

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
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EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Energy and Mines
Vote 23

The Chair: — I will ask the minister to introduce his officials to the members of the committee.

Hon. Mr. Lautermilch: — Thank you very much, Mr. Chairman. To my right I have the deputy of Saskatchewan Energy and Mines, Ray Clayton; to my left the assistant deputy minister, Dan McFadyen; behind the deputy is Bruce Wilson; and behind me, Phil Reeves. Also along with us tonight from SEM (Saskatchewan Energy and Mines), we have Lynn Jacobson, Doug Koepke; and from Saskatchewan Research Council, Crystal Smudy; and Merette Heggelund from SECDA (Saskatchewan Energy Conservation and Development Authority).

Item 1

Mr. Devine: — Thank you, Mr. Speaker, or Mr. Chairman. I wonder if the minister might take this opportunity to elaborate a little bit more on how he thinks the uranium industry and the combination of Cameco and AECL (Atomic Energy of Canada Ltd.) and nuclear research and the combinations of uranium and nuclear might be doing in his view. He hasn't said an awful lot about it and I'm sure it's just an oversight on his part but he might want to comment on where he sees the nuclear energy going from not only mining, which I understand looks like a pretty big expansion, but the whole uranium and nuclear energy business in the province of Saskatchewan.

Hon. Mr. Lautermilch: — Thank you. And to the hon. member, I would want to begin by saying that, although we've been through estimates here before this year — looking at the department's operations — we indeed haven't spent time during estimates discussing the uranium industry as it pertains to our province.

Let me say in the outset that I believe, as many people in our province — as I would indicate, probably the vast majority of the people in Saskatchewan — believe that we really are blessed with a rich resource that has much potential in terms of creating energy opportunities around the world. As you will know, there are now many countries that are dependent on that resource, our resource. We're the largest supplier in the world, and there are many countries that are really dependent on this resource to supply their energy needs.

So quite clearly, it's not only been an opportunity for us as a people in this province, to develop a resource to generate revenue for government, for industry, and for suppliers of industry. So it really has become an integral part of our mining industry and I think we recognize that.

The investment opportunities that we've created here in Saskatchewan and that have happened in Saskatchewan over the last decades have been and continue to be a major part of our economy. And I think that it's one area that as we develop new technologies, new designs in terms of reactors and disposal, which is as yet an unanswered question, it's incumbent upon us to develop and to work with industry to develop that research that will make this a safer industry than it already is.

I indicated that with respect to research, quite an important component of this particular industry, as you will know we've signed a memorandum of understanding with respect to the design of CANDU (Canadian deuterium uranium). As well, AECL's been involved in some development of disposal technology for radioactive waste, and we were just able to announce the expansion of the McArthur River mine which will employ, during construction, some 250 people, and on an ongoing basis as the mine and the mill are developed, 2 to 300 permanent jobs.

And so I think it's safe to say that the Government of Saskatchewan recognizes the importance of this industry. We recognize our commitments globally with respect to the environment and safety, and as well we recognize our responsibility to ensure that there is an energy resource for countries that aren't blessed with rich hydro, which many of our provinces and we are in this province, to help them create a supply for their energy demands so that their industries can flourish. So I guess it's safe to say that we recognize this as a very important part of our mining operations in the province and we recognize the impact on our Saskatchewan economy, and as well we recognize the impact on the global economy.

Mr. Devine: — I wonder if the minister could tell us what he expects the income to the province to be from uranium in terms of royalties and/or taxes of various sorts, what the government's share is in Cameco, and what they think might be the benefits of that, and also . . . well he can start with that now.

Hon. Mr. Lautermilch: — Okay, Mr. Chairman, I will ask the member, if he would, to turn to page 18 on the *Saskatchewan Estimates 1995-96*. For the fiscal year '95-96, we're estimating some \$17.1 million. In the 1994 — I'll just give you some back history here — we're forecasting for fiscal year end '94 \$19.9 million. And we estimated in '94 \$24.8 million.

I'm looking right now at the royalties; our officials are getting that information together. So if you want to continue, they're bringing — I believe — the Cameco shares and what our residual shareholding is. I believe it's in the neighbourhood of 30 per cent; it's just under 30 per cent. And I think my officials are telling me that we have 28.9 per cent as it stands now.

Mr. Devine: — So your estimate is approximately \$20 million in royalties . . . is estimated from uranium. That's from all uranium activity in Saskatchewan. And you have about 30 per cent of the Cameco shares, is that correct?

Hon. Mr. Lautermilch: — No, what we're suggesting, in terms of revenue from uranium for the '95 fiscal year, is a forecast of 17,100,000, and we have 28.9 per cent shares in Cameco.

Mr. Devine: — If you exercised those shares today, could you give me a ballpark of what it might be . . . what the benefit to the province might be.

Hon. Mr. Lautermilch: — You know, as the hon. member will know, the shares are traded on the stock market. They have been increasing over the past years, and it's fairly easy to find them on a daily basis. What you've got to do is either open your *Globe and Mail* . . . and you can have a look. I'm having one of my colleagues check to see what they're trading at today so as not to give you inaccurate information. And from that we should be able to figure out roughly what the net value of those shares would be.

Mr. Devine: — While he's looking that up, would the minister want to comment on how he thinks and how his officials might think Cameco is doing. Are they generally satisfied with what the company's doing, and particularly as a result of the 30 per cent . . . or 28 per cent shares that you have in it? And is it . . . seem to be going in the direction you'd like to see?

Hon. Mr. Lautermilch: — I think, to the hon. member, it's safe to say that we believe Cameco has run a good, business-like operation, and as a 30 per cent shareholder, we are quite comfortable with the management of the corporation. I think they've been doing an excellent job, which should, over a period of time, result in dividends to the people of Saskatchewan who in fact are the shareholders and own roughly three out of ten of the shares.

Mr. Devine: — Well I guess to be a little bit more specific, are you generally happy with the way the company is operating in the private sector? Are you happy with the share values? Are you happy with the interest internationally in the company?

The hon. member's happy; I can see that.

Hon. Mr. Lautermilch: — I think it's safe to say, just as an overview, that in terms of the corporation, we believe that they've been fairly effective in their marketing abilities. The internal management of the corporation, as is reported to us, would indicate that they have a good management team.

In terms of the diversification of their portfolio, it's not a corporation that is prone to putting all of its eggs in one basket. And so I think you can safely assume that the fact that we're holding the shares would suggest that we're very comfortable with the management and the way the corporation is operating.

I would also say I think there's always room for improvement. And I would think any corporation that would want to maintain a competitive edge and would want to maintain its place in the market-place would ensure that they're running a healthy company with respect to the management, and with respect to their marketing, and with respect to diversification of their

portfolio. So with respect to Cameco and our investment in Cameco, yes, I think it's safe to assume that we're quite company. It's a healthy corporation and we're satisfied that our return on investment is acceptable and adequate.

Mr. Devine: — Would the minister . . . would you think that the people in northern Saskatchewan and yourself being from Prince Albert would be happy with Cameco as it's operating today, and its share values, and the way it has operated. Do you think the general public feels that way?

Hon. Mr. Lautermilch: — I think it would be safe to assume that the general public is comfortable with Cameco and their involvement in the industry. Polling would indicate that about 80 per cent of the people in Saskatchewan are comfortable with the operations of Cameco and with the operations of mining in our province. So I think it's safe to assume that that would in fact be the case.

I just want to say that, with respect to the price of shares as they were trading on Saturday . . . was 34.75 a share.

(1915)

Mr. Devine: — So \$34.75 a share and you have 28.9 per cent of the shares. How many shares is that and what's it worth to you?

Hon. Mr. Lautermilch: — You know, I would like to give the member the number of shares that we hold as it pertains to the aggregate of the number of shares but I think that the minister, being familiar with this place after having sat here for a period of time, will know that that's a question that's probably better addressed to the minister in charge of Crown Investments Corporation . . . will have the officials that have all of those details at hand and during those estimates would be able to give you the exact amount of shares and what our 30 per cent would mean in shares and, I guess, what the net would be in terms of the percentage of shares we hold.

I haven't got the officials with that information from Energy and Mines, but I'm sure that my colleague, the Deputy Premier, would be more than willing to give those answers to you in estimates when Crown Investments Corporation come before the House.

Mr. Devine: — Well, Mr. Minister, this is Energy and Mines, and this is a big energy unit. We're just asking for the number of shares that you have in a very large uranium operation that's publicly traded. You'd think that you could . . . maybe in the next hour, somebody could find out the number of shares that are traded. And if you've got 30 per cent of them, you can tell us ballpark what it is. I can expect you could dig that up. I don't want the last cent; I just want to know ballpark what you think it is.

Let me go on to say, is it fair to say, Mr. Minister, that you would be happy with the fact that the uranium company in Saskatchewan is a publicly traded company given the fact that

the shares are now as high as \$34.75 a share?

Hon. Mr. Lautermilch: — Well I think it would be fair to say that any time there's an increase in the value of shares owned by the Government of Saskatchewan quite clearly that would make us somewhat happy. As I understand it, the shares have gone somewhere in the neighbourhood from \$18 to 34.75 as we indicated, trading on the stock market on Saturday. And I think the same could be said for any corporation in which the Government of Saskatchewan or any shareholder would hold shares. I guess it's safe to say the people who own shares in IPSCO, when they see an increase in the value of the shares, are quite satisfied and quite happy that that is the case.

I think the same could be said for small oil companies and the same could be said for any company that's publicly traded. Certainly shareholders are going to be comfortable to see their share values increase because that means that certainly there's profits have been made. So I would want to say that I guess it's safe to assume that any increase in the price of the shares, whether it be uranium investment or any other investment, would make the shareholders quite happy.

Mr. Devine: — Well, Mr. Minister, I'm happy to hear that. Are you generally happy or would you feel positive about the fact that the public can watch the share values quite easily by reading the newspaper, and know that not only locally but nationally and internationally people can participate in this company.

Are you generally happy with that — and not at all confuse you as to where I'm going — are you happy with the fact that it's a publicly traded company now and the shares are offered freely on the market? Are you personally comfortable with that and do you think that that's a generally positive thing for the province?

Hon. Mr. Lautermilch: — Well I think whether an investment be made that is being traded on the stock market or whether it's land values, as an example, that aren't traded on the stock market, any increase by any shareholder would give a great degree of comfort. And so I would suggest that incremental increases in the shares of Cameco that is trading publicly would satisfy me and I believe members on the government side.

Similarly, land values and assets that the government owns that is not traded . . . or that are not traded on the stock market would make members of the government side of the House equally happy.

Mr. Devine: — Mr. Minister, do you think that non-publicly traded operations will have the same opportunity to attract equity and to respond to investment the same as publicly traded companies? In other words, having this company publicly traded in the market-place, do you think that has contributed towards its now quite improved value?

Hon. Mr. Lautermilch: — Well I think the member is quite clearly trying to define a philosophical difference between himself and members of this government: that being that assets

that are traded publicly on the stock market are good; and that if in fact there happens to be Crown assets that are not traded on the stock market, those are not good.

Well if that's your theory, and if you're asking if I buy into that theory, the answer is no. Because I believe the Crown corporations, frankly, have served the public of Saskatchewan very well over the years. I think a little unfortunate that over the period of time when you were the premier, you — for philosophical reasons — decided to liquidate those assets, and in many cases have cost the people of Saskatchewan millions and millions of dollars when you sold them, and continue to cost the taxpayers millions and millions of dollars after you've sold them.

But I want to say to the member opposite that it's not a matter of whether it's publicly or privately owned. I think what you have to do is find out, and do an analysis of what works, in what instance, and what doesn't work. There are quite clearly advantages to Crown corporations that I think even you might recognize.

The fact that we've been able to develop utilities across this province that have been able to serve both urban and rural Saskatchewan — the fact is with SaskEnergy, a publicly owned corporation under your administration, we were able to develop the broadest network in terms of a gas utility of anywhere in North America. And I would argue that although we're pleased the service was delivered to rural Saskatchewan, the fact is that we're going to be paying and subsidizing that service for decades and decades to come.

But I guess what I would want to say to the member is, if you're trying to paint this as being a government that can only see one side of the picture, I think you're missing the mark. And I would say to the member from Estevan that we take a very pragmatic approach to governing. We tend not to use a political philosophy or a personal philosophy, but we attempt to develop middle-of-the-road policies so that we can ensure the taxpayers of Saskatchewan, who are the shareholders of the Government of Saskatchewan, are best served by the initiatives that we embark on.

Mr. Devine: — Let me put it another way. Mr. Minister, in looking at the success of this company, would you have privatized the company and put it on the stock market?

Hon. Mr. Lautermilch: — Well I think the member asks a hypothetical question, and I'm going to answer it in these terms.

I think there are many things that your administration did prior to October of 1991 that we would not have done. And I think one of the first things that we wouldn't have done is built up the kind of debt load in this province because to my mind, whether you talk public or private ownership, that isn't the argument. The argument is whether or not it makes good economic sense and whether it's fair business and whether it's reasonable business and whether you're representing the interests of your shareholders who, in the case of this government, are the people

of Saskatchewan — 1 million strong of them.

So I guess what I say is that clearly there will be some differences in the way this government operates, and I think those are quite evidenced by the fact that we balanced the budget in '93-94.

So all I would say to you is that we take a very pragmatic approach to government. We take a common sense approach, try and deliver fair policy. And that would be the direction that we have come from in the past three years and I believe that that's where we're headed throughout the rest of this mandate.

