

May 18/90

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Britton: -- Thank you, Mr. Speaker. I would like to introduce to you, and through you to the other members of the Assembly, 28 students from grade 7 from Kindersley Elizabeth School in Kindersley, Mr. Speaker. They are accompanied by their teacher, Dave Burkell, and their chaperons. There's Loretta Longmire and Janie Jewsbury. And their bus driver is Jim Baker, Mr. Speaker. I will be meeting with these students for pictures and refreshments and probably some question and answers, and I'd ask the Assembly to help me welcome these students from Kindersley.

Mr. Speaker, Kindersley is at the far side of Saskatchewan, right up against the far side, and so it's a pleasure to be able to introduce the students from that far away. We don't get that pleasure too often. So I would ask you to help me welcome these students to our Assembly.

Hon. Members: mHear, hear!

ORAL QUESTIONS

Saskatchewan Government Growth Fund

Mr. Mitchell: -- I have a question, Mr. Speaker, for the Minister of Economic Diversification and Trade. Mr. Minister, this regards the Saskatchewan Government Growth Fund which is your government's venture into the immigrant investment field, and I note you've signed an agreement to give exclusive marketing rights for this fund to a Manitoba firm called Nexus Marketing Corp. of Winnipeg.

Now Nexus is in default with the Manitoba Securities Commission since March of this year because they have failed to file their annual return which would include a list of directors and shareholders. Would you tell this House, Mr. Minister, who this company is and who the directors and shareholders are, and why you gave them an exclusive contract to market this Saskatchewan government fund?

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Mr. Speaker, at the time the decision was made to market a government fund, there was some controversy because there were already people in Saskatchewan marketing non-government funds and there was some concern that the government was getting into a sphere that the private sector was dominating. And I'm surprised that the member opposite would be opposed to the government getting into this area because that is traditionally their way of doing things.

But the government decided to get into this area because the firm in question are immigration experts who are lawyers who had an idea that a Saskatchewan fund would benefit the interests of the people of Saskatchewan even more than the existing funds that are not government funds. So this fund was established. We hired the experts who had the idea, had the expertise, and have been working in that field. The fund has grown rather nicely and we are working our way through the immigration process and some of that money will be in the very near future put to use in the building of factories in Saskatchewan.

Some Hon. Members: mHear, hear!

Mr. Mitchell: -- Minister, through the offering memorandum of your government's fund, we see that Nexus will receive a marketing fee. It's hard to calculate exactly how much, but it certainly seems to be in the area of \$1.2 million for the first of three offerings which, if correct, would gross a total of \$3.6 million for this group of Winnipeg lawyers as you describe them.

I also note that Nexus was incorporated in April of 1989, which was barely a year ago, and three months after you issued this offering memorandum which named Nexus at that point as your exclusive agent. Now clearly Nexus was set up for the sole purpose of selling this fund.

Now will you tell us, Minister, who are these lucky Manitoba lawyers that get to make \$3.6 million on the backs of Saskatchewan people?

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Mr. Speaker, the members opposite are trying to perpetrate a misconception here. There is no Saskatchewan taxpayers' money involved in this matter. This is a fund being raised in Asia, and it is being done by people who are licensed as lawyers by the law society, in this case of Manitoba, that this fund is being developed there with money from outside of Saskatchewan for investment inside Saskatchewan.

And the marketing fee is normal in that all of those people from within Saskatchewan who are out in Asia and other parts of the world trying to raise investment money are also taking a similar fee. People cannot work for nothing, and they are working for a normal fee.

Mr. Mitchell: -- A new question for the same minister, Mr. Speaker. It is incredible, Minister, that you would ask us to believe that there was no one in Saskatchewan capable of undertaking such a task. Just incredible.

Now the offering memorandum also states that the fund will be managed by SGGF (Saskatchewan Government Growth Fund) Management Corporation, which is a corporation established by the government under The Crown Corporations Act, with a board of directors appointed by order in council and chaired by your deputy minister.

Now why was it written into the agreement that the manager of the fund, that this manager will receive an annual fee over a 10-year period which

seems to calculate at about \$1.08 million a year -- over a million dollars a year?

Now why did you set up this corporation, presumably to promote development in Saskatchewan, which allows this mysterious Manitoba group of lawyers to skim \$3.6 million off the top of this money, and your government to skim off as much as \$10.8 million? How is that in the interest of the investors or the people of Saskatchewan?

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Mr. Speaker, this is a normal business transaction with a legitimate group of lawyers who are experts in immigration. And they do not reside in Saskatchewan. If they did, the opposition would say, they hired their friends. We didn't hire our friends and we didn't hire our enemies; we hired experts. Now they complain that the experts are in Manitoba.

This is an ordinary business deal. They are paid a percentage. They are not paid \$3.6 million flat fee. They are paid a percentage, a percentage of what they market and produce. And they also have to pay the expenses of the agents in Asia who do the actual marketing. It's an ordinary business deal to none of our friends or enemies in Saskatchewan, but to experts in Manitoba.

Some Hon. Members: mHear, hear!

Mr. Mitchell: -- Mr. Speaker, a new question to the same minister. Minister, what you describe as ordinary business deals have been described by your government month after month after month, and the only people who think they're ordinary and normal is you. The rest of us think they're extraordinary and abnormal.

Some Hon. Members: mHear, hear!

Mr. Mitchell: -- Now I have a final question for today, Mr. Minister, and that concerns schedule C of the offering memorandum, which is the management agreement. And we see clause 9 of that agreement, which is entitled, removal of manager. And that's your Crown corporation is the manager. And this clause states, quote: "The investor has no power to remove the manager."

Now, Mr. Minister, you've really outdone yourself with that one. You've given your government Crown corporation a 10-year no-cut contract. Now just how do you justify that, Mr. Minister?

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Mr. Speaker, maybe the members opposite should explain to us why when they nationalized the potash mines, they hired a Toronto law firm, Davies Ward & Beke of Toronto, Ontario to do the legal work to nationalize our Saskatchewan potash mines. Why they hired American lawyers to do the same thing and why they didn't hire any lawyers in Saskatoon or

Melville. That's the question.

Some Hon. Members: mHear, hear!

Contracts for Senior Government Employees

Mr. Lautermilch: -- Thank you, Mr. Speaker. My question is also to the Minister of Economic Diversification and Trade. Mr. Minister, I have here a copy of the Swift Current Sun from last Monday in which your Premier talks about Hong Kong and Minneapolis trade offices, and I want to quote from that, Mr. Minister. I quote:

The appointments of Graham Taylor and Bob Andrew to foreign trade offices were defended by Mr. Devine, who said Saskatchewan is far behind other provinces in this regard. However, the \$23,000-per-month Hong Kong office has turned up nothing so far.

Mr. Devine said neither trade office has captured any contracts or new businesses . . .

Mr. Minister, can you tell us, was the Premier telling the truth? And are these elaborate trade offices nothing more than expensive retirement homes for a couple of worn-out cabinet ministers, Taylor and Andrew.

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Well, Mr. Speaker, yes, with respect to immigrant investment, Saskatchewan is three years behind British Columbia and Alberta, and we need a strong representative to have us catch up so that we get our share of immigrant investment in this province. For example, Saskatchewan got less than half of its share of immigrant investment on a per capita basis as compared to Quebec and British Columbia which had more than double their share per capita. And that is millions of dollars of investment that is in Vancouver, which is booming, rather than in Saskatchewan.

There were guests here that I introduced two weeks ago that were looking at building plants in Saskatchewan. They were looking at Moose Jaw. The members from Moose Jaw are not complaining, just like they're not complaining about a fertilizer plant. They're complaining about Swift Current. They're talking about Swift Current where the Deputy Premier is. But when the plants are to be built in Moose Jaw, they're complaining about the plants in their backyard.

But not the member from Moose Jaw. Not from the North, not from the South; they won't say a word. But they're against all of these plants or against the foreign investment. How are we going to get people from Hong Kong to invest in a plant in Moose Jaw when the members opposite say it's bad to build plants in Moose Jaw? That's a problem.

Some Hon. Members: mHear, hear!

Mr. Lautermilch: -- Mr. Speaker, I have a new question to the same

minister. Mr. Minister, you've got Derek Bedson in Austria, you got Taylor in Hong Kong, and you got Andrew in Minneapolis; and I tell you, if that's the best you can do, we're still going to be behind.

Some Hon. Members: mHear, hear!

Mr. Lautermilch: -- Mr. Speaker, that quote came out of the media and it came from your Premier. Now we know that he's out of touch with the people of this province, but we do assume that he's got some kind of an understanding of the inner circle of your government.

Can you tell us, Mr. Minister, why we're continuing to pay Graham Taylor around 90,000 bucks a year to stare out a window over the Hong Kong bay; and can you tell us why we pay Bob Andrew to attend baseball games; and can you tell us if you got yourself into another five-year, no-cut contract and you can't even get rid of these guys. Clearly they're not producing. Can you tell us if you're into a five-year, no-cut contract with these guys?

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- And the member from Prince Albert has a capitalist, free-market paper plant in Prince Albert, and for that he is pretty unparliamentarily ungrateful I tell you. If I had to say the truth, it would be unparliamentary.

Some Hon. Members: mHear, hear!

Mr. Lautermilch: -- Mr. Speaker, I want to repeat the question to the minister. Can you tell us if these gentlemen are under the same kind of a five-year, no-cut contract that you signed with Chuck Childers? Answer the question.

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Mr. Speaker, in 1946 this province established a trade office in London . . .

The Speaker: -- Order, order.

Hon. Mr. Schmidt: -- Mr. Speaker, in 1946, T. C. Douglas established an office in London, England, and a Mr. Spry served there from 1946 to 1964. Who was Mr. Spry? Well he was one of the authors of Social Planning for Canada and wrote part of the socialist doctrine, and for 18 years he represented us in London. And after Premier Thatcher dismissed him after an 18-year contract, then when the NDP were re-elected they appointed a former MLA to the office in London. And now they say that when they had an 18-year contract, a five-year contract is unreasonable.

Some Hon. Members: mHear, hear!

Mr. Lautermilch: -- Mr. Speaker, I can assume by the minister's answers that we do have a duplicate of the Childers' contract with Taylor and Andrew in those two trade offices.

Mr. Minister, while you're pondering this contract, I'm wondering if you could confirm and if you'd tell me if it's true that Mr. Taylor's got a chauffeur and a butler over in Hong Kong. And could you maybe tell us how much you're paying for his housing over there? And maybe you'd like to give us a total list of all the perks and the costs related to Mr. Taylor's hiatus over there, and maybe you can reveal the details of those contracts for us.

I'm telling you, nobody'll be beating the door down to have these guys hired other than you, I would believe that.

Hon. Mr. Schmidt: -- Well, Mr. Speaker, Mr. Taylor couldn't have a chauffeur because he doesn't have a car.

Some Hon. Members: mHear, hear!

Mr. Brockelbank: -- Mr. Speaker . . .

The Speaker: -- Order, order. It's obvious that the hon. members not only find the answers of the minister enlightening but entertaining. However, the member for Saskatoon Westmount now also wants to make a point.

Federal Highway Tolls

Mr. Brockelbank: -- Mr. Speaker, it was actually the inspirational history lesson, which began before I was in circulation, that I appreciated.

But I do want to direct a question to the Minister of Highways and Transportation, Mr. Speaker. Mr. Speaker, on broadcast news today there is a story being carried, quoting a senior official of a federal department to the effect that the federal government is proposing to place tolls on highways across Canada as a way to raise money.

