

But, Mr. Speaker, will the Deputy Premier, our Minister of Agriculture, tell this House if the Premier has changed his mind, and if the Premier will bring home a federally funded \$1.3 billion trade injury program?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I'm very pleased to have the Leader of the Opposition again reaffirm their party's and his position on the trade injury, Mr. Speaker. It's very helpful to continue to hear the Leader of the Opposition to remain on that page, Mr. Speaker. Because from time to time we worry about the slippery slope that he might find himself on and take a move in a different direction, Mr. Speaker.

And I'm pleased today that the Leader of the Opposition has remained steadfast in his commitment, not only with this Assembly, Mr. Speaker; that he stayed fast with the Western premiers in Canada of which our Premier is today attending. As we're speaking today, Mr. Speaker, the Premier is in Ottawa, is meeting as we speak today with the Prime Minister, and is continuing to press the issue that we've pressed from Western Canada forever — which is, that on the trade injury piece it's a

federal government responsibility. It would be . . . The compensation for Canadian farmers needs to be 100 per cent by the federal government.

That issue has not changed. That position has not changed. And that's exactly the position that the Premier's articulating with the Prime Minister as we speak in this House this very moment, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Well the Saskatchewan Party believes that a trade injury program from the federal government is a must. But despite our support, Mr. Speaker . . .

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Despite our support and despite the backing of farm groups in the province of Saskatchewan, we believe the NDP has dropped the ball. In fact, the NDP Minister of Agriculture told the media that he was getting his information of an \$800 million payout from a national farm organization. And he claimed, sort of like Lyle Vanclief speaking through the media that farm groups had sold out to the feds.

Well I'd like to know, Mr. Speaker, why isn't our Minister of Agriculture on top of the situation? I would say to the NDP: this is no way to run a province.

Mr. Speaker, why have negotiations on federal farm aid program come down to an emergency trip by the Premier to Ottawa? Why didn't our minister know exactly what was going on with the development of a farm aid package?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Thank you. I want to, Mr. Speaker, table to the Assembly the work of this government and this Premier and this ministry for the past year and a half. Because on a daily basis I hear the Leader of the Opposition standing up and questioning about what it is that this government has been doing to enhance the positions of farmers in Canada, Mr. Speaker — not only in Saskatchewan but in Canada.

(14:00)

And so today, Mr. Speaker, I want to table a series of reports that go back to June of last year right now; where this minister has made a presentation to Ottawa on two occasions, where I've made a presentation to the federal ministries on behalf of Canadian farmers. And what the Premier has submitted, Mr. Speaker, on A Fair Deal For Canadians, and I want to table that this afternoon.

And then I want to see from the Leader of the Opposition, I want to see his documentation in terms of what he's done in better than a year, Mr. Speaker, as it relates to farmers and farm families in Canada.

And I can tell you what's in his document, Mr. Speaker. It's this one little page here that has agriculture included in one little

spot. That's what the opposition party has done for Canadian farmers in this province for the last year, Mr. Speaker. That's what they've done.

I'd like to table this, Mr. Speaker.

Some Hon. Members: Hear, hear!

Release of Report on Harassment Allegations

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Mr. Speaker, yesterday the Premier released a one-page summary of the investigation of harassment allegations against the Environment minister. But there was something missing from that one-page summary. The Premier refused to release the investigator's conclusion of whether or not the minister was guilty of harassment.

Mr. Speaker, did the independent consultant find the minister guilty of harassment?

Hon. Mr. Serby: — Mr. Speaker, I rise today to speak on behalf of the government and I want to go directly to the quote that the member from Carrot River made yesterday to the media.

And it's interesting, Mr. Speaker, that he would rise in his place today after he said exactly what he did. And I quote, Mr. Speaker, what Mr. Carl Kwiatkowski it says, quote, said . . .

The Speaker: — Order, order. I just want to remind the member that while using members' names in quotations is permitted, using them outside of quotations is not permitted.

Hon. Mr. Serby: — I appreciate, Mr. Speaker, the opportunity to re-address this issue, Mr. Speaker. And the article reads this way from the member from Carrot River, and I quote:

Well I think we have to trust the report. I mean this is what we asked for and this is, I think, what the people of Saskatchewan expected from us. And there would be a report and that a decision would be based on the findings of that report.

I think the member who was asking the question answered his own question, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Thank you, Mr. Speaker. Well, Mr. Speaker, I think that yesterday we were unaware of certain circumstances surrounding the release of that report, Mr. Speaker. Not the least of which is that the complainant in this particular situation was never provided with a copy of that report, Mr. Speaker.

Mr. Speaker, just to review briefly and once again pose the question: the Public Service Commission's harassment policy says inappropriate touching is a form of harassment. The consultant said the minister touched her staff, and the minister recognizes that this was inappropriate behaviour. The Public Service Commission policy says harassment includes conduct that causes humiliation. The consultant said the employee felt

humiliated. And the Public Service Commission policy says the impact on the recipient is the measure of whether or not harassment occurred.

Mr. Speaker, according to the independent consultant, was the minister guilty of harassment or not?

Hon. Mr. Serby: — I want to again refer to the report on the investigation and the summary, which members opposite had an opportunity yesterday to hear. And I want to quote, I want to quote again, Mr. Speaker, on the part of what Ms. MacKenzie, who did the report, said. She said this:

A Ministerial aide, received contact to her face by the hand of Minister . . . Lorjé.

It goes on to say that:

The Complainant was justified in expressing her concern (and) as she felt that her personal domain was violated and she felt embarrassed and humiliated. The Respondent admitted to touching the Complainant's face and has apologized several times for her actions, which . . . now recognizes as inappropriate behaviour.

The investigation of the incident resulted in a finding that the touch, although physical, was not . . . sexual or (of) violent nature, but one intended to be given in a friendly and affectionate manner.

And then the report, Mr. Speaker, goes on to say this, the recommendations of Ms. MacKenzie who says:

The Complainant should be re-assigned to a different office.

Secondly, it says that:

The Respondent should be reinstated in her former position.

And concludes by saying, that there should be a protocol on the volunteer task force developed to examine future policies of the government.

It's very clear, Mr. Speaker, in terms of what the process has been and followed immediately by the Premier, when it came to our attention.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, the Public Service Commission human resource manual clearly contains a section called "Process And Procedures for Addressing Harassment in the Workplace." And, Mr. Speaker, here's what it says about the final report of an investigation, and I quote:

The investigator will submit a written report to the Permanent Head, the Public Service Commission, the union if applicable, the respondent, and the complainant.

Mr. Speaker, the policy clearly states that Pearl Yuzicappi is entitled to a copy of the final report — not the one-page

summary handed out by the Premier yesterday.

Mr. Speaker, Pearl Yuzicappi was not given the final report. Why not?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I'd like to quote again from what the Premier said yesterday in regards to this report at the news conference. And the member opposite, I expect, may or may not have been there and didn't have the opportunity to understand or appreciate the contents of what the Premier had said yesterday. So today, I will read again what the Premier had said. He told the news conference, Mr. Speaker, that:

. . . citing the Freedom of Information and the Privacy Act, and the need to ensure that employees who have complaints aren't constrained from coming forward, (and) the government did not release (Mrs.) MacKenzie's report.

That's the rationale, Mr. Speaker, for why the Premier yesterday did not release the report but proceeded on the process, Mr. Speaker, which he said he always would. When in fact there was an allegation that was made, immediately the Premier engaged a private individual from out of province to prepare a report on this particular issue but not intervene in the process, Mr. Speaker.

And today, we take the recommendations of the report, Mr. Speaker, and are implementing the findings of that report on all fronts, Mr. Speaker, accordingly.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Perhaps we should remind the minister about what kind of information is required according to his own government's policy. The final report is supposed to contain the complaint, the statement of respondent, a list of witnesses, witness statements, all relevant documents, the findings of the investigation, and the investigator's conclusions as to whether harassment occurred.

Pearl Yuzicappi is entitled to all of this information, not just the one page statement the Premier gave her yesterday.

Why is the Premier withholding this information? Why is he violating his own government's rules? And why, most importantly, is he violating Pearl Yuzicappi's rights?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — I recognize the passion and the interest that the member opposite has in the outcome of this out . . . of this undertaking. And I say to the member opposite, yesterday when you were asked by the . . .

The Speaker: — Order, please. Just remind the member to make all his remarks through the Chair.

Hon. Mr. Serby: — Yesterday, when the member was asked about his interest and his feeling and his concern about the outcome of this undertaking, and I quote, Mr. Speaker, this is what the member said, and I say to you again . . . or he says,

Mr. Speaker, that I think that we have trust in the report. And that says to me, Mr. Speaker, that the report that was prepared for the people of Saskatchewan, to this Premier, was satisfactory to the member opposite from Carrot River. And yesterday, Mr. Speaker, the member was quite satisfied by the outcome of the report.

Today, the member is on his feet saying that he's not sure whether or not he supports the content of the report, Mr. Speaker. And today, he's questioning, Mr. Speaker — today, he's questioning the validity and the strength and what's in the report, Mr. Speaker.

And is that what the member opposite is asking today, that he's concerned about the qualifications and the strength of the report and whether or not Ms. MacKenzie was really the compatible person to do the piece of work? Is that the question that he asked?

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Rest assured if we would have known yesterday that the government was trying to hide the fact that they hadn't provided her with the report, if they weren't trying to hide the fact that she quit her job in disgust, the response would have been considerably different.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, yesterday the Premier said the reason for not releasing the report is so that others are not constrained from coming forward. Well, let's just give that some thought, Mr. Speaker.

The alleged harasser has her job back, meanwhile the person who lodged the complaint is now out of a job. She feels humiliated, embarrassed, and violated. And the Premier is violating her right to receive a copy of the final report. How on earth is this going to make other harassment victims feel like coming forward, Mr. Speaker?

Why again, Mr. Speaker, is the Premier violating his own government's harassment policy? Why won't he provide a complete copy of the final report to Pearl Yuzicappi?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I'm absolutely amazed that the member opposite is saying that somehow somebody is hiding something because yesterday, yesterday — and I don't know, Mr. Speaker, whether or not the member was at the press conference or not; I don't know whether or not he listened to the Premier when he stated his answers here today to the House yesterday — I don't know where the member was, Mr. Speaker, because clearly the Premier outlined why he proceeded with the undertaking, what in fact was the outcome of the undertaking, and then what recommendations that would be followed once the document was prepared.

Mr. Speaker, that is as clear and as concise as we can make this issue for the member opposite and if today he's decided that he doesn't have any confidence in the report that Ms. MacKenzie has prepared for this House or this Assembly, he should stand

on his feet and say that he doesn't agree with the report that Ms. MacKenzie has prepared for this Assembly and that he doesn't agree with the recommendations, Mr. Speaker. He should stand in his place and make that kind of comment, Mr. Speaker. That's what he should do.

Some Hon. Members: Hear, hear!

Mr. Kwiatkowski: — Mr. Speaker, every other government agency and department in this province has to live with the rules created by the NDP (New Democratic Party). Every other employer in this province has to live with the rules made by that government and by that cabinet. But why, Mr. Speaker, with impunity, do these cabinet ministers get to break those rules? Why does the Premier get to break those rules?

Mr. Speaker, the Premier is required to give Pearl Yuzicappi a copy of the entire final report. Instead he gives her a one-page summary that doesn't even indicate whether the minister is guilty or not.

Mr. Speaker, why is cabinet breaking its own rules? Why are they violating Pearl Yuzicappi's rights?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — When the Premier asked that this report be commissioned, which he did immediately upon receiving the information; there was no delay in proceeding with that, Mr. Speaker. The selection of an individual from Manitoba, who was out of province and which . . . (inaudible interjection) . . . independent of this province, Mr. Speaker — a professional of 20 years of experience — who then proceeds, Mr. Speaker, to do a report on this particular issue, of which then, Mr. Speaker, this report is then prepared for the Premier.

And the Premier has been very clear from the very first time when he commissioned the report, that this report would not be made public but in fact he would be protecting the information that would be in that report, and he said that before the report was even commissioned, Mr. Speaker. And he said that on the basis that he was going to be protecting the freedom of information and privacy Act and the need to ensure that employees who have complaints aren't constrained from coming forward. That's why, Mr. Speaker, we began with that process from the very first day.

And I say to the member opposite and to the members opposite, if in fact they believe for some moment that the report that was filed by the member . . . by the individual from Manitoba, that they don't support the recommendation of the . . . and the recommendations of the professional from Manitoba, then they should stand in their place and take attack on the member . . . or the person from Manitoba who did the work . . .

The Speaker: — Your time is elapsed.

Some Hon. Members: Hear, hear!

Investment in Movie Industry

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, my question is for the minister responsible for Crown

Investments Corporation.

Last year the NDP decided they wanted to get into the movie business so they used four and a half million dollars of taxpayers' money to buy 30 per cent of a movie company called Minds Eye Pictures.

A couple of days ago we asked the minister how Minds Eye Pictures have done since the NDP bought in, but as usual the minister either didn't know how the government's \$4.5 million investment was doing or he left the legislature and the media to believe that he didn't know. Either way the taxpayers did not get an answer.

So we're going to try again, Mr. Speaker. To the minister: how many productions has Minds Eye Pictures done in Saskatchewan since the government bought in last July? And how many productions has Minds Eye Pictures done in Alberta and Manitoba over the same period of time?

Some Hon. Members: Hear, hear!

(14:30)

Hon. Mr. Sonntag: — Well, Mr. Speaker, the investment by CIC (Crown Investments Corporation of Saskatchewan) and Minds Eye Pictures was an equity investment, Mr. Speaker, in a company that is reputable, that has a great balance sheet, Mr. Speaker, has a great record of production here in this province, and in fact, Mr. Speaker, has a great record of production across Western Canada.

We have a 15 per cent equity investment in Minds Eye Pictures, Mr. Speaker. We have every reason to believe that we can expect a reasonable and good rate of return, and a bonus, Mr. Speaker — employing many, many young people here in Saskatchewan. What has that member got against that, Mr. Speaker?

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, the minister has a . . . getting a reputation for non-answers — and there was another one — as much as his notoriety for his no answer.

Mr. Speaker, one question, one question that taxpayers have about the \$4.5 million investment in Minds Eye is what did Minds Eye Pictures do with the money? According to the NDP news release, July 26, 2001 the taxpayer . . . taxpayers' money was used, and I will quote, "to fund the growth of its distribution library and a number of acquisitions."