Mr. Devine: — Well I'm just trying to decide if you wouldn't have taken the company public and have it offered for shares. We would just like to know. So it's interesting that we're just asking the question whether you, I suppose philosophically, would endorse publicly traded companies where all of the public can invest in them and trade in them. In this case it seems to have done very well. If it was in government, we wouldn't have the idea of what it was worth. Clearly you wouldn't have the index and the performance of the shares. And we see more and more people doing that. Philosophically, are you saying that you're not opposed to the privatization of Cameco and offering it on the market? Would that be a fair summary of your position?

Hon. Mr. Lautermilch: — Well I guess I would answer it this way. If you're asking me if philosophically I'm opposed to privatization of every element and every arm and every asset of government in every case, the answer would be no, because I do believe there are some times and some instances where it may make more sense for the private sector to be delivering a service, or where it may make sense for the private sector to be developing a resource. And I think that's a fair assumption to make.

But on the other hand, I will say that I think over the period of years that we have used Crown corporations as an economic development vehicle in this province, they've served us very well. So in terms of asking a hypothetical question as to whether or not we would have privatized that corporation that you did, I think it doesn't even beg an answer. And the reason, sir, is because it's a deal that's already done and it's something that's happened years back. And I would rather focus, frankly, on the future as to how we'd work with that industry. And I would rather figure out with them how they fit into our economy and how they develop that resource, and how they return for their shareholders generous profits, and how they return for the people of Saskatchewan, through royalties and taxation, their due for the resource that the people of this province own.

Mr. Devine: — Well, Mr. Minister, what I'm getting at is indeed the future, and I'm trying to find out philosophically if you have anything particularly against privatization and taking it to the market. Cameco is certainly a case where the market has done very well. Shares have done very well. The government is doing very well. It has 28.5 per cent of a very

valuable company, and it's growing. It's internationally recognized and quite exciting.

And I just want you . . . well I guess you confirmed that it is. You seem to be reluctant to say whether you would have done it or not, but obviously it worked. Now I happen to believe you wouldn't have done it, but I think now if you want to focus on the future, I think there are more opportunities to do the similar things to attract investment and attract economic activity because, you know, we're a little bit more sophisticated.

We're looking at the 21st century. We're looking at gambling. We're looking at share offerings. We're looking at privatizations. If the minister might, maybe he would tell me what he thinks, in the mining business, of the performance of PCS, Potash Corporation of Saskatchewan, since it's been publicly traded and if he thinks it's being operated in a positive fashion.

Hon. Mr. Lautermilch: — Well I guess rather than to let the member from Estevan simplify this debate as to this government opposed to privatization, the former administration supporting privatization, let me explain it in this way.

Whether or not an asset remains the property of the people of Saskatchewan . . . and I ask you to reflect back on the years when you were the premier of this province. I think the only thing people asked you was not even so much as to whether it was privately owned or whether it was owned by the Government of Saskatchewan. But I think one of the things and one of the reasons that people questioned the member from Estevan when he was the premier is what kind of a deal did he get when he sold the assets.

And let me just say with respect to Potash Corporation, when you're going to write off hundreds of millions of dollars worth of debt and saddle the people of Saskatchewan with that debt load, I think it's quite clear that you can put shares undervalued on the stock market, and I think it's quite clear that you can have the shareholders who purchase those assets show very good returns for their shareholders.

And I want to say to the member from Estevan, my purpose here tonight and the comments that I make are not to suggest that the people who purchase those assets that in my estimation were undervalued, simply by virtue of the fact that you wrote off hundreds of millions of dollars if none other . . . but I think it was their responsibility for the shareholders of their corporations to get the best deal that they could. And quite clearly you gave them that.

And so I say that when you buy a company that's undervalued and you buy shares that are undervalued and you know that it's a wealthy resource — the wealthiest resource in the world with respect to potash — and when you know that markets have been developed internationally over the years that that resource has been mined, I think it's fair to assume that there should be a reasonable return, a fair return, for their shareholders.

(1930)

So I just say to the member, having put it in the context of selling or not selling publicly owned shares, I think what's really important is, when you're selling an asset, that you get a fair market value for it and that you get a fair return for your shareholders.

And in our case as the Government of Saskatchewan and in your case when you were the premier, your shareholders were quite clearly a million people in Saskatchewan who live here and who pay taxes here and who are now paying off the debt that you amassed as a result of some of the, I would think, less than fair business deals — let me put it that way — while you were the premier.

Mr. Devine: — Well, Mr. Minister, what I'm trying to find out is talking about the future. Obviously I want to lead you to give an honest interpretation of what possibilities might be there for the future for the province in say a portfolio of Energy. Because it's really interesting and it's fascinating. Energy and Mines is very profitable, very big, and has a tremendous potential. I just want to make sure that you're not necessarily hidebound by an old philosophy that wouldn't have got any of these things on the market.

Now you didn't respond to PCS. You did in a fashion and you tried to say that it wasn't all that good. I can't find anybody that frankly would agree with you. I think PCS was 60-some dollars a share today which is quite phenomenal. And if it was so obvious that it was going to be that way, I'm sure you got lots of shares and bought lots when it was put on the market if you thought it was a give-away, which just doesn't ring. If the prices went down, you would have complained; if they go up, you complain.

So I mean you can't have it both ways. You're either going to breathe in or breathe out. It's on the market, it's publicly traded, it's very exciting, it's now doubled in size. General consensus is that it wouldn't have got there under the thumb of being run by a minister in Crown corporation.

Now I just wondered how you felt about PCS, how it's operating today. We can talk about the debt. Your previous administration borrowed several hundred million dollars to nationalize the mine. We inherited that. We took it to the market, got equity, replaced the debt with equity, and let it trade. And it's trading very well.

And what I'm trying to find out is philosophically if you believe that as two examples, Cameco and PCS in your portfolio are doing well and whether you would look for similar opportunities in the Energy portfolio. And if you don't quite appreciate how well those two corporations are . . . well we can go back through that and we can examine it in some detail. But I'm sure your officials can tell you how well they're doing.

But what I'm after is that if you will acknowledge that they're doing extremely well; they've got international recognition;

they're attracting international money; the stock is going up practically on a daily basis and it's attracting even more wealth to the province of Saskatchewan; it's allowing new mines to open, new companies to be owned by Saskatchewan; if they buy a big phosphorous operation in the United States, it's owned by Saskatchewan now because this is where the mother company is, whether you think there are some distinct advantages than having a publicly-traded company over a government-run company. Can you think of any advantages of having a publicly-traded company operating in today's market?

Hon. Mr. Lautermilch: — Well I guess . . . true, you are asking a hypothetical question because the fact of the matter is that Saskatchewan Energy and Mines do not own corporations. It's basically regulatory and a licensing body that deals with private industry and that deals with publicly traded companies. That's the role of Saskatchewan Energy and Mines. So I guess it would be fairer to say to you that as the minister in charge of Saskatchewan Energy and Mines, it truly is a hypothetical question because we don't have assets to sell.

I guess I could ask you, just hypothetically, if when you sold the assets of the people of Saskatchewan and at the same time you were building this massive debt, if you ever thought to perhaps the year 2000 when your grandchildren are going to be paying that debt load probably all of their working lives, whether . . . and I just ask you hypothetically, have you ever thought of what you were doing when you built that provincial debt?

Mr. Devine: — Well, Mr. Chairman, if the minister wants to get into provincial debt, we'll get into provincial debt. I want to point out to the minister, point out to the minister, a good part of the provincial debt according to the auditor last fall, is in operations associated with not the general revenue but with Crowns and various corporations. And if you want to look at chapter 6, page 16, you'll find those operations are contributing something like \$600 million net to the province of Saskatchewan — net.

And then if you look at the next page, chapter 6, page 18, you'll find out the investments in Cameco, and Potash, in Bi-Provincial upgrader, Wascana Energy, and Saskferco, Meadow Lake, and so forth, have 1.2 billion in net assets — equity. And they're going up, obviously as the shares go up. That's net so that's paying for the investment and contributing to the province.

So if the minister wants to get into whether they're reasonable investments, I would ask the minister again, does he believe that in circumstances, that a publicly traded company, privatized companies, can bring equity and investment and excitement and recognition from the market-place to a resource here in the province of Saskatchewan or any place else for that matter, but particularly here. Does he recognize that's the case?

He's commented that he thought Cameco was doing a pretty good job. Let me just back up then. Do you think PCS is doing a pretty good job? Would you start there? Could we take you

back there?

Hon. Mr. Lautermilch: — Let me say to the member, quite clearly Cameco is doing a very good job and I've indicated that I feel that be the case and I think Potash Corporation of Saskatchewan is doing well. Now let me ask the member from Estevan again a hypothetical question, if — and I asked this last time — if you had it to do it over again, do you think you could have cut a better deal for the people of the province?

Now you may say no, and that may be true. But I'm not here to argue about what has happened in the past. I don't think that's our role here. I think what I would like to do is describe to you and to the members of your caucus and to the people of Saskatchewan the direction that we hope to take this province. And the direction that we hope to take this province is working with private industry and working with other jurisdictions around us — Alberta and Manitoba — to be able to build a sound fiscal base for the people of this province by balancing their budgets and by looking at ways by which we can reduce the \$15 billion in debt that now accounts for \$850 million of interest each and every year which is — how many times would 800 million be of our budget? — 40 times the budget of Saskatchewan Energy and Mines. We're spending roughly 40 times the amount of this entire budget for this department just to service the debt.

And I guess what I would want to say to the people of Saskatchewan, that what we're going to do through Saskatchewan Energy and Mines is create a fair royalty structure for the Potash Corporation of Saskatchewan, for the uranium industry, for the oil and gas industry, for the companies that are involved in gold mining, and the companies that are involved in diamond exploration; we're going to create for them an environment where they can say to their shareholders, Saskatchewan is indeed a good place to invest.

And the reason it's a good place to invest is because . . . looking at the government's fiscal forecasts where they forecasted four balanced budgets after the one that they've just delivered, where they are creating a stable environment, where we know that there shouldn't be over the long haul dramatic increases in taxes because these people truly have a handle on the amount of money that's being spent every year in interest, and they won't have to keep coming to the well.

I think we want to create an environment where the working people of this province understand that we are setting aside and are working with us to set aside some money to pay back some of that debt that has been built up over the years.

And I won't attack you as the former premier, because I don't think that's fair. I think that's done, so I would rather put that aside and I would rather talk about the future. And I'd rather talk about what we might be able to do as a government and you as opposition members, to create a stable environment for business, to create a stable environment for professionals and for our young people to get their education and work in this province, to facilitate and create job opportunities, and that's the

direction of this government.

And I want to say to you this is not a government that's hidebound to privatization nor to public ownership. But I can tell you what this is, sir. This is a government that is built and hidebound to fiscal responsibility, to sound management, to fairness, and to a response to industry and the taxpayers of Saskatchewan. And I think that's the direction that the Premier and this cabinet and this government and this caucus have shown that we are headed.

We've had now just about three years — over three years — to be able to demonstrate our capabilities in terms of fiscal management. And I think that's clear and I think it's a record frankly that can't be argued with. We've been the leaders; we've been the first jurisdiction in five years to balance a budget, the first one in this province in 13 years. And so I think on that our record is quite clear.

And all I would want to say to you tonight is that you're looking at a government, and this is a government, that takes a pragmatic approach to governing. We're not on the far left, and we're not on the far right. Where we are, and I say to the member from Estevan, is firmly planted in the middle. And the people in the industry that I have spoken with since I've been sworn in as the Minister of Energy and Mines are telling me that this is a government they feel they can do business with. We've created an environment where they feel comfortable. And I want to assure industry and I want to assure every member of the opposition that our feet are planted firmly on common sense government, on open, approachable government and that's where we continue to stay.

Mr. Devine: — Well Mr. Minister, I'm sure that you would enjoy this humour when you're . . . (inaudible interjection) . . . My colleague just pointed out and says, when you're not on the left and you're not on your right, then you must be a Liberal. And if that's your new position well I'm sure the public of Saskatchewan would know that the minister from Prince Albert is now an acknowledged Liberal. He's not quite sure where he is, whether he's a little bit left and a little bit right, and he's firmly planted in the middle. We've heard that from every Liberal prime minister and Liberal leader since Confederation.

Mr. Minister, obviously what I'm trying to do is to find out if, in the middle of the road you say you are, whether you will, number one, acknowledge the success of taking companies to the market and if you would do more of that if there's a reasonable possibility of success. Because I'm sure you will acknowledge, and I'll ask you again, and you did acknowledge, Cameco's doing well. I'm sure you would acknowledge, if I ask you politely, whether you think PCS is doing well, whether you think Wascana Energy is doing well, or whether you think Saskferco is doing well.

Now those companies you have equity in and they are in the private sector. And they have to do with gas, and oil, and uranium, and potash, and you being a minister of the Crown. They are in my view, or at least the market's view, seem to be

doing quite well. Would you acknowledge those four companies are successful and would you acknowledge that it was a good idea to put them in the position that they're in today to reflect that? Or put another way, would you sit back and say, I wouldn't have done it, or we shouldn't do it, or I'd never do it again, or as you put it, you want to talk about the future — would you do those kinds of things in the future, given the success of those four that we've just mentioned?

Hon. Mr. Lautermilch: — Well I guess I want to begin by saying to your colleague, whoever it was that leaned over to you, and your description of a Liberal — well I guess my description of a Liberal is a little different in that my description of a Liberal is: one day they're on the left and one day they're on the right; on any given day and in any given place, they can be anywhere.

