

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Highways and Transportation
Ordinary Expenditure — Vote 16

Item 1 (continued)

Mr. Brockelbank: — Mr. Minister, when we left off discussing these estimates last time I had just asked you, Mr. Minister, about the reconstruction of a section of Highway 302 west of Prince Albert. You had responded in part, but you had not specified the nature of the upgrading of that piece of highway, 14 kilometres. Is it paved or is it just upgraded? What kind of a top is going to be on that highway?

Hon. Mr. Petersen: — In response to your question, it's quite often the procedure whereby a seal coat would be put on the first year of construction and that's what we will end up with this year.

Mr. Brockelbank: — What is the dollar size of that contract estimated to be?

Hon. Mr. Petersen: — As you can appreciate, that particular segment of highway has not been tendered yet, but we would expect that it would be under \$800,000.

Mr. Brockelbank: — Thank you, Mr. Minister. Mr. Minister, I want to get back to some of the unfinished business from last year. And I'll go through it in approximately the order in which it occurred in the estimates, Committee of Finance, last year.

The first item I want to make brief reference to is the question of your letter to Pierre Jeannot, president and chief executive officer of Air Canada, which was July 10. It's interesting to note in passing, Mr. Minister . . . I shouldn't say your letter, the Minister of Highways' letter. It was a different minister of Highways at that time. But I raised the question that day. The minister said, well we've got something cooking on that. He told me he was going to fax it right away to the president and chief executive officer of Air Canada. And I see the date on the letter is July 10, the same day I raised it in the House. I want to know, what are the results of that communication with regard to the Air Canada reservation offices in Regina and Saskatoon?

Hon. Mr. Petersen: — My information is that the people who were employed there did not lose any jobs. They were offered other employment. As I understand it, the telephone reservation all goes through Winnipeg, but we do have ticket offices in Regina.

Mr. Brockelbank: — Could you be more specific, Mr. Minister? Are you saying no one lost their jobs and no one had to transfer, or what are you saying exactly?

Hon. Mr. Petersen: — It's our understanding that all the employees affected were offered employment. I can't tell you whether they accepted the offer or they didn't, sir. I

don't have that information. But we do know that they were all offered employment.

Mr. Brockelbank: — Mr. Minister, I want to investigate for a moment the terms and conditions under which an employee of your department, for example, would apply for education leave through the Public Service Commission. What are the terms and conditions that apply to that person?

Hon. Mr. Petersen: — The procedure that would be followed, if an employee was looking for that type of assistance, would be that they would apply to the department that they were presently employed with. The department would then make recommendations to the Public Service Commission who would evaluate the application. And basically, as the policy defines it, it's a program to enable employees to leave work for training or development related to their present or future work, and that's the scope that the Public Service Commission would make their determination under.

Mr. Brockelbank: — Is not one of the conditions of the application for education leave or the acceptance of the application for education leave, is the person must be a full-time employee?

Hon. Mr. Petersen: — Yes, to the best of my knowledge, that's correct, sir.

Mr. Brockelbank: — I want to reference now to Ms. Vera Nicholas who obtained education leave from the Department of Highways in 1985, August 1985, was a part-time employee — not a full-time employee — went to the School of Foreign Service in Washington, D.C. at a cost for a one-year period of \$27,662.24. Mr. Minister this seems an outrageous breach of the conditions that are put on education leave. Could you explain this for me, please?

Hon. Mr. Petersen: — I am informed that with that particular employee at the time of the application she was a full-time employee.

Mr. Brockelbank: — All right, Mr. Minister, I'll take your word for that, that she's a full-time employee of the department. Could you forward to me in due course an itemized breakdown of the \$27,662.24?

Hon. Mr. Petersen: — I can provide you with that information as closely as possible. You know, for example, tuition, books, travel, what have you — they're all associated with that. That would be what you'd be looking for.

Mr. Brockelbank: — That's right, Mr. Minister. I want to get back to the mileage claimed by Mr. Katzman — the former Conservative MLA of this House. In the information you gave me, you said he used his private vehicle from December 15, 1987 to May 25, 1988 and claimed for 23,824 kilometres. What was the rate? Would that be the PSC (Public Service Commission) rate, and if so, what was the rate? And I also want to know, while your officials are checking that out, what the CVA (central vehicle agency) rate was, continuing on from May 25 to

May 3, 1989, for the further 42,231 kilometres.

Hon. Mr. Petersen: — I don't have those exact rates with me, but they were the PSC rates or, in the case of the CVA, the CVA rates in effect at that time.

Mr. Brockelbank: — I'll be satisfied, Mr. Minister, if you provide me the rates for those periods of time later on.

Hon. Mr. Petersen: — Yes, we'll do that, sir.

Mr. Brockelbank: — I'm now looking at the information you gave to me with regard to equipment sales. I had asked and received for the number of units that were sold to the New Careers Corporation from each of the districts. The total units — and this covers earth movers, tractors, trailers, etc. — was 34 units.

Mr. Minister, I want to receive from you the amount of money recovered by the department or whoever recovered the money for the 34 units. And in addition to that, there were other units that were sold, not necessarily to New Careers, not to New Careers Corporation, but otherwise. It lists in there trucks. And from each of the districts in the Department of Highways, it lists them. And I need not go through it because you have the list there.

I would like to know: the reason for the disposal of the trucks — there seems to be quite a number, 64 units, in the number of districts in the Department of Highways; what the department would have obtained for those units, or been credited with, or however the bookkeeping is carried out; and also the amount of money they received for the aggregate total of units sold, which were 218. Could you supply that to me, Mr. Minister? Not necessarily now, but later.

(1915)

Hon. Mr. Petersen: — Yes, sir, we will find that information for you, but it could take a little bit of time to dig it out. We won't have it tonight.

Mr. Brockelbank: — That's satisfactory, Mr. Minister.

I'm looking at the next item that you provided information on. It was advertising budgets, 1989-90. And I go back to some other information you provided me with for 1987-88. The advertising cost was \$167,162; for 1988-89 it was \$148,782, and for the answer provided here — and this covers orange zone, hot line, construction safety, etc. — under the headings ordinary budget, capital budget, and maintenance, it totalled \$590,000. Am I comparing apples to oranges here, and if I am could you explain it? Why the rise?

Hon. Mr. Petersen: — It would appear, sir, that apples and oranges is the answer. We should be looking at ordinary budget expenditures in that answer.

Mr. Brockelbank: — So, Mr. Minister, what you're suggesting is the first figure I quoted you of 167,162 is ordinary budget advertising for the year '87-88; 148,782 is the ordinary budget advertising for '88-89.

Then my simple question following that is: why the jump

from 148,782 to \$275,000 in ordinary budget advertising?

Hon. Mr. Petersen: — I'm just going to have to ask the member to explain exactly where those numbers are, the 167,000 and 148,000, exactly where they came from because we do have a small problem here, because I'm not sure whether we're talking apples or oranges. So exactly where are those numbers from?

Mr. Brockelbank: — I'm sorry, Mr. Minister. I had a sheet that you had provided with me and I just scribbled them on the edge of this other sheet, so it's down in my office and I can't give you the title of the sheet. But I have the figures here.

Well, you don't see any . . . Let's put it this way, Mr. Minister. Is it true you don't see any difficulty in providing that information? And I can get the sheet to you later on.

Hon. Mr. Petersen: — Yes, we can provide that information. We'll find out exactly what we're about here momentarily, but we'll provide it to you at a later date.

Mr. Brockelbank: — All right, Mr. Minister, I'll give you the sheet that I got the figures from later.