Mr. Minister, do you have any information on this federal government proposal, and what are you going to do to protest it?

Some Hon. Members: mHear, hear!

Hon. Mr. Petersen: -- We have no plans to introduce tolls in Saskatchewan.

Mr. Brockelbank: -- Mr. Speaker, what we don't need here in Saskatchewan is toll roads. We know that this government, under a previous minister, had a consultant study the matter of toll roads in Saskatchewan. This government is hiding in the bushes on toll roads and we want to smoke them out.

The Speaker: -- Order, order. I'm going to ask the hon. member for Saskatoon Westmount to repeat his question, because I haven't had the opportunity to hear it. And I suspect that many other members haven't either. Would he do that, please. And would hon. members give him the opportunity to put his question.

Mr. Brockelbank: -- Thank you, Mr. Speaker. I appreciate that intervention

on your behalf.

I would think, Mr. Speaker, that this is a matter of grave concern for the people of Saskatchewan. They're overburdened with Tory taxation now. We don't need any more of that kind of Tory taxation. We know that this government follows the lead of the Tory government in Ottawa. I want to know when this government's going to start to protest this idea of toll roads by the federal government.

Some Hon. Members: mHear, hear!

Hon. Mr. Petersen: -- Well, Mr. Speaker, it's obviously Friday and it's obvious that it's a slow day for questions from the opposition. And I can assure the member that we do not have any plans to institute tolls on highways in Saskatchewan and there will be no tolls or trolls or anything like that on bridges or roads in Saskatchewan. I give the member that assurance.

Some Hon. Members: mHear, hear!

Mr. Brockelbank: -- Mr. Speaker, it's quite clear that a federal deputy minister would not be floating the idea of toll roads across Canada unless he had felt out some of the provincial governments. Who are the obvious ones he's going to talk to? He's going to talk to the ones that heel to the federal government and that's the government in Saskatchewan.

Some Hon. Members: mHear, hear!

Mr. Brockelbank: -- Mr. Speaker, we just got through a so-called privatization conference in Saskatoon. The word there at the privatization conference was: if it moves, privatize it; if it doesn't move, privatize it. And that sums up these Tories. They're going to privatize highways by putting tolls on them. We want to know what's going to happen. We want to know when this privatization mania of this government is going to stop. It's there. It's just below the surface, Mr. Speaker. The Minister of Highways deserves to give this House more than a non-answer about this issue.

Some Hon. Members: mHear, hear!

Hon. Mr. Petersen: -- Well, Mr. Speaker, I don't know what more I could tell the hon. member except the honest truth and that is that there is no plans to have toll roads in Saskatchewan. About the only thing that I can think of tolling around here is a quote that says, "Do not ask for whom the bell tolls; the bell tolls for thee." And that will be what will happen after the next election. It will be your death knell.

Some Hon. Members: mHear, hear!

STC Inquiry

Mr. Trew: -- Thank you, Mr. Speaker. I have a question for the minister responsible for Saskatchewan Transportation Company. Mr. Speaker, my

question to the minister is going to be simple and direct, and I'm hoping for an equally direct answer.

Mr. Minister, will you confirm that the report from the RCMP investigation into the operations of STC (Saskatchewan Transportation Company) has been forwarded to your department.

Some Hon. Members: mHear, hear!

Hon. Mr. McLeod: -- Mr. Speaker, I did not hear the question; I'd ask the member to repeat the question.

Mr. Trew: -- I would ask the hon. members on the other side to listen, then.

Mr. Minister, short, direct question: will you confirm that the report from the RCMP investigation into the operations of STC has been forwarded to your department?

Hon. Mr. Lane: -- I'm not aware. If it's done it would come to Justice, I would assume, and I'm not aware that it has been completed. I certainly haven't been informed, if it was.

Mr. Trew: -- New question, Mr. Speaker, to the Minister of Justice. Minister, there has been a dark cloud of suspicion that formed over your government some three months ago, February 16 to be more precise. Can you tell this House and the people of Saskatchewan when you expect that investigation to be completed and a report sent to your department?

Hon. Mr. Lane: -- I believe I answered that question at the beginning of the session, Mr. Speaker, and the same answer applies.

Mr. Trew: -- New question to the same minister. Mr. Speaker, in Saskatchewan there's a grave and a precarious situation that exists today over this province. Saskatchewan people, Minister, are suffering from a very, very real lack of confidence. That lack of confidence is placed against your government, sir.

As you're very well aware, it is vitally important that the government do all it can to reassure Saskatchewan people and to restore some semblance of confidence in your government. Will you provide that assurance today, Mr. Minister, regarding STC, that your government is proceeding as quickly as is possible.

Some Hon. Members: mHear, hear!

Hon. Mr. Lane: -- Mr. Speaker, I'm not sure that the hon. member understands that it is not the government that does the police investigations. It's the police that do the police investigations. And they do their investigations unfettered, Mr. Speaker, and they do it independently of government. That's the proper way; that's the way I defend; that's the way this government defends, and they will proceed in the normal course.

Mr. Speaker, as I said at the beginning of the session, it's up to them to handle the matter.

Some Hon. Members: mHear, hear!

Effects of Free Trade

Mr. Shillington: -- I have a question to the minister of economic trade and development concerning the effects of this province's participation in free trade.

A number of authoritative groups, Mr. Minister, have been expressing increasing concern about . . .

An Hon. Member: -- Name two.

Mr. Shillington: -- Well I intend to name one in a moment . . . have expressed increasing concern about this country's share under free trade. The latest and perhaps one of the most interesting groups to express their concern is the Senate of Canada. I will not read the article, Mr. Minister, but the headline says, "U.S. harassment increasing under free trade", senators say, in the April 14 edition of The Globe and Mail.

My question to the minister is whether or not your government has done an honest evaluation of the effects of free trade and whether or not, Mr. Minister, you would not agree that there is reason to be concerned a year after about this country and this province's treatment under the free trade agreement.

Some Hon. Members: mHear, hear!

Hon. Mr. Schmidt: -- Mr. Speaker, over and over again we try to educate the NDP on these complicated trade rules and they never seem to learn. Now they quote experts.

I remember last week there was a poll out that I said, how did they do it? -- by show of hands? And it turns out that the polling company advertises in the NDP newspaper and it says:

Canada's first full-service political consulting agency for New Democrats seeking nomination or election at all levels of government.

- Campaign planning and management
- Market research and polling
- Fund raising
- Volunteer recruitment and training
- Winning strategies for women candidates

Our services are also available to organizations which seek legislative change through political action.

This company was hired to do a poll for the Saskatchewan Federation of

Labour on privatization. And now they quote some other authoritative source that says that free trade is dead.

Let me give you a quote as to an understanding of how this works. This is a letter from Intercontinental Packers to the Premier and it says in part:

There seemed to be some misinterpretation on the part of certain members of the press that the countervail is linked with the U.S.-Canada Free Trade agreement. Nothing could be further from the truth. The whole countervail issue is born out of a climate of trade protectionism, not free trade.

This is Intercontinental Packers through its president telling the government that free trade is not their problem; protectionism is the problem. If we had more free trade we wouldn't have the problem. Let them tell us who their authoritative sources are this time.

Some Hon. Members: mHear, hear!

The Speaker: -- Order, order.

INTRODUCTION OF BILLS

Bill No. 27 -- An Act to amend The Labour-sponsored Venture Capital Corporations Act

Hon. Mr. Hepworth: -- Mr. Speaker, I move first reading of a Bill to amend The Labour-sponsored Venture Capital Corporations Act.

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

POINT OF ORDER

Mr. Shillington: -- Before orders of the day, on a point of order, Mr. Speaker, the minister of economic trade and development quoted extensively from a letter. I think the rules of the Assembly, Mr. Speaker, are fairly clear. If a minister quotes from a document which is not a state paper -- and that letter certainly is not a state paper -- then the minister ought to be prepared to table it.

So I ask you, Mr. Speaker, to rule on that point of order. The minister quoted from it. He is therefore obliged to table it.

The Speaker: -- In response to the point of order, I wish to draw members' attention to Beauchesne's, fifth edition, page 116, rule 327, paragraphs (5), (6), and (7) on page 116.

(5) To be cited, a document must be quoted . . .

(6) If a Minister cites or quotes an official document in debate, he should be prepared to table it . . .

(7) When a letter, even though it may have been written originally as a private letter, becomes part of a record of a department, it becomes a public document, and if quoted by a Minister in debate, must be tabled on request.

The minister must table the letter.

Hon. Mr. Schmidt: -- Mr. Speaker, I only have a copy of the letter in question. I'm prepared to table it forthwith, and I also am pleased with your decision and I hope that the members of the opposition will also abide by that rule in the future. Thank you.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Highways and Transportation

Ordinary Expenditure -- Vote 16

Item 1 (continued)

Mr. Brockelbank: -- Mr. Chairman, I'd like to direct a question to the minister about Container Port. I'm referring, Mr. Minister, to page 36 of the 1988-89 departmental report. It mentions there an ". . . on-going development, monitoring, and co-ordination with governments and the private sector on physical distribution management within the province." It speaks about a Container Port of Saskatchewan Corporation which will involve the western diversification office and Saskatchewan Economic Development Corporation.

I wonder, Mr. Minister, I believe this is the Container Port that is near Saskatoon, that is in a planning stage. I wonder if the minister could enlighten us as to the status of that project and the Saskatchewan government involvement in it as far as he is aware.

Hon. Mr. Petersen: -- It's my information, sir, that with regards to Container Port, it's still in the planning stages. They, as far as I know, are in negotiations with both railroads, trying to come to some agreement. And we have provided assistance to them, technical assistance, and anything they required in that regard as far as their dealings are concerned.

Mr. Brockelbank: -- Mr. Minister, I'll want to ask a few more questions on this Container Port, but first I want to find out if you have the information which the member for The Battlefords was asking for last evening and if you could send that information over to the member immediately.

Hon. Mr. Petersen: -- As I stated last evening, I would attempt to get some of the information, and I would provide a number of items as we could come

up with them. I don't have all of the information that the member asked for, no.

Mr. Thompson: -- Thank you very much, Mr. Chairman. Mr. Minister, I want to turn to a statement that you made last night, and it's regarding the carry-over projects from last year that you indicated. I know as you also indicated in your statement that carry-over projects are normal in any year, depending on the weather conditions -- whether you get too much rain or it's too dry.

I want to ask a few questions on your carry-over, Mr. Minister. I wonder if you could indicate to the committee regarding the amount of money that you had in carry-over; were those specific projects tendered last year and not completed?

Hon. Mr. Petersen: -- Yes, they would have been tendered and not completed, sir.

Mr. Thompson: -- Okay, Mr. Minister, then I wonder if you could indicate if the projects . . . the amount of money that you indicated as you indicate they were tendered, are they under construction right now, either in the dirt-moving area construction of highways or in the paving portion of that carry-over.

Hon. Mr. Petersen: -- It would be my understanding that, depending upon the work-load of the individual contractor, they would most likely be under way right now, but it is a possibility that they may not be, but they should be.

Mr. Thompson: -- Mr. Minister, I wonder if you could provide for the committee, to the critic and myself, the projects that were carried over and that are under way right now. And I just would like specifically the carry-over projects.

Hon. Mr. Petersen: -- I can get you that information though I don't have it with me right now.

Mr. Thompson: -- You will provide that in writing then, Mr. Minister?