Mr. Speaker, what acquisitions did Minds Eye Pictures make with the \$4.5 million that the taxpayers of Saskatchewan made in this company?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Thank you, Mr. Speaker. Well I do know that several days ago we announced there were 11,000 new jobs in this province, Mr. Speaker. And I do know, Mr. Speaker, and I do know, Mr. Speaker, that Minds Eye and its

contribution contributed, Mr. Speaker, to many of those jobs in our province as well.

In the 1980s, Mr. Speaker, we had a \$5 million investment . . . or \$5 million worth of productions in our province. In the year 2000, Mr. Speaker, we have \$50 million worth of productions in this province, Mr. Speaker. We have approximately 850 people employed in that industry; many of them young people, Mr. Speaker.

We should be incredibly proud, Mr. Speaker, of what Minds Eye and other production companies are doing in our province — diversifying the economy and contributing to those 11,000 jobs, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Thank you, Mr. Speaker. Again, Mr. Speaker, we don't get an answer from the NDP government on a simple question.

Mr. Speaker, part of the money was used for acquisitions. My question is simple and direct: did Minds Eye Pictures use any of the \$4.5 million of taxpayers' money to buy production companies or facilities in Manitoba or Alberta?

Hon. Mr. Sonntag: — Again, Mr. Speaker, the investment was an equity investment, 15 per cent in a company based in Saskatchewan that has a great balance sheet, Mr. Speaker, has a good record of production, and CIC believes it's a good investment because it employs people, primarily young people, in our province in an industry, in an industry that we should be proud of that's grown a phenomenal amount, Mr. Speaker, in the last few years.

Mr. Speaker, Minds Eye, I can say to the member, has made a commitment that revenues that accrue from Saskatchewan productions will be committed, will be committed from . . . or for a five-year period in Saskatchewan beginning in 2003 — January 1, 2003 — to 2008, Mr. Speaker. I can say that.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — We know, we know of the wild investment in the picture company. But then the NDP gambled another \$11 million of taxpayers' money to build a new sound stage in Regina. The problem is that the government's new movie company has decided the government's new sound stage doesn't have good enough sound. And the president of Minds Eye pictures also says the government will have to spend another half a million dollars to bring the new sound stage up to industry standards.

Mr. Speaker, how could the NDP spend \$11 million on a sound stage that its own movie company says won't work?

Hon. Mr. Thomson: — Thank you very much, Mr. Speaker. I'd like to just start by of course correcting the opposition in terms of their inaccurate presentations. The government invested \$3 million in a \$12 million project. The federal government invested money, the city put up money, and the industry put up money. So don't tell people in this House and across the province that the \$11 million came from the NDP

government. Simple, clear distortion by the member opposite, Mr. Speaker.

Now let me say also this. This sound stage will provide an anchor for a growing film and video industry that'll help take us from \$60 million worth of production to \$100 million of production. And that's good news.

Some Hon. Members: Hear, hear!

Mr. Huyghebaert: — Thank you, Mr. Speaker. Well, Mr. Speaker, it's a good thing we get some answers to written questions because we sure don't get any to oral questions.

Mr. Speaker, we have been asking the NDP government to produce its business plan for the new sound stage, but as usual the NDP has refused to provide any accurate information. Now we've got \$11 million of taxpayers' money, taxpayers' money, on . . .

The Speaker: — Order. Order. Order. Order. Order, order. Order. The member may start over if he wishes.

Mr. Huyghebaert: — Thank you, Mr. Speaker. They're a little sensitive on that side of the House. Because it is \$11 million of taxpayers' money — I don't care how you cut it — it's \$11 million of taxpayers' money.

And, Mr. Speaker, the sound stage fails industry standards for sound. It fails the industry standard for sound. There might be one possible explanation. The NDP maybe wants to get back into silent movies.

Mr. Speaker, I realize that Charlie Chaplin was a big hit in the '20s, but this NDP's latest vaudeville act and its apparent move to corner the silent movie industry is going to end up as a disaster for taxpayers.

The Speaker: — Order, please. Order, please. I would ask members to allow the question to be put. I would ask members . . . Order. I would ask members to turn the volume down just a little bit.

Mr. Huyghebaert: — Thank you, Mr. Speaker. Maybe the NDP need to get into silent movies because they're sure not silent when these questions are coming up.

Mr. Speaker, Mr. Speaker, this is going to end up as being a disaster for the taxpayers. Mr. Speaker, unless the NDP is counting on a big comeback in demand for silent movies, isn't it time for the Premier to give up on his dreams of being a silent movie mogul and admit the NDP has gotten taxpayers into yet another multi-million dollar loser?

Some Hon. Members: Hear, hear!

Hon. Mr. Thomson: — Thank you very much, Mr. Speaker. I certainly want to start by saying once again, when the member has an opportunity to stand up and apologize for what he has said, he should do so.

It's a \$3 million investment by taxpayers that leveraged \$12 million worth of investment in this province — that's good

news. It's a sound stage which is 80 per cent leased — that's good news. It's attracting investment and jobs — that's good news.

Now the member opposite says, where is your business plan? I suspect he wants to look at it because maybe he's looking for a new job. Now I can say to that member opposite, he follows the script very well here. But we do not need any more bad actors from that side of the House involved in the industry, thank you very much.

We will manage this industry. We will continue to work with it. We will grow it for 60 million to 100 million. That's good news for Regina. It's good news for Saskatchewan, but very, very bad news for the Saskatchewan Party.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 75 — The Cities Act

Hon. Mr. Osika: — Thank you, very much. Thank you, very much, Mr. Speaker. Today in the spirit of co-operation and working towards the economic benefits of this great province of ours — our communities, our cities, our towns, and our villages — I am pleased, Mr. Speaker, to move Bill No. 75, The Cities Act, and that it be now introduced and read for the first time.

Some Hon. Members: Hear, hear!

The Speaker: — Order. Order, members. Order, members.

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

Bill No. 76 — The Cities Consequential Amendment Act, 2002/Loi de 2002 apportant des modifications corrélatives à la loi intitulée The Cities Act

Hon. Mr. Osika: — Mr. Speaker, I move that Bill No. 76, The Cities Consequential Amendment Act, 2002 be now introduced and read for the first time.

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

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. I stand on behalf of the government today to convert questions 304 to 312 for debates returnable.

The Speaker: — Questions 304 to 312 have been converted to debates returnable.

Mr. Yates: — Thank you, Mr. Speaker, I'm extremely pleased today to stand on behalf of the government and table a response to written question 313.

The Speaker: — The response to 313 has been tabled.

Why is the member on his feet?

Hon. Mr. Osika: — With leave to introduce a guest, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Osika: — Thank you, Mr. Speaker. I just noticed the arrival of a city mayor, Mayor Don Cody of Prince Albert, who has joined us in your gallery, Mr. Speaker.

I'd like everybody to welcome him as well.

Hon. Members: Hear, hear!

GOVERNMENT ORDERS

SECOND READINGS

Bill No. 68 — The Saskatchewan Water Corporation Act

Hon. Mr. Belanger: — Thank you very much, Mr. Speaker. I rise today to speak about how Sask Water, Saskatchewan water utility, will provide solutions to communities and offer products and services to meet community water service needs.

And after these comments, Mr. Speaker, I will move the second reading of The Saskatchewan Water Corporation Act.

The proposed legislation re-establishes the Saskatchewan Water Corporation as a focus utility. This reflects the commitment I made on behalf of the government when I announced our safe drinking water strategy.

Mr. Speaker, as part of the safe drinking water strategy, cabinet directed Sask Water to work with Saskatchewan communities to address their drinking water challenges. The refocused Sask Water will be a CIC subsidiary providing water and waste water treatment, as well as consulting services on a commercial basis.

(14:30)

Previously, Sask Water also had a regulatory approval role. This legislation removes all regulatory functions from Sask Water. Sask Water is a solutions provider for Saskatchewan communities. The corporation will work with communities to achieve affordable, appropriate, and sustainable water and waste water solutions.

Working with Sask Water will provide communities with a number of benefits, including: high-quality, cost-effective services; comprehensive solutions; and technical expertise. With improved water treatment infrastructure and improved drinking water quality, Saskatchewan communities will be building for their future with expanding economic opportunity and healthy lifestyles.

Mr. Speaker, Sask Water will emphasize partnership and

quality management. The corporation will work with industrial clients to support business success based on quality of water, quantity of water, cost-effectiveness, and meeting environmental concerns.

Mr. Speaker, the refocused corporation will meet Saskatchewan's water services needs. Sask Water's services will include the supply of treated and untreated water; technical, engineering, and management advice; assistance related to the supply of water; water treatment, distribution, and storage; sewage disposal, collection, or transmission; management or operation of works; emergency planning; water conservation services; operator training programs; and treated and untreated bulk water using its regional systems.

Mr. Speaker, the new Sask Water will work with communities to create custom-made solutions for their water needs. Sask Water will ensure waterworks systems provide safe, clean, and sustainable drinking water to Saskatchewan people.

Mr. Speaker, thank you, and I now move second reading of The Saskatchewan Water Corporation Act.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, Sask Water in the latter number of years has been a corporation that has carried out many and varied functions throughout the province. It has carried out the function of providing water services and consultations to communities, such as how to set up your water systems, your filtration, your gathering of water, how to deal with the disposal, Mr. Speaker, of sewage waters, how to treat it, and the proper methods of doing that.

Sask Water has also provided services, Mr. Speaker, related to the storage of water such as building, providing for dams, Mr. Speaker, that would provide water, as a source of water for either communities or for agriculture. It has provided consultation and support for water projects, Mr. Speaker, such as diversion, such as drainage, Mr. Speaker, and those kind of services.

It has also acted as a body, Mr. Speaker, that has mediated or provided the buffer to ensure that the rules and regulations of water usage are conformed to, Mr. Speaker, and provided an appeal process where two neighbours or perhaps jurisdictions have come into conflict, Mr. Speaker, and Sask Water has provided the Water Appeal Board to make the determination as to who is right, who is wrong, and what the proper remedies are, Mr. Speaker.

Now this new Bill, Mr. Speaker, moves away from that role to a large extent. It still provides the supports to the communities in providing support to providing water services in the sense of bringing water into the communities and in treatment of water. But what it does, though, Mr. Speaker, in what used to be advice and consultation from the department, will now be charged for at a commercial rate.

Sask Water is now virtually, Mr. Speaker, becoming another Crown corporation that will compete in the public sector with private businesses that provide those kind of consultation services and services in providing supports to building water

systems, Mr. Speaker. Sask Water is now on the way to becoming another commercial Crown. And that's not the role that Sask Water has played in this province up till now, Mr. Speaker.

Mr. Speaker, so you have to question. The minister said that Sask Water is getting out of the regulatory functions. Who then, Mr. Speaker, is going to carry out the regulatory functions of maintaining and ensuring the water quality, that water is available, Mr. Speaker, and that conflicts between districts, between communities, jurisdictions, or between neighbours are resolved in a manner that is equitable and within the law, Mr. Speaker?

Because we do have rules as to how things such as drainage should take place, and the remedies when drainage is done improperly, Mr. Speaker. And up until now that remedy has been through Sask Water. The Sask Water Appeal Board dealt with those kind of issues.

And yet that is being removed, Mr. Speaker, according to the minister when he says that Sask Water will no longer perform a regulatory performance, duties. So who will be then, Mr. Speaker, enforcing the rules and regulations as set out in this province in dealing with water?

Those are some of the concerns we have, Mr. Speaker — the commercialization of Sask Water and who will be carrying out the regulatory bodies, Mr. Speaker.

There are other individuals and groups around this province that have some concerns with this particular Bill, Mr. Speaker. We're waiting to hear from them because it affects a good many people, everyone across this province. We've seen the problems that we've had in North Battleford with water, in Perdue with water, in Arran with water.

We've seen the case out in the RM of Saltcoats where Sask Water took the RM to court because of drainage, Mr. Speaker. We've seen problems in other areas, Mr. Speaker, with legal drainage, with illegal drainage, or how to carry on drainage after it's been put in place, Mr. Speaker, and after a number of years as the system deteriorates and it needs to be restructured again.

Sask Water played a role in those areas, Mr. Speaker. And it seems that Sask Water is giving up that role to become a commercial Crown.

So, Mr. Speaker, because there are a number of people and groups across this province that have a great deal of concern about this Bill, I would move that we adjourn debate.

Debate adjourned.

Bill No. 67 — The Saskatchewan Watershed Authority Act

Hon. Ms. Lorjé: — Good afternoon, Mr. Speaker. I rise today to make some brief remarks about this government's commitment to ensure safe, high-quality drinking water for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Ms. Lorjé: — After these remarks, I will be moving second reading of The Saskatchewan Watershed Authority Act.

As you know, on April 5 this government announced a new provincial long-term safe drinking water strategy. The thrust of the strategy is to secure safe drinking water for the people of the province right from the source to our taps.

A key element of that strategy, Mr. Speaker, is the management and protection of the province's surface and ground watersheds. In the past, this task used to be shared mainly by three different agencies: Sask Water, Saskatchewan Environment, and the Saskatchewan Wetland Conservation Corporation.

Not any more, Mr. Speaker. To better coordinate efforts to protect water sources across the province, this government has created the Saskatchewan Watershed Authority to be the single agency to focus on watershed management. The new Crown Corporation combines the expertise from the three organizations I've already mentioned. It will eliminate any conflicting priorities, reduce duplication, and increase efficiency.

Watersheds, Mr. Speaker, are geographic areas with common outlets such as a stream, river, lake, or wetland, into which water drains. Plants and animals depend on a healthy watershed for their habitat. People depend on watersheds as well. If we don't care for watersheds properly, we can ruin water supplies and recreation areas.

Mr. Speaker, it is our intent that this authority focus on activity when it comes to protecting the province's watersheds. Its mandate is broad and extremely important. It will focus on watershed management involving all environmental and socio-economic aspects associated with water source issues and developments.

This includes watershed planning, groundwater management, protecting aquifers from depletion, encouraging the conservation of wetlands, promoting sustainable economic development through the wise use of water and related land resources, and helping to resolve disputes over the use and diversion of water. In summary, the Watershed Authority will manage the supply allocation of water in this province.