I want to, with regard to the advertising budget, '89-90, where it lists the columns, ordinary budget, capital and maintenance, to get the projected figures . . . or the budgeted figures for '90-91. Can you provide that, Mr. Minister?

Hon. Mr. Petersen: — For '90-91, according to the numbers that I have, we would be looking at 200,000 for capital maintenance, 275,000 for ordinary.

Mr. Brockelbank: — I have three columns here, Mr. Minister. I have ordinary budget, 275,000 — this is for '89-90. I have capital 200,000 and maintenance 115,000. Now are you telling me that the ordinary budget for . . . in this budget is 275,000 again, and 200,000 for capital and maintenance together?

Hon. Mr. Petersen: — Yes, according to my information that is correct — 200,000 would be capital and maintenance together.

Mr. Brockelbank: — All right, Mr. Minister. I may seek some clarification on that later. I wanted to move to the day labour issue that I'd raised before, and I thank you for sending over the list of the day labour contracts where the contractors in the two years I'd specified had received more than one contract.

I want to send a marked list back to you, Mr. Minister, which identifies about 23 of those . . . out of the seven pages it identifies about 23 of them. And I would like for those that are marked, to find out the amount of work done in each contract, the amount paid in each contract in 1987-88 and in '88-89. I'll send this over with the page. I think you should be able to provide that, Mr. Minister, but I'd like you to confirm it.

Hon. Mr. Petersen: — That would be no problem, sir. We will get you that information.

Mr. Brockelbank: — Thank you, Mr. Minister. I want to question you about carry-over from the previous year. You provided me with some information about the carry-over from '88-89, and if you total the carry-over up it comes to 14.953 million. Now that was carried over into '89-90 period. I've got other figures from you that show that 21.9 million was carried over from '89-90 to '90-91. So the increase in the carry-over is \$7 million.

I wonder if you could say a word or two about the size of the carry-over there, Mr. Minister. And I will also want to ask you about the carry-over of 21.954 million into the current budget year and what the impact of this will be on the net job creation in this particular budget we're discussing now.

(1930)

Hon. Mr. Petersen: — The main reason for the carry-over, and it does vary from year to year, is quite simply contractor progress on any given contracts out there.

Mr. Brockelbank: — Mr. Minister, what is the impact of carrying \$21 million over — \$21.9 million — from last year into this budget? Is not the net effect that your budget is not reduced by \$10 million, but is in effect reduced by \$30 million. Is that not the impact of it?

Hon. Mr. Petersen: — No, that is not the net effect. We will be spending the amount of money that is stated in the budget.

Mr. Brockelbank: — Well, Mr. Minister, are you suggesting that . . . well let me put it this way. The \$21.9 million carry-over from last year into this budget means it's work you didn't do last year, and that's part of your total budget figure this year, is it not?

Hon. Mr. Petersen: — I'll try to simply explain it in the terminology, that the carry-over coming into any one year is usually fairly close to the carry-over going out of that year into the next one. It will vary depending on contract or progress, so it's kind of like there's a percentage carried over every year.

If we had an excellent year, if we had the opportunity to have construction go on until January, they would probably be able to finish all the projects. But the problem in this country is the progress of the contractors is often impeded by weather and other things like that. They try to be as close to the same carry-over coming in as they were going out.

Mr. Brockelbank: — Let me take another run at it, Mr. Minister. You have a 21.9 million carry-over from last year into this budget — I believe I'm correct there. Now if you're successful in expending all of that carry-over, plus all that you've budgeted here, how much will you have spent at the end of this fiscal year?

Hon. Mr. Petersen: — We can only expend the amount that is stated in the budget. That's all that we can expend. But again I'll state that the carry-over from year to year is

usually a constant. And all I can say is that it very, very seldom has happened in this country that there has been zero carry-over. It's been a long-standing practice.

Mr. Brockelbank: — Mr. Minister, I'm not arguing with the philosophy about carry-over. We all know that there's carry-over in highway work. In Saskatchewan you can't help but have carry-over. But if, in fact, you carry over \$21.9 million into this budget, that's 21.9 million regardless of the weather; that's 21.9 million that you didn't spend last year. He didn't spend it last year, and I'm not blaming you for that. I'm saying, those are the conditions. I'm just trying to find out whether this really in fact lightens the load on you this year because you've got the carry-over from last year?

Hon. Mr. Petersen: — Well if you take a look at your construction projects, your project array, we put on there that there would be an estimated carry-over of about 75, 76 kilometres into '91-92, on construction. On surfacing, again there's a carry-over. It's a common practice. It's basically been in its place for a number of years; it has not changed.

Mr. Brockelbank: — Thank you, Mr. Minister. I think I'm going to move on to overweight permits because I want to ask you a couple of questions about that area. I look at the overweight permits that were permitted by the department on the annual basis, and I find overweight permits for Weyerhaeuser of 165, Simpson Timber 137, and others of a smaller amount. Then I look down to the single-trip permits. I see Fast Trucking of Estevan-Carnduff areas, 1,881 permits. I see Sam's General Trucking, 1,338 in the Estevan-Coleville-Swift Current area, and other lesser amounts.

It would seem to me, Mr. Minister, and you may be able to correct me on this, that overweight permits are becoming the rule rather than the exception. Perhaps this is standard fare. We should have those numbers occurring every year, but I suspect the numbers are going up. I wonder if you could clarify that situation for me, Mr. Minister?

Hon. Mr. Petersen: — My information is that it's a fairly constant number. It's been about the same for a good number of years. It may go up, it may go down from year to year. We instituted a toll-free service for people to call in. Perhaps more people are calling in and reporting that they might be overweight because of the toll-free service. So we're getting more people who are reporting that they are actually running overweight and being more up front about it. But it's not a major increase or a major decrease; it's a fairly constant number.

Mr. Brockelbank: — The annual permits that are issued to Weyerhaeuser, are those exclusively on roads, Weyerhaeuser roads, or would they be on provincial highways as well? And the ones that are single-trip permits, what would be the items that would most likely be carried — would it be oilfield equipment or would it be petroleum products of some kind?

Hon. Mr. Petersen: — In answer to your first question, it would be basically the highway system. And in the second part, the single-trip permits, as I've said earlier, they would be indivisible loads. Oilfield equipment, as

you pointed out, would be an example of that.

Mr. Brockelbank: — Mr. Minister, I want to ask you about fuel taxes paid to the federal government. You were good enough to work out an estimated figure for 1988 which indicated that Saskatchewan residents remitted approximately \$200 million to the federal government in fuel taxes. Could you give me the figure for 1989 and estimate for 1990?

Hon. Mr. Petersen: — I can get you the numbers for '89, we don't have them right now. An estimate for '90 would be, you know, extremely . . . it would be an estimate, that's all it would be. So we can either get you a rough estimate or we can wait until the end of next year and get you that same information again.

Mr. Brockelbank: — Yes, I'd appreciate receiving the estimate for 1989, and I think you can qualify your estimate for 1990 when you send it to me indicating that it is subject to certain conditions and state what those conditions might be that would change it. Okay.

Mr. Trew: — Thank you, Mr. Chairman. Mr. Minister, I just got a few brief questions about the massive amounts of highway in the constituency of Regina North. As you can appreciate, sir, I don't think it totals one kilometre.

But what I want to address is the overpass bridge on Albert Street turns into Highway 6 and 11. The overpass over the Ring Road is what I'm addressing there.

I understand that . . . My information anyway is that the city of Regina is responsible on a cost-shared basis for redecking that. Is it a 50-50 cost share? And what I really want to know, Minister, is: are there plans for the redecking of that overpass in this fiscal year? The overpass is frankly a real mess and desperately in need of immediate work.