Hon. Mr. Petersen: -- Yes I will, sir.

Mr. Thompson: -- Just to close that off, Mr. Minister, I just want to make a few comments on the amount of carry-over. I suggest to you, Mr. Minister, and Mr. Chairman, that the \$22 million carry-over that you're talking about is the largest carry-over that we've ever seen in the Department of Highways. And would you talk about, Mr. Minister, a reduction of \$10 million in the highways project this year.

Actually what you have here is a carry-over of 22 million, which actually makes the Department of Highways budget not \$10 million less this year, but you're actually going to build \$12 million more . . . or have \$12 million more in highway construction this year.

(1045)

So I suggest to you, Mr. Minister, that this carry-over which is under way right now, and the other construction projects within your budget, are going to be tendered out and also will be under construction this year. Saskatchewan is probably going to see the most aggressive highway program that it's ever seen since 1982 since the Conservatives took power in this province.

And I say that this \$22 million carry-over is a political game. Here we are in year four of your term -- your mandate will run out in October -- and you have a \$22 million carry-over. You've indicated that that \$22 million has already been tendered and those projects are under way. Then you are now going to tender all the new highway projects.

So Saskatchewan is going to see a massive highway program. Nothing for the last eight years, and all of a sudden here in election year, you're going to have a massive highway program.

And I say, Mr. Minister, that that's exactly what this \$22 million carry-over is, and I also suggest it's probably the largest carry-over in the history of the Department of Highways.

And I say, Mr. Minister, that that is not the way to be running the Department of Highways. The roads and highways in this province are deteriorating and you've left them and left them, and all of a sudden here you have the massive carry-over and your regular budget and you're going to have a massive program this summer. And I say it's pure political politics.

Thank you very much.

Hon. Mr. Petersen: -- With regard to your comments, sir, I think the other evening when we were in estimates, I pointed out to you when I was accused of playing politics between constituencies, that indeed that was not the case. And I proved it to you by citing numbers, dollars to be spent in constituencies that are held by your side of the House, you in particular, sir.

I believe just off . . . if my memory serves me right, the constituency you represent will be receiving over \$8 million worth of work in it this year. My constituency will be receiving just over \$3 million worth of work this year. Mr. Member, I don't think that you can say that I play politics. I have always tried to be very up front, very honest. I have provided the critic with the information that he has asked for. I provided you with information that you've asked for.

And as regards carry-overs, I will perhaps just to give you an example of a carry-over, oh, let's pick 1981-82. Let's pick 1981-82, and if you recall, I believe you would have been in government in 1981. Is that not correct? Yes, you would have been, and you were a sitting member at that time, is that not correct? Yes, that is correct. Well let see -- let's try '80-81.

I mean, that's 45 million carry-over. Well '79-80 -- 42 million carry-over.

Are you trying to tell me, Mr. Member, that if I have a carry-over of 14 million last year and 18 million this year, as compared to your carry-overs when you were government of, \$45 million, \$42 million, if you're accusing me of playing politics, then I think it's a case of the pot calling the kettle black. I give you those numbers because I plan to have this information correlated for you and pass it over to you as I said I would.

Mr. Thompson: -- Thank you very much, Mr. Minister. I just want to indicate to you that when we were in government we were building highways, Mr. Minister. Your highway program is a disgrace to this province.

And the only large carry-over than the one that you're indicating that we had was in a year that there was a lot of water, and that was a disastrous year. And you know full well, if you go back you'll find out that that was a year when we had so much water in this province that they just couldn't finish the projects. We had a good construction year last year, so there's no reason for this.

Hon. Mr. Petersen: -- Mr. Member, I guess I could accept one year. I'm a farmer and I understand there are weather conditions that create problems on one year, but when you get the information you'll see that there are three years with carry-overs like that, in excess of \$40 million, under your administration. And I can believe one year, but you're stretching the point on three.

And I can only tell you that we will be spending the \$109 million this year, as the budget says we will be. We will be providing adequate services, maintenance, increased maintenance dollars this year. We will be providing the best possible service for the people of Saskatchewan.

While I'm up, I would like to correct something that I inadvertently gave you the other evening. Either my eyes are going or my age is catching up with me, but I mistakenly stated to you that the runway at Ile-a-la-Crosse, the lengthening would be to 3,000 feet. In actual fact it is presently at 3,000 feet and it will be extended to 3,900 feet, 75-foot width, and the strip will be upgraded, as I said, to a sealed granular base course. So I apologize for that misinformation.

Mr. Brockelbank: -- Mr. Minister, I want to get back to the question of Container Port near Saskatoon. Your annual report 1988-89 mentions the matter of Container Port again on page 48, and it discusses the possible assistance to finance an inland container terminal facility. What are your precise plans with regard to financing of this inland container terminal?

Hon. Mr. Petersen: -- As I understand the proposal, it will be financed between the private sector, WDO (western diversification office), and SEDCO in the province of Saskatchewan, and you'll have to talk to those respective agencies if you want more information on it.

Mr. Brockelbank: -- Why do you have this information about a container

report in your annual report and you can't give me the details on it? Why do you have it in your report?

Hon. Mr. Petersen: -- Well, sir, we expended some person-hours, if you would, of time and some resources of the department, providing, as I said earlier, some basic technical information that was required in the initial stages of this project. And it is a project that's ongoing. We did expend department resources on it. I think it's a good project. Saskatchewan should be looking at becoming a container port, a distribution centre. So that's why it's in the report.

Mr. Brockelbank: -- Mr. Minister, you seem to assign this project some crucial importance in Saskatchewan. You're the Minister of Highways and Transportation. Who is quarter-backing this arrangement among the three agencies of government? You're the Minister of Highways and Transportation. Are you the quarter-back in this issue?

Hon. Mr. Petersen: -- I never had an opportunity to play quarter-back when I did play football, and I'm still not playing quarter-back, as you put it, in this particular instance. We're providing technical information, as I told you. The proponents of the project are, as you put it, the quarter-backs.

Mr. Brockelbank: -- All right, Mr. Minister. And will you provide me with the amount of energy you've expended on this project to date in dollar form, indicating the items that you've spent on this project? And will you check around to find out who is in charge of quarter-backing this, if I may use that phrase, so that we can zero in and find out more information? And I'd be willing to accept that information later, Mr. Minister, providing I had your assurance.

I want to, Mr. Minister, ask you about a firm of consultants by the name of Transmode Consultants Inc., and what is your association with that firm, if any?

Hon. Mr. Petersen: -- Transmode is doing a physical distribution study for us. It's sponsored by ourselves and several other departments. The study is not complete at this time. The other day in the Assembly I tabled a list of studies that we have done in the Department of Highways and Transportation. We are always reviewing and updating information that we have as to the changing world of transportation in Canada and, indeed, North America and the world. So it's nothing out of the ordinary.

Mr. Brockelbank: -- Could you tell me who . . . say a word or two about Transmode Consultants Inc.: who they are, where they're situated and what kind of report they've given to you at this point, Mr. Minister? And is that one of the reports that you suggest you've laid on the Table? If not, are you prepared to lay that consultant's report on the Table?

Hon. Mr. Petersen: -- They have offices across Canada. They're recognized as experts in the field and that's one of the reasons why we would have engaged them. As far as the study, as I said, it is not complete. And I

can only say that I'll have to review it when it is complete, sir, and give you our answers to the rest at that time.

Mr. Brockelbank: -- Have you received an interim report or a preliminary report from Transmode Consultants on this matter of Container Port, Mr. Minister? And if so what were the main features of that interim report?

Hon. Mr. Petersen: -- The study in question is not a specific study of Container Port or the Container Port in Saskatchewan. It's a study of the physical distribution system in Saskatchewan. It may make use of a container port concept in its analysis, but it is not specifically designed for that, no.

Mr. Brockelbank: -- I had asked you what were the main recommendations they'd presented to you, and will you table a copy?

Hon. Mr. Petersen: -- I can inform you that we have received an interim report, and I'll be able to give you some of the information in there. If you'd care to, we can arrange a mutually agreeable time, and you and I will go over it in my office.

Mr. Brockelbank: -- Thank you, Mr. Minister, I'll probably take you up on that invitation at a later time. In your report on page 36, you mention a major study into the accident experience of large trucks was undertaken in Saskatchewan. Would I be able to get a copy of that study, or at least the executive summary of that study, Mr. Minister?

Hon. Mr. Petersen: -- Yes, you will be able to.

(1100)

Mr. Brockelbank: -- You mention a quarterly newsletter, Mr. Minister. I wonder if I could have you, very soon at a later date, send me the last four copies of that quarterly newsletter.

Hon. Mr. Petersen: -- Yes, I'll undertake to do that for you.

Mr. Brockelbank: -- You mention also there was a request from TRIP Canada (the road information program of Canada) for an updated study on reconstruction and resurfacing needs on Saskatchewan highways. That was completed. It's for the next five years. I wonder, Mr. Minister, if you can give me a copy of that study, that update.

Hon. Mr. Petersen: -- It's my information that it's been made public and I can get you a copy of that report that the road builders made public some time ago.

Mr. Brockelbank: -- Thank you, Mr. Minister. I appreciate that.

Your department concluded a study in December '88 of the impact on the provincial highway and municipal roads due to rail line abandonment. On page 38 your department's annual report referred to that as a "significant impact."

And it further stated that the "existing high cost railway branch lines could approach \$57 million for road upgrading" and that there was "a need to develop a standard for these roads that is capable of accommodating the increased traffic for considerably less cost than conventional pavements."

Could you provide me with a copy of that study, Mr. Minister?

Hon. Mr. Petersen: -- I can supply, if you would, the highlights in the form of an executive summary for you, sir. It's a federal government report so you have to go to Transport Canada if you want the whole report. But I will give you the executive summary, sir, which pretty well gives you all the information you'd require.

Mr. Brockelbank: -- That will be sufficient for starters, Mr. Minister. I appreciate that.

It refers to nine lines in the study, and I want to know if any of those nine lines have been abandoned at this point.

Hon. Mr. Petersen: -- I can get you the complete information on that. I don't know for sure if the nine lines are as you say. I know of one for certain that's been abandoned, and that's the Preeceville sub that ran from Preeceville to Kelvington that was a CN (Canadian National) line.

And I fought that rail line abandonment. And we didn't keep that particular line in place, but what we did succeed in doing was convincing the federal government and the authorities to put a spur in from a CP (Canadian Pacific) line to Kelvington.

So instead of about 45 miles of branch line that would have been CN, we end up with about 15 miles of branch line that is CP. Brand-new line; they just completed it. I was at the opening at Christmas time. Too bad you couldn't make it.

Mr. Brockelbank: -- Mr. Minister, the abandonment of that line you speak of in the Preeceville area will contribute to the inability to deliver grain to the Churchill port, will it not? And I wouldn't be too proud of what you've done because you should have fought harder, Mr. Minister, because what you're doing is you're subtracting from the ability to deliver grain to the Port of Churchill. So I think you're on shaky ground there.

Mr. Minister, on page 39 of your departmental report there's reference to an analysis of the contribution levels for Saskatchewan rail traffic. Do you have a copy of that report available for me?

Hon. Mr. Petersen: -- No, I do not have a copy of that available for you.

Mr. Brockelbank: -- Did you say no, Mr. Minister?

Hon. Mr. Petersen: -- That's correct. I said I would be unable to provide it for you. And the reason is that it deals with confidential, internal information. It's based on studies and costings that were given to us with

the understanding that it would be confidential and I will honour our commitments there.