With your administration there was no doubt; you were way, way, way, way over there on the right and you were comfortable there and that's fine. Well we're not positioned there; we're firmly in the middle. We're going to stay there because we think it works, and we've been able to deliver that by balancing . . . (inaudible interjection) . . . No, no. That's a very pragmatic New Democrat government that I'm describing.

So what I want to say to you is, with respect to the initiatives that you embarked upon — and I know you're somewhat proud of them and you have all the right in the world to be, if you only look at one side of the balance sheet — and I want to say to you, you never did look. You see . . . (inaudible interjection) . . . The member says, look at any side.

Well I'll tell you, you went to the polls in October of 1991 and you sit there with a rump caucus because you didn't look at the debt side. And I'll tell you, we've been looking at the debt side, I say to the member from Estevan, ever since we inherited your mess in October of 1991.

But having said that . . . And I don't want to be argumentative here because I think what we're trying to do is we're trying to look at the expenditures of the Department of Energy and Mines and we're trying to look at the future of the initiatives and the situation that we face today and into the '95-96 fiscal year.

So I just say to the member that how you will see us view your initiatives from the 1980s is with a lot of "wish it hadn't happened's." And let me explain to you why, sir.

When you look at the operations of government and when you look at the third biggest expenditure, as I've explained to you before . . . and it's something you've always turned a blind eye to. And I wish it wasn't so. I wish I could say to the member from Estevan that finally he recants; he realizes that he made a fiscal mess of this province. We had the highest per capita debt of any jurisdiction in Canada. And he saddled my kids and he saddled their kids with a debt load that we're going to be getting rid of for a long, long time.

(1945)

I want to say to you, member, anyone can sell assets; anyone can do that. Anyone can stand on the corner and shuck apples or oranges or shares in a corporation. And if you're willing to give them away, they're going to sell fast. And if you're willing to keep the paper and the debt by which those economic development tools were established and if you want to pass that on to your friends and to your neighbours, you can sell anything and you can make anything look good.

And I want to say to you, with respect to the initiatives that you've talked about — Saskferco, Cameco, all of those — they're doing well. And I want to say part of why they're doing well is because of the environment that's been created for them since October of 1991, since this government took power.

Some Hon. Members: Hear, hear!

Hon. Mr. Lautermilch: — I can refer to the oil and gas industry, who suggest to us that they're very comfortable with the fact that we've created an environment for them where they can do business. And part of that is the fact that we look at the expenditure side as well as the revenue side, and that we're dealing with the debt load — something that you every, every year chose to ignore was even in existence.

And I say to you, member, it's almost unfortunate that you sit here tonight and still won't recognize what you've done. The people of Saskatchewan recognized it and quite clearly told you so in October of 1991. But three, three and a half years later, there's no recanting; there's no repentance from any of you. And three out of the four of you were sitting here prior to October of '91 and helped build the mess that we now, working with the people of Saskatchewan and the business community in Saskatchewan, are working our way out of. And we're going to continue to do that.

And I want to say, I would rather not even stand up here and remind you of the sordid past of the government prior to October 1991 because those are days that all of us would just as soon forget, frankly. What we would rather do is look at the opportunities in the 1990s, look at the environment that this government has created for business and for young people, and we're going to focus on job creation. We're going to focus on development of our industries, working with the business community.

And I want to say to the member from Estevan, that I believe that the people of Saskatchewan appreciate what's happened for their province — their government working with them and with business since October of 1990. And I give you the commitment that that'll continue.

Some Hon. Members: Hear, hear!

Mr. Devine: — Well, Mr. Minister, if you want to get into debating the election, we can be here a long time, and your estimates will be a long time. Because I don't need a lecture

from you on electioneering. And I can give some to you and you can give some to me.

It's the same sort of attitude lost you the election in '82 and again in '86 — that arrogance, as if there's only one way and that's the socialist way. That's it — '82 and '86. You had the members from Riversdale, and Mr. Blakeney, and that's what we heard all the time — there's only one way and it's with the government.

And they lost. And they had a balanced budget in '82. Balanced budget and they lost every seat in the province but eight. Why? Because they were narrow-minded.

Now you've come a long ways and I'm encouraging you, but you can't quite take it — can't quite take it. You got to go back into some elections.

And do you want to speak about the '91 election? You were complaining about the debt and guess who offered the big tax decrease? Who did? You did. The big . . . No PST (provincial sales tax), right? No PST — that was going to be the big gift to people. You were going to reduce taxes.

And you brought it up and you say, well that's . . . you know, the reason that people voted was because of Cameco, and Saskferco, and Wascana. No, no, you walk in and said, well my goodness, there's a terrible debt but we'll offer you no PST on the expanded GST (goods and services tax). And people said, well that's nice; they must have some magic. They can look after all of this stuff and not raise taxes; in fact they can lower taxes.

Well guess what? Surprise, surprise, the people voted for you. What do they get? Hey I think the PST went up. Didn't the PST go up? I thought you promised to take it down? But you took it up. The provincial sales tax went from 7 to 9 didn't it? Didn't it go up? Is that what you promised to do?

And they people have looked and said, well my income tax is gone up, my sales tax has gone up, and you said: well, but . . . we promised to reduce taxes but, you know, we really have to do this tax increase stuff. Well we want to get into that shenanigans where you promise to cut taxes and you increase them, and you stand here and say, look how nicely we've increased the taxes. How happy people are. You don't want to get into that. Well you're into it; we'll get into it.

If you want to stay on the future, the future's what I'm trying to find out. How will you allocate the resources in Energy and Mines in the future to make the most of it?

And I'll remind the member opposite, the minister, the hon. minister, that if you look at all of the debt in Crown corporations and in the corporations that have been privatized, the net income to the province of Saskatchewan is way above the debt, it's \$600 million. That's paying for itself. That's what the auditor says, \$600 million is paying for itself, and that is almost 50 per cent of the debt. Those must have been

interesting investments.

And I'm just asking the minister, if you can take investments and put them on the market and have those increase in value, the government's better off, the people are better off, and there's lots of jobs associated with it. I'm just politely asking the minister and his colleagues whether they would consider taking more companies to the market?

If he's a in-the-middle-of-the-road kind of guy, he's kind of a Liberal now, he's got maybe a little labour legislation on one hand that keeps him a little bit left, and he's going to privatize the Wheat Pool on the other side and make him a little right. Maybe if we can catch him right in the middle, he'd say yes, I might just take some more things to the market. It would replace debt with equity and create some economic activity and some excitement.

Would the minister perhaps, as he wanted to, talk about the future in terms of what kind of items he might look at taking to the market-place in terms of having publicly traded investments or instruments in the province of Saskatchewan, in the next 5 or 10 years.

Hon. Mr. Lautermilch: — Well let me say to the member, I'm not really sure we have a heck of a lot to take to the market, simply because everything you could lay your hands on in the 1980s, you sold off. But I guess, as I've said, that's gone.

But I just . . . I want to remind you where we will allocate . . . and the one question you asked me is how we will allocate the revenue that comes to the Department of Energy and Mines.

Well it's not an awful lot different than when you were around. The money that comes from Energy and Mines goes into the Consolidated Fund and we sit down around the budget table and we determine how we allocate those funds in terms of Health, in terms of Education, and Highways, and other initiatives. And that's how it's divided.

I think the one difference is that we have been able to balance our budget so that on an annual basis we won't be putting more money to the provincial debt because that's finished.

And the difference also will be is that the revenue that comes from the Department of Energy and Mines, part of that will be surplus, in which we're going to take a third and put to program enhancement; we're going to take a third and put to tax reduction; and we're going to take a third and put it to debt reduction that was created by you and your colleagues when you were on the government benches.

So I want to say to the member opposite that that's how we're going to allocate the resource revenue that comes into this province. And we're going to allocate it in a fair and an equitable fashion, and we're going to try and work with the people of Saskatchewan to enhance job opportunities with resource revenue. And that's how that money is going to be spent.

And we're going to try and lower the amount of money that's being spent to service that massive \$15 billion debt, that \$850 million in each and every year. If we can take a portion of the resource revenue and allocate it to debt reduction, along with other revenues that we generate in the province, and if we can get to a point where we can shed ourselves of the third biggest expenditure in the province, and that's the \$870 million in interest that we pay every year on that debt, that's how we're going to spend that money.

Mr. Devine: — Well, Mr. Minister, I'm after a development strategy in Energy and Mines and all you've talked about is that you can raise taxes 1.2 billion and that's the extent of it. There's got to be more to economic development than taxes.

Could the minister . . . let me give him another chance here. How is AECL doing in the province of Saskatchewan? How's research on nuclear energy doing? Does the minister have any views on the development, manufacturing, and marketing of, say, reactors in Saskatchewan, the latest level of reactors, as part of a comprehensive economic development strategy in Energy and Mines?

I can't leave this alone because it's just frankly too exciting to have the right kind of view of what we could build in Energy and Mines in those portfolios, to let you just sit here and say, well I'll raise taxes and I'll contribute it towards the deficit. Well if you'd have told the public all the taxes you were going to increase in '91, you'd have never got elected and you know it. There's more to life than raising taxes, like all of these economic activities in the Crown sector that are contributing \$600 million net.

Now they took some strategic analysis. What's the strategic analysis associated with AECL, CANDU research, marketing? Could you elaborate if you've got any sort of new strategy on nuclear medicine, nuclear energy, waste management in nuclear energy, the combination of things that are very profitable, very large, very big, and it could be quite exciting. Have you got more to talk about than just raising the taxes?

That's what I'm after. I mean we're not going to leave these successful corporations alone, whether you like it or not. But maybe we can add to them and contribute to the wealth of the province. Could you elaborate on your view of the future of the nuclear business in the province of Saskatchewan from research to waste management to new manufacturing to international marketing and the like.

Hon. Mr. Lautermilch: — Well let me say to the member from Estevan that quite clearly the work of AECL is an important part of what's going on in the development of technology in our province in that, as you will know, there are opportunities for reactors to develop electrical energy in areas of the world that haven't got other sources to draw from. And the work that's happening with AECL and the memorandum of understanding that was signed with this provincial government is quite clearly a part and a component of developing that technology to ensure that that happens.

As you will know, this government is committed up to a maximum of \$20 million to the end of 1996 to assist in that work, and I think that shows our commitment to the development of the technology. AECL has established a chair at the University of Saskatchewan for engineering research, and I think that's a positive initiative. And so I want to say that, with respect to the development of that technology, we are doing our part as the government. We see it as important work, and we'll continue to work with them in terms of developing that.

With respect to high-level nuclear waste, as you will know, AECL is conducting and has conducted research in trying to develop a technology that will assist the world in safely storing nuclear waste. And as you will also probably know, that is technology that is ongoing and the development of that is ongoing.

So I would just want to say to the member from Estevan, our commitment under the memorandum of understanding that was signed with AECL is quite clear — we're committed to assisting the development of this technology. I think it's a prudent and it's an appropriate way to go. And I think it will serve us well in the next decade and in many years to come.

Mr. Devine: — I wonder if the minister could be a little bit more specific. Do you have any idea, or have you any forecast what type of . . . and to the extent of what kind of a profitable industry we could have if we manufactured reactors in Saskatchewan through a cooperation with AECL and marketed them internationally? Say we took the latest CANDU — I think it's CANDU 6 that they may be working at, and certainly in terms of hooking them up incrementally, looks like they may be the in thing — if we were into manufacturing and marketing those internationally, has the minister got any research or any idea or any thought, could he share with the public what that kind of an industry could mean in terms of jobs, international markets, and income for the people of Saskatchewan?

(2000)

Hon. Mr. Lautermilch: — Well I think it's fair to say that there is potential in terms of development of that technology, otherwise quite clearly AECL wouldn't be involved and we wouldn't be supporting their initiatives. In terms of the potential, I guess that will change and can change from year to year and from decade to decade. And certainly the analysis that the industry does in terms of demand and customer demand will be ongoing and it will change as populations increase. We're facing a shortage of some of our non-renewable resources. And so quite clearly the opportunities will enhance over the years. And as our population grows and energy demands become stronger, I think that the potential becomes increasingly higher.

I think it's a process that is ongoing. And I would not want to stand here today and tell you that I could predict or could guesstimate the number of jobs — in the hundreds or in the tens of hundreds — that may be created by technology that can be developed here in our province. I can only suggest to you that it's the commitment of this government to work with industry

so that they can develop their full potential, whatever that might be.

I can tell you that it's our position that we will work with them to market the best technology that Saskatchewan and Canada has to offer, not only in the nuclear industry, but with developments in terms of technology, in terms of oil recovery, with biotechnology at the university campus in Saskatoon. And the industries and the initiatives that have already taken place, we'll work with to enhance on their abilities and those opportunities. But more than that, we'll look for new opportunities with industry and with business.

Mr. Devine: — Mr. Minister, if somebody came to you with a proposition and said, it's going to take a lot of money — probably millions and millions of dollars — to develop a company here in Saskatchewan to manufacture . . . do research and manufacture CANDUs and to market them internationally, and would take millions of dollars, would you entertain the possibility of doing that with them?

Particularly if they said: and we're going to get the money from the market-place. We'll set up a public company, publicly traded, work with you, bring a brand-new company that's in nuclear energy to the province of Saskatchewan. Would you entertain that possibility? Have you given it any thought?

If you haven't given it any thought, why wouldn't you give it some thought, if in fact you're kind of a middle-of-the-road guy and you're in a portfolio that has a potential to raise hundreds of millions of dollars in something that is very futuristic, very environmentally friendly — many, many exciting things? Let me ask you: would you entertain that possibility?