(1945)

Hon. Mr. Petersen: — On cost-sharing agreements like those, the normal is 50-50, but on bridges like that, there's a special formula whereby the department's share would be slightly more than 50 per cent.

Mr. Trew: — Thank you, minister. And the next part: is that particular overpass slated for work this year, and if it's not, how can I facilitate it happening? In other words, does the request have to come from the city, or what is the process? All I'm really interested in is getting that much needed resurfacing done on that overpass.

Hon. Mr. Petersen: — The city would have the prerogative as to when they decide to do that. Our information is that they plan to do some design and calculations this year, but I can't give you any more than that because it is up to the city to initiate.

Mr. Trew: — I think this is my last question. If the city were to come to the Department of Highways with a request for the redecking or some work on that bridge, would it receive a favourable . . . a nod from the Department of Highways this year or would they be now forced to wait for the next fiscal budget?

Hon. Mr. Petersen: — What happens is that the city decides which projects that they prioritize within their own limits and they look to us for funding. In a general overall sense, we do not tell them which ones to do first. So in answer to your first question, you're going to have to take that up with the city. And we don't tell them that they have to do that particular bridge or that particular structure. So we can nod all we want, but it's up to them.

Mr. Anguish: — Mr. Chairman, I'd like to ask the minister how many gravel pits the Department of Highways have in the rural municipality of Meadow Lake.

Hon. Mr. Petersen: — I don't have that information right now, available.

Mr. Anguish: — Mr. Minister, would you have that figure on a provincial basis?

Hon. Mr. Petersen: — We don't have that number right with us, but we could count them up and get you that information.

Mr. Anguish: — Well, I'm more interested . . . I'm just wondering if you kept those statistics somewhere. I'm more interested particularly in the RM of Meadow Lake than the provincial total. And when your officials pull that together, I'd like to know what the estimated yards of gravel that are contained within those gravel pits, within the RM of Meadow Lake. I'm particularly interested in knowing as well — maybe you have this with you — if you could tell us how many gravel pits the Department of Highways have released to allow someone else to use in the RM of Meadow Lake, in the past five years.

Hon. Mr. Petersen: — I don't have that number with me, but it wouldn't be a great deal.

Mr. Anguish: — Well I'd like to be a little more accurate than that. I'm particularly concerned about one gravel pit that was recently released by the Department of Highways. It's pit number 73K66 in the rural municipality of Meadow Lake, and it's located on the south quarter of 14-61-21 west of the third. And I would like to ask the minister if on that particular pit, here this evening you would have the figures for the estimated amount of gravel that that pit contains?

Hon. Mr. Petersen: — The best estimate that we can have right here is about a million cubic metres.

Mr. Anguish: — Well, Mr. Minister, in the past five years or even going back further if you want, in the past 10 years, how many gravel pits have Highways had in the province of Saskatchewan that had a million cubic yards of gravel that you have relinquished to turn over to someone else? Could you tell me if this is the only pit in that situation and if so, why would you turn this particular pit over if it's sort of a precedent setting that you're giving away a million cubic yards of gravel.

Hon. Mr. Petersen: — The number of a million cubic metres that I quoted to you is currently in the pits that we hold in that area. And it's in excess of a 25-year supply for the department.

Mr. Anguish: — Well it's in excess of a 25-year supply on the province. Or how do you break down your gravel pits — out of the North Battleford district, Yorkton district, Saskatoon district? What area is in excess of that supply of gravel? What are you talking about, Mr. Minister?

Hon. Mr. Petersen: — Well what we look at is where it makes, you know, the haul that makes some economic sense, the trucking costs involved. We've got hundreds of pits around the province, and each area, each pit, is looked at on the basis of how much it costs to haul the product from that particular pit to where it's normally used on the highway system that we have.

Mr. Anguish: — Let's go back a little ways. How many pits has the Department of Highways had in the past 10 years where you've had a million cubic yards of gravel that you've released? How many pits? One, two, none? How many have you released with that quantity of gravel in them?

Hon. Mr. Petersen: — I hope I make myself clear. We did not release a million cubic metres. Today in that particular area that you're talking about, we have a million cubic metres plus in that area. So we did not release a million cubic metres. Today we presently control a hundred — pardon me — a million cubic metres.

Mr. Anguish: — In what area?

Hon. Mr. Petersen: — LSD 6 (legal subdivision) and LSD 7.

Mr. Anguish: — Mr. Minister, when I asked you earlier how much gravel there was in pit number 73K66, you responded to me, "about a million cubic yards". Do you want to maybe reflect on that and tell me that maybe it isn't a million cubic yards in that pit? Because now what you're saying is that there's about a million cubic yards that you control in LSD 6 and LSD 7.

I want to know how much gravel is in that one pit, and it's my understanding that your first answer was correct. Within that one pit that I've referenced here this evening, I understand there was about a million cubic metres. Now which is it? Is there a million cubic metres . . . or a million cubic yards, I should say, in that pit, or is there a million cubic yards in the area LSD 6 and LSD 7?

Hon. Mr. Petersen: — My information is on the east half of LSD 6 and in LSD 7 we control a million-plus cubic metres of gravel today.

Mr. Anguish: — How many pits do you have in the east half of LSD 6 and LSD 7?

Hon. Mr. Petersen: — I understand it's all in one pit, as you and I would describe a pit.

Mr. Anguish: — So now we've got it down, we're talking about the same thing, but it was described two different ways. Just let me reiterate this: in the east half of LSD 6 and LSD 7, there is one gravel pit known as pit number 73K66, and within that single pit, there's about a million

cubic yards of gravel. Is that correct, Mr. Minister.

(2000)

Hon. Mr. Petersen: — As I pointed out, on the east half of LSD 6 and in LSD 7, in the area that you and I would call a pit, there is a million-plus cubic metres of gravel that the Department of Highways controls.

Mr. Anguish: — What is the closest pit in terms of miles or kilometres to this one pit that's contained in the east half of LSD 6 and LSD 7? What is the closest pit you have to that area?

Hon. Mr. Petersen: — I don't have that information with me where the next closest pit would be. The area that we're looking at, the east half of LSD 6 and LSD 7, has got a million plus cubic metres of gravel in it that the department controls, and that's sufficient for our needs in that area for 25 years plus.

Mr. Anguish: — Well it's not going to serve you for 25 years plus any more because you don't have it any more. The pit has been turned over to a private individual. Mr. Minister, this is very important in terms of the process by which it's run about. It this million cubic yards of gravel is in excess of what you require, who identified that as being excess, and what was the date that your office was informed that this was excess gravel that you no longer require?

Hon. Mr. Petersen: — At the present time — and I'll repeat it again — on the east half of LSD 6 and LSD 7, the Department of Highways and Transportation controls a million plus cubic metres of gravel in those areas.

Mr. Anguish: — Mr. Minister, are we talking about the same pit? I'm talking about a pit that Highways identifies as pit number 73K66. Is this the pit that you're talking about, Mr. Minister?

Hon. Mr. Petersen: — We determined in that particular pit, which covers a fairly large area, that a million plus cubic metres was what we needed for 25 years plus into the future. That amount of gravel was obtainable by us on the east half of LSD 6 and in LSD 7. Part of the pit extends into the west half of LSD 6 and therefore that was surplus to our requirements.

Mr. Anguish: — I ask you again. Are we talking about the same gravel pit? I'm asking you — this pit that we've been talking about — is it pit 73K66? Is that the pit that we're both talking about in the east half of LSD 6 and LSD 7? A very simple question.