Mr. Brockelbank: -- Who is the commitment with, with regard to the study? The federal government or who?

Hon. Mr. Petersen: -- Our commitment is to the federal government. They would only release railway information to us on the basis that we would keep it confidential.

Mr. Brockelbank: -- Mr. Minister, could you give me an idea of how many jobs are created or maintained for every million dollars spent on highway construction? I realize this might be a rule of thumb, but could you give me an idea of what you believe that to be?

Hon. Mr. Petersen: -- For that amount of money, we'd probably see 35 to 40 person-years of direct employment, but on top of that you have to add the multiplier effect, the spin-offs from all the associated work, supplying the material, you know, parts, mechanics, all those kinds of things, but direct employment -- about 35 to 40 person-years.

Mr. Brockelbank: -- Then it's safe to calculate, Mr. Minister, is it not, that your budget decrease this year, of 10 per cent, will cost the province this year in lack of jobs, 400 jobs or more, is that safe to predict that?

Hon. Mr. Petersen: -- That would be the correct mathematical calculations, yes.

Mr. Brockelbank: -- I must draw the conclusion, Mr. Minister, that it's a sorry time to have that kind of a statistic descending on Saskatchewan people who are leaving the province in increasing numbers all the time and unemployment is high. However, I don't expect that's going to change for a little while yet.

I have a few questions here which I would be pleased to receive the information from you a little later, Mr. Minister, and it has to do with the payments made to the province from the federal government for highway maintenance and construction, if I could get the summary of those. What federal-provincial agreements are in place now, and when do they expire? What is identified and paid to the province for Trans-Canada Highway system, the current situation there? And how much will be spent on the Trans-Canada this fiscal year? I wonder if the minister could indicate whether that would be available?

Hon. Mr. Petersen: -- I can get you that information that you request -- federal expenditures. I can't give it to you right now; I don't have it with me, but I will undertake to get it for you.

Mr. Brockelbank: -- I appreciate that, Mr. Minister, that you wouldn't have it at your fingertips. Will you, Mr. Minister, indicate that the figures with regard to the construction and maintenance on the Yellowhead are identified within those figures?

Hon. Mr. Petersen: -- Yes, they would be sir.

Mr. Brockelbank: -- Thank you, Mr. Minister. I'll be pleased to receive those figures when you have them available.

I want to try to bring to a conclusion my comments on these estimates, Mr. Minister. I have some concern about the manner in which ministers of Highways of this government deal with their department and the attitude that they sometimes display. It's not comforting. And I could go back and recite some of the things that have happened with regard to Highways ministers, but I think I'll try and avoid that.

I do feel it's necessary to make a comment, Mr. Minister, as I draw to a conclusion on my questions in these estimates, about the speed with which you respond. And I don't lay all the blame on you; I lay some on the previous minister of Highways from whom you took over. But in July 1989, questions were asked in this Chamber, they were answered in part on May 14, '90, but they had been prepared for at least three weeks and were in your hands, Mr. Minister.

I suggest to you, that is delaying information and side-tracking information which should have been provided. And I suggest to you also it contributed towards the length of time it takes to get your estimates through the House. I hope you will understand that, Mr. Minister, for the future.

I personally wrote you a letter about a constituent's problem. A small-business man in my constituency wanted some information about salt tendering by this Department of Highways. I give you an inquiry on February 21 of this year; on May 14, you said in this Chamber that you had answered that and sent the response to me. But on May 17, three days later, I got your response to me and it was dated May 14.

Now we don't need that kind of trickiness from the Minister of Highways. If you expect us to deal up front with you, Mr. Minister, in estimates, admit that you didn't send the letter. Don't rush back to your office and date the letter May 14, the day that it was brought up in the House.

(1115)

On April 3, Mr. Minister, you tabled your array of estimates in this House during a speech that you made. I suggest that you did it in a manner which was not designed to get that information out, because you tabled one copy, but you didn't provide sufficient copies for all members of the Assembly; you did not do that until May 16, Mr. Minister. In all the time I've been in this Chamber with other ministers of Highways of other parties, when they brought forward the array of projects for the current year, they always, to my knowledge, immediately provided to all members of this Assembly, copies of the array of projects.

Now that might have been an oversight on your part, Mr. Minister. I hope you'll learn from that and in the future that you will provide the information at an appropriate time as soon as possible, in all cases that I

have cited. I'm prepared to admit that some of the delay was due to the previous minister. And I don't hold you accountable for that, but I think, Mr. Minister, there's room for improvement and I hope that will happen.

I want to talk about one other piece of information. It's an area where you and the previous minister and the minister from Melville have defaulted time and time again, and it's on VIA Rail. It's on the question of VIA Rail and the abandonment of VIA Rail in Saskatchewan, a serious problem for rural Saskatchewan.

You sent me over information, Mr. Minister, VIA Rail contact list. And there's a number of dates and items there. One of them is July 7, 1989. It reads as follows:

An emergency motion moved by Mr. Grant Schmidt and seconded by Mr. Hodgins concerning VIA Rail and the need for public hearings was passed by the provincial legislature.

Mr. Minister, that was just a year ago. Recall with me for a moment that we dragged you, kicking and screaming, to the point where you finally brought in a resolution. You had turned it down, you had shouted it down several times before this occurred. Then when you did bring it forward, what did you do? You tell me it was passed by the provincial legislature.

Well I have the record of the Assembly right here in my hand, Mr. Minister -- July 7, 1989. Your little fixer at that time, Bob Andrew, the member for Kindersley, moved an adjournment, moved an adjournment of that motion so that you people wouldn't have to vote on it. It's right here in the record, Mr. Minister. Bob Andrew moved an adjournment, there was a recorded division, and the adjournment was carried. Then you have the audacity to suggest to us that it was passed by the provincial legislature.

Your estimates, or the Minister of Highways' estimates began very shortly after that, Mr. Minister, and I brought to the minister's attention at that time that bringing forward an emergency resolution or motion in this House and then refusing to vote on it was in fact providing comfort to the officials of VIA Rail and the federal government. It was not telling them that we're concerned about this issue. It's telling them, go ahead and do what you want; we'll stymie any concentrated opinion coming out of the Saskatchewan legislature. And that is in effect what you did, because it's right here in the record, Mr. Minister.

That kind of deception and stonewalling on important issues in transportation, such as VIA Rail, not conducive to co-operation in this Chamber. And I hope in the future that you'll keep the record straight, Mr. Minister, and not distort the decisions that have been made in this House. Not a decision to pass the emergency motion, but a decision by you people over there, moved by Bob Andrew, to cause a vote on adjourning the debate. So, Mr. Minister, I just want to bring that to your attention in closing.

I want to say one further word, Mr. Chairman. It's about the minister's . . . when we started these estimates the minister was in room 38. The

minister has moved and I'd like to know his forwarding address. You can give me that now, Mr. Minister, but I'd also like to know some other information about you moving your office from room 38 to wherever it's gone. I want to know the total cost of moving you, and I want to know the total cost of any renovations that were required for new quarters, wherever that may be. And I wonder if the minister can agree to provide that to me in due course.

Hon. Mr. Petersen: -- You're quite correct. We moved from room 38 to room 322, so when you come to my office to talk to me about the information that I've told you I'd provide for you, it will be in room 322. There have been, to the best of my knowledge, no renovations; furniture was moved, rearranged, the doorknobs still in the same place. There was a couple of things; a phone line had to be changed. That is all that was done. Much of it was done by the staff that I have, as well as with the able assistance of Mr. Katzman, whom I'm sure you're acquainted with.

Mr. Brockelbank: -- I thought Mr. Katzman . . . I know he's on call, at your beck and call for reasons which are non-governmental but more political, but I wasn't aware that he was in charge of moving ministers around. I know he likes changing locks on doors and things like that. He's very handy at that.

But why did you have to move, Mr. Minister? Your quarters down there in room 38 were very spacious, very nice location. I'm wondering why you had to move. No renovations were undertaken, you say. Why did you move?

Hon. Mr. Petersen: -- If you're wondering as to why an office became available, Mr. Berntson stepped out of cabinet, it became available, and it's the custom . . .

Mr. Chairman: -- Order. The member's not supposed to use other member's names in debate.

Hon. Mr. Petersen: -- I apologize for that. The member for Souris-Cannington stepped from cabinet and the office space became available. I don't think there's anything so sinister about that.

Mr. Koenker: -- Thank you, Mr. Deputy Speaker. Mr. Minister, I'm wondering if you could elaborate on some of the information you gave a couple nights ago to the member from Athabasca regarding the construction projects this year, having to do with Weyerhaeuser Company. You had told the member from Athabasca, a number of nights ago, that the Cowan Lake road, the Rehill Lake road will be done for \$1 million at 21 kilometres. Could you tell us the other projects involving Weyerhaeuser for this construction year?

Hon. Mr. Petersen: -- On the Revo Lake road -- that's R-e-v-o -- as I said, it would have been around a million dollars. And on the Cowan Lake road, it would be an estimated cost of about \$550,000.

Mr. Koenker: -- And that is the total to be paid out to Weyerhaeuser this year for construction projects?

Hon. Mr. Petersen: -- That would be about a million and a half dollars that would be paid to Weyerhaeuser, yes.

Mr. Koenker: -- That's the total, these two projects encompassing a million and a half dollars of the total being paid to Weyerhaeuser this year? Is that correct, Mr. Minister?

Hon. Mr. Petersen: -- Yes, that would be the total for road construction. Yes.

Mr. Koenker: -- Mr. Minister, can you tell us what other payments are being made to Weyerhaeuser for engineering?

Hon. Mr. Petersen: -- The figures I've quoted to you include the engineering costs, the construction.

Mr. Koenker: -- Can you tell us what kind of payments will be made to Weyerhaeuser for this year for bridges?

Hon. Mr. Petersen: -- To the best of my knowledge there will be none.

Mr. Koenker: -- Are there any other payments, Mr. Minister, made to Weyerhaeuser corporation by the provincial government? Are there any payments for example, for maintenance?

Hon. Mr. Petersen: -- Yes, there is a cost for maintenance for over 800 kilometres of road that they maintain -- a cost of about \$1.5 million.

Mr. Koenker: -- Are there any other payments, Mr. Minister, made to Weyerhaeuser corporation by the provincial government in this budgetary year?

Hon. Mr. Petersen: -- That would be the total. There are no other payments that we know of. That's the information I can give you now.

Mr. Koenker: -- So am I correct then in understanding that there's approximately \$3 million being paid by the provincial government to Weyerhaeuser corporation in this budgetary year by your Department of Highways?

(1130)

Hon. Mr. Petersen: -- Yes, that would be correct, and that is as I've stated for the construction of about a little over 30 kilometres of road and maintenance of about 800 kilometres.

Mr. Koenker: -- Mr. Minister, are these projects publicly tendered?

Hon. Mr. Petersen: -- Our information is that these are public tenders, yes.

Mr. Koenker: -- Who received the tender for these two construction projects: the Revo, R-e-v-o, Lake road and the Cowan Lake road for

Weyerhaeuser?

Hon. Mr. Petersen: -- When it is tendered I'll provide that information for you.

Mr. Koenker: -- Mr. Minister, can you give us . . . I don't expect this now, but would you undertake to give me a total for the total payments made to Weyerhaeuser corporation by the Department of Highways for all purposes -- for grading, engineering, bridges, maintenance -- since the agreement has come into effect, the agreement between PAPCO (Prince Albert Pulp Company) and Weyerhaeuser corporation in December of '86? Would you undertake to provide that information to me within the next month?