The Authority will implement a plan of protection and stewardship aimed at improving the health of the watershed, protecting source waters, conserving wetlands, and reducing the contamination of surface and groundwater. It will also provide technical support for managing aquifers, agricultural water development, and provide advice on the suitability of water for intended purposes and water source protection. The Watershed Authority will work closely with Saskatchewan Environment and assist them in their role to protect the safety of drinking water.

Mr. Speaker, water is life and watersheds are the basic building blocks of the natural environment. No government can provide this protection on its own. Water is the responsibility of all of us. That's why this new Watershed Authority has an important role for the people of the province. And that's why its vision is

people working together as watershed stewards for clean and safe water supplies in healthy ecosystems.

The Authority will involve the people of Saskatchewan in issues and planning around the protection of water sources. The Saskatchewan Watershed Authority will use partnerships with organizations with interest in watershed conservation to develop watershed protection and development plans. Everyone, Mr. Speaker, has a role in keeping our watersheds healthy and the Watershed Authority will make that task easier.

Mr. Speaker, thank you and I now move second reading of the watershed authority Act.

Some Hon. Members: Hear, hear!

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, Bill No. 67, An Act respecting water rights and the Saskatchewan Watershed Authority consequential amendment Act, is quite an extensive piece of legislation and it changes a number of things, issues around the whole water management of our province.

The minister talked a little bit at the start — well through most of her speech — regarding safe drinking water and a safe drinking water strategy and how this Watershed Authority was going to help that and ensure safe drinking water in our province. And we would applaud that, Mr. Speaker, because it wasn't very long ago when the North Battleford water crisis was going on and we received documents, a cabinet decision document, that said their strategy to deal with that whole thing was to try and keep it quiet and not say that there was any problem with any of the drinking water.

Well now that we look at this Bill and they're talking about safe drinking water throughout the province, maybe they're finally coming to realize the responsibility this government has with drinking water. And that's probably the reason why this Act is coming in. It's great that it's coming in the year 2002. It's too bad it wasn't there and the government didn't take responsibility for drinking water sooner.

But there are a number of other departments and issues around this Bill, Mr. Speaker, that will really impact people in rural Saskatchewan. This just talks about . . . And the minister just simply talked about safe drinking water. But, Mr. Speaker, this Bill goes much further than just safe drinking water.

And I've just been looking through it over the last little while and it talks in the division, division 4, it talks about complaints re: draining, drainage. The whole drainage issue of our province is a huge, huge issue. And it talks about, you know, if there are problems in filing . . . how to file complaints, hearings, that whole process that was dealt under Sask Water before and now is under this new Act.

(14:45)

Mr. Speaker, I have the opportunity of farming in an area that has a C&D (conservation and development) and the other night I was talking about the C&D that we are in, the Souris C&D, and how the oceans and fisheries are impacting it.

But I, Mr. Speaker, I also had the opportunity of talking to a

few of the directors on this C&D and asking them have they heard anything about the new watershed Act, and where their complaints are going to be going through. They had heard nothing about this. And this is a director of a C&D 35 miles southeast of Regina here, Mr. Speaker.

This Act is going to significantly change the way the whole water management of our province has worked. And, Mr. Speaker, some of the people that are closest to that management, the directors on local C&Ds, have very little knowledge of this Act. And it's just unacceptable, Mr. Speaker.

Mr. Speaker, I was talking to this director, and we were talking about how when you try and do anything right now with water management and water drainage, how it can be a real problem. And he was saying that you know it's bad enough dealing with Saskatchewan Environment because right now it's over six months to get an approval on something simple from this government — from Sask Environment. But even worse is a federal agency, which is a year and a half.

And so what we're saying, Mr. Speaker, is this Act which is going to change the whole drainage process, the whole structure that has been in place in this province on drainage water, water management of our province, and people on the ground that are the very in the trenches, if I can say that, of the water drainage issue in our province — I guess I can say that — is that they haven't even been notified, Mr. Speaker.

It's a Bill that when I look at it, it is quite a significant Bill, Mr. Speaker. I mean it's about 56 pages in length, to be introduced on day 60, with no — that we know of — consultation with any of the people that are affected directly. Yes, people in the cities, the drinking water . . . people that are dealing with drinking water, but this Bill goes much further than that, Mr. Speaker, much further.

And I know we'll have much more to say on the Bill once we get a little more input, and I'm sure that input will be coming fairly quickly regarding how it's going to affect the water management of our province.

It was an issue that we really probably didn't think we'd have to worry about three days ago, or four days ago, or five days ago, in the near future. But right now, Mr. Speaker, if you go southeast of Regina where there's been four inches of rain, the ditching is a huge, huge issue.

And, Mr. Speaker, it is not uncommon — it is certainly not uncommon — to have neighbour against neighbour going through the court system as far as that can go, Mr. Speaker. Water drainage is a huge, huge issue in Saskatchewan, Mr. Speaker.

So until we can talk to the people that this Bill is going to be affecting, and the change in the whole water management structure that this Bill talks about, Mr. Speaker, we'll be adjourning debate until we get more consultation.

And I move to adjourn debate.

Debate adjourned.

Bill No. 71 — The Environmental Management and Protection Act, 2002

Hon. Ms. Lorjé: — Good afternoon, Mr. Speaker, again. After my remarks, I will be moving second reading of a piece of legislation that is a keystone in the protection of this province's environment — The Environmental Management and Protection Act, 2002, or EMPA, 2002.

This is an extremely important piece of legislation to the people of Saskatchewan and the protection of one of our most treasured resources — our water. This Act is broad in scope. For example, it regulates the management of drinking water, waste water, environmental discharges, and hazardous substances.

Mr. Speaker, safe drinking water is an essential element of a healthy environment and a strong economy. This Act makes substantial changes in this area. EMPA, 2002 will consolidate and update the legislation for the management of the province's drinking water and waste water in response to the North Battleford inquiry.

Most of the changes help in the implementation of the new long-term safe drinking water strategy released on April 5, when the North Battleford Water Inquiry report was released. This legislation demonstrates this government's commitment to ensure that our water is safe. I have said it before, and I will keep saying it, we cannot take safe water for granted. Each and every one of us has a responsibility to keep our water safe.

This new Act provides legislative changes that will ensure that the people of Saskatchewan have sustainable, reliable, safe, and clean drinking water. It complements the measures contained in the watershed authority Act. For example, inspections and administrative penalties are important tools in ensuring compliance with the regulations related to the quality of drinking water. This legislation provides those tools.

New sections in EMPA, 2002 give the minister the authority to issue emergency waterworks and sewage work orders, and precautionary drinking water advisories. They provide additional options for promoting compliance by expanding the range of compliance and enforcement provisions.

This Act ensures that operators and owners of water plants will be legally required to report problems with their systems to Saskatchewan Environment. This was one of the recommendations of the North Battleford water inquiry.

As well, Mr. Speaker, owners of water treatment systems will have improved accountability to their residents. Henceforth, they will report to their customers on the quality of their water, their compliance with sample submissions requirements, and on the financial plans for their waterworks. The end result, Mr. Speaker, will be legislation that is better able to manage and to protect our environment and to protect . . . and to provide good, clean, safe water for the people of Saskatchewan.

The Act we are working with up to now was first introduced in July 1984. The Act has been effective. However, Mr. Speaker, the Act is almost 18 years old. Many things have changed over those years and many amendments have been made to the Act.

The result is a piece of legislation that is dated and structurally complex. At the same time therefore, as we are proposing amendments to implement clean, safe water, this new Act will make the overall legislation more concise and improve the administrative operation of the Act. The Act is being reorganized to achieve that purpose.

The old Ozone-Depleting Substances Control Act is being rolled into this new legislation in order to manage ozone depletion in a way that is consistent with national commitments and is also consistent with other provinces.

Provisions with regard to contaminated sites and liability for those sites are being clarified and made consistent with department policy. The end result of the proposed amendments is a province that will continue to be justifiably proud of its natural environment, its diversity, its clean water, air, and land.

Thank you, Mr. Speaker, and I now move second reading of The Environmental Management and Protection Act 2002.

Some Hon. Members: Hear, hear!

Mr. Weekes: — Thank you, Mr. Speaker. It's a great pleasure to speak on Bill No. 71, An Act respecting the Management and Protection of the Environment.

The minister has made many interesting comments about the Bill but the most interesting one is the urgency she seems to have in . . . concerning the water, clean water in Saskatchewan.

I'd just like to remind the House this is day no. 60 and this is now just — Bill No. 71 — is into second reading. I believe everyone in the province, everyone in the country knows about Saskatchewan's water problems and it's amazing that it's taken the government this long to bring in amendments to this, to this Act. And I think the people of North Battleford and other communities around the province — Perdue, that's in my constituency — are very concerned about the timing of this Bill and why it's taken so long for the government to bring in any legislation to begin addressing the environmental and the concerns about safe drinking water.

The minister spoke about all the different amendments and again she highlighted an area where the legal liability will . . . aspect came up. And as we know, the former minister of the Environment actually suggested or more than suggested that town officials will be, will be charged if they didn't have their water systems in a perfect state of repair by, I believe it was, July of last year.

And as we know, Mr. Speaker, wishful thinking doesn't improve the water treatment plants in this province. It takes money. And, as an example, in the community of Perdue, which the minister of Sask Water will be visiting tomorrow, these communities need infrastructure funds.

And as in the situation in Perdue, that community has applied three years in a row to get infrastructure funds to upgrade their water treatment plant, their sewer system, their whole water system and they've been turned down three years in a row and hopefully the fourth application will be successful and communities like Perdue will have the necessary . . .

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

Mr. McCall: — Leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. McCall: — Thank you, Mr. Speaker. And thank you very much for the good grace of the member from Redberry Lake.

It's my pleasure to introduce to you, Mr. Speaker, and through you to the members of this legislature, two people seated in the Speaker's gallery. One is Solomon Cyr; the other is Ashley Topuschak. If you could both please rise?

Solomon is involved in the youth committee of the Saskatchewan Labour Force Development Board, I believe. And Ashley works with the Labour Force Development Board. And they both do excellent work in this very important field.

So I wonder if you could all give them a rousing round of applause to show them you're still alive.

Hon. Members: Hear, hear!

SECOND READINGS

Bill No. 71 — The Environmental Management and Protection Act, 2002 (continued)

Mr. Weekes: — Thank you, Mr. Speaker. I would just like to continue speaking on Bill No. 71 as the point I was trying to make is there is a big difference between bringing in amendments and rules and Acts and laws, but what's needed on the ground is money for the communities to improve their infrastructure. And it's a very serious concern to the rural communities that they do not have the money and they need infrastructure funds to update their water treatment facilities and their sewer systems and their whole water plants.

Mr. Speaker, there's many other issues in this Act. The minister spoke about rolling the ozone amendments or Acts from other areas into this. And so it's fairly lengthy and I think that our critic for the environment will need time to study this Act. We will discuss this issue with the stakeholders, with the rural and urban communities of this province, and at this time I'd like to move to adjourn debate.

Debate adjourned.

Bill No. 65 — The Forest Resources Management Amendment Act, 2002

Hon. Ms. Lorjé: — Thank you very much, Mr. Deputy Speaker. After my remarks I will be moving second reading of the amendments to The Forest Resources Management Act, 2002.

The amendments before us will further improve upon what is already some of the most advanced forestry legislation on the

continent. When The Forest Resources Management Act and its accompanying regulations came into force in 1999, Saskatchewan confirmed its position as a leader in sustainable forest management. Provisions requiring public consultation, long-term planning, and monitoring make it second to none in terms of protecting the long-term health of the forest.

As the Act has been implemented over the last three years, ways to further improve its effectiveness and the clarity of its intent have been identified. These amendments . . . these improvements are in the amendments now before this House. The amendments will specify that the minister has the option to place conditions on the approval of forest management and operating plans.

(15:00)

Currently the minister's options are either to approve or to withhold approval. If approval is withheld, the plan must be returned to the company for required revisions, then resubmitted to Saskatchewan Environment. The ability to place conditions on ministerial approval will eliminate this effort and expense resulting in greater efficiency for both the company and for the government.

Another amendment improves the legislative tools for managing Dutch elm disease. By moving the authority of this program from The Pest Control Act to The Forest Resources Management Act, we improve the ability of municipalities in partnership with Saskatchewan Environment to implement effective measures to protect their trees.

The move will bring the authority for enforcement of applicable Dutch elm disease regulations to Saskatchewan Environment allowing for greater coordination with the provincial Dutch elm disease management program.

Another positive change included in the amendments, Mr. Speaker, is the authority for Saskatchewan Environment to establish province-wide standards that apply to all forest companies.

Currently, the operations of individual forest companies are controlled by setting conditions on their licences and management plans. Province-wide standards will provide for greater consistency and clarity for all forest businesses, all across the provincial forest. These standards will be results based, focusing on desired outcomes rather than process. Province-wide standards will create a level playing field for all forest companies in the province.

Mr. Speaker, in 1999, amendments to The Forest Resources Management Act first introduced the option of assessing administrative penalties rather than proceeding to court for certain types of non-compliance in the forest. This administrative option has been accepted by the industry and has proven to be an effective way of dealing with non-compliance in specific circumstances.

The amendment before the House, Mr. Speaker — or Mr. Deputy Speaker, rather — will expand the circumstances where this process may be used to include activities such as renewal, submission of records, grazing, and wood measurement. The

option of using administrative penalties will streamline the process of achieving compliance for both Saskatchewan Environment and for the forestry industry. And forest operators found in non-compliance still have the option of going to court if they feel that the administrative penalty route is not in their best interests.

Mr. Speaker, currently the Act provides the authority for an officer to stop unauthorized harvesting or damaging activities on Crown land. An amendment will clarify the circumstances under which the officer can rescind such a stop work order. This clarification will help forest harvesters to reduce the duration of a work stoppage by allowing the officer to rescind the order as soon as problems identified are addressed by the company.

This is another example, Mr. Speaker, of working with forest companies to achieve compliance in a fair and efficient manner. All these amendments will make an already effective piece of legislation work better for industry and for the people of Saskatchewan.

Mr. Speaker, I now move second reading of The Forest Resources Management Amendment Act, 2002. Thank you.

Some Hon. Members: Hear, hear!

The Speaker: — Why is the member from Prince Albert Northcote on his feet?

Hon. Mr. Lautermilch: — I ask for leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Lautermilch: — Thank you very much, Mr. Speaker. I'd like to take this opportunity to introduce to you and through you all members of the Assembly, a group of 27 grade 4 students from W. J. Berezowsky School in Prince Albert.