Hon. Mr. Petersen: — Yes that's one pit.

Mr. Anguish: — How much gravel is there in that one pit?

Hon. Mr. Petersen: — Our best estimate in there's about 1.3 million cubic metres of gravel in that area that we are talking about.

Mr. Anguish: — Is that in that pit — in 73K66? Do you have anybody with you this evening that knows whether or not that that is pit number 73K66? That's all I'm asking

you. Are we talking about the same gravel pit?

Hon. Mr. Petersen: — Yes, as I said earlier, that is the pit 73K66.

Mr. Anguish: — Okay. If you have excess gravel and that's the only pit, where are you getting this other gravel from — from your excess — because you don't have that pit any more. It was released by the Department of Highways to a private individual who has land in the RM of Meadow Lake. So where is this other excess gravel? Give me some pit numbers other than 73K66 where you have gravel in the east half of LSD 6 and LSD 7. Could you do that, Mr. Minister?

Hon. Mr. Petersen: — Well let's see if I can explain this, sir. You have a gravel pit that covers a particular area, it may cross more than one legal subdivision. On the east half of LSD 6 and LSD 7, which is a portion of this one area that we call a pit, the Department of Highways controls in excess of 1 million cubic metres of gravel. Our needs for the next 25 years was just under a million. The west half of LSD 6 was the area that we dropped the quarrying lease on, and our best estimate was that it contained about 240,000 cubic metres of gravel in that area.

So it's all in one area, all in one pit. The pit covers more than one legal subdivision. It's a fairly large area, and for those of you who are acquainted with quarrying or with gravel pits, you know that it isn't just a small hole in the ground that's taken a few metres of gravel out. It's a fairly large area.

Mr. Anguish: — Well I'm familiar with the area, Mr. Minister. I appreciate your explanation of that. Mr. you're saying the area that you turned over to a private individual in the RM of Meadow Lake was the west half, now you're saying, of LSD 6? Or is it the east half of LSD 6 and 7 where you turned over this gravel pit to a private individual? Which part was turned over to the private individual?

Hon. Mr. Petersen: — He dropped the quarrying lease on the west half of LSD 6. We retained the east half of LSD 6 and LSD 7.

Mr. Anguish: — Okay, in the west half of LSD 6, the area that you dropped the quarrying lease on, how much gravel is there estimated to be in that particular section that you released, that had the title was actually in the name of the Department of Highways? So how much gravel was it that you turned over to the private individual who now has the land in the pit?

Hon. Mr. Petersen: — Our best estimate of that was approximately 240,000 cubic metres in the west half of LSD 6.

Mr. Anguish: — Now that's interesting because some estimates would put it much higher than that, Mr. Minister. In fact, the rural municipality that you'd be aware of wanted the pit. It wasn't given to them, which is a very strange practice. And I ask you this, Mr. Minister: at what point in time was the excess identified and you wanted to release the west half of LSD 6? And who is it in

your department that has the responsibility of identifying excess gravel in any particular area?

Hon. Mr. Petersen: — Well, when a request is received by the department in any area, what happens is we assess the needs of the Department of Highways and Transportation and we take a very close look at it to make sure that, well, just to determine if the supply in the particular area will exceed our 25-year needs. In this case a thorough examination of the source was done and it was determined that it was in excess of our 25-year needs. And in those cases the excess is made available.

Mr. Anguish: — Well when did that happen, Mr. Minister? And who was it who identified the excess gravel in that particular area?

Hon. Mr. Petersen: — It was in November of '89, to the best of my information. And to the second part of your question, the department engineers do the assessment and calculations.

Mr. Anguish: — Well they usually do it. I appreciate you telling me the date when it was identified as excess, but in this case was it your district engineer who went out from North Battleford or from somewhere else and looked it over and decided that the west half of LSD 6 should be released by the department?

Hon. Mr. Petersen: — It was done by department engineers in consultation with our head office in Regina, our engineers in Regina.

Mr. Anguish: — When did the Department of Highways finally release the pit?

(2015)

Hon. Mr. Petersen: — It would have been in late January 1990 that the quarrying lease was turned over to the Department of Energy and Mines.

Mr. Anguish: — The quarry lease was turned over in late 1990 to Energy and Mines, is that what you said?

Hon. Mr. Petersen: — January 1990.

Mr. Anguish: — Mr. Minister, who has the right of first refusal when a gravel pit is released by the Department of Highways?

Hon. Mr. Petersen: — The department has no right of first refusal policy, but it's our understanding when a quarrying lease is turned back to Energy and Mines they will make gravel available to the rural municipalities, yes.

Mr. Anguish: — Well, do you have any idea why it didn't end up with a rural municipality, why the pit is now held by a private individual that is located in the RM of Meadow Lake? Why would that happen, Mr. Minister?

It seems to me you call this excess gravel. I'm not sure what you really have that qualifies as excess gravel, but people in the Meadow Lake area are very suspect of this deal. And I'm not sure that

your department necessarily wanted to release that gravel pit. I'm not really sure that your department wanted to release that gravel pit. And all of a sudden in a period of two months, it goes from a gravel pit that's been identified as excess to no longer being with the Department of Highways. I mean, things just don't move that quickly.

And that's why I asked you to look back and identify how many gravel pits that you've released. I'd like to know what your definition of excess is as well because the people in that area certainly have no confidence that this deal for the gravel pit was on the up and up.

So if the rural municipality has the right of first refusal on gravel pits that are released by the Department of Highways, can you explain to us why the Rural Municipality of Meadow Lake did not end up with the gravel pit, but in fact a private individual in that area ended up with the gravel pit?

Hon. Mr. Petersen: — As I stated previously, we do not have a policy, a right of first refusal. It's our understanding that the Department of Energy and Mines will make gravel available to rural municipalities.

As to how the numbers came about, I've already answered that question earlier. When I request comes in, we will identify, we will assess our needs in a particular area. We will make sure that we have in excess of a 25-year supply of gravel, as calculated by our engineers. And if that is the case, that portion that is in excess will be made available to whoever.

Mr. Anguish: — How often do you go out and try and identify excess gravel? Is it an annual review? Is it done every five years? Is it done when somebody wants one of your gravel pits? Or just how often do you do an assessment to determine whether or not you have excess gravel?

Hon. Mr. Petersen: — It's generally done, as I said earlier, when a request comes in. And that can be from a private individual, an RM, a town, a city, a company, what have you. It's identified at that time of request.

Mr. Anguish: — Who made the request and what specifically did they request?

Hon. Mr. Petersen: — It's my understanding that a private individual made the request in November '89, I believe the name was Wagman.

Mr. Anguish: — So Mr. Wagman made the request to the department. Can you tell me how many private individuals and/or companies have made requests of the Department of Highways in the past year that resulted in a review by your engineers to determine whether or not you had excess gravel that could be released?

Hon. Mr. Petersen: — We don't have that information with us, but we could find it for you.

Mr. Anguish: — Well you've had some officials that have been with the department for a number of years that are around you. You likely have over a hundred years of experience, in excess of that, sitting around you this evening. Combined experience, I wasn't indicating any

of the people have been with the department that long as individuals. But is it not unusual that any individual would make a request of the department and that would in turn result in your engineers going out and determining that there is excess gravel in the area, and you can in fact release that gravel? Is that not an unusual request, Mr. Minister? Would you answer that for us?

Hon. Mr. Petersen: — No, that would not be an unusual request. We have an obligation not to just indiscriminately tie up every gravel pit in the province. If someone does come to us with a request, we will identify, we will assess our needs in that particular area and see if there is excess. And if there is, it will be made available.