Hon. Mr. Petersen: -- Yes, that should be sufficient time. We'll provide that for you.

Mr. Anguish: -- Thank you, Mr. Chairman. Mr. Minister, I'm wondering what information you can provide me with that I had asked you for last night during estimates when we were talking about the gravel pit in the Rural Municipality of Meadow Lake?

Hon. Mr. Petersen: -- Yes, I can give you some of the information. As I said, I will undertake to get you the five years as far as requests for gravel pits, excess gravel has been concerned. We don't have that information right now. It's as I said; it would take some time, but I will undertake to get that for you.

As regards the engineering assessment that was done, with regards the gravel pit that you were inquiring of last evening, I have a memorandum from Mr. Bobick, the district engineer, North Battleford, to our engineering division in Regina re pit 73K-066, November 27, '89. And I can send that over to you. April 20, 1990, I can send you a letter of the registrar, Land Titles Office, Battleford, Saskatchewan. I can send that over to you.

And I can send you a detailed map of the gravel pit in question and all of the various subdivisions that it covers, showing which parts of it have been retained by the Department of Highways and Transportation and which were assessed to be in excess and were given up. So I will send those over to you at this time.

As well, you had asked about the requests for meetings regarding this gravel pit. And last night, obviously, we didn't have those records. We were relying on the more than 100 years of experience, as I think you put it, of my officials. And this morning we went back and we obtained, if you would, a chronological order of events.

DYou had asked when the request, or who had requested the meeting with the department. We received a written request from Mr. Cariou to our department in North Battleford, requesting the department to release its right to a portion of pit 73K66, and Mr. Cariou also indicated that they would be proceeding to arrange a meeting with the department officials in Regina with regards to that. And from there on the chronology is as I stated it last evening.

Mr. Anguish: -- What is the date of the letter that the solicitor wrote informing the department that they would be asking to acquire that pit?

Hon. Mr. Petersen: -- It's October 13, as I stated, that we received that written request from Mr. Cariou.

Mr. Anguish: -- Last night I don't recall whether or not we got an exact date where you turned over the release of your quarry lease. I think that we determined it was in January of 1990, and I'm wondering if you can give me an exact date in January when you informed Energy and Mines that you'd be releasing your quarry lease.

Hon. Mr. Petersen: -- On January 12, the memo went over to the Department of Energy and Mines that requested an amendment, and on January 30 that amendment was received from the Department of Energy and Mines.

Mr. Anguish: -- What was the amendment on January 30 to Energy and Mines?

Hon. Mr. Petersen: -- That would have been the quarrying lease amendment.

Mr. Anguish: -- Well what was the difference between the January 12 memo and the January 30 amendment? I thought that on January 12, you had informed them that you'd be releasing your quarry lease, and now you just told me that the memo on January 30 amended it to turn over the quarry lease. So can you tell me the difference between those two memos to Energy and Mines? And which one actually released the quarry lease on the property in question?

Hon. Mr. Petersen: -- As I stated earlier, on January 12 we sent a memo to the Department of Energy and Mines, informing them that we would request an amendment to that quarrying lease, and we received the official amendment to it from Energy and Mines on January 30.

Mr. Anguish: -- So the January 30 amendment to the your quarry lease was sent back to you at that date from Energy and Mines. Is that correct?

Hon. Mr. Petersen: -- Yes, we received official notification that the lease, the quarrying lease amendment, had gone through on January 30, 1990.

Mr. Anguish: -- Could you provide me with a copy of your memo on January 12 to Energy and Mines and also a copy of the January 30 memo from Energy and Mines back to you amending your quarry lease? I assume the amendment to the quarry lease removes the section that finally ended up with the private individual.

Hon. Mr. Petersen: -- We can get you a copy as quickly as we can, sir. It shouldn't take but a few moments.

Mr. Anguish: -- I want to know, Mr. Minister, why you wouldn't issue a permit to the individuals who wanted to take the gravel out of the gravel pit instead of releasing or getting an amendment to your quarry lease? Why wouldn't you just give a permit for that individual to take gravel out of

your gravel pit?

Hon. Mr. Petersen: -- Well, as I stated upon receiving your request, we will do an assessment of the gravel in an area, and if it's ascertained that it does meet our needs and there is excess in the area, we will make it available.

And that's what happened in this case. And the procedure that went through was as I have described it to you. We ascertained that in the east half of LSD 6 (legal subdivision) and in LSD 7 we had indeed had a million-plus cubic metres of gravel available for the Department of Highways and transport, which is sufficient for 25 years' supply.

I mean a million cubic metres of gravel is a lot of gravel, sir. And at a hundred cubic metres to the mile, that's . . . you know, that's 10,000 miles. I mean that's a lot of miles of highway, a lot of miles of road that can be handled with that amount.

So we indeed made very certain that we had excess amount, adequate for our use, and the excess we made available as has been described.

Mr. Anguish: -- The question I asked you was why did you not issue a permit instead of asking Energy and Mines to amend your quarrying lease. Why did you let the gravel go?

You could have just as easily issued a permit if you wanted to give someone some gravel. But you didn't do that. You turned it over to amend your quarry lease so a private individual could pick it up so they could sell the gravel to Millar Western mill at Meadow Lake and make themselves a very handsome profit out of it by the way as well, Mr. Minister.

My question to you is why did you not issue a permit instead of relinquishing your lease to Energy and Mines?

(1145)

Hon. Mr. Petersen: -- Well I guess I've tried to explain the situation, give the member all the information that is possible to provide for him. I've provided for you much information today. The policy is that we do not issue permits for more than 250 cubic metres of gravel.

And I'm going to take this opportunity to just point out to you, sir, that if a government has excess amounts of property, or of gravel in this case, am I to understand it would be your contention that it should all be government owned? That is not the contention of this side of the House. That is not the policy of the Department of Highways. The policy is that we make certain that there is adequate supplies for the needs of the province, which we did in this case, and then we make the excess available to whomever. And that is the procedure that was followed here.

Mr. Anguish: -- Well you didn't even know how much gravel the individual that finally got the pit wanted. You stated that. You never asked during the meeting what the gravel's going to be used for, how much gravel they

wanted. They just came to you and said, will you release this pit, and you agreed to release it.

Let's go through the story here a little bit, Mr. Minister, because I think it bears repeating. On November 20 -- let's go back a little further -- on October 13, a solicitor on behalf of Mr. Wagman writes to you requesting a meeting. On November 20 the meeting occurs between the solicitor, Mr. Wagman, and a couple of people from your department. At this meeting they request a certain amount of quarry lease for you to relinquish to Energy and Mines so they can pick it up.

Now you, on January 12, tell Energy and Mines that you are going to be releasing or asking for an amendment to your quarry lease on this gravel. Then on January 30 the amendment comes back, you releasing that. But already the Department of Energy and Mines on January 16 wrote to the wrong municipality and asked them if they had an interest in it.

January 16, before you even got the amendment back to your quarry lease, Energy and Mines are giving away the gravel pit to the wrong rural municipality. The Rural Municipality of Meadow Lake never even knew about it until the individuals got a hold of them and asked them to give away the right of first refusal.

Do you know what's happened here, Mr. Minister? There's a scam going on. Someone has intervened in the normal process so that a private individual can get a gravel pit and sell the gravel to Millar Western to make a handsome profit off of it. You receive nothing for the gravel. I imagine they'll have to pay the royalty. What is it -- 15 cents a yard or something like that? But I understand that what they're doing right now is they're selling it for about \$12 a yard, and it's cost them somewhere between \$2 and \$2.50 to have it crushed. And there's two gravel crushers or at least one, maybe two gravel crushers, in the pit right now crushing gravel.

And do you know what else is happening? Millar Western at the pulp mill, where they're building the pulp mill in Meadow Lake, are advertising for truckers for a 63 kilometre haul to the pulp mill site. They couldn't get truckers initially because they're paying too low, so they increased it by a couple of cents per tonne kilometre. And now it appears some truckers are interested in hauling the gravel.

So if what you tell me is correct, in the pit that you gave away there's 240,00 cubic metres, and the individual who got the gravel has now signed an agreement to give 200,000 metres to the Rural Municipality of Meadow Lake. Where are they going to get the rest of the gravel from to fulfil their contract with Millar Western, Mr. Minister?

Mr. Minister, there's something rotten in this deal, and you know it. You know it very well. In fact, this may have started under the former minister of Highways, because you weren't even the minister when this first came about. You had to participate in concluding the act of giving away gravel from the Department of Highways.

So suppose that this individual has the gravel pit, this private individual, even after the Rural Municipality of Meadow Lake stated they wanted it. Suppose he sells 200,000 cubic metres of gravel to Millar Western. That stands to make a profit of \$2 million, Mr. Minister, less royalties. Now that's very good business when someone in your government interferes with due process.

Now I'm asking you, Mr. Minister, this question. Do you also have an interest in the north-east quarter of LSD 5? Because when the Department of Energy and Mines wrote to the wrong rural municipality, they captioned their letter by saying, re: quarry lease application Y-7406, north-east quarter of LSD 5, west half of LSD 6, 14-61-21, west of the third, 30 acres.

We were talking last night about 20 acres and you were talking about the west half of LSD 6. Did you also, Mr. Minister, have an interest in the north-east half of LSD 5?

Hon. Mr. Petersen: -- I'm informed by my officials that the answer to that question would be no.

Mr. Anguish: -- Mr. Minister, that's interesting. That's interesting you didn't have the quarry lease there because obviously the individual who now has the gravel pit has picked up an additional quarry lease or a larger quarry lease than I had anticipated last night from our conversations. It was 20 acres. The pit that they have contains more than that because obviously they got additional land with their quarry lease that you did not relinquish. So the entire pit covers about 30 acres and it's estimated to be about 40 feet deep. The estimate in that pit is that they have a million cubic metres of gravel that they have access to.

Now, Mr. Minister, this deal was arranged even before the letter was written to you requesting the meeting, or at least to your department. There was a deal made between Millar Western and the private individual or individuals, whatever the case may be, and you broke policy within the government, and I can't blame it all on your department, can't blame it all on you because there are two other departments involved.

And we can never quite get to the bottom of it because rural affairs handles part of it, you handle part of it, and Energy and Mines -- which we understand is coming up on Wednesday -- handles part of it. So you can never get all the actors together in one place to bell the cat, Mr. Minister.

And we think that you should be coming clean on this. We want also the documents that were actually requested from the individual who got the pit through the department, or are you telling us that this is all verbal. Was it all a verbal deal between the individual and your department? Or can you provide further documentation about the actual request from the individual for you to release your quarry lease so that they could pick it up. Can you tell me if there are documents there, if there's correspondence there, and if so, would you turn those documents over to us, Mr. Minister?

Hon. Mr. Petersen: -- Are you referring to letters from the solicitor, Mr. Cariou, to ourselves?

Mr. Anguish: -- Well it seems to me we can't find a document trail where they actually request you to turn over your excess, as you call it. We don't have a document trail where there was a formal request made to your department to have your quarry lease amended to remove that section which the private individual wanted.

Now I don't know who wrote the letters to you, but I would like some comfort, some level of comfort that there were documents put forward requesting that you amend your quarry lease, and documents from you back to someone saying that this action is going to take place rather than having millions of cubic yards . . . or, I'm sorry, hundreds of thousands of cubic yards of gravel turned over by a verbal agreement without some actual formality in place for that to happen.