They are accompanied by teacher Henry Strelieff, by Mary-Lou Wieiers, by Skip Fengstad, by Sam Bober, and by John Spicer.

Mr. Speaker, I want to say just a couple of words about W. J. Berezowsky if I could. My three children began school in W. J. Berezowsky, which is about a block and a half away from my home. They all came through W. J. and went on to other schools. It's the best school in Prince Albert and I know all of the grade 4 students are going to agree with me that it is. It's a good place to go to school. They've got good teachers and it's a good neighbourhood to come from — the west . . . the East Flat in Prince Albert.

Thank you very much, Mr. Speaker. Would all members join me in welcoming them.

Hon. Members: Hear, hear!

SECOND READINGS

Bill No. 65 — The Forest Resources Management Amendment Act, 2002

(continued)

Mr. D'Autremont: — Thank you, Mr. Speaker. Well, Mr. Speaker, this deals with the forestry resources of Saskatchewan, a very important industry in this province. In fact, it's an industry that is seeing some stressful times at the present time both from forest fires and because of the softwood lumber tariffs being imposed by the US on the industry — not just in Saskatchewan obviously but across Canada, Mr. Speaker.

Mr. Speaker, part of the problem with the forest industry, the softwood lumber tariffs that are facing . . . that Saskatchewan is facing is this government's lack of interest in dealing with those particular issues.

We raised the issue in the House, Mr. Speaker, along with the agricultural tariffs that the US farm Bills have put in place and asked that those be combined together as one effort in trying to deal with them on a national level. That we bring the people from BC (British Columbia), from Alberta, from Manitoba, all together as a western interest group and deal both with agriculture and with the softwood lumber industry to try and put forward a common front, Mr. Speaker, that would deal with something greater than just grain because it seems down in Ottawa the grain industry is of no importance.

But, Mr. Speaker, the softwood lumber industry impacts not just Western Canada, but also impacts in Ontario, in British Columbia — excuse me, in Quebec — and the Maritimes. So we believe that there was a stronger argument to put forward that might have a greater impact in Ottawa than simply going to them with agriculture.

Now having looked at the Premier's performance over the last little while in dealing with the agricultural tariffs, it's perhaps understandable why they didn't want to tie softwood lumber into that because up until now, Mr. Speaker, the Premier has not been successful in getting tariff-related, trade-related subsidies' benefits to Saskatchewan producers — at least subsidies or tariff benefits, Mr. Speaker, that are paid for by the federal government and not by the province.

So I can understand then perhaps because of expecting to fail, they didn't want to tie the softwood lumber industry into that same failure, Mr. Speaker.

Mr. Speaker, the particular Bill that we're dealing with here has a lot of definitions in it. But looking through it, Mr. Speaker, I didn't notice it deal with both large and small producers and how they both impact in the forest, Mr. Speaker. And I think we need to take a strong look at how the large corporations and the small logging operations can work together for the best interests of Saskatchewan and the best interests of the forests, Mr. Speaker.

I know in my very limited travels in the North looking at the forestry industry, there seems to be times, Mr. Speaker, where I think that there are perhaps better ways than we're currently dealing with the situation. And part of the problem that has been related to me, Mr. Speaker, is that the government isn't prepared to deal with very many players in the field. They want to be able to deal with two or three or four or five large operations and not want to have to deal with the mom-and-pop lumber industry, Mr. Speaker. And I think there are trees, there

is timber out there that could be best utilized to make lumber out of, that is perhaps going for other purposes.

And so we need to take a very good look, Mr. Speaker, at the forest industries and how it's all operating, Mr. Speaker. And I'm not sure that this particular Bill does that. It seems to deal a lot with definitions but I'm not sure that it's really dealing with how the forest is operated, Mr. Speaker.

One of the things that it talks about though, in the Bill, it defines, it changes it from wood residues to wood by-products. And it talks about the minister's opinion, whether or not some wood, wood products could be used in manufacturing or not and whether it should be . . . and whether they should be.

And I just wonder on what basis does the minister form that opinion? What kind of information does the minister receive to determine whether or not it would be an undue financial hardship on the logging operation whether or not they had to utilize the forest products that they are harvesting in some form of manufacturing process, Mr. Speaker — whether or not they should make two-by-fours or two-by-sixes, whether it should go to the pulp plants or whether it should go to pickets or whatever else, firewood perhaps, whatever else it could go to?

I know in my part of the country, Mr. Speaker, we don't have a lot of large trees and so when you see a piece of a tree that's 20 feet long, it looks like a pretty big piece to us and why wouldn't you utilize it? And yet those kind of pieces of trees, Mr. Speaker, seem to be discarded fairly often. And someone from the southern half of the province looks at that and says, well gee, that would make three pickets. Why isn't it being used?

And so how does the minister determine whether an undue financial hardship is being imposed on that logging operation if they have to utilize those products, those by-products from their logging operations?

So, Mr. Speaker, there are a number of people who have a great deal of interest in this Bill, in how it's going to impact both the large operations across this province, how it's going to impact on the small timber operations, that need to have a look and see how it's going to impact them and their communities, Mr. Speaker. So they need to be given some time to look at this Bill, to read it, and to understand how it's going to impact them.

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

Debate adjourned.

ADJOURNED DEBATES

SECOND READINGS

Bill No. 48

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Osika that **Bill No. 48 — The Alcohol and Gaming Regulation Amendment Act, 2002** be now read a second time.

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr.

Speaker, it is an honour to get involved in the debate on Bill No. 48. The Alcohol and Gaming Regulation Act has made a number of significant changes to its regulations, to its clauses, regarding how SLGA (Saskatchewan Liquor and Gaming Authority) will govern itself and how it will affect the minister and the departmental officials.

During its reading provided by the minister, the minister highlighted four key areas that this Bill was trying to address. And it was . . . it began by . . . the minister began by indicating that the first priority was that it was . . . the Bill was going to enhance the Authority's accountability as a regulator.

Mr. Speaker, I find that interesting that we are now looking at enhancing the ability for regulations to be done outside of this Legislative Assembly.

With interest, Mr. Speaker, I turned to the new section 179, which is section 23 of the Bill, to see how many regulations were now going to be enacted, or possibly could be enacted by the regulatory body. And, Mr. Speaker, being that the numbers are (a) to (z) and then (aa) to (zz) and (aaa), that would mean now that there are 53 such areas of regulations that will now be in . . . the Authority will now have the ability to enact regulations in 53 areas.

Mr. Speaker, I think the consequences of last year's investigations by Justice Wakeling prompted a need to address some of the concerns. And if I read Justice Wakeling's comments clearly, he stated that the Act was deficient in some fashion, that it allowed for inconsistencies. And that was said, stated very clearly by the minister when he made recommendations during the minister's speech on May 22.

(15:15)

Mr. Speaker, during those comments that were made by the minister, the minister stated that Justice Wakeling had some concerns with section 133 of this Act and that it was too restrictive. And really what he was saying, if I look at his other comments, was that it was time for the government to move the Act or to enhance the Act by changing section 133 to more accurately reflect what was part of the current century — in other words move with the times, if Justice Wakeling was indeed saying that.

But, Mr. Speaker, I found it very interesting when I looked at the comments made by the minister, and I'm quoting from *Hansard*, when he says that:

To the extent the guidelines are in conflict with section 133, they are not valid and cannot support a justification for actions prohibited by section 133.

The minister goes on to say that the section should be amended. But section 22 of the Bill does not amend in the words I think that Justice Wakeling was intending. Justice Wakeling was intending, I think, section 133 to be looked at to address the issue of gifts and trips and all the kinds of things that officials and the minister may get into difficulty with. He was suggesting that that should be changed and to more accurately reflect current times.

Well, Mr. Speaker, this Bill does propose a change to section 133. And section 133 is hereby repealed. It is completely eliminated from the Act, Mr. Speaker. So in one hand the minister was saying that they were going to follow the recommendations of Justice Wakeling — because Justice Wakeling had indeed pointed out some inconsistencies and that there was going to be a need to address section 133 and make it more in tune with the times.

But I don't think Justice Wakeling was said, throw it out. And that's exactly what this government has decided to do. They have removed section 133 from the Bill.

Now where it has been placed? It has been placed in regulations, Mr. Speaker, regulations that will be drawn up at the end of the process of this Bill and fully implemented. In other words, Mr. Speaker, the Legislative Assembly and all members here, both in government and opposition, will not know what those regulations will say and how they will affect the minister, the officials of Liquor and Gaming Authority.

Currently it's very clear. The section states that the minister or officials shall not solicit in any way a gift or gift in kind. Now that's going to be in regulations. What will that, what will that limit be? Every MLA (Member of the Legislative Assembly) goes through the process of meeting with the conflict of interest to declare whether or not gifts of \$200 or larger have been received, and those kinds of things have to be declared. That is, that is the controls that we work under, Mr. Speaker. This is now moving it outside of the Act so that in no way can the Legislative Assembly actually control what is happening in the area of gifts.

So, Mr. Speaker, I think that's a clear indication of not wanting to comply with Justice Wakeling's recommendations and moving far beyond what Justice Wakeling was saying. I think it's something that people and . . . in Saskatchewan would not be wanting to support.

Mr. Speaker, one of the other recommendations, which we think is a very positive recommendation in the Bill, is that there was a need to enhance the Authority's role in promoting the socially responsible use of liquor and gaming. Very clearly anything that this Legislative Assembly and we as officials can do to ensure that the socially responsible use of liquor and of gaming is enhanced, we would support that. So very clearly there is . . . there are sections in this Bill that are introducing or are enhancing the current Act to make it much more useful I think for the province of Saskatchewan.

One of the concerns that has been expressed by a number of people who have looked at this Bill is with regard to expansion of people and groups that are now going to be eligible for liquor permits.

Normally, Mr. Speaker, I know in many communities, both urban and rural, liquor permits are granted to service clubs; they're granted to a number of organizations when a social evening is planned and there is a need for a liquor permit. The Act enhances that criteria or enhances the eligibility a great deal and it broadens the basis for who is eligible for a permit. And there are some concerns as to what the regulations will state around that issuance of permits, Mr. Speaker.

Mr. Speaker, one of the other concerns has been expressed by the horse racing association, and we've had the opportunity to consult with them regarding gaming and how it applies to the horse racing association . . . And again in the Act it states that there will be a need for the definition of good character.

Mr. Speaker, that's something that I think is interpreting . . . be able to be interpreted in many different ways, whether or not someone is of good character. It will be left to regulations, Mr. Speaker — not clear at all as to what will be meant by that.

So, Mr. Speaker, we are awaiting some recommendations from the horse racing association that they will be providing to us and that we will be able to raise those concerns with the minister as we move forward.

Mr. Speaker, we also had the opportunity to meet with the hoteliers association. The executive of the hoteliers association met with a number of our caucus and we provided them with a Bill, with Bill No. 48 and the explanatory notes. And they are currently reviewing that process and are looking at how the Bill will affect their industry regarding the sale of liquor, regarding the permits that will be issued to different corporations or individuals, and they're going to provide again a number of, I think, recommendations and some suggestions about how some of this Act may be changed to better reflect what the industry really wants.

Mr. Speaker, there are a number of concerns, as I've indicated, that various groups in the province have with Bill No. 48, that they want to provide some solutions. And overall, the Bill has some good points, so we need some time to be able to more accurately identify the weaknesses of this Bill and provide some alternatives. So with that, I would move that we adjourn debate.

Debate adjourned.

Bill No. 49

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Axworthy that **Bill No. 49 — The Charitable Fund-raising Businesses Act** be now read a second time.

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege to join in the adjourned debates on Bill No. 59, the charitable fundraiser business Act.

Mr. Speaker, this is a Bill that really I guess is coming forward when you really wish, I guess, that you wouldn't have to have a Bill of this nature. This Bill addresses I guess people that will go out, fund raise under a name that is very similar to a non-profit name.

Where I first heard of this issue, I was at a banquet or a reception put on by the CNIB (Canadian National Institute for the Blind) and they were talking about how there have been groups that have come into the province with initials very, very similar to the CNIB, but not the CNIB, talking about trying to raise money for the blind and where that money goes after it's raised. It's raised by this organization and then is gone out of the province and never does really get to the CNIB.

That was just one example, but there are many, many examples of people that are in the province that are doing . . . that are in the business of fundraising, but it's not going to the intended non-profit organization. And that's really, really unfortunate. Unfortunately, this legislation has to come about to try and prevent some of the unscrupulous fundraising organizations out there that are, that are kind of ruining it for everyone. And that's why this Bill is needed, Mr. Speaker.

Last session I had done a little research and found out what other provinces were doing with legislation, dealing with this problem through legislation. And I put forward a private member's Bill, Mr. Speaker, on this very, very issue. I since then heard that there had been a committee struck to deal with this issue and they're looking at legislation from around the nation as to which would be the best way of handling it.

As I go through the Bill it looks like it's pretty much in order. And it's a good thing, because fundraising is a major industry in our province — whether it's the non-profit organizations that are fundraising, right down to the hockey teams, the soccer teams, service clubs, many, many different organizations that are in the fundraising business, Mr. Speaker.

And I guess I probably wouldn't have realized how much organizations rely on fundraising until our two boys got into the sports field, whether it's hockey, whether it's soccer, whether it's lacrosse, and now even through the school system. In the schools there are a number of fundraising drives for different reasons and it's just amazing. It seems like there are chocolate covered almond boxes coming to our house in case lots every second week that then we're supposed to go and distribute.

Unfortunately my colleagues haven't really helped me. I guess we're going to have to bring more of those to the legislature and I think maybe I could dispense a couple of those for the different fundraising. And the member for Regina Qu'Appelle says he's more than willing to buy a couple of boxes of chocolate covered almonds.

But certainly the whole issue of fundraising is just huge in the province. And as I said, it doesn't matter whether it's on the . . . in the school level, whether it's through sporting teams. As I mentioned, the hockey is the one area that I know. And I know there are a number of different fundraising initiatives put on by hockey teams because of the expensive ice time, rental of ice time, and everything else.

Where this Bill really is directed though, are more the non-profits such as the CNIB, as I mentioned, the Cancer Society, and all of the non-profits that are really reliant on fundraising to keep their doors open, to go towards research, and to eventually, we all hope, find a cure for whatever the organization is representing.