Hon. Mr. Lautermilch: — Well to the member from Estevan, we deal with private companies every day, whether it be in the oil-gas industry, the potash industry, the mining industry. Whether it's gold, whether it's diamonds — we deal with publicly traded companies on a regular basis.

With respect to alternate energy sources, quite clearly we're interested in developing the technology and the availability to be able to market that kind of technology, certainly.

Mr. Devine: — But what we need to know . . . the public wants to know is whether you would endorse the investment of that kind of money in a publicly traded company. Because if you won't even admit it in the legislature . . . Just say yes, I would conceivably and theoretically endorse that kind of investment in a publicly traded market. Obviously you need to have the support of the government in power if you're going to take it to the market and have encouragement.

And all I'm asking you, as the Minister of Energy, for a lot of these portfolios — mining and gas and oil and uranium and nuclear energy — will you endorse the concept of bringing that kind of money into the province if it's publicly traded?

Now if you're the new kind of middle-of-the-road liberal person

that you say you are, you'd say, well sure, I could do that. I'd look at it as a publicly traded company. I wouldn't be adverse to that. And you could acknowledge, and where we have seen it, it's worked. And if it works as good as these, yes, I'd be very interested because it might mean a lot of money, a lot of jobs, a lot of economic activity.

Could you bring yourself to that point where, in theory, conceptually, you could say to the business and investment community of the world, yes, we would look at that in the province of Saskatchewan? Could you do that?

Hon. Mr. Lautermilch: — Are you talking about direct government investment or not?

Mr. Devine: — I am talking a number of things — whether in fact you would be supportive of the concept, whether in fact investment that you have in AECL or have in uranium or other areas that you might have, you might participate in a public share offering, whether you would be a joint venture partner, whether you would help facilitate that process.

In other words, you would give it minimum . . . at a minimum, moral support; modestly, you might give it some equity; and at the outside — I suppose the whole nine yards — you would endorse it philosophically and you would even be a financial player. Would you consider that?

Hon. Mr. Lautermilch: — Well I think, Mr. Chairman, the first thing we would say to the member from Estevan and this government would say to the member from Estevan or any investor, that it's our intention to keep our options open. We would look at a business deal based on its merits. We believe that the role of government is to be supportive of industry, to create an environment where they'll invest. And where we can, we'll facilitate.

If you're asking me to condone the kind of investments that you made in the past and would we involve ourselves in those kinds of initiatives, the answer is no. That's an option that we wouldn't keep open because we would base our investments on sound business practices.

You and I will disagree as to what will make a sound investment, and I recognize that. But then you and I will disagree as to how you balance a budget or if you balance a budget. We say, you spend what you can afford. You say, spend what you want. But we're back on that a bit.

But I would just want to say to the member from Estevan that this government will keep its options open in terms of how we facilitate new businesses, how we create an environment for business to operate, and we'll do it based on a very pragmatic approach. And I think that the last three and a half years have shown that in fact that type of government is working and working well.

Mr. Devine: — Well, Mr. Minister, your portfolio is very important in economic development. I've tried to get you to at

least acknowledge that the new, publicly traded companies in uranium, in gas, and in energy and in mining, particularly potash, have been very successful. Then I asked if you would entertain a similar kind of investment in nuclear energy, and you won't commit yourself.

Now one of the reasons, Mr. Minister, that the public is reluctant . . . and I'm a bit sceptical about how you really feel is talking about how you responded to co-generation. You said you were going to invite all the companies in and you'd ask them to submit proposals for co-generation. You were going to be very friendly to the business community. They spent hundreds of thousands of dollars, and quite frankly, they'll tell you that you ripped them off. You not only took their money but you didn't even give them their money back and you haven't done any co-generation.

Now that isn't the kind of thing that people are looking for. In fact it's a terrible record. It leaves a bad taste in their mouth. And what more and more people are believing is what you have done so far is a bit of copycat, copying the previous initiatives in Cameco, Saskferco, Wascana Energy, PCS, and endorsing AECL. What I'm asking is, would you take it one step farther and at least do better than you did in co-generation because you were an absolute — well pretty much — a failure there because you didn't get any done. And it cost people a lot of money and left a very, very bad taste in their mouth.

Now I'm asking you, will you give them any more confidence than you did in co-generation? If somebody came and said, we want to participate and build a publicly traded company, would you participate with us in energy, particularly in terms of nuclear energy, would you consider it? Now that's what I want you to give some serious thought to and say whether in fact you think it would be a very good idea, and if in fact you could do a better job there than you did in co-generation.

Hon. Mr. Lautermilch: — Well I guess I would want to say to the member from Estevan, as I said, that we would intend to keep our options open. I think that the concept of co-generation is, quite clearly, a very positive initiative to look at. As well, we're looking at the generation of energy from wind and I think nuclear is an option. But having said all of that, I think all of those options are really quite meaningless now in that we don't need incremental base load. Having said . . . and when we come to a period that we will need an increased base load and when we will need more energy — and hopefully that will be soon, and hopefully we can create more demand on our energy utility in this province with expanded industry — then quite clearly we'll look at the other options, which is why we have been reviewing the different options.

And when the time comes to make a decision as to what kind of energy we would . . . and what kind of fuel we would use to generate the energy, we'll do it. But as I would say, I think it's only fair that we would keep the options open, understand the different ways of generating and the different fuels, and that's what we're doing at this point.

Mr. Devine: — Well, Mr. Minister, I'm just trying to get some plans out of you and some of the direction for the future, because I read your document on energy options or whatever it was and it's . . . it lacks in a great deal of detail. Now maybe that's what you want, but let me ask you a specific question. Does the minister believe, in terms of the government's investment in the natural gas business, whether Saskferco is a good project or not? Could he say that it was good or not?

Hon. Mr. Lautermilch: — Well let me say that I'm sure that the energy that's being consumed by Saskferco is quite clearly a benefit to SaskEnergy. They're one of our major customers, and I would want to say as well that I think it's fairly clear that people who are working in that industry and are working for that corporation are quite pleased in terms of their jobs and the job opportunities that have been created there.

And as I indicated to you a week ago when we did estimates, I told the member from Estevan that I would never stand in my place and suggest that every initiative that you embarked upon was totally negative. I don't believe that. But what I would say to him is, I'm very hard pressed to be able to point to a deal that I think was a good deal in the long run, and I would want to say that, as you know, you have put hundreds of millions of dollars of public funds at risk in different initiatives.

We have renegotiated the Bi-Provincial and I think made that into now what is hopefully a good deal. We've renegotiated the NewGrade upgrader which was one of your initiatives and have put it in a place where it can now handle the debt load that it has. We've renegotiated the Weyerhaeuser agreement and I would want to say that we're quite comfortable with that agreement. But I wouldn't say that every deal that you made was a bad deal. But I think you've got to just look at what you've done. Look at the \$15 billion of debt that you were responsible for creating. Have a look at what you have saddled the people of this province with. Now you can make the argument, you can make the argument that all of the initiatives that you embarked upon were first class, that there were no problems with you. And you can still live believing — as you did before October of 1991 — that the people of the province believed you and believed in you, but they didn't.

They didn't believe you in October of 1991, and they don't believe you now. They understand exactly what kind of a debt load and a legacy you left their children. And I want to say to you that I would have thought by now, I would have thought by now you would have recanted a bit, repented, or at least understood that you made mistakes. But it's quite clear tonight that you don't believe that. You believe the people were wrong in October of 1991. You believed that then, and you believe they're wrong now.

Well I want to say to the member from Estevan that I don't think any measure of lesson would lead him to understand that in fact some of the initiatives of the 1980s were not right. And that's fine. And I won't debate that with him. But I'll keep reminding him that the people of the province don't believe that.

(2015)

So with that, I would say to the member from Estevan that we're going to continue working with industry, working with business, working with some of the initiatives and some of the people who have invested in this province, and create an environment where they can satisfy the concerns of their shareholders. And I think that's a responsible approach to take.

And I want to say that we're going to deal with what we inherited in 1991, and we'll deal with that through '96, '97, '98, '99. And we'll continue to work with the people of the province to ensure that we shed ourselves of this debt load that we're sitting on. And we're going to work with industry to ensure that we've got an environment where they want to invest. And we're going to ensure that working men and women have labour legislation that is fair and responsive to their work environment.

And the member from Estevan goes this way and that way, and he says you can't find a middle ground, and you can't find something that works, and that you can't create an environment where business can work and where labour can work. Well I don't believe you.

An Hon. Member: — Isn't that a Liberal?

Hon. Mr. Lautermilch: — Well no, no, a Liberal has never been able to achieve that, I say to the member from Estevan.

And we've seen Liberal governments in this province and we've seen Conservative governments in this province. And I'll tell you, a Liberal will offer to govern over here but this is where they end up, the same place the Conservatives do. And all you got to do is look at the way the Liberals and Conservatives have been changing hats. Unfortunately for the Conservative Party the hat is going from the Conservative head now to the Liberal head. And she'll get defeated and some of those heads will come back over to the Conservatives from the Liberals.

And you know that; you've seen that before. Many of your caucus colleagues in the 1980s were former Liberals. And they came over to the Conservatives, and now they're moving back over to the Liberals, and that's how that cycle goes — it's Liberal to Conservative.

But I'll tell you one thing you do get from a New Democrat is consistency. You get consistency, and you get decent, and you get honest, government. And I want to say to the member from Estevan, when and if we go to the polls, that's what we're going to be governing on — fiscal integrity. And we're going to be governing on fairness. And we'll be campaigning on those issues.

Now you may not believe that to be what the campaign platform, when it ever comes, will be. But I just want to say to you that I think the people of Saskatchewan are comfortable with the kind of government that's been delivered in the last three years and we'll have a chance, soon, to test that.

Mr. Devine: — Mr. Chairman, I find it interesting. We're into Energy and Mines estimates, and I'm asking him about energy and mine companies, and he keeps going back to the '91 election because he doesn't want to acknowledge the success in energy and mines is in the private sector and in the royalties and in the projects that are creating well over \$1 billion in cash flow over and on top of all of the other investments — that he calls debt — in his portfolio. And I want to focus on his portfolio because, in very good part, it helps the Minister of Finance balance her budget. And part of that is making strategic investments where we can attract capital and make money.

Now the minister says the people were right in 1991. The people voted for what they thought they heard . . . was, I'm going to cut your taxes. And you did the opposite. If you had told them all the tax increases, do you think you would have got the same people elected? No. But you didn't; you didn't come clean. Then when you're in, you say, oops I've got to raise taxes.

What I'm pointing out is in your portfolio, sir, as we went through the other day, you're picking up close to \$1 billion in oil royalties, land sales, revenue associated with drilling of oil, and heavy oil associated with upgraders, and also money associated with two Crown corporations that you have in energy and power — over \$1 billion. And I pointed out this evening, if you take all the Crown corporations and the major investment in government enterprises here by the auditor, they're contributing \$600 million. And you don't want to talk about that.

That's not negative; that's positive. And those positive numbers come from investing in oil and gas and potash and in fertilizer and in upgraders and in refineries. And you're picking up the benefit. And I just want you to acknowledge that some of those things were obviously initiatives that you were very much against. And I'm trying to wonder if this new, middle-of-the-road, NDP/Liberal magic man here now would say yes, I'll encourage even more of that in AECL, in nuclear energy, and a combination of things that could be very exciting. But for some reason or other, you won't acknowledge.

I want to ask the minister again: does he believe Saskferco is a good investment for the people of Saskatchewan? Yes or no.

Hon. Mr. Lautermilch: — Well I guess what I want to say to the member from Estevan is what he continues . . . and consistently forgets, is the amount of write-offs with respect to Potash Corporation of Saskatchewan and the hundreds of millions of dollars you wrote off. All of a sudden — poof! — it's gone. It's part of the public debt, but you won't recognize it because you won't recognize public debt, and you won't recognize loan guarantees to the hundreds of millions. You recognize none of that. What you say is, forget the fact that we put the province in debt. Forget the fact that we put them in debt.

Is Saskferco making profits? The answer is yes, Saskferco is making profits, and we're certainly hopeful that every

corporation that operates within the boundaries of this province makes profits.

But what you forget is the hundreds of millions of dollars of public funds that you tied up, and the hundreds of millions that you wrote off. Did you write off money on the PCS sale? Did you write money off on PCS? You answer that, and then we can continue the debate.

Mr. Devine: — Mr. Minister, I thought I heard you say that Saskferco was a profitable deal. Did you say that? Is it a profitable deal? Is it a good deal? Is it a good investment? Were the equity investments and the guarantees a good thing for the province of Saskatchewan? Yes or no.

Hon. Mr. Lautermilch: — Well I want to say that it certainly is a good investment for Cargill; otherwise they wouldn't have been here. And you know that, and I know that.

But you answer me this. I say to the member from Estevan, did you or did you not or will you or will you not admit that you wrote off hundreds of millions of dollars of debt on the Potash Corporation privatization?

Mr. Devine: — Mr. Minister, in this forum we go through you answering the questions as I put up. I will ask you if you think PCS is a good investment. And I've already asked you, but you didn't answer, so now I'm going to Saskferco, and I'll come back to PCS.

Is Saskferco, an equity partnership between the Government of Saskatchewan and Cargill, a good thing for the people of Saskatchewan? Is it profitable? Is the equity returning good return on the money that's there, return on investment? And in fact are the loan guarantees paid, and are we making money? In other words, were the guarantees good? Is the equity good? Is it good for the gas industry? Is it good for the people of Saskatchewan? Do you believe that it is? Yes or no.