Can you provide those documents or do they not exist, Mr. Minister? I don't know who wrote them. You tell me if you have them, and then would you turn them over to us.

Hon. Mr. Petersen: -- I have given you the chronological order of events as we have ascertained it. I have informed you that there was a written request received on October 13 from the solicitor to our department. Obviously there was correspondence that would have taken place between our department and the solicitor.

Are you asking me to give up privileged information between a lawyer and his client with us as a third party in there? Is that what you're asking me for?

Mr. Anguish: -- I don't know what would be confidential about it. I don't know how it could be a privileged situation. You know who the first one who was that mentioned the private individual's name in this legislature? It was the minister of rural affairs. And since that time it's broad knowledge who got the gravel pit; broad knowledge through this legislature because the Minister of Rural Development -- sorry, it's not rural affairs any more, Rural Development -- brought up the name in answer to questions.

There's no confidentiality relationship here. It's an issue of accountability of how you and two other departments disposed of Crown assets that ended up in the hands of a private individual that is now about to supply that gravel to a contract with Millar Western who are building a pulp mill at Meadow Lake.

Now it seems to me if you want to help somebody out by supplying excess gravel, lots of people in the area should have had the ability to bid on the gravel that you were releasing -- not just one individual or group of individuals who you agreed to give the gravel to. It was all set up ahead of time.

I know the chronological order because I accept what you tell me as being

valued information and the truth. I accept that. I want to see the documents between whoever that contacted you and you back to whoever, that finally set up the meeting in which you agreed to turn over your quarry lease to have it amended by Energy and Mines.

So I don't know whether it's one letter, two letters, whether it's all verbal; but I want to see documents, letters, that requested you, and your response to those requests, that ended up in this pit being turned over to private individuals who have a contract set up with Millar Western in Meadow Lake. That's what I'm asking you.

If it's confidential, tell me on the basis of which it's confidential, Mr. Minister. But I think we have every right to see those documents because I want some level of comfort that this is a legitimate deal, and I have not had that level of comfort to this point in time.

(1200)

Hon. Mr. Petersen: -- I'm a very patient person, as everyone in this Assembly knows. But you are stretching the level of my patience beyond belief. I have provided for you a chronological order of events. I have provided for you information that you have requested. I have provided for you all of the information that you have asked for. I am not prepared to at this time put forward information between ourselves and the lawyer.

You have this grand conspiracy theme -- this grand conspiracy. And you're right. You have hit the end of my patience, sir. You have tried me sorely and you're right. You have finally done what you set out to do here and that was to make me reach the end of my patience, and you've done it. My kids do occasionally too. The one thing about those people is that they can learn.

You, sir, have a grand conspiracy theme -- a grand conspiracy theme here -- that has permeated your questions right from the beginning. If you, sir, have knowledge of a grand conspiracy theme, you should perhaps take up writing fiction, novels. And I'm sure that you'd be able to handle that with your vivid imagination.

In second place to that, if you have evidence of a grand conspiracy theme, a grand conspiracy that exists, and if you have that type of information in your possession, why don't you turn it over to the RCMP? As I understand it, it's possible it could be a criminal offence. Why haven't you done that?

I suggest, sir, that you have stood in this Assembly for hour upon hour and wasted the time of this Assembly, the people of the province of Saskatchewan. For all the time you spent on this we probably could have had this particular item designated as a heritage property, you've been that long on it.

You have started at the beginning of your questions, sir, to me, and you have intimated a grand conspiracy. And you have continued that line of questioning. You have continued with innuendo. You have slurred people's

names. You have dragged their names through the mud in here. You have insinuated that there's some grand conspiracy about to happen or that has happened.

And I think, sir, that you should apologize to those people. I think, sir, that you're just playing petty politics in here, grandstanding again as usual. And having said that, I don't believe that there is any more information that I can provide to you. I have given you all that's pertinent. It's here. I've told you what's available. Here it is. I've given you time after time. And you insist on wasting the time of this Assembly again and again and again.

I don't know what your purpose is, sir, except that I can only say that it would appear to me to be muck-raking, innuendo, slurring people's names. And I will just say once again, if you have evidence of a grand conspiracy, you should either write novels if it's fiction, or if it is indeed fact you should take it to the RCMP.

Mr. Anguish: -- You've had the RCMP already do enough investigations on your government. Everything that's ever hit the headlines in Saskatchewan is because of RCMP investigations. There's GigaText and there's Supercart, and the list goes on and on and on. There's Eagle bus lines. I'm sure if there's any illegality involved, the RCMP will eventually get a hold of it.

All I'm asking you is for the document trail which obviously you're either: one, not willing to turn over; or two, does not exist because you wouldn't want anybody tracing this deal which smells all the way from here to the north-west corner of the Rural Municipality of Meadow Lake.

People in the Department of Highways know that that gravel pit shouldn't have been turned over. This is not standard practice.

So you can go on and have a tirade all you want in the legislature. It matters not to me how much I try your patience because we want to get to the bottom of this issue. So I repeat the question to you: will you provide us with the request, the written request -- not for the meeting necessarily, but I'd like that too -- the written request for the meeting that you said you received on October 13, your department.

There must have been something in writing for what it was they're requesting beyond the meeting. They must have wanted something. You must have responded to them in writing and told them yes, no, maybe. Possibly there was more correspondence from you, spurred on by the letter that your department wrote. And finally it ended with you on January 12, sending a memo to Energy and Mines asking for your quarry lease to be amended.

What I want from you is all of the correspondence and all of the documentation, from the first letter that was written to you requesting the meeting on October 13, until finally Energy and Mines wrote back to you on January 30 and said yes, your quarry lease has been amended.

Those are the documents we're asking for. Come clean with us and put them on the Table. We aren't making any aspersions on anyone. We're asking for

facts and documents from your department on a situation that is suspect to say the best, Mr. Minister.

Hon. Mr. Petersen: -- Well it may not matter to you how much time of this Assembly you waste, but I'm sure it matters to the people who are paying for the bill for you to stand here and cast aspersions on people and put your sly innuendo around.

I have given you the answers you have asked me for, and I have given you the chronological order of events. I have given you my undertaking to find out the information as regards policy on five years, five years at the least, of requests regarding this type of a resource. I have given you those undertakings and I will keep those undertakings, sir. I am not prepared to give you privileged information between a solicitor and ourselves and his client. I'm not prepared to give you that information, sir.

I have given you the overview of what was requested. I've given you what the department undertook to do as a result of that request. I have given you the results of that review. And I have shown you that we did indeed have excess gravel in the area and it was given up for others to apply for.

Energy and Mines would handle it after we had relinquished our claim on the quarry, after we'd established that we had all the gravel that we needed in the area, sir. I don't know what more we can do.

Mr. Anguish: -- What more you can do is turn over the documents. I would have to assume that there aren't any documents that exist during that period of time, that it was all done verbal. If you won't turn them over that's what we would have to assume.

And you say you gave up excess gravel for others to apply for. That is absolutely wrong, because one individual came to you and asked you to release it, and you released it and he got it. The rural municipality was not even formally notified that this gravel was available to be taken up. It was not available to others that may be in the industry because it was never tendered.

So don't you tell this Legislative Assembly that you gave it up for others. You gave it up because somebody requested it. No one else had the ability to get that gravel, because it was arranged ahead of time that they would get it.

I ask you one more time, if we want to clear this up: tell me then how many letters after the letter of October 13 were written from the individual or on the individual's behalf that finally got the pit; how many letters like that were written to you or your department up until January 30; and how many letters were written back from you to the writer of those letters? Could you tell us that, Mr. Minister? That surely cannot be confidential.

Hon. Mr. Petersen: -- It's my information that there were two letters from the solicitor and there was one letter back to that person.

Mr. Anguish: -- Well thank you, Mr. Minister. Now you say you won't give me the two letters or there's actually three letters, as I understand, from the solicitor to you. The three letters would be on October 13 requesting a meeting, and the other two would have been between Dthat time and January 30. So you've said you won't give those letters to me.

I'm asking you then to give the letter, the one letter that you said was written back in response to those letters, I want you to table that here this afternoon or send that across to me, Mr. Minister. Will you do that? That has nothing to do with solicitor-client confidentiality.

Hon. Mr. Petersen: -- No, I'm not prepared to do that because, as I pointed out, correspondence between us and the solicitor regarding privileged information between a solicitor and a client, I'm not prepared to do that, sir. If you wish to have the solicitor release that information, that will be up to him. That would be fine by me, but you ask the solicitor first.

Mr. Anguish: -- That is total nonsense. I can understand your rationale for the letters that are written by the solicitor on behalf of his client. I do not understand your rationale for the letter that you wrote back. That is totally absurd and I think you have an obligation to let this Assembly know what it was you responded to that individual. And I'm asking you again, on reflection, to table that letter or send that letter across here today so we can conclude this portion of your estimates, Mr. Minister. Would you send that letter across?

Hon. Mr. Petersen: -- I've stated my position and I will restate it. It's there . . . As I said, if you wish to contact the solicitor and ask for that information, you may. And I'm going to stay firm on that, sir.

Mr. Anguish: -- What were the dates of the other two letters that the solicitor wrote to you, and what was the date of your response letter?

Hon. Mr. Petersen: -- I can give you the dates of those letters. It would have been . . . the solicitor's letters came to us November 28, December 6. Our response to those letters went on December 21.

Mr. Anguish: -- Well I see absolutely no reason why you can't release that letter. I just don't understand your rationale.

Who signed the letter that went back in response on December 21? Was it you, Mr. Minister, that signed it? Or was it an official within your department? And if it was an official within your department, which official signed that letter?

Hon. Mr. Petersen: -- It was a department official. The name would be D.G. Metz.

Mr. Anguish: -- And I understand that's one of the individuals who was at the original meeting, and that's who sent the letter back.

Mr. Minister, I think that I would conclude for the time being. I think

that it is not right that you would withhold a letter that was written by your department concerning this issue, and I guess what we'll be doing is pursuing this in Energy and Mines when those estimates come up.

But you should be on notice as well, Mr. Minister, that your patience are not the important thing in this matter; it's the public interest that is the important item during the questions that have been asked concerning the disposal of this gravel pit. And it's a controversy that will come back to haunt your government, Mr. Minister, and I think you should be aware of that. Because there is something not right.

And I can't make any accusation. All I'm doing is searching for information. But there is something not right in the disposal of this gravel pit. We ask the questions of you; we ask questions of the Minister of Rural Development, and we will be asking questions of the Minister of Energy and Mines. So hopefully at some point, we can put it all together.

(1215)

But it will be very difficult to put it all together when you withhold certain pieces of information but yet are willing to give other pieces of information. If you give you all the information that you have concerning this issue, we could get to the bottom. And if you have nothing to hide as a government, then you should be putting this information forward, and that will be the end of the issue. But as long as you withhold information on this issue, then there will be a cloud of suspicion over this particular issue.

So, Mr. Minister, I would conclude by saying I appreciate the time that I've had, and I can appreciate that it would try your patience. And I also appreciate the department officials spending some extra time here to provide some answers at least to some of the questions that we have. And with that I would leave off on this topic, Mr. Minister.

Mr. Hagel: -- Thank you, Mr. Chairman. Mr. Minister, I just have one question. I guess it'd have three parts to it, and I guess you can put this into the short snapper variety, if you're looking for a category for this question, Mr. Minister.