So as we go through the legislation there are a number of things that we think are moving . . . or pieces of legislation that are moving in the right direction.

Some of the things that they talk about is that canvassers will all have to wear identification cards, which is a very good idea. We hear of horror stories where people are going up to doors and canvassing, and do you really know whether that canvasser is

representative of that organization or are they going around misrepresenting an organization and collecting the money and does that money then get to the appropriate organization? So the issue of wearing a identification card we think is a very good idea.

They also talk about restricting the hours of fundraising — door-to-door fundraising — from 8 a.m. to 9 p.m., and we would have no problem with that either. I would really question that an organization that was out in a community fundraising would have to be out knocking on doors at 8:30 and 9, or at 9:30 and 10 o'clock at night. If there wasn't enough time between that 6 to 9 o'clock time frame, you'd really wonder.

And I know from my own experience of fundraising for a couple of organizations, you want to try and get there right . . . just after the supper hour while everybody's still at home and they haven't run off to the ball game or the soccer game or whatever else. Because it seems like some evenings, it seems like some evenings you can walk up and down the streets and knock on a lot of empty doors. But certainly with my proper badge on and they know I was there for the proper reasons, they would have been answering the door.

But of course if they . . . There are a couple of areas though, Mr. Speaker, that as we've consulted with different organizations . . . As we've consulted with different organizations there are a couple of areas that do raise some concerns, Mr. Speaker.

Section 4 of the Bill allows for the appointment of a registrar of charities, and further appointing of one or more deputy registrars. This sounds like it might be a bit of an unnecessary bureaucracy that may be created. We need to consult with a few of the organizations and have their input.

I realize there is a committee struck for this legislation, but we would really, I guess, question, is that bureaucracy or that structure necessary for this Bill to go forward?

(15:30)

It's brought to our attention from a non-profit organization that in section 22 they have raised some concerns that this section prohibits solicitation of an individual if he or she has requested that no solicitation be made. Accordingly if such a request is made, the individual's name is put on a list of people who may not be solicited. This list is then compiled, meaning it is done on an ongoing basis.

And, Mr. Speaker, the problem with that is that when you, as an organization, if you hire a professional solicitor to do the work for you, they are given these lists and they know who they can and can't phone in a general area. But the problem with it is, Mr. Speaker, if you're a volunteer and you're given a section of the city, you're given two or three blocks of the city that you are to go and fund raise. Do you know which people on that two or three block — are they isolated on the two or three block area — whether they can be solicited? And according to the legislation if they say that they don't want to be solicited, they can't. Now does the information get to the people that are actually doing the canvassing, the volunteers in the community that are doing the canvassing?

So the concern that has been raised is that the section does not distinguish between those solicitations made directly by staff or charitable organizations and solicitation made by volunteers working on behalf of the charitable organization, Mr. Speaker.

So there are concerns with the Bill, Mr. Speaker, and I know we need to talk to some of the organizations and see whether these concerns would be enough to hold up the Bill. And I don't think they would be, Mr. Speaker, but it is a concern.

And as I said, just from my own experience and my family's experience of doing some fundraising on our street, in our cul-de-sac, do we know the people that have tried to be registered or don't want to be solicited. And as a professional organization, when you're given a group of phone numbers, you are notified. But as a volunteer would you be notified and you could be in breach of the legislation without any fault of your own.

Section 22, also seems a bit unclear as to whether or not this restriction covers solicitations by those volunteers who may be canvassing door-to-door on behalf of a non-profit business, Mr. Speaker.

So as I mentioned, there are some concerns with this but they're minor. I think the intent of the law is going in the right direction. And as we mentioned, this legislation, unfortunately needs to be put in place because of some unscrupulous canvassers and solicitors that have come into the province and walked away with some money that was intended to go to the proper non-profit and unfortunately didn't go there.

But overall though we are encouraged that the Bill goes in the right direction, Mr. Speaker. And with that I would move that we move this Bill to the Committee of the Whole.

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.

Bill No. 53

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Osika that **Bill No. 53 — The Department of Economic Development Amendment Act, 2002** be now read a second time.

Mr. Wakefield: — Thank you, Mr. Speaker. This particular Act . . . or the amendments to this Act looks to me like very much on the surface, a housekeeping kind of amendment. As we all know and as maybe the people that are watching are aware, the Department of Economic Development, subsequently called the Economic and Co-operative Development has now been changed, amalgamated with other departments and the new department is now called Industry and Resources.

I think putting those kinds of energies together in a department probably has some good ramifications in terms of efficiency, especially in administration and maybe some of the common elements needed in administering the mandate to those different departments.

And so at first glance, we would see that this Act has very much going in the right direction and I said housekeeping in trying to get the words correct in order to describe the Act.

So I think we should do whatever we can do in this province and particularly through the Economic Development, in this case Industry and Resources, to do whatever we can in trying to grow the province, to attract investment in this province. That is the key fundamental element of growing this province and putting the fundamentals in place in order to get the confidence of the investment, which creates the jobs and businesses, which creates the taxpayers. That is the cycle that we need. And we've talked about that before.

So if these new changes, if these new changes were in fact going to do this, I think I could support those changes. But again, when I read further into the amendments, I don't see those kinds of changes. Under the explanatory notes it is stated, Mr. Speaker, that the new clauses are being added in the implementation section to define what "government department" is, in order to define the scope and responsibilities and powers of the minister in these new amendments.

But it comes up very short in terms of describing what is going to be done in these amendments and what should be done. So again we have to speculate as what is meant, what is the ultimate mandate of this department, and again the question keeps arising, what is the intent and where is this particular change leading us?

If those questions aren't asked, and the understanding isn't there, in terms of making or clarifying what the intent is and where the . . . what the purpose of the amalgamation is, how can there be continued confidence or increased confidence in the economic development strategy of this government?

If those changes were identified, and they're putting those fundamentals in place, I could certainly support them. I think we all could support them. If those changes were to create a one-stop shopping for the industry — both in areas of economic development in the traditional sense and in Mines and Energy, which has been absorbed into this department, or in Northern Affairs or Forestry — if it became a one-stop shopping and it effectively gave some efficiency, then I would say that we could support that, these changes.

If the changes, Mr. Speaker, were to revise the regulations and to increase the . . . decrease the red tape involved, so that again people interested in investing and developing in this province wouldn't have to go through the long routine of red tape and delays, then I'm sure we could support this. However, on those points, I don't see where this particular Act has stated any of that. And I guess what I'm saying is that this is an opportunity lost in trying to make a more transparent and a . . . and build confidence in our economy in which the industry needs to invest, and needs that confidence in order to do that.

If some of these changes would in fact allow the government to get out of the businesses and allow more private industry to enter with confidence that they're not going to be competing against their own tax dollars, again we could support that. We don't see it in this Act, and again it's an opportunity lost that we may have been able to share with the people of this province

what the intent was of this new department.

If these changes that are being contemplated here in amalgamating the different departments actually allows the fundamentals to be put in place that will encourage the kinds of things that I've been talking about, Mr. Speaker, then I'm sure that we could . . . we could support these amendments as well.

If there was a clear vision or if there was a direction given for the development — economic development — in this province, that is what is needed and that is the clear statement that needs to come out of the amendments that we're having here. The amendments, as we see it, are trying to make the transition legal into the new amalgamation.

What we need, as I mentioned, is that confidence. And as industries that have traditionally tried to work in this province have found, especially in mines and energy, they've run into lots of regulation, lots of red tape, and lots of barriers. If those could be eliminated that's where we need to go.

For instance, in Northern Affairs the same thing would apply. When we tried to ask the minister to clarify some of the concerns that we had in the forestry section we were told that that's not under his jurisdiction anymore, and therefore we don't seem to know exactly what department we should be asking the questions of. And I'm sure that the people in this province are even more confused when it comes to finding the answers.

I noticed also that's a symptom that's happening in a lot of the transitions. For instance, questions that we're trying to direct to the old Department of Municipal Affairs, that seems to have been divided up and spread all over. And we in fact are having trouble getting answers from the people that we think traditionally we should have been getting the answers from. It becomes very confusing for people in this province that have to deal in this particular environment.

One of the positives in this Bill however, Mr. Speaker, I think is in the fact that it starts to refer to the computerization of the government and putting the whole centralized focus of IT (information technology) and how the computers are going to be worked into e-government. I think it's a good step. I can certainly support that.

The ability of people in this province to access electronically information and ask for electronic . . . response to electronic questions, I think is more important all the time. Saskatchewan by its distance is a, certainly, a positive candidate for that kind of relationship between its citizens, taxpayers, and the government. And so I'm pleased to see that this department is now responsible for taking over the IT of . . . and computerized implementation of this government.

The question I guess I would have regarding the computerization or the IT aspects is the ability for this department to purchase on behalf of other departments and to allocate computers and resources. That is a change in these amendments. The question then becomes who is responsible for the budget and the costs of those computers? Where is those . . . where are the costs allocated and whose budget does it go through? Is the budgeting redundant? Will it cause, again,

confusion and less transparency? Those are questions that still have to be answered.

(15:45)

Mr. Speaker, the economic development amendment Act, as has been presented, should I thought have clarified some of those questions that I've tried to enunciate today. I think that there is an opportunity lost in terms of the background documentation that might have come with this, with this Act. I understand why the Act is being put in place, for reasons of making the Act legal in the existing interpretation of the new industry and resources. But again, that kind of, that kind of opportunity to clarify to the people has been lost.

These questions that I have put forward, those questions I think still need to be asked. I would like to get some more responses from some of the people in our province that are very much involved in economic development. I don't think they've been asked . . . have been . . . had a chance to get a response yet. And because of that, Mr. Speaker, at this time, I would, I would move that we adjourn debate on Bill 53, The Department of Economic Development Amendment Act.

Debate adjourned.

Bill No. 43

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Nilson that **Bill No. 43 — The Saskatchewan Health Research Foundation Act** be now read a second time.

Mr. Gantefer: — Thank you very much, Mr. Speaker. It's a pleasure to rise today to speak on Bill No. 43, An Act respecting the Saskatchewan Health Research Foundation.

Mr. Speaker, in reading this Bill, I understand and I recognize that it is largely housekeeping in nature, moving to recognize the changes that has happened in the functions of HSURC, that used to . . . which is Health Services Utilization and Research Commission. Acronyms can kind of make people's eyes glaze over.

But what it really says is that this research function in the health system is now going to move under the auspices of the quality council structure and there has to be appropriate changes to legislation that would recognize this fact. It also is important that this new legislation would also create the opportunity for research funds to follow the structural change in the research structure in our province.

And so, Mr. Speaker, I certainly think that the nature of this Bill is very much appropriate and we will be supporting it and moving it on to committee after my remarks.

Mr. Speaker, though I think that I'd be negligent if I didn't take some opportunity this afternoon to reiterate the very important aspect research has in the medical field, and even in the scientific and academic field as well.

Mr. Speaker, in the past our province has had some real difficulties in attracting research dollars to our province and

particularly to our universities. We've had a situation where the government has created an environment that hasn't been very friendly to companies to come and do research in Saskatchewan, and as a result the university has really had a difficult time in attracting research dollars in the health field.

When I talk to companies in the pharmaceutical area, they tell me that certainly this has been the case and has been the environment that has been created in this province, and that's very unfortunate.

Mr. Speaker, this province is on the cusp of having an incredible opportunity in front of us in many aspects of research, but in particular I would like to speak a bit about the opportunities that we have in medical research with the Canadian light beam underway and the project well advancing in Saskatoon.

Mr. Speaker, there are a number of obvious advantages of research that the Canadian light beam is going to be able to take advantage of. Certainly issues of environmental studies, mining and metallurgy, but certainly in the whole area of pharmaceuticals, when you start being able to have a source of information that can look at things on a molecular level, that that is a very, a very important bit of a scientific opportunity that we have in our province.

And, Mr. Speaker, it sort of at times dismays me when I hear that Calgary, for example, had a light beam institute before we did in our own province. Calgary right now is advertising the fact that they're only an hour away from the Canadian Light Source in Saskatoon, and encouraging people to set up research projects in Calgary, and availing themselves of the close proximity that they have for research to the light beam.

Well, Mr. Speaker, I certainly hope that our province does better than just sort of becoming an itinerant location for people from outside of our province to come and run a batch of experiments for a week or two and collect the data in an electronic form and then disappear to other parts of the world to do the advanced research from the data they collected in Saskatchewan.

That may do a very good job for the hospitality and the hotel industry in Saskatoon as these itinerant researchers come in, do their projects, and leave, but it doesn't do very much to encourage and enhance basic research in our province.

And so I think it's very important that we really do everything we can to take advantage of the synergies of the Light Source to really build on the opportunities in research.

Mr. Speaker, when I've toured the university I've had the opportunity to meet with some of the people that are doing research in many of the fields and some of them are very extremely advanced and very forward-thinking in terms of the way they're approaching some of the challenges of research.

And, Mr. Speaker, I certainly want to encourage and give accolades to those researchers who are working so hard to see to it that their projects are recognized and funded in an appropriate way.

Mr. Speaker, the other side of research is — and when you go to the university quite often you notice this — is that you can't do it in a vacuum. You need a proper physical environment. You need some laboratory space, you need some office space adjacent to it so that you can do your projects and so that the people that work on your research team can have a suitable environment to conduct these experiments.

And so, Mr. Speaker, it's also very important that that whole thing is recognized and it's part of the reason why we said it's very important for this province to recognize the wisdom of the proposal of the University of Saskatchewan in terms of the integrated health sciences facility that'll provide not only an area where there's academic training and learning going on, but there is an opportunity to provide the physical environment for the research that has to be coupled with this whole endeavour.

Mr. Speaker, people who do research are a very special group of people. They not only are very curious about how scientific thought and knowledge is progressed; they also have a great desire to make sure that they transmit and communicate their desire and their thoughts and their knowledge that they acquire through the research to other people.

And that's . . . it's an appropriate place to be at in a university, and especially a teaching university that has the five health sciences disciplines that are important to recognize as a real strength.

Mr. Speaker, one of the thoughts that were in the Fyke report that was tabled last year was a clear understanding that research is an integral and important part of the whole health scene. And Mr. Fyke recommended that the province increase its commitment to research to a percentage of the health budget — I believe it was 1 per cent of the health budget should be committed to basic research in the province.