Mr. Anguish: — Mr. Minister, I want to hold you to that. I want you to give me your undertaking and assurance that you will provide for me the total number of requests in the past five years from private individuals that resulted in the department sending out the engineers, doing an assessment of the area, and then, in fact, releasing a pit.

Do you give me your undertaking that you'll provide that information over the past five years? Because I would be willing to wager, Mr. Minister, that there aren't very many. In fact it is very rare for that to happen, especially when the RM would have liked to have had the gravel pit. And they have the right of first refusal, but they didn't end up getting the gravel pit even though they wanted it. So it appears to the untrained eye, Mr. Minister, from people in the area, that there is something rotten in the state of the Rural Municipality of Meadow Lake concerning this gravel pit.

So do you give us your undertaking that you will provide us, for the past five years, the number of individuals who have made those requests to the department that resulted in the engineers going out and doing an assessment, identifying excess, and you surrendering your quarry lease, Mr. Minister?

Hon. Mr. Petersen: — We don't keep a running total of those kinds of things right on hand, but we can get you that information, and I believe you want it for five years?

An Hon. Member: — Well five years, you can go back 10 years if you want to, but I'd like it for the past five years.

Hon. Mr. Petersen: — Well let's not go back and overload the department with extraneous numbers. We'll get you the amount of requests in the last five years that have come in.

Mr. Anguish: — Now, Mr. Minister, there must have been documentation at some point that arrived in your office, a recommendation from the department that arrived on your desk saying we want to surrender this particular gravel pit. So could you table this evening in the legislature, Mr. Minister, the request that came from the department to you or the recommendation, if it's that, that came from your department to you saying that this gravel pit should be surrendered. Can you provide that here this evening, Mr. Minister?

Hon. Mr. Petersen: — I don't have any information like that. It's handled in the normal course of department

affairs. I don't have anything, any documents, that ever came to my office. It's handled in the normal department affairs.

Mr. Anguish: — Well then the department should have that readily available. I mean this is obviously not a very common practice within the department. And I'd like the department, this evening, to show me the request that was made by Mr. Wagman. And I'd also like to see the documentation that released the gravel pit from the Department of Highways and turned over the quarry lease to Energy and Mines.

Let's show us the documents on this, Mr. Minister, to remove the cloud of suspicion that hangs over this transaction, the cloud of suspicion that hangs over that gravel pit because people are wondering how this series of events came about where the RM ended up not getting the gravel pit, but a private individual did, especially when the RM has right of first refusal.

So will you provide to us this evening in the House the documents that go from Wagman's request, to the documents that came from other people, any other indications of interest you might have had. Could you lay the file on the table here this evening so we could have a look at it, Mr. Minister?

(2030)

Hon. Mr. Petersen: — I don't have any of that information with me, sir.

Mr. Anguish: — Well, Mr. Minister, here's what happened, and we want the documents on this. I think that you are not maybe in possession of all the information, so I'll give you credit on that. The Department of Highways, I understand, was not anxious to release the gravel pit that I described as pit 73K66, not anxious to release that pit.

All of a sudden, within a period of a couple of months, a request comes in; your engineers go out, identify gravel as excess that you don't require, and before January of 1990 is over, you've turned over your quarry lease to the Department of Energy and Mines. The Department of Energy and Mines didn't extend their right of first refusal to the Rural Municipality of Meadow Lake.

In fact, the first that they heard about it at the RM of Meadow Lake — that you had released the pit — is when the people who finally got the pit contacted the RM and asked them to waive their right of first refusal for the gravel pit. And I question your figures as to how much gravel there is in the pit. My figures could be wrong, but yours could be wrong also. You say there's about 240,000 cubic metres of gravel in the pit. My sources of information tell me there's closer to a million yards of gravel — a million cubic metres, I should say — of gravel in the pit that was released to the private individual.

When the Rural Municipality of Meadow Lake started causing trouble for your government, all of a sudden there's a deal made that the Rural Municipality of Meadow Lake can have 200,000 cubic yards of gravel to be supplied at no cost to them. Now how did that deal get

cut, Mr. Minister? If, as you say, there's only 240,000 cubic metres or cubic yards of gravel in the pit, how could the RM get 200,000 out of that same pit? It wouldn't be worth the bother of getting the pit released from your department and getting it into the name of a private individual, sir.

I maintain to you, Mr. Minister, there was a deal cooked that you may not be aware of. But there was a deal cooked with some friends of friends so that a private individual ends up with a gravel pit that that private individual should have had no access to because the Rural Municipality of Meadow Lake wanted that gravel pit when they found it was released.

Now, Mr. Minister, on reflection of your officials — I see them discussing this issue — do you want to tell us here this evening whether or not Mr. Wagman was the only one that contacted your department, and was it on his request alone that you sent your engineers out to do an assessment of your excess gravel in the area? Because I suspect, and people in that area suspect, that there was other interference in securing the gravel pit for a private individual and not allowing the rural municipality the right of first refusal.

So can you give us your complete assurance here this evening that there were no other representations other than the individual request by Mr. Wagman?

Hon. Mr. Petersen: — As I stated earlier, the policy of the Department of Highways and Transportation is that when a request comes in, whether it's from a town or an RM or a private individual asking for excess gravel, we first have to determine if there is any in that particular area. We took a look at the situation; we made an assessment. And we assessed that on the east half of LSD 6, and in LSD 7, we had a million-plus cubic metres of gravel which exceeds our 25 year needs. And the rest of the deposits in the area were made available. I gave you an example of numbers on the west half of LSD 6. We ascertained that there was about 240,000 cubic metres of gravel in LSD 6. So that's the information that I have, and to the best of my knowledge that is how things were transacted, sir.

Mr. Anguish: — Mr. Minister, if somebody makes a request to you this evening for a gravel pit, are you telling us that if this private individual comes to you that you will send your engineers out to do an assessment in the area and get rid of the gravel pit so a private individual can pick it up? That's absolutely not accurate. In fact, I maintain to you, I bet you, you can't find a precedent in your department in the last five years for what happened at this gravel pit.

Now, Mr. Minister, there must be some formula, because people just don't come along and make requests for gravel pits and you send out your engineers every time to do an assessment. The gravel doesn't go away, Mr. Minister. At some point you'll need that.

So I want you to tell me what your requirements are for that area where you could identify so much excess gravel. And all of a sudden the request is made, within a matter of weeks. Engineers go out, check it out, identify there's excess gravel there, and before two months is over you've

released the pit. That defies explanation, I think, Mr. Minister.

Where else has this happened at any point in time? I said you've got in excess of likely a hundred years experience in the department; ask your officials if they can tell you one other case where this has happened in the province of Saskatchewan.

Hon. Mr. Petersen: — I'm assured by my officials, who obviously have at least a hundred years of experience between them, that indeed this has been the case in Saskatchewan. I gave you my undertaking earlier, sir, to give you at least five-year records of requests that had come into the Department of Highways and Transportation for excess gravel, and I will keep my commitment to you, sir.

Mr. Anguish: — I appreciate that, but we're on the spot here this evening. With this experience and your officials you said have assured you that this happens, give me just one example in the past year — one example in the past 12 months other than this example I laid out this evening — where this has happened. Give me one.

Hon. Mr. Petersen: — My officials tell me that within the last two months we received a request from an individual west of Mortlach, and the assessment was done.

Mr. Anguish: — Mr. Minister, there's somebody in the Mortlach area now — okay? Have you released . . . When was the contact made with your department? You know of that example. You said the assessment's been done. When did you turn the pit over to this individual?