It relates to probably the most extensively travelled stretch of highway in the entire province, and that being the Trans-Canada between the cities of Moose Jaw and Regina. And all three matters, Mr. Minister, relate to that.

It has been my impression for quite some time, Mr. Minister -- and I admit to travelling that stretch of highway an average of at least five times a week and am quite familiar with it, as will be a whole lot of people who travel in this province -- that it is certainly not our most exemplary stretch of highway in this province. And I think many would be of the view, Mr. Minister, that it has been allowed to deteriorate to be described as a bit of a shame.

However, having said that, Mr. Minister, it's not my purpose to describe what has happened to the highway, but to ask you some questions about what

the intention of the department will be to remedy some problems there.

Mr. Minister, I noticed, as I was looking at the construction projects '90-91, that there was no reference to any work, in this little document at least, to intentions to do improvements other than the bridge work that's occurring at Belle Plaine right now.

Mr. Minister, it became cryptically clear the other evening when travelling on that highway, after . . . in a period of time in which there had been some rain, that a fair amount of the highway has experienced the development of troughs in the surface of the highway which make that -- particularly in the east, or in the westbound lane, I should say -- dangerous travel when the highway surface is wet because of the collection of rain that occurs there and the tendency therefore for vehicular traffic to experience hydroplaning when going through that section.

Mr. Minister, you will be aware, of course, that that potential for that to result in accident is high, given the high amount of traffic that occurs on that road.

Mr. Minister, then I would like to ask you the following three things. First of all, whether there is some intention on the part of your department to reduce, resurface, obviously not resurface because it's not in your projects outline, but to attend to that troughing that's occurring in the driving . . . in the right-hand lane particularly, to make it more safe.

Secondly, whether there are any intentions to attend to the lines on that Trans-Canada Highway. In poor weather conditions it becomes extremely difficult, particularly at night, to see the lines on a large amount of that stretch of highway.

And thirdly, Mr. Minister, on entry into the city of Moose Jaw from the east and the first entry into the city where you go under the underpass with the Trans-Canada heading east, passes over that entry, that is a particularly dangerous exit off the Trans-Canada because of the lack, I believe, of a just one more light standard in advance of the overpass would help to make that much safer as well as more attractive. But the major concern is for the safety for those vehicles which are coming off the Trans-Canada and entering into the city of Moose Jaw from the westbound flow.

So, Mr. Minister, could you please indicate then the intentions of your department to deal with the troughs that have developed, the lines, the painting of lines and the visibility, particularly at night and in adverse weather conditions, and also the possibility of one more light on the first entry into the city of Moose Jaw from the east.

Hon. Mr. Petersen: -- With regard to, I suppose your last question first, the lights, we'll certainly look at that and we thank you for bringing it to our attention. If there's any way that we can make that even more safe than it already is, we will undertake to do so. And we'll keep you informed of that when we get the report on it.

Now the lines, they're redone on an annual basis and they will be redone. As far as lines at the intersection to make it a little more safe, to demarcation and so on, so forth, we'll work at that. And as far as the No. 1, the surface itself, we don't have any specific plans, as you pointed out, to do any work on there this year. As you know, we do prioritize. That is a very highly travelled stretch of our provincial highways. And we will be prioritizing, and I believe that because of the high traffic volume, it will have a high priority for next year's budget.

Mr. Hagel: -- Mr. Minister, I appreciate your responses and would appreciate being updated on attention being given to all three of those matters. Perhaps I didn't make myself clear. You referred to lines at intersections. I'm not referring to lines at intersections, but on the left and right extremities of the travelled surfaces as well as the line in the middle.

Mr. Minister, when travelling on that the other evening in the rainfall after dark, it was virtually impossible to see, to determine where the edges of the roads were, which makes for dangerous travel particularly when passing another vehicle, and on the stretch of highway in which we have a large number of tourists going through, Mr. Minister. And so in the interests of safety, I would encourage that that be given a higher priority.

Hon. Mr. Petersen: -- Thank you for that, and we will certainly be doing that. If I said only at intersections as far as lines were concerned, no, lines are done every year. And that entire section will be marked out properly. You'll be able to certainly see the difference.

Mr. Goulet: -- Yes, my question relates to the Weyerhaeuser agreement. We know that 400 miles of road will be built for Weyerhaeuser and we also know that we'll be spending \$3 million this year on Weyerhaeuser. I'd like to know, Mr. Minister, in regards to the agreement, we were supposed to pay for the immediate upgrading of the road system under Saskatchewan's expense and this was to build a new bridge over the Shell River on Highway No. 3, and also the road and interchange connecting Highway 3 and Highway 55 at Prince Albert. Could the minister tell us how much money has been spent on those two projects?

Hon. Mr. Petersen: -- As far as the . . . I believe it would be the interchange 3 and 55 -- it would have . . . the total would be 4.9 million. And as far as the Shell River bridge, there would have been no incremental cost as far as the Weyerhaeuser agreement was concerned. We'd planned to do that anyhow.

Mr. Goulet: -- You mean there was no cost? Because under the agreement it says that Saskatchewan will construct the following structures and roads at its expense in accordance to accommodate Weyerhaeuser Canada's traffic on the road system. And "I" in there states . . . point 1 states a new bridge over the Shell River on Highway 3 which will be completed prior to December 31 of '86. That's the one I mean.

Hon. Mr. Petersen: -- The Shell River bridge is what we're referring to, yes? Okay. It was completed on schedule. The cost was \$550,000, but it was required upgrading and it was not attributed to the Weyerhaeuser agreement.

Mr. Goulet: -- The other thing in there -- '88-89 report -- you state that along with the 32 kilometres of log haul roads, which would be Weyerhaeuser, 6.9 kilometres of resource roads as well as oiling of some of the resource roads and campgrounds was done.

I'd like to know what this 6.9 kilometres of resource roads involves, what that includes, and how much was the cost on it.

Hon. Mr. Petersen: -- If I could ask the member which . . . are you referring to the annual report when you're quoting those figures? Okay. While we're just looking for that, if you have another question we'll handle it in the meantime while we get that information for you.

Mr. Goulet: -- Okay. I have another question then. How many other similar arrangements in regards to other companies besides Weyerhaeuser do you have in regards to road construction and maintenance in the North? Do you have any, for example, that have to do with mining companies in the North and other forestry companies?

Hon. Mr. Petersen: -- We have no agreements as far as I can ascertain, with mines, but we do have other agreements, the NorSask agreement, for example, which is something that we inherited.

Mr. Goulet: -- Is there any work being done, planned, for the road? I mean there was always a big debate in regards to going either 905 or going up on the Key Lake road and so on. What work is being planned this year? There was a big argument, you know, following 102, 905, or coming through the more westerly route through Key Lake, and I was wondering whether or not . . . how much money was being spent this year in regards to that project that was being planned.

(1230)

Hon. Mr. Petersen: -- We have no construction in that area. I can get you some maintenance costs, if you would like, in that area. We've done some survey work on 102 for example, north of Sucker River, but as far as the other you asked about, no, we don't have anything right now.

Mr. Goulet: -- If you will get me the maintenance costs on that, Mr. Minister, for the past five years on . . . (inaudible interjection) . . . Yes.

Hon. Mr. Petersen: -- Yes, we'll go back five years.

Item 1 agreed to.

Items 2 to 19 inclusive agreed to.

Item 20 -- Statutory.

Item 21 agreed to.

Item 22 -- Statutory.

Vote 16 agreed to.

Consolidated Fund Budgetary Expenditure
Highways and Transportation
Capital Expenditure -- Vote 17

Items 1 to 4 inclusive agreed to.

Vote 17 agreed to.

Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Highways and Transportation
Ordinary Expenditure -- Vote 16

Item 1 agreed to.

Vote 16 agreed to.

Mr. Chairman: -- I'd like to thank the minister and his officials.

Hon. Mr. Petersen: -- Mr. Chairman, I too would like to thank all the members for their questions. I'd like to thank my officials for the information provided, and I look forward to next year's estimates.

Consolidated Fund Budgetary Expenditure
Culture, Multiculturalism and Recreation
Ordinary Expenditure -- Vote 27

Mr. Chairman: -- Would the minister introduce his officials.

Hon. Mr. Maxwell: -- Thank you, Mr. Chairman. Seated beside me is Elizabeth Knebli, the deputy minister of the department. Directly behind is Keith Rogers, assistant deputy minister. Seated beside Keith Rogers is Mae Boa, director of support services.

Item 1

Mr. Kowalsky: -- Thank you, Mr. Chairman. As we get into these estimates on culture and multiculturalism, Mr. Minister, I can't help but indicate that it's sort of the general feeling of many people who sit in this legislature, particularly when they'd be on the government side, that one of the areas that we would like, that it would be very nice to be a minister of because of the pleasant duties that you have to perform throughout the province and the people you're able to meet, and the type of proactive things that you're able to do through that department are quite pleasant. And I must say that in general terms, that the reputation that a

minister earns in that department is usually somewhat better and somewhat more favourable than ministers earn in many other departments.

And as I looked through what has happened to your department, Mr. Minister, over the last three or four years, particularly over this last year, I see that a lot of the things that people in your department and that you yourself maybe would have liked to do, or would want to do, or would certainly have set up as an objective, has been thwarted by your Conservative brothers and sisters in the rest of the cabinet and also by your federal Conservative cousins in Ottawa.

And I want to be more specific, Mr. Minister, about what I mean by that statement. This year we saw your federal cousins cut out the funding for the heritage language programs -- something that your department, I would hope, would be in favour of, and something that you will have to attend to, Mr. Minister, in terms of fighting for the heritage language schools in Saskatchewan.

I see the Multicultural Council of Saskatchewan wanting to proceed, wanting a proactive position. I see you being shackled by this government who has refused to provide funds to your department, and as a result you are unable to move with the speed and rapidity that is desired.

I see the Saskatchewan school of the arts in Fort Qu'Appelle shut down due to a lack of funding, something that has worked for 22 years in Saskatchewan, something that has established a tremendous reputation in Saskatchewan and throughout Canada, in some cases internationally, as something that has provided training not only for our youngsters in Saskatchewan but also as an opportunity for those who are professionals to have some professional development.

So we see that your own government and your colleagues have pulled the carpet out from under you. Part of it I believe is because of the political appointments that have been made to some of these boards. It is my opinion, Mr. Minister, that the arts boards, the Arts Board for one, the other boards that are appointed, Western Development Museum board, the board in charge of the racing commission, although they all have an interest in their respective jurisdictions, have too much political pressure on them and as a result have become apologists for the government rather than proactively pushing the government to make sure that your department gets the money to put into these enterprises.

I saw the government, led by the former minister of Finance, completely undermine the Department of Recreation, Culture and Multiculturalism through Sask Sport by administering the lottery tax which resulted in a loss of some 20 per cent of funding from Sask Sport to these organizations. That resulted because there was an \$18 million decrease in funding because . . . a loss of sales.

It was supposed to give the government \$26.5 million in tax revenue. Prompted by greed, the government was looking for that. I don't know why in the world they wanted that money; they were getting an extra 4 per cent

revenue this last year the way it is. But there was a shortfall of some \$15 million in revenue to the government on that, and as a result, completely demoralized the volunteers who had been working and seeing this as a growing department.

We see the impending GST (goods and services tax) being imposed by your federal cousins. And everybody in every cultural and sport organization and recreational organization knows that this is going to be devastating on their operations and everything they're trying to do, because it's going to take an additional 7 per cent money out of the people's pockets that they ordinarily would put into these organizations.