Hon. Mr. Lautermilch: — Let me answer this way. Quite clearly the member is not willing to speak of the write-offs of Potash Corporation, and I understand that, and I can understand quite clearly why, because it's pretty tough to make an argument for privatization on the one hand with a devalued share, when the people of Saskatchewan are eating a massive hundreds-of-millions-of-dollar write-off . . .

An Hon. Member: — You didn't even understand it.

Hon. Mr. Lautermilch: — No, no. I mean that's fine. You asked and I'm answering.

And it's fine for you to forget the one side but not the other. You asked me whether I thought the investment, the Cargill investment, is good. You bet, Cargill has been doing very well. Otherwise they wouldn't have come into it. Otherwise they wouldn't have been involved in it.

Are there some positive aspects to the agreement? The answer

is absolutely. The people that are working . . .

An Hon. Member: — Are they all positive?

Hon. Mr. Lautermilch: — Oh, and he says they're all positive. Now they're all positive. Well I want to say to the member from Estevan, that may be your opinion and I'm not going to argue with you, I will only want to say that I'm sure that the shareholders of Saskferco are comfortable with their investment otherwise they wouldn't be here. You must have been comfortable with it, otherwise you wouldn't have signed the agreement.

So I guess the question is more appropriately: are you comfortable with it? And if you're comfortable with it, fine. That's fine because clearly you were the one that made the deal. You were comfortable with Bi-Provincial; you were comfortable with NewGrade; you were comfortable with Weyerhaeuser; and you were comfortable with High R Door; and you were comfortable with Supercart.

You were comfortable with all of those agreements, otherwise you wouldn't have signed them. All I'm saying to you today, the member from Estevan, are there many initiatives that you signed that we wouldn't have. And all I'm saying to you as well is, that the agreements that we inherited from your administration, we are going to create an environment where the taxpayers of Saskatchewan's interests are well served. And that is where we come from.

An Hon. Member: — Built on our initiative.

Hon. Mr. Lautermilch: — You're right. High R Door was your initiative, and Supercart, and GigaText — all of those.

An Hon. Member: — No, no, they're not here.

Hon. Mr. Lautermilch: — No, no, but they were all your initiatives. And the member from Rosthern said, all our initiatives and they were all positive initiatives. Certainly they were.

And I'll tell you, High R Door, that was yours too. But all I say to you, and I say to the member from Rosthern, that we're going to create an environment where business can do business and we're going to treat them fairly as a government.

And I know the member from Estevan is trying to vindicate the sins of the past administrations and that's fine. All I say to you is, as a government we're going to be dealing with what we've inherited; we're going to make the best out of it in every instance; and the people who have got money invested in this province, we're going to respect their investment. We're going to work with them to ensure the integrity of those corporations where we can.

Mr. Devine: — Mr. Chairman, the minister wants to talk about sins; I want to talk about blessings to the province — blessings. Saskferco project, I understand it, has a large equity investment,

shareholders, called the province of Saskatchewan. How are we doing in that investment, Mr. Minister? How are the government and the people of Saskatchewan, shares, doing in Saskferco? Are we doing okay?

Hon. Mr. Lautermilch: — Well I would want to say to the member from Estevan, were I the minister in charge of Crown Investments Corporation and if I had the officials around me who deal with those investments on a day-to-day basis, I would be more than willing to share that information with you in terms of how much money they've made in the last quarter, in terms of what our absolute investment is at this point.

And you understand as well as I do that Saskatchewan Energy and Mines is a regulatory arm of government and a licensing arm, and you know darn well the forum by which you ask detailed questions on a Crown corporation . . .

An Hon. Member: — It's not a detailed question; this is general questions.

Hon. Mr. Lautermilch: — Well you're asking how much money they're making. I can't tell you how much money they're making. My people and the people sitting around me right now don't have those figures with them, but I can ensure that we will get to you, in as much as we can, information as to the profits and loss of that corporation.

But I would want to remind the member that questions of a detailed nature with respect to those kinds of investments are done in Crown Investments Corporation estimates. And that's how that's handled. Well you may not be comfortable with the parameter of the discussions and the debate, but I say to you that that's where those kinds of details are available.

We don't have every arm of government in Saskatchewan Energy and Mines estimates. We don't do that. We don't have people from Finance. We don't have people from Crown Investments Corporation. We don't have people from the Department of Environment. And they're brought here when their estimates are called. And their officials will work with their ministers to answer detailed questions to the best of their knowledge.

But I can only say to the member that I can't give detailed answers to questions that are not under this ministry and not under the purview of this department.

Mr. Devine: — Well, Mr. Minister, you've already answered questions on Cameco or what the share prices and the percentage of shares you have, and it's in uranium. We're into the Energy and Mines portfolio, and Energy and Mines has to do with mining and has to do with energy. And natural gas is energy, and investments in natural gas by the people of Saskatchewan, you'd think would have a comment . . . or would have earned a comment by the minister.

I'm asking the minister, if he doesn't have all the details, has he heard any rumours then whether Saskferco is making any

money? And do you think it's a reasonable investment? Does he think it's a good idea? Is it good for the shareholders? Is it good for the gas industry? Is it good as a partnership? Would he comment on whether he thinks Saskferco is a healthy project. He's the minister. Does he have any opinion — any opinion — on the equity the government has in a company that's in the gas business in Saskatchewan in his portfolio? Is it generally a good idea to have the people's money in this project called Saskferco? Would he have an opinion on that?

Hon. Mr. Lautermilch: — Well as the Minister of Energy and Mines, I can say to the member from Estevan: I have no opinion on it. And I can also tell him, as the Minister of Energy and Mines . . . but I can also tell him that I don't deal in rumour, which is what you asked me to do. I can deal with facts. And if you want some facts and figures with respect to the Department of Energy and Mines, I can share those with you. And I can share those with you in detail.

But I think what the member should keep in mind, the format and the forum for questions with respect to individual corporations, and that's Crown Investments Corporation. And I'm surprised, after being premier of this province for as many years as you have, that you've forgotten that in three short years.

So I say to the member: you know the proper format. Bring your questions at the proper format when the appropriate officials are here to assist the minister in answering the questions.

(2030)

Mr. Devine: — You see, Mr. Minister, you've boxed yourself in philosophically. I've been asking you, and you wanted to tell me, about your future plans and what you're going to do in the future in the province of Saskatchewan. And you were so hidebound politically, you can't acknowledge good instruments for public investment.

You won't acknowledge it. Which is pretty small when you think about it. You cannot bring yourself to talk positively about hundreds of millions of dollars being invested and turn around and returning money many times fold into the province of Saskatchewan because you're so hidebound. It's impossible for you to do that.

And yet you want the business community and me and others to believe yes, you're a middle of the road, you're encouraging all these things. I don't buy you're encouraging this. You would never have succumbed to sitting down at the business table and building a Saskferco. You wouldn't have. You can't even acknowledge it's a good project.

Look it — you can't even stand in your place and say: that's an exciting investment. It's good for the people. It's good for the GATT (General Agreement on Tariffs and Trade). It's good for farmers. We've got a great investment there. It's attracted more business.

In fact the company's come back in and done some more, when the NDP have given them \$3.9 million cash. You must have thought that was pretty good, the same company. But you see my point. You can't even stand in your place and acknowledge fundamental principles about investment in the public sector.

And that's why you've boxed yourself in. And that's why people don't believe you. That's why you'll see NDP governments not that successful in encouraging private companies coming in.

I'm happy you're rapidly moving to the right; you're well in the middle now. And a lot of these things that were so-called not on, are on. Uranium's okay — hooray. The NDP (New Democratic Party) have now endorsed uranium, it's there. I think there's a megaproject. Isn't there a new mine being developed? Isn't that a \$250 million mine being developed, isn't that kind of a megaproject? So the NDP's in favour of megaprojects. And they're in favour of uranium. They're in favour of, what's that word, that M-word— multinational. By George, they're in favour of multinationals now.

Fred, what have you been doing? No, pardon me, the member . . . can't say that, I'm sorry.

Some members have got to you. It's encouraging to know that that common sense coming from the right wing, from the old Soviet Union, from China, from Latin America, from all over the world, is finally hitting the socialist party of Saskatchewan. And yet we get a minister on his feet, the minister can't acknowledge that yes, the privatization and the public share offerings have added millions and billions of dollars. He's so hidebound.

I knew you were going to get there, Mr. Minister. I knew that you were partisan enough, and not strong enough professionally, to say yes we have moved to endorse publicly traded companies. You can't do that. And, Mr. Minister, I want you to know — because you keep coming back — I want you to know that all of these investments that you said were so, so terrible in terms of debt, not general revenue but in Crown investments, and the enterprise investments, are generating net profits to the province of Saskatchewan. And I just want you to acknowledge that.

The auditor says they're contributing \$600 million a year, and the equity investments have a net benefit in equity. Now you might not like to hear that but in your own portfolio, isn't it true, Mr. Minister, that you're picking up something like \$520 million in oil royalties. I think your deputy said the other day, the net value added associated with a couple of upgraders, because it's 25 million barrels a day coming into the province of Saskatchewan that probably wouldn't be pumped and coming through the synthetic business, is \$100 million. Saskferco's contributing in the neighbourhood of \$90 million. Your two portfolios that you look at in gas and power are what, 150 to \$200 million.

Mr. Minister, that's a very large amount of money, in excess of a billion dollars, and most of it coming from the initiatives in

the private sector, that I'm just trying to get you to acknowledge — like Saskferco, which takes natural gas out of the ground, which you were very much against, and your party was, drilling for it, pumping it, making fertilizer, selling the fertilizer to farmers across Saskatchewan, participating in a very large market. I'm trying to get you to acknowledge that that's a good idea. And you know what? You won't even acknowledge that's good.

Now how can we have confidence in you as the leader of the energy and mining portfolio when some of the most exciting companies in North America — PCS, Wascana Energy, Cominco, Saskferco — are leading the way; AECL and more that you could do, and not only won't you acknowledge them, you don't seem to have any plans on where you're going to take them. You won't even entertain the possibility of putting forward some . . . even some possible investments. And I suppose it's because of co-generation.

Well I mean, the minister can't get off that easily. He is in charge of a major portfolio with billions of dollars at stake, saying: Well I guess we'll re-visit the tax promises of the '91 election and find out who got elected and who didn't. That's not good enough. What I'm asking is, what's your strategy for economic growth in your energy and mining portfolios, and does it include more share offerings and participation by the private sector internationally. And if it is, let's hear it.

And if it isn't, I want to know why you haven't explored it. Couldn't you at least come forward with some basic, fundamental ideas on economic development and value added, in a portfolio that is as big as you'll find in any jurisdiction in Canada, if not the United States. Do you have any plans for some exciting economic development in your portfolio?

Hon. Mr. Lautermilch: — Well I want to say to the member from Estevan, and I know he understands — he understands quite clearly — that this is not a department that invests in corporations. It's a regulatory and a licensing body, and if he had . . . and if he had some questions that were pertinent to the portfolio, and to the department, I'd be more than willing to be able to answer them for him.

But I can tell you what I think is exciting, is the fact that in 1995-96, we're estimating \$523.4 million in terms of revenue for the people of Saskatchewan through the development of their natural resources. And I think that's exciting.

I think it's exciting the fact that we'll generate \$350 million roughly in oil this year. And I think that's exciting because what that tells me is that the investors, the people of the oil and gas industry, are wanting to do business in this province. That, I think, is exciting.

And I think what is also exciting is the fact that we were able to announce the construction, the beginning of a construction, of a new mine creating 250 construction jobs at McArthur River. I think that's exciting, and those are the kinds of initiatives that this department has been involved to help to facilitate the

development of.

I think it's exciting that last year we had record land sales, and that the oil and gas industry was willing to invest over \$200 million in land purchases. That to me is exciting and I think that speaks to the future.

But it also speaks to the last three years by positioning this government where people want to come to this province to invest.

And I say to the minister . . . or to the member from Estevan, he can haul out facts and figures — many of them I'm sure figments of his imagination because we heard some of them the other night — and what you do is you talk about, on one side, revenue and options. But you always forget what the costs of that was. . . . (inaudible interjection) . . . No, no, you just ignore the other side. The auditor doesn't deal with that, and you know that, but I don't want to get into that debate.

What I want to say to you, what's really exciting is the fact that we're going to be opening a new uranium mine that's going to create 250 to 300 jobs. And I think that's exciting, and that . . . I want to say I acknowledge the investment by the private sector in terms of their desire to invest their investment dollars here in the province.

And I think the gold mine that we were recently up at, the Contact Lake gold mine just north of La Ronge where people from La Ronge and area are working — we were up there for the pouring of the first brick of gold — and I want to say that's exciting.

But I want to say to you what's more exciting than all of that is the activity that's created in the retail sector, where last year the retail sales were up 9 per cent in this province. That's exciting.

And I want to say to you that it's partly because of the initiatives created by the royalty structure put together by this department, by the Department of Energy and Mines. Now I say to the member from Estevan, if you have some specific questions with respect to the department, we'd more than willing to help to answer them.

Mr. Devine: — Mr. Minister, you just don't seem to understand. You keep telling me that you're a regulatory agency, and I imagine that you have money that comes into your department, royalties from mining and gas and oil. What I'm trying to get out of you is that can you adjust your policies to make more money for the people of Saskatchewan.

Do you have any new ideas, any new ideas . . .

An Hon. Member: — You did.