Hon. Mr. Petersen: — In the case of Mortlach that I quoted to you, the gentleman there that made the request, the assessment was done and it was ascertained that we did not have in excess of 25 years' supply in that particular area, and so there was no excess gravel to make available.

Mr. Anguish: — Okay. So how many have you sold in the last year? How many gravel pits have you sold totally in the province?

Hon. Mr. Petersen: — Well I don't have that information available with me. You asked me if I could find one request in the experience of my staff, and I said, we'll check it out. I turned around; I just talked to the staff, to my officials here; they said, yes, in the Mortlach area, we received a request, the assessment was done.

I guess we can sit here and rack our collective brains and maybe we can come up with a couple more that people will have in their memory banks, sir. I gave you the undertaking to get you a five-year breakdown of the request that had come in and I will keep that commitment to you.

Mr. Anguish: — When you're keeping that commitment, you mark on there as well how many actually got tips. Okay? Because I think this is a precedent. And when you give us that list we're going to go through it very carefully. Because when an RM wants a pit that's released by the department, the RM usually gets the pit. But obviously

didn't in this case.

How much did you get for the gravel pit in Meadow Lake, Mr. Minister? Whether it's 240,000 cubic metres or whether it's a million cubic metres, tell us how much you got for that property in the Rural Municipality of Meadow Lake?

Hon. Mr. Petersen: — In this case we turned the quarry lease over to Energy and Mines and they administer it.

Mr. Anguish: — You gave away a gravel pit. I mean, that doesn't happen. The Department of Highways have always protected their gravel like it was gold because gravel is gold to the Department of Highways. You gave away a gravel pit.

Whose name is on the title now, because I understand from rural affairs, when they were in here with their estimates, the title was in the name of the Department of Highways. That's what the minister told me during rural affairs estimates. Do you still hold title to that land, Mr. Minister?

(2045)

Hon. Mr. Petersen: — The title was turned over to Rural Development on April 23, 1990; that was the official date of the transfer of title. That's it.

Mr. Anguish: — How much land do you have in the past five years or one year that you've transferred title to rural affairs? You said the title, I understand, the title you transferred to rural affairs and the quarrying lease you released to the Department of Energy and Mines. Now you got no money, a private individual ends up with the gravel gold; they're out of contention with the rural municipality for getting the gravel pit themselves. This is starting to border on the unbelievable, Mr. Minister.

When you transferred the title to rural affairs did you not find that an unusual practice, Mr. Minister? How many titles have you transferred in the past year that you can think of to the department of rural affairs? Check with your officials and tell us how many times you've transferred title of land in the past year.

Hon. Mr. Petersen: — I don't have that information with me, sir.

Mr. Anguish: — Well you check with your hundred years of experience in terms of other requests that came in. Survey your hundred years-plus of experience again and tell me in the last year how many pieces of property that you had title to did you transfer to another department, individual agency, or whoever. How many times?

Hon. Mr. Petersen: — Earlier in response to a request I told you that I would give you at least five-year records on all the requests that had come in for excess gravel. I also indicated to you, and I have no problem indicating to you in that request as to the disbursement of that excess gravel, and I'll include that in the five years of information as far as the requests are concerned.

Mr. Anguish: — We'll be here until tomorrow. I'd suggest

you get one of your officials, go and get the information now, and get the information back here tonight. Otherwise you're going to be here for an extended period of time until we find out the whole goods on this transfer of the gravel pit.

We want to know the information, Mr. Minister. And so will you send one of your officials to get the file on this gravel pit controversy and bring it back here so I can turn the questioning back over to the Highways critic. I don't want to occupy his very valuable time here on the committee, but we want the answers to this.

So can you have someone go and at least get the file on this gravel pit so that we know things like when the orders in council are signed and when the request was made and who else intervened on behalf of the private individual who got the gravel pit? That's what we want to know. So will you get that information for us here tonight, Mr. Minister?

Hon. Mr. Petersen: — We don't keep that type of records in one particular spot in Regina just waiting someone's request. We will get you that information, as I said, as part of that five-year commitment I made to you on the requests that were coming in. In order to ascertain all of the requests around the province I'd have to go to different districts and . . . We just don't keep those kinds of records. Quite frankly, once we've ascertained that we have an excess amount of gravel in a particular area and it's made available, that's where our involvement ends.

Mr. Anguish: — Were you at the cabinet meeting where the order in council was signed for you to release the title for the property?

Hon. Mr. Petersen: — The proceedings of cabinet meetings, as you should well know, are . . . (inaudible interjection) . . . No, he was never in cabinet . . . are confidential so . . . And quite frankly, I don't recall at the moment, so I just can say that it's confidential as far as cabinet items are concerned.

Mr. Anguish: — It might be confidential, the cabinet meeting, but orders in council are not confidential information. They're public documents that at some point are released to the public. So tonight, if you can't get us the rest of the file, can you get us the order in council that was signed by someone?

And maybe you were at the meeting, maybe you weren't, but if it's confidential, I guess we won't be finding out whether you were there or not. So at least tonight, can you get the order in council that deals with this particular transaction, Mr. Minister?

Hon. Mr. Petersen: — If there was an order in council and it's public information, you would be able to get it. You should have it; I don't recall ever having seen one.

Mr. Anguish: — Ask your deputy minister if there was an order in council signed concerning any of this transaction. Are you saying there was no order in council?

Hon. Mr. Petersen: — To the best of my knowledge, there was no order in council. The quarry lease was turned over

to Energy and Mines and the title was turned over to Rural Development.

Mr. Anguish: — Who signs that? At what level does that get signed? Is it your district engineers that do that again? It would seem to me that when the Department of Highways have title to land, they don't just delegate it down to somebody at the district level to turn over the title. Who has the authority, Mr. Minister, within your department, or your office, to release a title that you had for a gravel pit. I'm not talking about the quarry lease, I'm talking about the title of the land. You acknowledge that you had title to the land. It was in your name. Who has the authority to release that land?

Hon. Mr. Petersen: — Well the transfer of title goes through our property services branch. And in this case the title was transferred to another government department — Rural Development.

Mr. Anguish: — Well if title was transferred, who did it? Who has the authority to do that?

Hon. Mr. Petersen: — The title went through our property services branch, to the registrar, and from there to Rural Development, to May disposition.

Mr. Anguish: — I go back again: how often does this happen that the Department of Highways releases land that they have title to? Tell me in the last year. I know that you can survey your group there and give me another precedent like you did for the request to have a gravel pit done. I know that it wasn't really a precedent because it's a different situation; there was no excess gravel in that case. Give me another situation where you've released land that you held title to and preferably one that had to do with gravel pits.

Hon. Mr. Petersen: — I don't have that information with me, but it is my understanding that that has been done and has been the practice. It is done, sir. And as part of that five-year commitment, I'll get you the number of requests that have come in and it will be broken down as to what happened as to whether the request resulted in an excess amount of gravel being assessed or not, and you will have that information. You have my undertaking on that.

Mr. Anguish: — Who has the file on the gravel pit that we've been discussing tonight now for, oh, about an hour and 15 minutes — isn't it, John? — or something like that?

An Hon. Member: — Out of my estimates.

Mr. Anguish: — Well I told you you could have some of my time in estimates.

Who has the file on this issue that we've been discussing? Does the district office have it? Does the deputy minister have it? Do you have a copy of the file? Where could I go tomorrow and sit down and look through this file?

(2100)

Hon. Mr. Petersen: — We don't have one particular file that has all of the information in it. Some would be

located at the district office, and some would be located in a couple of offices in Regina. And that's the truth as far as I can put it forward to you, sir.