I see that the Western Development Museum is slowly being forced to reduce its services. We see reduced populations visiting them. Why? Because the people in your cabinet are forcing you to take . . . have forced you to reduce the grants to Western Development Museum through some three years ago. They've now used up their reserves, any reserves they've had. They've had to cut down in staff; they've had to cut down in hours. As a result they are completely demoralized.

I see a capital building program which was very popular, which I believe is over-subscribed, that you over-subscribed proportionately to the amount of money that's available. Very popular program; has done a tremendous amount of things for our small communities in particular over the years. But again I see it being hamstrung because you just don't have the money available in it now, that was available three, four, five years ago. Why? Because of the way your colleagues, led by the Minister of Finance and the former minister of Finance and the Premier, are diverting money from culture in Saskatchewan to ventures like Cargill, the famous GigaText, the Rafferty dam, to say a few, big megaprojects which have failed time and time again.

(1245)

I look at what's happening to horse-racing in Saskatchewan, an industry which is just barely hanging on, an industry which was once a growth industry, had the possibilities of making it on its own, an industry which attracts people from all walks of life. I see that with the loss of population in Saskatchewan, even with the money provided through your department and what was once the lottery, the money coming from lotteries, that they are forced and will be forced to look at either down-sizing or quitting altogether. Why? Because they're in bad shape, and they don't feel good about taking grants year after year at an increasing rate.

Well all of this, Mr. Minister, reflects priorities which have been set by your government, that I know and I feel strongly that you would have difficulty accepting. And my question with respect to that, Mr. Minister, is, would you not concur that as a result of what this government has done, what this government has done to the financing in Saskatchewan, how they switched priorities away from your department, pulled away money so that you now have 33 per cent less in your budget this year than you had last year, when you add the supplementary estimates in, or if I just compare the estimates from last year to this year, that you had an 11.8 per cent cut in

your budget at the same time when in the government the total revenue has increased by some 4.7 per cent; that something that was working in Saskatchewan and that was working for people of all ages in all walks of life has been pulled out from under you by the front four who run this government -- the former minister of Finance, the present Minister of Finance, the Minister of Health, and the Premier -- that they are forcing you to down-size, would you not concur, Mr. Minister, that this is a very, very difficult thing for you to accept?

Hon. Mr. Maxwell: -- Well, thank you, Mr. Chairman, and hon. member. I'm very pleased to have the opportunity to respond. I realize we don't have very much time today so I'd just like to start off with a couple of generalities, Mr. Chairman.

First of all, I do agree with the hon. member about the department itself, the structure of the department, the function of the department, and the effect it has on people in Saskatchewan. From that point of view, I guess, it's what's generally been regarded and still is regarded as a good news department.

I know we spend a lot of money and a lot of things we do seem to be going in the form of grants for various ventures around the province with sport, culture, recreation, heritage, but that's not all we do. We do provide a lot of expertise. Some of those people who are sitting behind me today, for example, provide a high level of expertise in their own areas to people and groups in Saskatchewan whether it's OSAC (Organization of Saskatchewan Arts Councils), and the hon. member's wife is a member of that organization and knows about that one, or a multitude of organizations around the province who look to us for help and assistance with their programs in heritage, sport, culture, recreation, multiculturalism, all of that.

So I agree with the hon. member, it's a good department. I feel very privileged to have been given the honour of leading this department. The department is composed of consummate professionals. It's one thing I think I can say without fear of contradiction, nobody accuses officials in this department of playing partisan politics. They are consummate professionals, Mr. Chairman, and they're welcomed wherever they go.

Turning specifically to the issue of budget, I should point out that if we take blue book this year as opposed to blue book last year, we show a shortfall this year of \$2.4 million -- from approximately twenty-three and a half last year to just over 21 million this year. But in that \$2.4 million, Mr. Chairman, 2 million is in the form of a grant to the Future Corporation. So if we take that off, we're only \$400,000 apart from where we were last year. Of that 400,000 there was an increase to SPMC (Saskatchewan Property Management Corporation) in charges for buildings and facilities of some 200,000. So in actual fact, the blue book to blue book change in my department's budget is approximately \$200,000. So we haven't suffered severe set-backs.

Of course it would be terrific to have received big increases in our budget because there's so many things we'd like to do. The culture and recreation facility grant program, for example; this program is \$32.6 million over six

years. It's a richer program than the previous one that one of my colleagues introduced back in 1982.

The old program consisted of a per capita grant, \$25 per capita. So if we take a town like Spiritwood where I live and I was the mayor of the community, a population of 1,000, they received a basic \$5,000; a thousand dollars per capita, which is another 25,000; for a grand total of \$30,000. And that was it.

The new program was not based per capita; it was project-specific, based on needs to the community with a dollar figure attached to each project, which meant it was a far richer program.

And indeed the uptake has been phenomenal and the hon. member is correct. The program is fully subscribed and it was done so in just a few short months because so many small communities who saw the rinks needing repair or falling down, arenas needing repair or falling down recognized that those facilities are the very hub of their communities. No less so than perhaps the school is or the church is in their communities. Therefore they were very anxious to access the grant money and it has been done. The uptake, as I say, has been phenomenal but not surprising.

I'd like to turn, because the hon. member touched on it in his opening comments, to the Arts Board. And I hasten to point out, although some of the appointees to the Arts Board -- and they are appointed, as we know, by government; they aren't an elected body -- some of the appointees to the Arts Board would be well known to the hon. member and on both sides of this House because of their varied backgrounds.

However, I do want to point out that there are no political decisions at all taken by the board, nor is there ever. And I can say this without fear of contradiction because I have never called any one of them nor their executive director on any political matters. And I've never discussed any political matters with them and they have never been asked to make a decision based on political considerations.

Indeed, when they took the decision, and it was their decision and it was their right, not to continue the summer school of the arts, that was a decision made by the board. They didn't consult me on that nor should they be consulting me on that. That is a decision that is entirely theirs to make.

And they made it based on the fact that they felt two things: one, they didn't have enough money to continue it and still be able to jury enough money to the various professional arts groups; and secondly, it was not in their mandate. It was great that they could do it for that number of years but their mandate is to fund professional arts groups and individual artists, not to fund a developmental, amateur program. We are looking at -- I just like to point this out to the hon. member -- we are looking for some alternatives that could perhaps restore a summer school of the arts, but I doubt very much it would be at Fort San, given the condition of the buildings down there and the very expensive renovation; well, it wouldn't be renovations, it would have to be bulldozed and rebuilt from the ground

up. So I doubt if the site used would be at Fort San. So with that, I'll turn it back to the hon. member.

Mr. Kowalsky: -- Mr. Minister, I'd like to ask you then a few specific questions about the summer school of the arts. And the first question would be: how much money did your department save by not contributing any funds to it in this coming year?

Hon. Mr. Maxwell: -- Mr. Chairman, there's no saving to us. The Arts Board receives a grant from my department, \$1.92 million and they receive an allowance from lottery funding of \$1.5 million, and they're receiving exactly that same amount this year as they received last year. Any savings would accrue solely to the Arts Board themselves, and they would decide what to do with the money they saved by not going ahead with the school of the arts this summer.

Mr. Kowalsky: -- Did you expect SCCO (Saskatchewan Council of Cultural Organizations) or any other organization to take it over for this year?

Hon. Mr. Maxwell: -- There was no prior discussion with me on behalf of the Arts Board, on behalf of SCCO or any other group until after the board had made that decision. When they passed the resolution, the chairman called me to say that this was the direction they wanted to go, which of course, as I say, is their right. So there was no discussion on it, as a matter of fact, at that point.

Subsequent to that, there's been discussion with some individual member organizations of SCCO. I don't believe -- and I met with the president of SCCO earlier this week on Wednesday evening -- I don't believe there has been any formal move by SCCO to try and take over the summer school of the arts, either at Fort San or elsewhere.

Mr. Kowalsky: -- Mr. Minister, would you not concur that this program, the summer school program, was a very, very valuable program? Are you not familiar, Mr. Minister, with testimony given by people who have worked there? Are you not familiar with testimony by students who have come there? Have you had an opportunity to take a look at the Peat Marwick study for which I will refer to for a couple of minutes, regarding the summer school of the arts.

And a couple of questions that were asked I would like to refer to at this time. For example, the students were asked to evaluate this course that they took. And if you look at some of the questions that were asked, for example one is: to what extent does the course meet your expectations? -- 85 per cent of the students said, very good or excellent. Overall course quality was regarded as very good or excellent by 91 per cent of the people. The quality of course instruction was regarded as very good or excellent by 94 per cent of the people. The question regarding, was this a positive influence or a negative influence? -- 87 per cent of the people responded yes, that it had a positive influence.

You might wonder whether people outside the arts community were in favour of it. We point out that 39 per cent of people said that they received

assistance from outside sources which would indicate that there was considerable help, even financially, to help promote the Sask. school of the arts.

The mandate of the school of the arts was quite well accepted by everybody, certainly by the students -- the mandate being to support and encourage study of the arts and production and presentation of the arts to the people of Saskatchewan; to promote the development and maintenance of high standards of people, persons engaged in the arts in Saskatchewan -- 84 and 86 per cent of the people said yes. When their parents were asked, should the school be closed, zero said no. The end result of all of this being, Mr. Minister, is that I don't know of anybody who wanted the school closed.

We see a continuity broken down here, Mr. Minister. What I couldn't understand is why it was that you and your department did not fund this school for one more year while these studies were being done by SCCO so that the continuity wouldn't be broken.

For what reason was it that you neglected to put some money into it, to give that bridging money, which would have been welcomed by everybody in the arts field in the province? Why was it that you couldn't do that?

Hon. Mr. Maxwell: -- Mr. Chairman, first of all I'll point out to the hon. member that the Arts Board did not ask me for bridging money for the school of the arts. They went ahead and made a decision that they were going to discontinue that program. It's not a government program; it's a program that belongs to a body, the Arts Board, the Saskatchewan Arts Board, which is independent of government.

I realize what the hon. member is saying, that here we have a worthwhile program that served a large number of young people over some 20, 23 years. A very, very worthwhile program indeed. Probably one of the most popular types of programs that could be done in a cultural sense in this province.

Of course I was disappointed that the Arts Board made that decision that they would discontinue, which is their right, one of their very own programs. They didn't ask me for bridging funding.

Had they asked me, we could have tried to sit down and work something out. I don't say for a moment that we would have found the necessary money, because it is some several hundred thousands of dollars, and as we know we're in a tough fiscal position, where right now my goal is to maintain the programs that my department provides for the people of Saskatchewan.

In a perfect world, perhaps a government could take over and fund programs that are provided by other bodies, but it would be very difficult. If we took over a program that was funded and run by the Arts Board, for example, Mr. Chairman, I can see the day where all kinds of other groups would come in and say, all right, we don't want to fund one of our own programs, we'd like the government to do it for us. That would put us in a very difficult situation, one that we couldn't handle.

I have no quibble and no problem whatsoever with the quality of the work

that was being done at the summer school of the arts. It was an excellent experience for the people who went there; it went far beyond what they learned in terms of culture. It was a social interaction. Young people who attended that camp still talk about it in glowing terms years afterwards. And some went back year after year. Some of the instructors go back year after year.

There's no question about the value of the program. And if things were a little different fiscally, perhaps the government could look at helping out with it.

Mr. Chairman: -- Being near 1 o'clock, the committee will rise and report progress.

The committee reported progress.

The Assembly adjourned at 1:02 p.m.