And so, Mr. Speaker, I think it's important that this is recognized. Mr. Speaker, I think it's clear that if people look at all of the challenges that we have before us in the health field, that we recognize that there is no one single small way we're going to solve all the problems, we're going to have to have a very coordinated and dedicated response to these issues and research is a critical component of this. And certainly to create the mechanism, and this Bill does, to provide for the opportunity of the funding for research is an important step forward.

Mr. Speaker, I think that it is important that we create these mechanisms, but it's even more important that we create the environment and we send out a clear message to our academic community, to this province, to this nation, and internationally that we are determined to create an environment whereby advanced research can happen in our province.

I would like nothing better, Mr. Speaker, than to hear that the project that they are undertaking at the synchrotron to try to actually develop the funding and the support for a dedicated light beam, dedicated to medical research, I'm hoping that that initiative by the Canadian Light Source is going to be successful. In fact, even more successful than down the road that we will hear that major research initiatives or major research companies will indeed come to Saskatchewan and support it.

So, Mr. Speaker, we're very supportive of research in this province, we're very supportive of the fact that this Bill does indeed create the mechanism for funding for research. And we'll be pleased to move it to Committee of the Whole.

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

COMMITTEE OF THE WHOLE

Bill No. 1 — The Ethanol Fuel Act

Clause 1

The Deputy Chair: — I would ask the minister to introduce his officials.

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. To my right is the deputy premier of Industry and Resources, Larry Spannier. Behind me and to my right is Michael Fougere, who's the director of strategic investment attraction. And immediately behind me is Dave Kutcher, who is the senior project leader on the ethanol file.

Ms. Harpauer: — Thank you, Mr. Chair. Mr. Chair, I, just for the interest of the minister, I wanted to read a paragraph from an article that was written in a magazine called Emissions. It's an eastern magazine that was written by a fellow by the name of Doug Nixon. And the article was "The short-term ethanol strategy for the Saskatchewan Party." And it says:

Even though not in government, the Saskatchewan Party can nevertheless hold onto its leadership role (as) on the ethanol issue through a combination of deft political footwork, and always maintaining and displaying as good or better working knowledge of the subject than its NDP counterparts.

(16:00)

And I know the minister would be very interested to know that that article was published in the East. So with that, I would move on to something that the former minister said. And this was at a breakfast luncheon on Tuesday, November 6. And he said:

So what is the government strategy? Our strategy is that, as a first step, we're going to build an existing technology that will allow a grain-based ethanol industry in Saskatchewan. We want that industry to be built upon the strength and sound business plans and direct private sector investments.

And later, on March 21 in *Hansard*, he said in this House:

That's why I'm very pleased to tell you today, our government has announced a plan that will create an investment climate required for the private sector . . . for the private sector to build a vibrant ethanol industry in the province. Our plan is the greenprint for ethanol production, which will result in extensive consultations with businesses, industry, and the people of the province. Mr. Speaker, I want to make it very clear, the ethanol industry in Saskatchewan will be built upon the strengths of sound

business plans and direct private sector investment.

He went on to say later:

What this policy does do, Mr. Speaker, is it does not pick winners and losers, nor does it dictate the size and locations of those facilities. (And) I believe . . . this policy will provide a foundation for a good mix of plants of various sizes across the province.

So assuming that all those consultations with different businesses have indeed taken place and they've looked at a number of business plans and so on and so forth, how is that still the government strategy?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, I want to say to the member opposite, that is the government strategy, it was the government strategy, and it will be the government strategy in the future.

With respect to ethanol development, I would ask the member to spend a couple of minutes and look through the *Greenprint* document that we have produced that outlines ethanol development as the government sees it in this province.

I noted the member opened her line of questions with a comment that was obviously written by someone very close to her, should be an immediate family member I would assume. We welcome, I want to say, a critique of our ethanol strategy by members of the Saskatchewan Party opposition. I would have preferred it to be in a positive light, sir, to help us establish a good developmental process.

But they can't unhinge themselves from the concept that this provincial government is willing to assist in supporting the communities who want to develop ethanol in this province and who want to develop an intensive livestock industry in this province. And they can't unhinge themselves from the concept that there shouldn't be a nickel of public funds.

We, on the other hand, are saying that it will be a private sector driven industry; that the majority shareholders, the large shareholders, will be private sector; that there will be room for community investment; and that we will backfill, through Crown Investments Corporation, through a direct investment if it's required and if it makes business sense.

And the member from Shaunavon asks why? Well let me tell him why. I'll tell him why. Because businessmen and women in his community initially came to this government asking for a loan guarantee. And after discussions . . . Oh, he mouths a bad word, Mr. Chairman. He should go home and ask the people who I met with, and he should ask them directly what they're saying about what he is doing in his community, Mr. Speaker.

I want to say to that member from Shaunavon that they initially said they would like the government to look in terms of a loan guarantee to support their proposal for ethanol development in Shaunavon.

And I said that, when I met with them, that there were private sector investors who were coming to this province who said they wanted to put money into the ethanol development. And

you know, subsequently they met with these folks; and subsequently they met with other community groups in this province; and they signed a memorandum of understanding with a private sector company, a private sector investor, and that member should be I think a little more straightforward with his position.

We have produced our ethanol *Greenprint* — it's here. And we have been very clear in terms of attracting private sector investment to help us develop this industry here in this province, and we're going to do that.

I say, Mr. Chairman, next that member will stand up and she will say that ethanol development was not a concept or not an idea of this government; that these people were the idea people who decided that should be developing ethanol here in this province.

So I'll table my plan today. I ask her to table their plan. Mr. Chairman, I say they don't have one.

Ms. Harpauer: — Our plan was actually in a news release last fall. Anyone who cares to access that can; if you can use your high-speed Internet perhaps, you would find it to your advantage.

I would also like to address the minister's insinuating that perhaps Doug Nixon and I were friends. I've never met the man — never, ever met Doug Nixon, the writer of the Emissions magazine. So I'm sorry, he's not a personal friend of mine at all.

With that it's interesting that he says that they are welcoming private sector investors but they are going to invest because they see a need. And at the Crown Investments Corporation Committee meeting on May 7, I had the opportunity to talk to Mr. Hart at that meeting. And I asked him there, was that . . . are you aware of any projects that's being proposed in our province that have indicated that they're not interested in CIC investments, that they have enough capital or are putting together enough capital on their own without CIC investments?

And Mr. Hart said, no I'm not aware of any projects that have said that they specifically don't want our capital. The ones that I've talked to indicate that they would like us to invest, as I said, under the concept of facilitating their community investment.

And so further I asked him, how do you know then if there is a need for you to become involved in the industry? And he replied, so far the individuals we've talked to have told us that they want us to be involved. Well that's kind of interesting. If communities and groups come and ask Mr. Hart if they, you know, CIC would be involved, I can't see groups that are not interested in CIC money setting up a coffee appointment with Mr. Hart and saying, oh by the way we just thought we'd chat about the weather because we're not interested.

Of course they're not going to come to him if they're not interested. So when I questioned him if there was any studies done, if there's any sort of, you know, doing a realization, is there communities out there who are building or looking at building an ethanol industry, doing the feasibility studies, doing

business plans, investing the money in that type of work, that have not approached CIC for money, how would the government even be aware unless he gives them the time to develop the plans that they are working on?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, the member opposite, it's clear where she comes from. It's hurry up and slow down. It's hurry up and slow down because we don't want to see development.

And at the same time, Mr. Speaker, industry are developing ethanol opportunities in Manitoba. I can say to that member that I've met with a private industry entity who is right now in the process of putting together ethanol in Manitoba. And you say, slow down.

Well I say to you, Madam, that this government will not slow down. This government is moving on ethanol development over, through, or around you people in the opposition. It's going to happen. And it's going to happen with private sector investment. It's going to happen with community investment. And if it's necessary, it will happen with a component of public sector investment.

Now this is a pretty difficult concept for those members to understand. And I recognize that. The member from Swift Current is quite interested in getting into the debate and I welcome that. Certainly all of his economic development expertise has been welcomed in Swift Current, and would be welcomed here in the province, but we'll deal with him a little later.

Mr. Speaker . . .

The Deputy Chair: — Order, order. Order.

Hon. Mr. Lautermilch: — I want to say to members of the Saskatchewan Party that we will develop this industry. And I want to say to members of the opposition that we are in the process of developing regulations that will put the guidelines around how that development takes place.

And I will share with members opposite that the development and the regulations and the policy and the developmental scheme that we are putting forward will require that there is a large private sector investment component in any ethanol development, that will recognize that there needs to be room for private sector capital from Saskatchewan in terms of a developmental proposal.

I want to say to that member that there will be room in our ethanol mandate policy for large entities and there will be room set aside for smaller entities.

Now the member opposite may want to pay a little attention to it. And I know she's going to want to focus on private or public sector development, and I think she might want to talk about exclusivity — I'm not sure about that — but we can go through all of that this afternoon.

But I want to say to that member, we're going to work with the communities in this province. We're going to develop this industry. We're going to create jobs. We're going to produce

ethanol. There's going to be a by-product, the wet and dry distillers grain that's going to be fed to cattle, the 750,000 calves that we have in this province that are being exported.

We're going to be feeding those cattle here in the province. And we're going to have intensive livestock here, and there's going to be Saskatchewan men and women working at that livestock industry. And we're going to build it and we're going to attempt to attract a packing industry and a secondary processing industry.

And, Mr. Speaker, all the time these guys, all the time these guys are going to say, well you've got to slow down. You need to slow down and you need to wait.

Mr. Speaker, if we took their advice, we would be slowing down and waiting for an ethanol industry to develop, not here in Saskatchewan, but in the neighbouring province of Manitoba.

And I want to say, Mr. Speaker, I like Mr. Doer; I think he's a great guy. But I tell you what. If I'm going to support ethanol development, it's going to be here in this province and it's not going to be in the neighbouring provinces.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — And I want to say to that member, we are not going to hurry up and slow down. We're going to work with the people who want to develop an industry here in this province.

You know, Mr. Speaker, this weekend was a real tough weekend for members of the Saskatchewan Party. You know what happened? Mr. Speaker, it rained. It rained in this province. It rained. Can you believe it, Mr. Speaker? It rained. After coming off one of the driest years, we had rain.

It rained in Swift Current and it rained in Shaunavon and it rained in Morse and it rained in Herbert and Moose Jaw and Regina.

And do you want to know something, Mr. Speaker? The members of the Saskatchewan Party came in here on Monday morning with long faces. Do you want to know why? Because it was an area of gloom and doom that they couldn't continue.

And you know something? This year in May, we had an interesting thing happen because the number of people working in this province increased by 11,100 after a year, a difficult year, 2001. And do you want to know something, Mr. Speaker? They came in with long faces because you know what, they couldn't talk the gloom and doom of a difficult year. So what did we get? We got rain and we got an increase in jobs, Mr. Speaker.

And you want to know something, what they are doing today? Today is — what? — Wednesday afternoon, she's day 56 . . . 60, day 60 today of this session and we are debating, we are debating Bill no. what? The piece of legislation that is putting in place the framework to create millions of dollars of investment, to create hundreds of jobs, to diversify agriculture in rural Saskatchewan. And do you want to know something, Mr. Speaker? Did they stand up in this House and say we

support this development? The answer is no, sir.

You know what they said? Hurry up and slow down. Hurry up and slow down. Don't you get that ethanol industry moving. Don't you work with people in my community to develop ethanol. And the member from Shaunavon stands in the back grinning because he knows what the people in his community are saying.

And they're saying, work with us, Government of Saskatchewan. They're saying, work with the private sector, Government of Saskatchewan. They're saying, work with communities, Government of Saskatchewan. And they're saying, it's time to be positive about ethanol development and move this file forward. That's what they're saying.

And, Mr. Speaker, they should start reading the editorials. And they should start reading the letters to the editor that are coming in saying, quit playing politics with economic development in rural Saskatchewan. Put your personal political self-interests behind you for a change.

Mr. Speaker, the course of this debate will show clearly a difference between the Saskatchewan Party and this government. And I want to tell you what the difference is, Mr. Speaker. The difference is we're going to act, we're going to move this ethanol file forward, we're going to create jobs and job opportunities for Saskatchewan people, we're going to create investment opportunities for Saskatchewan people, Mr. Speaker. And they want to stall it.

I say to them, you can bellow all you want and you can whine in this legislature because things are going well with respect to jobs and the fact that we got rain and the fact that we're producing the historic piece of legislation that's going to allow us to create an ethanol industry and lead Canada in ethanol production. We're going to do that in spite of them.

Some Hon. Members: Hear, hear!

(16:15)

Mr. Elhard: — Mr. Chairman. Thank you, Mr. Chairman. That was one of the best stump speeches I ever heard. Is it not a fact, Mr. Minister, isn't it a fact, Mr. Minister, that your desperation on this timetable has a lot more to do with your electoral successes than a decent ethanol industry in this province?

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — Mr. Chairman, let me ask that member what's to be gained by waiting.

Ms. Harpauer: — I would like to point out that the minister did a rant that as much as he likes Mr. Doer, he is not going to help the Manitoba ethanol industry expand because he's going to make it happen here in the province.

And he made reference to someone who approached him and talked to him and I believe he's referring to Canadian biofuels; and the president, John McCook, who is building or working on a ethanol plant in Manitoba, said if this deal is signed by the government, that's where his next plant will be. So this

government's policy is the best policy I've ever seen to grow an ethanol industry in Manitoba.

Some Hon. Members: Hear, hear!

Ms. Harpauer: — We can talk about commercial oil. We can talk about ADM (Archer Daniels Midland Company), we can talk about Iogen, we can talk about Canadian biofuels, and there's a few others that I can't think of right now, that are hesitating to invest in this province because of this exclusive deal that this government refuses to explain or address in an honest manner.

When they've had a minister in the past who said it's going to be driven by the private investment . . . which in truth it's not going to happen that way. We're going to have Sask ethanol.

The minister stood there and did a rant on how we're going to build this, we're going to build that, we're going to make this happen, we're going to make that happen, and the private investors are saying, guess what? Get out of our way.

How's all this been working for the government so far? I would like the minister to stand up and say, exactly, lay it out for the producers of the province who are interested in this industry, how it's going to help the farm gate if it's 40 per cent government owned and 60 per cent owned by one company.

Hon. Mr. Lautermilch: — Well, Mr. Chairman, the member obviously wasn't listening. I said we're looking for a major investor, which to my mind . . . And we've already had a commitment by one investor who said, we'll invest up to 60 per cent in a plant.