Mr. Anguish: — You might not be aware of it, but I'll bet you somebody has a file on this entire issue somewhere. I don't know what your filing system is like, but an unusual case like this, I'll bet you someone has a file on it. I know that I have a file on it, but it's not complete. And that's why I'm asking you this evening: where can I go and get the full story on this gravel pit?

You've given me your undertaking for little spots of information here and there, but could we go, for example, tomorrow morning to the deputy minister's office and find all the pieces of information? I see the deputy shaking his head in the negative. Do you think we could go to the district office in North Battleford and find all the pieces of information concerning this gravel pit, Mr. Minister?

Mr. Minister, we need to get the information on this because the deal is suspect. You can smell it all the way from here to the Beaver River. So can you tell me: when can I sit down, or where can I go tomorrow to review the file on the famous gravel pit that has no precedent in the last number of years in Department of Highways? Where can I get that file from?

Hon. Mr. Petersen: — I will once again restate to you, sir, that I gave you the undertaking to get you all of the requests that had come in for this type of situation over the last five years. I said I would get you the dates of the disbursements as to whether there was excess gravel in an area or wasn't. I gave you that undertaking. We don't have all the information at our fingertips in one file. I told you we would find the information as far as the five-year records are concerned to prove to you, sir, that indeed this is not a precedent and that it has been done and it is an ongoing thing.

Mr. Anguish: — Well I'm very interested in all of that of course, Mr. Minister, or we wouldn't have spent this long having this exchange here this evening. But I'm really interested in this particular case that we've been discussing. So can you give me your undertaking that you would have all the information, dates, chronological order, letters, information that's passed between you and the person who put in the request, any other interveners on his behalf, any orders in council that might have taken place, any correspondence between the Department of Energy and Mines and you and the department of rural affairs.

Can you give me your undertaking that you will have all of that information here tomorrow? So when I ask you a question as to a date or an individual or an intervention by someone else that maybe shouldn't have been intervening, can you give us your undertaking that you will have all of that information here tomorrow morning, Mr. Minister, so we can continue on?

Hon. Mr. Petersen: — I've given you all the information that I had available this evening. I will not be able to provide you with all the information that you have requested tomorrow morning by when the House resumes.

I have given you my undertaking to give you all the information that I have available as far as the Department of Highways and Transport is concerned. Examples of this type of an arrangement, this type of a request — I told you I would find out all of the requests that have come in in the last five years. This is not a precedent, it's something that has been done and carries on, and that's the best that I can do for you.

Mr. Anguish: — Mr. Minister, that's not good enough. I stress again we're interested in this individual transaction. They have wonderful machines now called fax machines. If there's information at the district office, they can fax that information up to you very quickly. That's just how fast the technology works, Mr. Minister. And I will assure you, Mr. Minister, that every employee in the Department of Highways in the North Battleford area that had anything to do with the administration of that district, knows about this gravel pit transaction.

This suspect deal you should be bringing in here tomorrow morning to clear the air. And if you don't give us your undertaking that you're going to have that information here tomorrow for estimates, you're going to be sitting for a long time because you know the House does not sit on Monday, we don't deal with estimates on Tuesdays because that's private members' day. So if you don't have that here tomorrow, then it's going to be well into the middle or end of next week before you can bring the information forward. And there is no reason why you can't have that information here tomorrow morning.

Some Hon. Members: Hear, hear!

Mr. Anguish: — In fact you could have had it here tonight. I mean, for the time that we've been spending somebody could have likely got on the phone to the North Battleford district and had it faxed here already. So, Mr. Minister, unless you want the Highways estimates to go on for an extended length of time, I want you to give us your undertaking that you'll have all the relevant information here tomorrow on the case of the gravel pit versus the people of Saskatchewan. Can you give us that assurance, Mr. Minister?

Hon. Mr. Petersen: — I have already given you the information that I have. I've given you the date that the requests were made. I've given you the dates that the title was transferred. I've given you the dates that the quarrying lease was transferred over. I've given you the information that we did an assessment in the area and ascertained that, indeed, on the east half of LSD 6 and in LSD 7 we had more than a 25-year supply of gravel. And as is our policy, the excess is made available. And I don't know what more that I can tell you. That's the information I have; that's the information that we will have in the department. And I will be able to provide you with very little else, sir. That's the straightforward truth.

Mr. Anguish: — Mr. Minister, there is no reason that you can't have the information here tomorrow. I mean, I don't know why you wouldn't want to do your level best to remove the suspicion surrounding the gravel pit.

Mr. Minister, you said you'd given me the dates. They're

not accurate dates. You told me, for example, that the request came from Mr. Wagman in November of 1989. What was the exact date of the request that Mr. Wagman made, and how was that request made? Was it made on his behalf? Was it done in writing? Have you devised any special application form now for those that are interested in gravel pits? Was it by phone call? Was it by facsimile machine? Who made it, by what medium, and what was the date it was made, Mr. Minister?

Hon. Mr. Petersen: — The date in November was the 20th. There was a meeting held with officials, and at that time the indication was that Mr. Wagman wanted to know about gravel in the area, and as per our policy on requests. As a result of that meeting an assessment was done, and as I've pointed out it was determined that we had more than a 25-year supply in the east half of LSD 6 and LSD 7. The rest was made available. And after that, as I've said, the quarrying lease was turned over and the title was transferred.

Mr. Anguish: — The meeting on November 20, here in Regina.

Hon. Mr. Petersen: — The meeting was with Myron Herasymuk and Don Metz, two senior officials.

Mr. Anguish: — Well did they just talk to each other? I mean, there must have been more than those two people at the meeting. There had to be someone else at the meeting. Two Highways officials couldn't be getting together to discuss turning over a gravel pit. Tell me everybody who was at the meeting. I want to know who was at the meeting, Mr. Minister.

Hon. Mr. Petersen: — You said who was the meeting with, I presumed you meant with which department officials, and I gave you their names. Obviously, Mr. Wagman was there.

Mr. Anguish: — There were only three people at the meeting, Mr. Minister?

Hon. Mr. Petersen: — There was a Mr. Wagman, a Mr. Cariou, Myron Herasymuk and Don Metz were all present at that meeting.

Mr. Anguish: — There were four people at the meeting. You started out you told me two, and then there was three. You said, of course Mr. Wagman was there; now there's four. Do you want to give it one final fourth try as to who all was at the meeting? Who was at the meeting on November 20, 1989 where you finally viewed that as a request to turn over your gravel pit? Tell me one more time who was at the meeting, total list.

Hon. Mr. Petersen: — The information that I have is that Mr. Herasymuk, Mr. Metz representing the department, and Mr. Wagman and a Mr. Cariou were at that meeting on November 20.

Mr. Anguish: — What time was the meeting and where did it take place?

Hon. Mr. Petersen: — We don't have a chronological time frame written down. We can get you the time

roughly by looking at Mr. Metz's appointment sheet. The meeting was held in Mr. Metz's office.

(2115)

Mr. Anguish: — Was there a written request as well or was this viewed as the request? Was there a document from Mr. Wagman or on behalf of Mr. Wagman? Tell me if there's anything in writing or if it was just four people getting together in a room and deciding they want a gravel pit.

Hon. Mr. Petersen: — According to my officials at the meeting, information on policy and how it worked was discussed. The department gave their undertaking to Mr. Wagman to take a look at the area and do an assessment as to the Department of Highways and Transportation's needs in that area. And then from that the rest of the chronology, as I have laid it out to you, occurred.

Mr. Anguish: — Who represented the Rural Municipality of Meadow Lake at that meeting, Mr. Minister?