Mr. Devine: — Exactly. Just like you see today, \$600 million net coming in because of Saskferco, because of oil royalties, because of upgrading oil, because of public share offerings that are creating a great deal of wealth.

Do you have any new regulatory ideas, any new initiatives that would encourage more investment so you can collect more money in your portfolio? You are a regulatory body. You must have planning and strategic analysis: if we could do this, this, or this.

I asked you about AECL. I asked you about nuclear energy. I got fluff for an answer. I've asked you about Saskferco and natural gas and upgrading, and I got fluff for an answer. I asked you about PCS, and I got fluff. These are very exciting companies. You don't even seem to acknowledge . . . well you won't acknowledge them, but you don't understand what they're doing. I'm just trying to get you to focus on some of the potential, exciting potential, in the province. Do you have any new strategic analysis or strategies that you could share with the people of Saskatchewan that would encourage industry to come into the province? Do you have any in your portfolio? Not in retailing, but in your portfolio of Energy and Mines.

Hon. Mr. Lautermilch: — Well with respect to the future, I want to say that, quite clearly, it's our responsibility to put in place a fiscal framework for industry to operate. We are working to enhance the kind of information that we make available to people who are looking at investment, looking at exploration.

That technology is changing and the department is working with government and within government to ensure that we have that technology available in the future in the 1990s and in the year 2000.

And we're looking right now at incentives for developing and enhancing oil recovery technology. As you will know, the oil fields and some of our fields in this province are marginal, and as technology develops, we're better able to have people invest in those areas and invest in technology to help recover oil from marginal wells. And I think that's one of the things that we're looking to in the future.

But I want to say to the member from Estevan, one of the interesting comments that comes back from the oil industry on a regular basis is they say, look, your royalty policies and the structure that you've put in place are working. And what they are also saying is, if it works, don't fix it, saying we're investing more than ever has happened in this province. We want to do some drilling; we're going to do exploration; and we're going to be pulling that oil out and we're going to be selling it. It's going to mean royalties for you folks and it's going to mean profits for our shareholders.

So I guess certainly there are initiatives that we're looking at. We're looking at the possibility of enhanced recovery initiatives and we'll continue to do that, working with industry.

Mr. Devine: — Mr. Minister, would you rule out the nationalization of any particular part of the oil and gas and mining business, by your administration?

Hon. Mr. Lautermilch: — I can't think of an area that we

would be interested in investing in.

Mr. Devine: — Would that mean that your previous policies of nationalizing companies in potash or in oil was wrong? Or does it mean that you're just not going to tell us that you might have some ideas about nationalizing some various companies?

Hon. Mr. Lautermilch: — Well what I would want to say is the relationship that we have with the oil industry, oil and gas industry in Saskatchewan, is working quite well. We think that we're satisfied in terms of the royalties and the revenues that we're generating. Their shareholders are satisfied that they're making a reasonable return on profits.

And I would want to say to the member from Estevan, that the 1990s are certainly a different time than we'll see in the year 2000 and 2010. I can say to you that we have no interest in investing in oil companies at this point in time. But I'd also want to say to the member opposite, even if we felt we did, we wouldn't have the money to be able to do it, simply by that fact that we're sitting on a \$15 billion debt, as you're well aware of.

(2045)

Mr. Devine: — Well, Mr. Minister, what I'm trying to find out is what strategic methods you have in mind for increasing economic activity in your portfolio, and you're just very elusive. You won't endorse public share offerings. You won't acknowledge the success of the joint venture relationships. I've asked you specifically if you'd look at a public share offering and participate in one in atomic energy, manufacturing and marketing of CANDUs. You won't acknowledge it. Co-generation, you've just thrown up your hands, so that won't work.

Does the minister have any new strategic analysis on how he could encourage investment, more investment in the province of Saskatchewan in nuclear energy, in mining, in gas, or in oil, or in the value added manufacturing in those industries?

Hon. Mr. Lautermilch: — Well I think, to the member from Estevan, what we're most interested in is creating an environment where business wants to invest. And how do we do that? Well you develop a royalty structure that will allow them to operate in the province and allow them to satisfy their shareholders and their shareholders' profits. We introduced a new policy on uranium and we've done that working with industry. We introduced the new royalty structure on oil and gas revenue. We did that working with industry.

So I think what is important is that you work with industry to develop an environment where they want to invest and where they want to do business. And I don't think there's any major trick to that. I think it's a matter of using common sense. It's a matter of working with the industry. If you look at every sector, whether it's oil and gas, potash, uranium, or others, natural gas, they're all doing fairly well and they're all investing. And I think that's the kind of climate that we have attempted to create. And I think the success is in the statement of revenues and the

fact that they are investing and that they are generating revenues for the people of Saskatchewan through royalties and taxation.

I mean what we want to do is create a fiscal framework, create an environment, and to facilitate investment. And I think we've been very successful. And the record and the numbers that we've put in this year's *Estimates* will show quite clearly that that's the case.

Mr. Swenson: — Thank you, Mr. Chairman. Welcome, Mr. Minister, and your officials. I was reading an article from today's paper that piqued my interest, and it's an area that I have some interest in and I'm sure you also do. It's about an energy deal recently signed between the province, I believe an oil company, and the Joseph Bighead Reserve, dealing with natural gas deposits up in the Meadow Lake area.

It must have been quite a shindig here because it says the deputy minister danced. Knowing your deputy as well as I do, I felt that must have been quite a show up there. But I guess it leads to the bigger question, Mr. Minister, about this process because there are a number of these initiatives going on in the province now and they've been outstanding issues for quite some time. And the Department of Energy and Mines wasn't always on the same wavelength as the department responsible for native affairs when it came to some of these issues.

And I'm wondering if you could elaborate on the policy that your department has come up with. And I believe the situation at Carlyle, although that involved the federal government, was similar in this one. And how many more of these particular circumstance are around where the province is obviously giving up some jurisdictional rights vis-a-vis royalties with various Indian bands in the province. I wonder if you could elaborate, please.

Hon. Mr. Lautermilch: — Let me say to the member from Thunder Creek that there was no giving up in the Joseph Bighead announcement that you saw today, no giving up of jurisdiction. What there was is a pool of gas that is both partially in reserve and partially off reserve. And what they did was put it together in what they referred to as unit management, for good management of the pool.

Mr. Swenson: — Well, Mr. Minister, it says here, "Royalties alone for the band are expected to be nearly \$450,000 in 1995," and that, "The band . . . gets royalties based on estimates of how much of the gas winds up coming out from under the reserve."

Now I do understand pooling arrangements, Mr. Minister. There must be something specifically done here to come up this arrangement. Is it the same as Steelman or is it . . . are you telling me that there's been no change in the way you do things as far as this agreement is? Because obviously native people around the province are going to read this and say yes, why aren't I getting the same deal that Joseph Bighead is?

Hon. Mr. Lautermilch: — Okay. I'm told by my officials that this is the first situation where the unitization involves both on reserve and off reserve. And what this is, as I've indicated, the first one of that kind. And what they have tried to do is, by a formula, determine how much comes from the reserve land and the reserve portion of the pool and how much would come from off and from outside of the reserve. And what they're attempting to do is to manage it as a pool. And the amount that was indicated, as I am told, in the paper for revenue would be in the neighbourhood of \$450,000.

**General Revenue Fund
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The Chair: —Before we proceed to item 1, administration, can we ask the minister to reintroduce us to the officials who have joined us here this evening.

Hon. Mr. Lingenfelter: — Thank you, Mr. Chairman. First of all, to my right, Pat Youzwa, the deputy minister of Economic Development; and directly behind me, executive director of programs division, Bob Perrin; and to Bob's right, Wayne McElnee, director of economic policy; and seated in the back, Sharon Roulston, director of internal operations; and Alison Stickland, executive director of northern affairs.

And so I look forward to questions from members of the opposition.

Item 1

Mr. Neudorf: — Thank you very much, Mr. Chairman, and welcome to the Minister of Economic Development and his officials. I hope that over the next while we have a productive session. Actually I hope that we have a little bit more of a productive session than we have had over the last two hours.

Mr. Chairman, I found the last two hours very fascinating as my colleague, the member from Estevan, was questioning the member from Duck Lake, the Minister of Energy and Mines, about his vision, his perception of what the future looked like as we further try to develop the economy of the province of Saskatchewan.

And it was a little bit like pulling hens' teeth I guess, Mr. Chairman, to get the minister to admit that there were some good things that had happened in the '80s. And we, I think are going to try to pursue that vein of thought as we ask the Minister of Economic Development some pertinent questions.

(2100)

And I want to begin, Mr. Chairman, and Mr. Minister, by asking not only you, but the Associate Minister of Economic Development, some very specific questions. And we are aware and the viewers perhaps are aware that the last time Economic Development was up, I was specifically asking the Minister of Economic Development questions about his particular

department. And I admit, Mr. Chairman, that the discussion at times was perhaps not dealing specifically and solely with the economic issues but somewhat politically orientated. And I hope, quite frankly, that we've both gotten that off our chests and that today we can pursue the economic issues just a little bit more in detail.

Now therefore, Mr. Chairman, I direct my first question rather directly at the Associate Minister of Economic Development. Because, sir, it is my understanding that your part of the portfolio has been specifically designated to be economic development in the North. And as such, I am extremely interested in what goes on in the North. I think there's tremendous potential in the North and I think this potential should be pursued, and I think you would agree with me as well.

I believe that you consider that to be your mandate, your specific job that you have as associate minister, to do what you can for citizens in your own community and your riding of Athabasca, but also certainly the people in the Cumberland riding as well, and ultimately for all of the people of Saskatchewan. So what I would ask you first of all then is to perhaps elaborate a little bit about the vision that you would have for the northern people of Saskatchewan.

I know that you have been in the legislature for . . . you're the longest surviving member, I believe, in this legislature right now, if I'm not mistaken, or certainly one of them. And you've been sitting in the back benches all these years with some pretty pent up emotions, I would imagine, because you could see what was needed but never were quite in a position where you could actually pull some of the throttles and some of the levers to make those things happen.

Now that finally you are in that position — and once again I congratulate you for that achievement — and I'm sure that the rest of the people of this province are looking forward to hearing what you envisage for the North in so far as economic development for those peoples and all of the people of Saskatchewan are concerned. Would you want to please take this opportunity to elaborate.

Hon. Mr. Thompson: — Thank you very much, Mr. Chairman. I want to thank the hon. member for Rosthern for that question. And yes, I would appreciate taking the opportunity to give you my views of what is taking place in northern Saskatchewan and what I see as the future for the North.

You indicate that there is a lot of activity up in northern Saskatchewan and a lot of opportunities, and I fully agree with you. There's tremendous opportunities in the North. As you know, we have so many resources up in the northern part of our province, starting with the forestry and the rivers and the lakes for tourism, the mining industry, commercial fishing industry. There's just so much that can take place.

But we have to develop it in a slow and safe manner, especially

when you're dealing with the mining industry.

Right now with the programs that we have, my colleague, the Associate Minister of Education, with Education and Training . . . and what the Premier has indicated quite clearly in his speeches in the House, that our direction will be towards education and training and jobs.

And I think it's important in northern Saskatchewan, if you're going to create jobs, you have to make sure that the citizens who are living in the North are well educated and well trained so that they can take advantage of the opportunities that will be forthcoming or that . . . they're there right now.

I'm sure you realize that in the forest industry the price right now of forest products have never been higher. So there's so many opportunities in the forest industry — in the softwood, in the hardwood, in railroad ties, fence posts for the farmers — there just seems to be no end for the forest products at this time.

And there are many jobs being created — there's saw mills, there's the pulp mill in Meadow Lake, the saw mills in Meadow Lake. There are smaller saw mills that are starting up, up in the west side and up in the east side of the province. Large contracts are being developed with fence post industries for the farming communities, not only farming in this country — in Saskatchewan and Canada — but they're going south of the border. So there are many opportunities there.

Another area that I have been looking at since I got this portfolio, and that is to bring the processing of our fish back to Saskatchewan. As you're aware, right now all the fish that we produce in this province . . . we catch the fish in northern Saskatchewan and then we put them on trucks and take them 1500 miles to Winnipeg for processing; and along with that goes the jobs also.

So this is something that I'm looking into, and I hope that I can convince the federal government that . . . and the crown corporation, the Freshwater Fish Marketing Corporation, that they should be processing that fish up in northern Saskatchewan and bring the jobs back where they belong.

I don't mind the corporation being a central selling agency. I see nothing wrong with that. But I don't believe that we should be processing that product out in Winnipeg. So I'm working on that.

Now we see a lot of development in the North in education. The community college system is now operating — and operating well. If you go into the North and you see the expansion of the community colleges, and it's expanding only because it's working in conjunction with industry. There's the mining industry and the forest industry. And the community colleges are working together to train individuals to take advantages of the opportunities in both of those industries.

We see a lot more young men and women graduating out of the grade 12 system in northern Saskatchewan, and that's been

increasing over the years. And they're not all going to be miners, and they're not all going to be fishermen. And they're not all going to work in the forest industry. But you just go to any university around the province and go into the hospitals, and you see the young women from northern Saskatchewan who are nurses today. And they're all over, so I see exciting times ahead for the citizens in northern Saskatchewan.

No doubt the mining industry has played a major role in the last number of years and will continue to play a major role as we take a look at the developments that will take place in the industry. And I just want to indicate to you that the announcement the other day that McClean Lake will be starting that new deposit and that . . .

An Hon. Member: — Which lake, Fred?