And I said two minutes ago to the member opposite that the policy is going to ensure that there's room for local private sector investment here within our province.

And we've met with people from Tisdale and Shaunavon and Melville and all over this province and there's going to be room for private sector investment. And I said as well that, if it's required, Crown Investments Corporation will look and if there's a business case to be made, we'll backfill the balance. That's what I've said.

Now, Mr. Speaker, or Mr. Chairman, that member may choose not to hear that. But I'm telling you, and I will say it one more time, we're going to be looking for a large equity investment from private sector who are going to drive, who are going to have the management expertise, and the operational expertise, and they are going to drive this, sir. And there is going to be room for Saskatchewan investors to put money into these ethanol plants as well.

And I've said as well, Mr. Speaker, we will look on a case by case basis with respect to Crown Investments Corporation. If it makes some business sense, if it makes some economic sense for us, we'll look at investing in that as well.

So is it going to be driven by the private sector? The answer is absolutely yes. The vast majority of the capital in any proposal will have to come from the private sector. There is going to be, I will say one more time, room for local investors such as —

well I'm not going to mention names — but the folks that have been talking very publicly about working with a large investor. And there's going to be room for other investors, Mr. Chairman.

We're open to looking at anyone who's interested in bringing money to this province to develop this industry. We're also interested in working with private sector people to capitalize the intensive livestock industry that's going to be a component of this.

Mr. Speaker, I think it's fairly clear that the members opposite want to play politics. And what they should do is they should sometime — they should sometime — listen to what people in their constituency are saying. And I'm just going to end a letter from a guy by the name of John Persson from Melville:

If we lose this project, the Liberals and Saskatchewan parties and the media are clearly to blame.

And I say to you, Mr. Chairman, that is exactly right. But I tell you we're going to, as I said, we're going to work over them, through them, under them, around them. We are going to develop this industry. We're not going to hurry up and wait.

And you want to know about political time frame. You know what satisfies your political time frame, and you know what issues satisfy your political time frame? No rain, a decrease in jobs, a downturn in the economy, no development of ethanol, no development of the forest industry. That would serve your political purposes.

But I tell you what, Mr. Speaker. The people of Saskatchewan are well aware that we've had just about \$1 billion invested in the forest industry in the last two or three years, and there's another billion coming.

They know that there's going to be ethanol development around this province, they know there's going to be intensive livestock tied to it, and they also know that the Saskatchewan Party will do anything in their power to stop development of anything in this province.

They haven't had a positive idea. They won't have a positive idea. And, Mr. Speaker, that's why they're going to sit in the opposition sides and that's why that member's going to sit in the back corner.

He can get elected in that area of the province perhaps another three or four times; but you know something, Mr. Speaker, he will never graduate from that back corner on the opposition side because he doesn't deserve to be anywhere else, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Chairman. Mr. Chairman, I want to actually extend this bit of information to the minister. It rained wonderfully in the Cypress Hills and I'm here to declare today that the drought is over in the Cypress Hills.

But I didn't hear a single person thanking the NDP government for it. Not a single person was gratified enough by your efforts on their behalf to thank you for the rain.

Mr. Chairman, the Saskatchewan Party isn't interested in seeing this industry slowed down. The Saskatchewan Party is interested in seeing this business, this potential for Saskatchewan, developed at an equitable pace by people who know what they are doing.

Right to this day, CIC doesn't have a clue what they're doing about ethanol. And you're talking about investing about \$100 million of taxpayers' money in an industry that we have no experience with. That sounds to me like a recipe for another SPUDCO (Saskatchewan Potato Utility Development Company). It sounds to me like another black hole like ISC (Information Services Corporation of Saskatchewan). We're putting all kinds of taxpayers' money at risk.

Now if you're asking me will I support any CIC involvement, I think I would have to say that as a last resort, as a guarantor of a loan, at last resort, I might consider that. But that's not what you're talking about.

Mr. Minister, you're talking about an equity position. That's a significantly different position than a loan guarantee. And I think that the taxpayers of this province would like to see private industry take the lead in this and have an opportunity to develop this industry before — before — the government jumps in with \$100 million of taxpayers' money.

Mr. Minister, are you prepared to stand here today — are you prepared to stand here today — and guarantee each of these communities that have talked about an ethanol plant the opportunity to find and source their own financing before CIC weasels its way in there?

Hon. Mr. Lautermilch: — Well, Mr. Speaker, there you have it. Now the economic geniuses on the other side say, put up loan guarantees. You take all of the risk and you take none of the benefits. That's what they're saying. That's what that member just said, Mr. Speaker.

Well, Mr. Speaker, it's an option. Of course it's an option. But I tell you I would rather have people who understand the markets, people who understand the industry, and people who come with the capital to develop. And we're talking the private sector here. We are talking the private sector who would own the vast majority of the equity in any initiative, that there would be room for Saskatchewan people to invest in a corporation, in a development.

And I said before that we're willing to backfill, if we need to, with investment from Crown Investments Corporation. They say, don't do an investment component. You shouldn't ought to do it, you should do nothing; but you should put Crown Investments Corporation's funds at risk through loan guarantees. Now that's what he's saying today.

Now I want you to table your proposals, and I want you to table your plan with respect to economic development. Now is it, on ethanol, does it include an equity position? Does it include loan guarantees or not? Tell us today: does it include loan guarantees or not? And if it includes loan guarantees, would you admit that a loan guarantee puts capital at risk without an upside?

You know, I would do a loan guarantee for my kids. And you

know something? I do, Mr. Chairman. And I tell you I guarantee their mortgages when they go out to buy their first home. And do you want to know something? I think that's a reasonable thing to do.

But I tell you what — I'm not going to guarantee a loan guarantee for another company from goodness knows where. I'll you what I'll do. I'll look at equity, and I'll look at taking an equity position where there's some upside to my investment. But I'm not willing to put money in the form of a straight loan guarantee at risk. And that's what members are just saying here today.

So this is what the difference is, you see, Mr. Speaker. These are the business geniuses who would put public money at risk through the form of a loan guarantee, but who adamantly oppose any equity investment in ethanol development.

So the issue is: you put your money in a loan guarantee, you put it at risk, but don't take an equity position. Well I tell you, Mr. Speaker, I think the people of Saskatchewan want to have a component. They do. And I tell you they're going to have the opportunity, they're going to have the opportunity to invest. They're going to have a component of these ethanol development plants to invest, whether these people opposite want them to or not.

Now, Mr. Speaker, we're debating here today, I thought we might, a piece of legislation that allows this, sir — for this government to mandate a portion of our fuel and to support that throughout this province through a mandate of blended ethanol. Because, Mr. Speaker, it makes environmental sense and it makes economic sense, Mr. Speaker, as it relates to the development of ethanol and it makes sense for agriculture.

It makes sense for agriculture because it allows us to diversify. It allows us to value add on what we're doing. You take grain and you turn it into ethanol. You take the by-product and you feed cattle, Mr. Speaker. That's what this is about.

Now these guys over here don't like who has come forward with money. They pound on them in the papers and they pound on them in this legislation. So they don't want that private sector component, that private sector money that has been offered to this province to develop ethanol. They slander, they slam these people every chance they get.

And, Mr. Speaker, why? Straight political reasons. Nothing more, nothing less. And then they say, don't you rush into, don't you move on this ethanol file; don't you take this private sector investment and put it together with local capital and invest in an ethanol industry. They say, don't do that; you've got to slow down and you've got to wait.

Well why, Mr. Speaker? Why? Do you want to know? Because it doesn't serve his political interests to have a great big development sitting in Belle Plaine and it doesn't serve his political interest to have a big investment in Shaunavon — that's why. That's why, Mr. Speaker. That's why.

And do you know something? They cannot support anything that speaks positively about creating jobs and job opportunities for Saskatchewan people. Mr. Speaker, anything positive, they

shy away from. Mr. Speaker, there isn't a thing that the people in this province do in a positive way that they support.

But do you know what they do support, Mr. Speaker? They support political power for political power's sake. This is not a new story. They've tried to disassociate themselves from their cousins of the 1980s who ran this province into deficit after deficit after deficit, even in spite of the fact that they worked in the very offices of those ministers, Mr. Speaker; even in spite of the fact that they used those people as references to get jobs inside government. They, Mr. Speaker, don't want to talk about that. They don't want to talk about their record of the '80s. They don't want to talk about their connection to the people of the 1980s. They want people to forget that.

Well I say to you, Mr. Speaker, people will not forget that. That's why they're going to be in opposition.

And they want us to stop the development of ethanol in this province. They want us to stop the development of an intensive livestock industry in this province. Mr. Speaker, that's not going to happen. That's not going to happen because we're going to continue to work with men and women in this province who see a future, who see opportunity, and who are not ideologically hidebound like those folks.

Mr. Speaker, we're going to move this file forward and they're going to be some disappointed because there are going to be announcements shortly. They're going to have to bite the bullet. They're going to have to suck it up, Mr. Speaker, because the people of Saskatchewan are moving forward. They're moving forward without these people.

But do you know something, Mr. Speaker? They're just as happy marching alone because they wake up with a smile on their face. They know there are opportunities here in this province. They're going out to capture them and they know their government is right behind them.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Mr. Chairman, I think the minister has got something wrong with his view of the provincial landscape. The people aren't moving forward with this government. The people are standing there with their heels dug in, being drug by this government against their will.

I'll tell you in response to the minister's tirade there, if he wants to understand why we're suggesting go slow, I think a reference to the Bill itself might be a good place to start. You know, we got this Bill very early on in the session. Actually it's no. 1.

(16:30)

Mr. Chairman, this particular Bill has less in it than anything we've seen this whole session. This has less in it.

Now that's a pretty good reason why an official opposition, Her Majesty's Loyal Opposition would want to take its time before we jump into bed on this particular issue.

Mr. Chairman, I looked at this Bill and I looked at the short title, its entitled The Ethanol Fuel Act . . .

The Deputy Chair: — Order. Order. Order.

Mr. Elhard: — Thank you, Mr. Chairman. I looked at this Bill pretty carefully and, as I said, the short title is The Ethanol Fuel Act. And then section 2 in this Act talks about interpretation and gives a number of definitions. It goes through from (a) to (h), a total of eight definitions.

It talks about such items as the consumer which means the consumer as defined in The Fuel Tax Act, 2000;" (b) is the definition of distributor, which means a person in Saskatchewan who sells or provides fuel to consumers; (c) is an enforcement officer, that means any prescribed person or class of prescribed persons; (d) is ethanol, that means ethanol produced from biomass or renewable feed stocks; (e) is ethanol-blended fuel, that means, Mr. Chairman, if you can believe this, it means fuel that is blended with ethanol in the prescribed manner; (f) is fuel, and that happens to mean fuel as defined in The Fuel Tax Act, 2000; (g) we have a definition of the minister here — Mr. Chairman, apparently, we have to define the minister as a certain classification because ordinary classifications don't apply, it means a member of the Executive Council to whom for the time being the administration of this Act is assigned; (h) defines the word prescribed, that means prescribed in the regulations.

Now we have eight definitions there, Mr. Chairman.

We move on to the third part of this Bill which has minister's responsibilities. The sum total of the minister's responsibilities, according to this Act, Mr. Chairman, is (a) the blending of ethanol with fuel; and the promotion of a cleaner environment through the use of ethanol. The minister is going to be responsible for the production and use of ethanol including those two matters, the blending of ethanol with fuel and the promotion of a cleaner environment through the use of ethanol.

On page 2, on page 2, Mr. Chairman, we get to the use of ethanol-blended fuel required. And I'd like to read this for you because it's mind . . . it's very enlightening, let's put it that way.

On and after the prescribed date, every distributor must sell only ethanol-blended fuel.

(2) Subsection (1) does not apply to:

- (a) any prescribed fuel; or
- (b) fuel used for a prescribed purpose.

And then we get to enforcement and compliance. Now what we've got here are the possibilities for enforcement — who will be given the powers of enforcement and under which Acts they will be allowed that enforcement capability.

Finally we move on to no. 6, where we've got offence and penalties. You know, the telling thing about this particular piece of legislation is that section 6, under offence and penalties we have more written than any other section.

We have — just a few definitions — we have just two areas of responsibility assigned to the minister. We have an indication of

where ethanol-blended fuels may be used. We talk about enforcement and compliance. And then we have a whole long list of penalties and offences.

That's rather typical of this government. I think this says, in an allegorical sense, the very approach of this government to this industry — you do it our way or we're going to penalize you for it.

And this lays out offences in a very kind of precise way when it's applied to the actual Act and how the use of ethanol fuel is distributed and provided for in this province. But the analogy, if you draw a larger picture, says that when penalties are the largest component of this particular Bill, that, in reality, is what's going to happen to the industry, given the government's involvement.

The industry itself is going to be penalized because if they don't play the game the way you've outlined the rules, they will be in a position of offence and the penalties will be non-participation by anybody who doesn't play the game your way.

I'd like to take a little time to read this entire section because it's really, it's really quite enlightening in some ways. It says here:

No person shall:

- (a) make or participate in, or assent to or acquiesce in making, a false or misleading statement in any document provided to the minister or an enforcement officer pursuant to this Act;
- (b) destroy, alter, mutilate or dispose of any book or record, if the book or record is required to be kept for the purposes of this Act;
- (c) make or participate in, or assent to or acquiesce in making, a false or misleading entry in a book or record, if the book or record is required to be kept for the purposes of this Act;
- (d) omit or participate in, or assent to or acquiesce in omitting, an entry of a material fact in a book or record, if the book or record is required to be kept for the purposes of this Act; or
- (e) contravene any other provision of this Act or the regulations.

Now all we've got through is the first section of article no. 6.

Moving on to:

- (2) Every person who contravenes any provision of this Act is guilty of an offence and liable on summary conviction:
 - (a) in the case of an individual, to a fine not exceeding \$10,000;
 - (b) in the case of a corporation, to a fine not exceeding \$50,000.

And:

- (3) If a corporation commits an offence pursuant to this Act, any officer or director of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is guilty of the offence and liable on summary conviction to the penalties mentioned in this section whether or not the corporation has been prosecuted or convicted.

Now we've got through the penalty section and move to page 3 where we have the real interesting stuff. We have the regulations. Now I could read all of these regulations and . . . Do you want to . . . Should I read these regulations just for the record? I think the people in the House today might be interested in how little these regulations actually say.