Hon. Mr. Thompson: — The McClean Lake deposit, they're going to build that mine, and their initial investment, I believe, is around \$250 million. And a lot of that, the goods and services, will come out of Saskatchewan. Hopefully 50 per cent of the jobs will be for the North. The other 50 per cent will be for the South. Head offices are in Saskatoon.

And McClean Lake is not a big deposit, by any means. When you take a look at the deposits that we have in northern Saskatchewan, the McClean Lake deposit has between 40-45 million pounds of ore. And that may sound like a lot of ore, but it's not really. When you compare that to Key Lake which had 110 million pounds, and Cigar Lake, which has not even started in the development phase yet, has 385 million pounds.

And there's going to be 250 jobs at McClean Lake, so you can just see as, you know, the next 10, 15, 20 years that development, as it takes place slowly and carefully and safely in the best interests of all citizens in this province, I just think that there are exciting times in northern Saskatchewan in the mining industry. And the mining industry will certainly play a major role.

Having said that, I think I'll take my seat, and you may have some supplementary questions that you would like to ask me on anything that I have indicated here.

Mr. Neudorf: — Thank you very much, Mr. Minister. I know that there's a wide-ranging scope of activities and possibilities and potentials in the North that should be continued to be pursued. You mentioned a number of them and you predicated a lot of the success in the North depending on the types of education and educational programs that were available and are available in the North.

And I know from my visits up North, when it comes to the educational component, I've been extremely impressed, for example, when I went into the town of La Loche, for example, and toured their school. And as a former educator and so on, I think I know what to look for, and when I went into that school in La Loche I was amazed. I was amazed at the discipline, the attitude.

You can walk into an area and you can immediately sense whether that is a learning experience that those kids are going to have or whether it's not going to be a learning experience. And so the schools are there for the four R's . . . or the three R's and the other kinds of things.

And I got the very distinct impression that because of the types of teachers that were there and the job that they were doing, that these kids did have the opportunity to get a formal education. And the trick is to have something for these kids when they come out of school to apply their education to, and that is what has always been lacking in the North.

We've been hewers of wood and drawers of water and we have been good traditionally in pursuing the fundamental industries, the main industries; but when it comes to secondary industry, value added and tertiary industries, that's where we've always lacked in the North . . . what we've lacked in the North.

And I think that is going to be your challenge as an economic minister of the North, is to be able to do those value added and to create meaningful, long-term, permanent, good-paying jobs for the folks in the North. Not that there's not always going to be room for fishermen and lumbering and these kinds of things, but we want to do more. As you have indicated, we want to do more than just haul the fish out of the water and put them in ice and truck them down to Chicago or wherever they happen to wind up.

So from that perspective, Mr. Minister, I certainly wish you well in your endeavours as you go about it. And I quite frankly think that we are in a sense heading in the right direction, because one of the greatest potentials that we have in the North — and you've already alluded to that — is the mining industry. And obviously the greatest mining industry that we have in the North is the uranium and the potential of uranium.

Now I don't want to put words in your mouth, but I think you are light years ahead of your own party in many instances over the years as to recognizing the potential that uranium mining could have for the people of the North. And I'm glad to note now that finally your party has caught up with you, recognized that factor, and is now preparing to reap the benefits of that, obviously taking safety and all these other precautions in mines. So there's a great deal of potential there.

I was interested in noting that when you started talking about McClean Lake and its potential, and comparing it to Cigar and to Key Lake, places that I have visited as well. And the potential is there because, when we start talking about the uranium mining industry, it's staggering, the economic spin-offs that can be associated with that, right from the mining of it, from the elementary processing of it, the shipping down — let's say — to the States, the selling to the users, and then comes the question of what do you do with that product in the end.

And I'm just wondering what your vision, sir, is of that uranium part of the economic situation in northern Saskatchewan. How do you envision, what do you see in the future role for the

North of the mining industry, uranium in particular? Could you expound on that, please?

Hon. Mr. Thompson: — Thank you very much. Yes, you indicate that I felt that education and training will play a major role in northern Saskatchewan, and I want to just indicate to you that that is true, and there is a . . . and my colleague, the Associate Minister of Education, has announced a \$10 million, multi-party training plan, and that will train people for new jobs in the forestry and mining industry. And this is a joint commitment by the province and the federal government and the Prince Albert Grand Council. And these are all geared towards education and training. Northern development will also play a major role, and then, as I announced, the northern development fund which will provide loans for individuals to take advantages of the opportunities that will be created in all the industries in northern Saskatchewan.

Yes, the uranium industry will be developed, but we as a government have made it quite clear that it will be developed slowly and carefully and safely. We will not allow development to get ahead of any of these items because it's so important. And that is the reason to have the training programs along with the mining industries.

(2115)

But what I want to make it quite clear, that education and training is not going to be strictly for the one industry. As you indicated, they don't all want to be fishermen, and they don't all want to be lumberjacks, and they don't all want to work in the mining industry. And we want to make sure that the young men and women who are coming out of grade 12 in northern Saskatchewan will have the opportunity to go in any direction they want — if they want to go into the trades or if they want to go to university. And we have many of them that are going to university in the South, as I indicated before, and there's going to be a lot more of them.

But this, I have always said and I have always felt, that is the key to the success in northern Saskatchewan. It don't matter how many resources you have or how much the resources are worth, if you don't have a population that is not well educated and well trained, then they're never going to be able to take advantage of the opportunities when they do arise.

And that's why over the years you've always seen we've had to import teachers. We've imported social workers and RCMP (Royal Canadian Mounted Police). And that is starting to reverse itself now. You see more and more northern teachers. You see more and more northern social workers, more Northerners are getting into the RCMP. And they don't necessarily stay in the North. You can find nurses are nursing in Saskatoon. They're nursing in Big River. They're nursing all over. Social workers move around. We have RCMP who are moving out.

So I think that our philosophy of making sure that we can get our citizens in northern Saskatchewan well educated, you know

... and the commitment by industry to work closely with northern people — the mining industry — who will work closely to see that we get at least 50 per cent if not more of the labour force. We have an opportunity, and we've got to take advantage of it. We're no different than the Scandinavian countries or Germany or Japan. All those countries who are ahead of us in economic development are a well-educated population. And that's exactly what we have to do; we have to follow in the footsteps of those countries because it's just so important.

But yes, I think there's exciting times up there. The new economic development fund for the North, I think that's a part and parcel that will go a long ways in creating the type of opportunities that Northerners so rightly deserve. I want to indicate to you, sir, as a former minister, you know what the situation is up there. And we have a long ways to go to catch up to the constituents that live in your constituency and in the South.

So I think that when anyone says to me, you're putting more emphasis on the North, I think maybe we are putting more emphasis on the North now, but we're 20, 25 years behind the South. So we have to do that to catch up. But I think we're catching up fast and I'm pretty proud when I go into the communities and I see the young men and women, from families, who have graduated and they're out making their living and raising their families and they have a future. And I think that's important.

I guess if anything that disappoints me is to see labels that are put on by broadcasts that I seen the other night on the CBC (Canadian Broadcasting Corporation) when they refer to La Loche. You alluded to La Loche and you went into the school and you seen what kind of a school it is. I don't like to see the build-up the way that the CBC were speaking about a community in my constituency. You talk about the school up there and then you go into the reserve on Black Lake and Fond-du-Lac and look at the new schools that have been built up there. They're just magnificent schools. And they're proud of that and that'll be part and parcel of success in northern Saskatchewan.

Mr. Neudorf: — I agree, Mr. Minister, that one of the problems that we're facing in the North and bringing the North, as it were, into the 20 and 21st century is the stereotyping that has occurred in the past.

And you talked about the CBC. I don't know if I particularly like mentioning particular media outlets, but why not. I know that when I was minister back in '89, I think it was ... yes I believe it was 1989 as Minister of Social Services, one of my objectives was to go to the North and see first-hand ... hands-on approach. And we decided that we would visit La Loche, made all the arrangements, and part of my homework was to study up a little bit on La Loche so I would have an idea of what to expect. And one of the things that my ministerial assistants did for me was to bring me a CBC taped show of La Loche, and this was about two days before I went up there.

You talk about stereotyping. And the kind of TV program that it was where it showed barred windows, where it showed people staggering around, and this was supposed to be the welfare capital of the world. And that is exactly the impression that that TV program gave to me, and quite frankly, I said to myself, do I really want to go there. Do I really want to go there?

But we did. And that is exactly the school that I was talking about a few moments ago that when I went into, and I went into two schools there. I went into the public school, grades 1 to 8, and I also went into the public high school as well, and I was completely impressed, thoroughly impressed, with the attitude, the demeanour, and the whole learning situation that was there. The kids wanted to learn. The kids wanted to learn, and so this stereotyping is something that I think we have to try to get away from somehow. And the media is of course one of the culprits in many of these occasions that foster and perpetuate this kind of stereotyping.

So from that point of view — and I just want to slide over a little bit — you've mentioned mining a couple of times, and I just want to pursue certain aspects of that. You say that it has to be developed slowly and that it has to be developed carefully. What is your perception now of how this development is occurring in the North? Do you see the uranium development, for example, proceeding slowly right now, carefully right now? Should it be going slower; should it be going faster? What do you see for the uranium mining industry in the next few years?

Hon. Mr. Thompson: — Well let's take from 1982; that's the last mine and mill that opened up in the uranium industry in northern Saskatchewan. That's the Key Lake mine. So the next mine that will go into production will be probably in 1997, the one they've just announced at McClean Lake.

So I think that what has taken place is taking place and I fully agree with that. And the policy of our government is that we're not moving too fast, and I think we're not moving too slowly. As you know, there's been a surplus of fuel in the world and energy for the nuclear power plants. Russia has had a stockpile, and they've been bringing it over here. So rather than get yourself into a situation where you have a glut on the market, you have to develop it slowly. And that's when I talked about slowly.

And I talked about carefully. And I think that if you go up and you look at any of the mines and the policies that the federal and provincial Environment departments, the regulations that they have to go through, you'll find out that it's been done carefully. And the result of that brings safety to the individuals who are working there, and it also brings safety to the environment.

So yes, I think it's moving along at the pace that it should move, considering the world events. And I wouldn't want to see it move any faster because I think that you have to be awfully careful when you're doing this and make sure that it is done safely. So yes, I would indicate that that is right.

You talked about the stereotyping, and I fully agree. I think this is bad because when I take a look at how the communities in northern Saskatchewan are working together with government in community development and trying to get themselves in a position where they can take advantage of opportunities when they come up, building houses, schools being built, and there's a lot of Northerners now who are getting into the trades and are getting ahead. And I think that that most certainly is significant in housing and restoration of houses. That's being done by northern contractors.

So I think, you know, you take a look at . . . there's construction, local construction companies that are setting up in all communities and they have gained this knowledge through the years of building the homes.

You talked about being a little bit leery about going into those communities, but I assure you once you went in there, you didn't have that feeling. And I just say to you, and I say to anybody that's listening, that any time they want to go into northern Saskatchewan they'll find that they're no different than anybody in any other part of this nation that we live in. They are no different than you and I. They want the same thing for their children as you and I do. They want to see that their children get a good education and an opportunity to get ahead.

So I think that while it is a long ways from southern Saskatchewan to northern Saskatchewan, the folks up there are no different than the folks in the South. They just want to be a part of society and they most certainly want to be equal partners.

Mr. Neudorf: — Mr. Minister, when I said I was leery of going in there . . . I've been, I think, to every community in the North over the years. I'm not leery of going into any of them. What I meant to say was, based on that documentary alone, is what I said, someone who didn't know better wouldn't have gone there. That's the point that I was trying to make.

As far as the economic development in the North then let's just pursue this one aspect a little bit further. You're talking about Cigar Lake; you're talking about McClean Lake. You're talking about the development in the North, and you think that it's going at about the right speed.

You're concerned about the safety aspect and I think we all are about that. You're talking about the glut of uranium on the market depressing the prices somewhat, although I would suggest to you they are better than they have been and the potential and the future looks pretty good.

What I'm very pleased at is that you folks, as a party, and particularly since you are now forming the government, have seen the light of day, have seen the potential within this uranium industry and the tremendous potential it has for us in Canada of having the highest grade, probably the greatest reserves, of uranium in the world.

And when you have a physical attribute like that, when you are

blessed with natural resources like that, it behoves us to, in a responsible fashion, develop them, develop them for the betterment of mankind and specifically for the betterment of the people of Saskatchewan.

And on that note, and since you're talking about the glut of uranium and some of the depressed prices, I referred a few minutes ago to what I would consider the cycle of uranium. First of all, it's got to be gotten out of the ground; it's got to be processed; it's got to be shipped down to where it's going to be used; it's going to be used; and then it's got to come back to somewhere and you have to do something with that.

What do you think, Mr. Minister, is the end result of the stuff, the ore, that we take out of the ground? We've taken the ore out of the ground, we've utilized it for the benefit of mankind, and now what do we do with it? And particularly, I'm talk . . . well first of all you wanted to answer that so far, so I'll give you that opportunity.

Hon. Mr. Thompson: — Yes, I wanted to answer that because I just want to make it clear that while we produce uranium in this province, we do have a policy that we will not proceed with a deep burial site for the waste. But we don't have any utilities in the province. We export the yellowcake out of the province for utilities all over the world.

And I just wanted to indicate that AECL, Atomic Energy of Canada Ltd., are in charge of handling the waste, and as you know, with the new processes that are taking place in the world, they are now reprocessing the waste. So you end up with very little waste. And in Pinawa, Manitoba, AECL has had an experimental project going over there to see if they can handle the waste. And I think that it's going to be many years before they come out with the final results.