7 The Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act, but not defined in this Act;
- (b) prescribing persons or classes of persons as enforcement officers;
- (c) prescribing a date for the purposes of subsection 4(1);
- (d) prescribing fuel for the purposes of clause 4(2)(a);
- (e) prescribing a purpose for which fuel may be used for the purposes of clause 4(2)(b);
- (f) respecting the records and documents that a distributor must keep for the purposes of this Act and requiring the keeping of those records;
- (g) respecting the handling of storage of ethanol-blended fuel;
- (h) prescribing any other matter or thing required or authorized by this Act to be prescribed in the regulations; (and)
- (i) respecting any other matter or thing the Lieutenant Governor in Council considers necessary or expedient to carry out the intent of this Act.

You know, this whole . . . this whole Act isn't worth the paper it's written on. It doesn't say anything until you get to the final two parts of the regulations. Mr. Chairman, (h) says:

- prescribing any other matter or thing required or authorized by this Act to be prescribed in the regulations; (and)
- (i) respecting any other matter or thing the Lieutenant Governor in Council considers necessary or expedient to carry out the intent of this Act.

Coming into force, the final section.

8 This Act comes into force on proclamation.

Mr. Chairman, there's nothing in this Act. There's nothing here. We've got eight definitions on the first page, two minister's responsibilities outlined, the use of ethanol-blended fuel required, enforcement and compliance, offence and penalties, and then regulations.

Well, Mr. Chairman, if the minister wants to know why we're interested in slowing this process down, I think we have good cause to do that. I think we have every reason to do it, because this Act says nothing.

Everything that might be important will be in the regulations. That means that the government can and will do anything it wants concerning this industry, whether it's to the benefit of the industry or not, whether it's to the benefit of the province or not. And I think that if we were not an efficient and effective and a serious opposition, we would have rubber-stamped this right after you asked us to and passed it on.

But we simply can't. There is too much unsaid here and too much freedom and latitude left to the government with no appeal, no way of countermanning the government's decisions in these regards.

So I would like to say to the minister that the reason we have decided that we need to go slow on this has a lot to do with what is left unsaid in this particular piece of legislation and — on one hand — and on the other hand what it is you have actually said about the ethanol industry and the inability of the opposition and the people of this province to make sense of your approach.

Now if you're asking me to justify what I just said, I will go back, I will go back to statements made by the previous minister, who is providing background support for the minister of Economic Development, and he is saying that things have to go just the way the current minister is indicating it ought to. But he sang from a different song sheet on March 22.

Mr. Minister, the previous minister said something completely contrary to what you're telling us now. The previous minister said this industry would be driven by, driven by the private sector. We are not seeing this industry driven by the private sector. We are seeing it driven by your government and your political ambition, the needs of your political party.

We're seeing a timetable that is being hurried up to your economic development benefit and that of your government — the government that is desperate for support in rural Saskatchewan. A government that hasn't been able to hold a seat in rural Saskatchewan in 1999 and is likely to lose a lot more in the next election. A government that is desperate for anything. A government that is driven to desperation will do anything. And right now your government is committing up to \$100 million in the ethanol industry to advance your political timetable. That's all there is to it.

Mr. Minister, we know of several communities that had no interest in CIC's involvement in an equity position or in a lender of last resort position. We know several of them. And I'm sure that if they were given their druthers, they would just

as soon proceed with the plans that they had in place, the plans they were developing, before this whole brouhaha established . . . came about.

Mr. Chairman, if we're talking about a lender of last resort, that's exactly what we're talking about. It's the organization that provides money when every other opportunity has been exhausted, when every other lender has been checked out, when every other source of funding has been considered, applied to, and/or refused.

So, Mr. Chairman, a lender of last resort is just that. When every other avenue, every other option has been exhausted, then I would grant the opportunity for CIC to participate.

But if that has not been accomplished, Mr. Minister, then we're not talking about a lender of last resort. We're talking about somebody jumping into this, this situation prematurely, unnecessarily, and maybe even against the will of some of the communities that want to proceed with ethanol.

We all read the story in the *Leader-Post* of the community of Weyburn and their concerns. They didn't come running, as I understand it, to CIC for money . . . (inaudible interjection) . . . They came to SOCO (Saskatchewan Opportunities Corporation). You're saying they came to SOCO? Would you table the evidence of that?

I don't understand, I don't understand where you get that, I don't understand where you get that information from because that is not the impression that we were left with in the story in the *Leader-Post*. And if the *Leader-Post* is wrong you can take that up with them. But I'm taking that at face value from the newspaper publications.

If you want to know where the Saskatchewan Party stands on issues like this I'll be very blunt and very direct. We stand very clearly on no grants for projects of this type. We stand very clearly on no equity positions in projects of this type. We have said this time and time again. We have enunciated this particular policy in a public forum.

We have . . . (inaudible interjection) . . . I just told you what we would do about loan guarantees — lender of last resort. Last resort. Now you . . . the minister asked me, the minister asked me to state clearly where we stood. I've said three times here that we would accept a lender of last resort position. A lender of last resort ordinarily does not get involved unless the equity is already in place.

The other thing I want to ask the minister is if we have a private sector investor who's prepared to come here and invest \$60 million, if we have a private sector investor who's ready to come here and invest \$60 million, surely that's enough under ordinary ratios for that private sector investor to leverage additional monies out of private sector funding. Surely with a \$60 million pot of gold, some investor, some business, some entrepreneur might be able to go to a bank and say, I've got \$60 million. What can that leverage me for? How much money can I generate given a \$60 million deposit?

What could possibly be wrong with that approach? When I go to the bank and ask for financing for my little farm, when

business people go to the bank and ask for financing for their operations and they can put up 25 per cent equity, they're probably good for a 75 per cent loan.

(16:45)

Now if we've got a \$60 million equity by this company, what's to say that they couldn't generate, oh let's say 300 or \$400 million? Why couldn't they do that? Or is the economy of that project in question? Is there a business plan? Have they done the homework? Have they established the criteria they need for success? Or did they just come to CIC and say we think this is a good idea, we'll put up \$60 million, you put up the rest? And you would be prepared to jump into bed with a company that had that kind of a proposal?

You're talking about a company that has never manufactured a litre of ethanol. You're talking about a company that's never distributed a litre of ethanol. They've never built an ethanol plant. They've never been involved with ethanol in any respect. You're talking about a company that has business experience in other areas but you're not talking about an experienced ethanol developer, distributor, manufacturer. You're not talking about any of those things.

Now I would think that, as a taxpayer in this province, I'd be pretty reluctant to have my government commit a \$100 million of our money in a project with a company that has so little experience.

Why would you not, why would you not make the same kind of offer — if you're prepared to do that, if you're prepared to invest that kind of money on behalf of taxpayers — why wouldn't you go to the companies that specialize in ethanol? Why would you pick one that never had anything to do with ethanol over and above companies that have had some kind of experience in that regard?

I mean it doesn't make sense that you'd invest the money to begin with. But if you're going to risk that much money that belongs to taxpayers, ultimately, if you're going to invest \$100 million on behalf of the taxpayers of this province, why would you not . . .

The Chair: — Order. Order. I'm not able to hear more than one speaker on both sides so I recognize the member for Cypress Hills.

Mr. Elhard: — Thank you, Mr. Chairman. If you're going to invest \$100 million on behalf of the taxpayers of this province, why would you not at least make the deliberate decision to go with a company that had some familiarity with the industry? I mean as a very minimal approach to this, wouldn't that be the first question you would ask?

I, as a business man, would say if I'm going to invest a lot of money on my behalf and on behalf of other people, I'm going to want to make sure that my partners know what they're doing. And I think that's one of the glaring difficulties with the proposal that has been brought to the government by CIC, if in . . . I'm sorry, by Broe industries, if in fact that's the way it happened, and we're not sure at this point that that's exactly what occurred.

On March 22, the previous minister in charge of the ethanol file said that this would be a private sector driven initiative. He was very clear about that. In fact he was so clear that we greeted his announcement with some enthusiasm. What happened in the short few weeks following March 22 that the government found it necessary to change their minds on that? Or was Broe and CIC's marriage a marriage of convenience? Did it just seem suitable at the time? Was it a shotgun marriage? Was it the kind of thing that was meant to enhance and promote the ethanol industry or was it something else? Was it something that was intended to kind of throw people off the idea that the private sector could really take this initiative and could really run with this and in the meantime the government might get some credit for having made this particular arrangement work?

I'm not so sure that we've been completely made aware of all of the ins and outs of this deal, but the more we look at it, the more questions we have.

Now I was, I was really pleased in some respects when I got to my office this afternoon and found that the minister had written a letter to the *Leader-Post* which is headlined, "No exclusive deal to develop ethanol," signed by the Minister of Industry and Resources. And I read through this and there were some questions that came to my mind as a result of seeing this letter in today's paper.

And if I may, Mr. Chairman, I'd like to refer to this letter, paragraph by paragraph:

The June 5 edition of the *Leader-Post* contained an editorial regarding the development of the ethanol industry in Saskatchewan.

The minister goes on to say:

Our government announced an ethanol strategy earlier this year — a strategy that included working with communities and the private sector to establish a viable ethanol industry in the province.

(He goes on to say that) Since that time . . .

Now I've underlined the words "since that time" because a question came to my mind. Let me just read the sentence in its entirety, Mr. Chairman:

Since that time, a number of communities have been working with the private sector to develop ethanol projects across the province. Many of these projects make good economic sense, and are good investments for communities and good investments for the private sector.

Mr. Chairman, the question I have for the minister is what about efforts made by those companies before this time? What about the communities that had plans in place, who had set up communities . . . committees in their community to look at ethanol, who had maybe even paid for feasibility studies, who had taken the initiative to source funding? What about those communities? Will they have the assurance that they will be able to proceed with their ethanol projects without the interference of the government? Will they have the opportunities to see their project come to fruition without the

involvement of CIC? Will they have the opportunity to benefit from their own initiative without any particular government interference?

I'm not convinced as of this time that that is going to happen.

In some instances . . . the minister goes on to say in his letter:

In some instances where projects will not proceed without some provincial investment — and where there is a solid business case — the province will consider financial participation.

Now the minister has made that point in the House here several times. He says we will consider financial participation.

You know the reality is, Mr. Chairman, that it's not a matter of will consider, it's a matter of must consider. I think the government must consider those situations.

But again, I want to stress that they must be considered in a situation where the government becomes the lender of last resort — not the lender of first resort, not the guarantor of first resort, not the position of an equity holder, but the lender of last resort.

I want to state for the record (the minister says in his letter) that the Government of Saskatchewan will not be entering into an exclusive agreement with the Broe Group of Companies, (you know that's really the first good news we've heard on this file for sometime) to develop ethanol facilities in the province. Broe approached the Crown Investments Corporation (CIC) with a proposal whereby CIC would hold a minority equity position in the ethanol plants.

What about additional loan guarantees? I need to ask that of the minister. You're saying here in your letter that CIC would hold a minority equity position in the ethanol plants. Will CIC not in those situations also be prepared to take on a loan guarantee? Will it be one or the other? Will it be both?

Those questions, I think, need to be asked and we haven't seen that as part of the explanation here. If in fact, if in fact CIC takes an equity position and provides a loan guarantee, conceivably CIC or public money could be at a greater percentage than the minority position you've talked about.

If you've totalled up an \$80 million plant and CIC took an equity position of 40 per cent and provided loan guarantees, there is conceivably a situation where public money would be at much greater risk than we've been led to believe in this particular arrangement.

The minister goes on to say:

Exclusivity is not up for discussion, and the Government of Saskatchewan would be willing to assist in the development of an ethanol project in the province.

Would the minister say . . . Well let me just go on; let me just read a little more of his letter here:

I agree wholeheartedly with the view expressed in your editorial that there should not be any political games in developing the ethanol strategy in the province.

Ethanol will be an important part of Saskatchewan's future economic development. To be successful, though, it will require government, the Opposition, communities, and the private sector working together to support and encourage the many sound projects that are currently under consideration.

It is my hope that all parties involved can come together in a joint effort to establish this industry for the benefit of producers, investors, and communities across the province.

This letter was prepared apparently, and sent to the *Leader-Post*, by the Minister of Industry and Resources.

Mr. Chairman, to be successful he says it will require government, the opposition, communities, and the private sector working together. The role of the government, Mr. Minister, in this particular industry was to establish a level playing field. It was to provide the framework for private sector involvement. It required the removal of the tax that affected ethanol in an unfair way. But really, Mr. Minister, that's all it required of the government.

It didn't require special deals. It didn't require special arrangements or negotiations. It didn't require loan guarantees. It might have. I guess we could summarize that by saying government money if necessary, but not necessarily government money. But you've chosen to go — you've chosen to go — the route of government money first. And I think the people of this province are greatly troubled by that particular approach.

The former minister of the ethanol file says that the government is not going to be the lender of last resort. I take it from his comments that the government would prefer to be involved as a first resort; that they think that the only way this particular file will ever get off the ground is if the government takes an active role in it. And I don't believe that to be true.

And the other thing I might point out to the former minister of the ethanol file is that in his own statements he said that the private sector would lead. In the situation we've got before us the private sector is not leading; the private sector is being co-opted, and are being asked to take a position that they do not find to their benefit, and the people of this province will not find it to the ultimate benefit of themselves as taxpayers and the industry generally.

I think some of the headlines we've seen in the papers recently talk about the need for an ethanol industry, a health industry, to develop in this province; to come to fruition; to participate in the renewal of our rural economies. I don't think there's anybody in this province that disagrees with the potential and the opportunity that we have here.

But I'm absolutely certain, having talked to many people in my own constituency and in constituencies around the province, that they are leery, absolutely leery, of any proposal to bring the government into the ethanol industry front and centre — as an

equity player, or as a high-stakes investor in some other fashion. And I believe that we would be making a serious mistake if we allowed this particular Bill to proceed without having a much clearer indication of what the government's intentions are.

As I pointed out earlier, Mr. Deputy Chairman, this Bill does not contain any of the details that we need to make us feel comfortable with this proposal. And I would suggest that we need to continue asking questions on this particular Bill.

We have many questions, as I indicated. Some of them will have to do with how this industry is going to develop, some of them will have to do with how this industry is going to share in terms of the distribution of ethanol, how . . . whether or not we will require certain plants or . . .

The Chair: — Order, order. It now being near 5 o'clock, the committee will rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 17:00.