But I would just say to you right now that the policy of this government, as it is right now, we are not looking at developing any deep burial sites or bringing back any of the wastes from utilities outside of Saskatchewan and bring it back into Saskatchewan at this time.

(2130)

Mr. Neudorf: — Would you care to comment, then, about some of the proposals being made by the Meadow Lake Tribal Council. I understand that they are somewhat interested in pursuing what is apparently a very, very significant possibility, potential, economic potential, of taking care of the waste of uranium. Have you . . . or has the Meadow Lake Tribal Council made any overtures to your government in supporting their interest in perhaps doing precisely that? Could you give us an update on that?

Hon. Mr. Thompson: — No, they haven't asked us as a government. As you indicate, they've suggested that they want to look into this but they're doing that on their own and they have not approached the government *per se* to get involved in it. And they would . . . What they're suggesting is that they

want to take a look at the possibilities that are arising out of the results of Pinawa, Manitoba, where they have had the experimental repository down there for a number of years. That is now completed so I'm sure they'll be looking at that. I know they've made a trip out there but they most certainly haven't approached the provincial government.

Mr. Neudorf: — Well, Mr. Minister, I recognize first of all your great desire to help the people in the North and there is a potential solution to part of your problems here. And it seemed to me that you have just indicated that you have a closed mind to this potential at this point and you're just basically saying, no, we're not interested. There are literally thousands of jobs, potential jobs here, as many as 4,000 jobs, I've heard, on a potential such as this.

And you're telling me that you have had no contact with the Meadow Lake Tribal Council, who is obviously very interested, because by your own words, you have been indicating that they're going to Manitoba. And what it almost seems to me is as if you're saying, well Manitoba's started in this, they're interested in it, and so therefore you're telling the Meadow Lake Tribal Council to go to Manitoba if this is what they're interested in.

So what you're saying now is that you've made no contact, they've made no contact, you haven't been in contact with each other about this potential. It just seems kind of strange to me that the economic ministers of this province would not be exploring all possibilities. You know, in your own party a few years ago, development of the nuclear industry in Saskatchewan was a potential that you could not foresee, but circumstances have shown you the way. Now you are involved, intricately involved, in the uranium industry and its proliferation.

But at the same time you just got up and say, well no, we're not going to do any of that, we're not interested in that; the Meadow Lake Tribal Council is but we've had no contact with them. Let them go to Manitoba. That to me, sir, seems as if it's somewhat short-sighted. And would you want to rephrase your answer, perhaps.

Hon. Mr. Lingenfelter: — If I could, for the member opposite who seems to think we have a new policy on uranium development in the province, I would remind him that going back to the 1940s when Tommy Douglas was premier of this province, uranium was being mined in the province. And during the 1970s, of course, the Blakeney government had mine expansion as well. And in fact probably the least development that has occurred in the last 50 years has been that period when you people were in government.

Now obviously that wasn't because you had a policy against uranium; it had to do with world prices and oversupply. But to try to paint a picture that CCF (Co-operative Commonwealth Federation) or NDP governments have had a policy opposed to uranium development is completely false. Tommy Douglas developed uranium. Al Blakeney developed uranium. And the Romanow government does.

I say again, over the past 50 years probably the fewest dollars were invested in uranium development and new development when you people were in government. So just so the record is straight, whether you like uranium or don't like uranium, let's not try to rewrite history of uranium development because you're very much inaccurate when you say that somehow we have had a policy that has been opposed to uranium development. There were many, many fewer dollars invested in uranium in the 10 years you were in government than any period of time in the last 50 years.

Mr. Neudorf: — Well, Mr. Minister, let's not try to rewrite history. I think everyone in this province, when it comes to uranium industry and the NDP Party, knows automatically where your party has stood over the last number of years. All we have to do is remember some of your party resolutions at your annual conventions.

All we have to do is take a look at some of the members that you had in this House. And I just name Peter Prebble and a few names like that that represented your party, that spoke for your party, until very, very recently when suddenly you saw the light and you decided that we better get off our duff and get along with the world and do these kinds of things.

And it seems to me that the Associate Minister of Economic Development and I were having a very, very reasonable, rational discussion on this because his purpose is to do what is right for the North. And he has, in my opinion, always advocated what your party has finally caught up with — simply because of the potential for his people in the North. And I commend him for that.

But for you to get up now and say, well sorry, folks, we're not really late comers, late bloomers; we've really always been there — it's just that circumstances didn't allow us — I think that's a pretty big stretch of the imagination. And drawing a long bow like that is going to break it, and the arrow is just simply going to fall to the ground and not hit the mark as you were intending to when you got up.

But unfortunately the Associate Minister of Economic Development did not have an opportunity to answer my question, so I'll give him that opportunity now.

Hon. Mr. Thompson: — Well as I indicated, the Meadow Lake Tribal Council has not come to the government. And most certainly they haven't come to me since I've had this position for only six weeks.

As you know, the Meadow Lake Tribal Council has made announcements that they have a 20-year plan in which they are exploring a number of economic development options. And in those options they include that they indicate that they want to do a research and development on the deep burial sites. But that is on their own. They have not come to the government and have made a proposal to the government. Most certainly not to myself as the Associate Minister of Economic Development, they have not come to me with that.

And I just want to make that clear that, you know, we've always supported the safe development of the uranium industry in this province. And you know the only time that we didn't do any development is when your government was up. Because the last mine that was opened up, as I indicated before, was in 1982. That was the Key Lake Mine, when you took over, and there's been no mine opened up since. We just made the announcement.

But to indicate and to make an . . . to try and make an issue out of the Meadow Lake Tribal Council's 20-year economic development strategy and items that they may have in that strategy, I think this is the wrong place to do that. And I just say to you, sincerely, it is not in the plans of this government, at this stage, to get involved with the waste from nuclear power plants, whether they be in Canada or the United States or any other place.

Mr. Neudorf: — I hope I'm wrong in my interpretation of that answer. Does this mean now that you have no interest in pursuing this? You would acknowledge that there are literally thousands and thousands of jobs and tremendous economic spin-off at stake.

Now what you are saying is that you're reverting back to the Peter Prebble syndrome and saying there's too many dangers involved here, so therefore we're closing our mine, we're shutting off all possibilities. The Meadow Lake Tribal Council may be miles ahead of us, but we have no contact with them, we're not interested in them, we're not interested in this at all because it's not safe. And I may concur. I'm not saying that it's . . . that we're at the stage where we can safely do that. But certainly what I am saying to you is that we have to explore opportunities.

And I'm again just amazed that you know that the Meadow Lake Tribal Council is pursuing this as a viable option. And you're saying they haven't contacted us; we haven't contacted them. There's a site in Manitoba that is showing some potential. Let them go over there. Export 4,000 jobs to Manitoba. I'm surprised to hear you say that, sir, that you are not out there fighting, kicking, screaming, for every opportunity to do what is right for the North.

And I'm not sure if that's the right thing at this stage. But surely you've got to get involved on the ground floor on this, become part of the solution. Are you prepared perhaps then, to make an overture to the Meadow Lake Tribal Council and say to them exactly what have you got done so far? Where are you at? How can we help? How can we work together on this?

What are we supposed to say as an opposition, if the Meadow Lake Tribal Council gets a deaf ear and a rebuff from you as the Minister of Economic Development in the North, and they come to us and say what can you do for us? Are we supposed to tell them well no, the government isn't interested in this, so I guess we'll just have to wait until those guys get turfed out and then we'll see what we can pick up. Or are you prepared to look and investigate some of the tremendous potential that is there

and see whether we can develop anything. Are you prepared to do that or what is your stand? Do you plan to be aloof, as you are right now, for evermore?

Hon. Mr. Thompson: — Well I just want to make it very clear that there's very few places on this globe where research and development is taking place into deep burial sites. Sweden is looking at it; France and Germany are looking at it together; the United States is looking at it; and Canada is looking at it. And Canada is looking at it through Atomic Energy Control, and that's AECL in Pinawa, Manitoba. And I think we just have to let that process take place. They have the experimental mine in Pinawa, Manitoba. The research and development is being done there. We don't have wastes in this province. Manitoba doesn't have wastes in Manitoba. All they're doing is the research to a deep burial site.

Now I think that we, as a government, if we want to use common sense, then we want to wait and make sure that we get the results of all the research and development that has taken place in Pinawa, Manitoba, because the bulk of the waste is in Ontario. There's a little bit in New Brunswick and a little bit in Quebec but that's controlled by AECB (Atomic Energy Control Board), by the Canadian government. And I just say to you that I'm sure that AECL, when they find out what the results are in Pinawa, Manitoba, they will probably be looking at other sites in Ontario also because Ontario is in the Precambrian Shield and that's where the majority of their wastes are. So I think in all fairness to the hon. member from Rosthern, we should wait and just see how things work out and see what the research and development indicates in Pinawa, Manitoba. And at this time, as I indicated before, we have no plans to get into the research and development to deep burial sites at this time.

Mr. Neudorf: — Well I'm really disappointed, I guess, more in the tenure of the answer than the actual practicality of it. An attitude of *laissez-faire*, of sit back and wait, let others do it, it's in the hands of AECL, and in Ontario there's a Precambrian Shield too.

It amazes me, sir, that you as a government are prepared to sit back and let things happen. Why would you not be a proponent? Why would you not be part of that process? Sitting back and wait for things to happen — we would never have Saskferco. Your partner there said that this is doomed to failure. One year later Saskferco was a glowing success. In fact it's one of the largest jewels in your Crown jewels. It's the one that you hold up to the world and to the financiers in the East, saying what a wonderful project that is.

And so for you to sit back now and say the potential of 4,000 jobs in northern Saskatchewan, if we pursue this and can perfect it — yes, with all the safety precautions in place — but that you're not prepared to be a proponent of the deal, and part of that leading edge working in conjunction with whomever to accomplish that fact, just amazes me — that you're prepared to sit back and just let things happen, let the process take place. I can't see that at all. And I don't think that it behoves well for a government that is sitting on top of the largest, most stable

Canadian Shield with the largest, the richest uranium resources possible, that you wouldn't pursue it in an active fashion. Find out — and if it doesn't work, it doesn't work. I'm not promoting anything that's going to be unsafe.

But things develop. Techniques are developed. Technologies are increasing and we've got to be part of that process. Please, sir, get up and say that you made a mistake. That you're not going to sit back and wait. Would you do that?

(2145)

Hon. Mr. Thompson: — Well as I indicated to the hon. member, the research is being done in Pinawa, Manitoba. And I also indicated that we, in developing uranium deposits in northern Saskatchewan, that we were going to move slowly and safely and carefully. And I think this same applies to looking at deep burial sites for wastes in northern Saskatchewan. We want to make sure, we want to get the results of all . . . there's hundreds of millions of dollars that have been spent on research and development at Pinawa.

Now we want to make sure that we get the results of all this research that has been done. So we would . . . you know, why would we want to risk going in helter-skelter and testing to see if we can find a safe place to put it when all the research has been done just east of us, and hundreds of millions of dollars of Canadian taxpayers' money?

So I say that, in closing off, that we're developing the industry, the uranium industry, slowly and carefully and safely. And if anything else is developed up there as far as waste goes, that would have to be done exactly the same way, and we want to see what the results are of the research that's been carried out in Manitoba. That's a Canadian project. It's not a Saskatchewan project, it's not an Ontario project, it's a Canadian project. So I think that in all fairness we should just sit back and find out the results of all the research and development that has been done, and then we will see if we can proceed carefully and safely and slowly.

Mr. Neudorf: — Well just sitting back and waiting, Mr. Minister, is what concerns me — that you're quite prepared to let AECL in Manitoba do their research, and here we are sitting in Saskatchewan as spectators. We are the major player in the game, and yet you've put us on the bench. We're sitting on the bench while the players are actively out there.

Have you, as a government, made any offer to AECL? Have you made any offer at all for a site in Saskatchewan to be used for trial purposes, so that we could do a trial set right in Saskatchewan conditions? Have you made any kind of an offer at all? Have you been any kind of a partner in this whole process?

Hon. Mr. Thompson: — Well as I indicated, the research is being carried on at this time, and . . .

An Hon. Member: — Not in Saskatchewan.

Hon. Mr. Thompson: — No, and it's not a Saskatchewan project. As I indicated, it's a Canadian project. Your colleague sitting beside you, I'm sure, has been there, and he visited when he was the minister of Energy and Mines. He knows what's over there, and he knows the type of research that's taking place.

An Hon. Member: — Hundreds of millions of dollars.

Hon. Mr. Thompson: — Hundreds of millions of dollars of Canadian . . .

An Hon. Member: — And what is Saskatchewan getting out of it?

Hon. Mr. Thompson: — We'll have to wait and just see what the results are. But it's not a project that is specifically for Manitoba because they don't have nuclear power plants in Manitoba. It is a Canadian project, and the research is taking place, and I just think it wouldn't be prudent for us to go ahead and start looking for a site of our own when there's a site in Manitoba that has been paid for, and all the research and development has taken place there, for the taxpayers of Canada, for all of Canada. So I just say to you, to the hon. member from Rosthern, that I think we should wait. Let's see what's happened there. Talk to your colleague, your seat mate. He's been there; he's visited; he knows what's going on there. And I'm sure you do too.

With that, I'm just going to say that in closing off, that as a government we want to wait and make sure what the results are of the research and development that has taken place in Pinawa.

The committee reported progress.

The Assembly adjourned at 9:51 p.m.