Hon. Mr. Petersen: — To the best of my knowledge, there was no one that identified themselves as representing the rural municipality at that meeting.

Mr. Anguish: — Well isn't that interesting? And people in your department would know that it is policy that the right of first refusal goes to the rural municipality. You would know that. That's a long time practice.

And I see the deputy shaking his head. If that's not the practice, what is the practice? I'm telling you that RMs have always had the right of first refusal when the Highways turns over a gravel pit. And if you knew that you were going to look at turning over the gravel pit, I want to know why someone representing the rural municipality was not there.

Hon. Mr. Petersen: — You're incorrect in your statement that this is a policy, to give any particular group right of first refusal. We do not have that policy. Energy and Mines, after we had given over the quarrying lease, from the information that I've heard in here, did indeed give the RM the right to some gravel there. But we do not have a policy of right of first refusal for any particular group or concern.

Mr. Anguish: — When did that policy change? For many, many years, in the province of Saskatchewan, when Highways gave up a gravel pit, it was first offered to the rural municipality. So when did this new policy come into effect that no one has a right of first refusal when you give up a gravel pit? Give us a date for that policy.

Hon. Mr. Petersen: — We have no written policy regarding that. Energy and Mines would give the rural municipalities an opportunity to express an interest in any quarrying lease. And in this case, that was done so, and the RM, from the information I've heard here, did indeed obtain a sufficient amount of gravel for their needs.

Mr. Anguish: — Only after they complained and complained very hard. There was a delegation from that rural municipality came to Regina because of their

dissatisfaction with the arrangement. Energy and Mines did not give the courtesy to the rural municipality. When the rural municipality first found out is when the people who finally got the gravel pit asked them to waive their right of first refusal, Mr. Minister — that's what happened.

Now I understand, Mr. Minister, that the RM did complain. I want to know if that's correct. And if they did complain, could you please tell us what the nature of the complaint was from the Rural Municipality of Meadow Lake?

Hon. Mr. Petersen: — In our department, we're not aware of any complaint. I can't speak for Rural Development or for Energy and Mines.

Mr. Anguish: — I find that very hard to believe. Did the Department of Energy and Mines at any time during this transaction contact the Department of Highways, and if so, what was the nature of the contact from Energy and Mines to the Department of Highways?

Hon. Mr. Petersen: — The only contact that we are aware of is that when we would have contacted Energy and Mines and informed them that we had excess amounts of gravel and we'd be turning the quarrying lease back to Energy and Mines.

Mr. Anguish: — What was the date that you contacted Energy and Mines, turning over your quarrying lease, Mr. Minister.

Hon. Mr. Petersen: — As I said earlier, in January we received changes from the Department of Energy and Mines. We had notified them earlier in January, I believe it was the 12th.

Mr. Anguish: — January 12, 1990 you contacted Energy and Mines and told them that you were releasing your quarrying lease on that particular property. Is that correct? Well, Mr. Minister, I want to know whether or not you had any contact from your counterparts to you from Energy and Mines or rural affairs or at a senior level of those departments, the senior levels within your department, that indicated that the rural municipality was unsatisfied with the situation. And when did that information come back to you or to your officials indicating that the Rural Municipality was not pleased? And what was the nature of their concern when either Energy and Mines or rural affairs contacted you, Mr. Minister?

Hon. Mr. Petersen: — I have no information of any dissatisfaction, no complaints from the RM. The only dealings we had with Rural Development was the transfer of the title.

Mr. Anguish: — What was the date that you transferred the title to the department of rural affairs, Mr. Minister? Give us that date.

Hon. Mr. Petersen: — Well I've already given you the date of April 23 as to when the address change occurred. You and I talk about a transfer of title. The title remains in the Crown; the address is changed. Rather than dealing with the Department of Highways, the name on the title,

the address on the title going through the registrar's office would become that of Rural Development instead of the Department of Highways and Transport.

Mr. Anguish: — That's not what I was told by rural affairs. This was sent to me during rural affairs estimates and says:

Titles in the Crown were in the name of the Department of Highways who were unable to issue surface leases requiring that title be transferred to lands branch for administration.

So rural affairs said to me the title was in your name. You're saying now the title wasn't in your name, the title was in the name of the Crown. So who was correct? Was the minister of rural affairs correct when he gave me that information or are you as the Minister of Highways tonight correct when you give me that information now?

(2130)

Hon. Mr. Petersen: — Well as I understand government, Rural Development is a department of the Government of Saskatchewan or the Department of Highways and Transport is a department of the Government of Saskatchewan. Through the department the government retained ownership. The address changes from the Department of Highways and transport over to that of Rural Development. You and I would look at it as a title change, technically that the title remains as government property, transferred from one department to another.

Mr. Anguish: — Well, Mr. Minister, let's just back up a little bit. I want to know the date that your engineers — I think you said district engineer — when out and did the assessment on the gravel in the gravel pit and did kind of accomplish it, and how much gravel you had in that area and whether or not it was sufficient to meet your 25-year demand. Tell me the date that that assessment was done and who performed the assessment, Mr. Minister?

Hon. Mr. Petersen: — As I stated earlier and just to confirm it, the assessment was done in late November. The engineering staff at the district level, that information was passed into head office.

Mr. Anguish: — Who did the assessment? I'm sorry about asking that date again. I did write down November 20 that the district engineers went out and did the assessment. Tell me who did the assessment, Mr. Minister? Was it an employee of the department or was it in fact someone who your department contracted to go out and do the assessment? If it was an employee of the department, tell me who did the assessment on the gravel pit and determined that there was excess in that area, Mr. Minister?

Hon. Mr. Petersen: — It would have been department staff, the North Battleford district, and they would have done the assessments. The district engineer, Ed Bobick, would have then assessed it and passed it on to head office. That's all I can tell you.

Mr. Anguish: — What date did Ed Bobick transmit that information to head office, and what was the nature of his assessment? Can you table the information here this

evening that Ed Bobick passed on to head office, Mr. Minister?

Hon. Mr. Petersen: — I don't have the exact date. It would have been mid December, the first couple weeks in December when that information was transmitted. It showed that there was excess gravel available and it identified the area that would provide for our 25 year-plus needs.

Mr. Anguish: — Well, what I asked you is whether or not you would give me a copy of that report in mid December that Ed Bobick passed on to your head office? I appreciate your interpretation, Mr. Minister. I'd like to read the documents and make my own interpretation as to what district office says to head office about the transfer of a gravel pit, releasing your quarry lease.

Hon. Mr. Petersen: — The information that was conveyed to us in Regina by Mr. Bobick, after the assessment was done, identified that there were a million-plus cubic metres of gravel available in the area described as the east half of LSD 6 and LSD 7, which met more than the 25-year needs of the Department of Highways.

Mr. Anguish: — Now, Mr. Minister, I want to know . . . the arrangement that the rural municipality has is that they're getting 200,000 cubic yards or metres, I don't know whether it's yards or metres, from that gravel pit.

Now something that just dawned on me, is that gravel that they're getting, that the RM is assured of, not from the gravel pit that you privatized but from the remaining gravel that the Department of Highways have? Is that in fact not the case that's happening here, Mr. Minister? That you got caught in a bad deal? Your government got caught in a bad deal and therefore, you had to satisfy the rural municipalities. So you ended up giving them 200,000 yards or metres of gravel from a pit that was still owned by Highways, and not the pit that you released. Is that why I couldn't make my figures jibe, Mr. Minister? Is that in fact correct?

Hon. Mr. Petersen: — My department would have no knowledge of the details of any agreements or where the RM would be getting their gravel from or how they would be dealing with Energy and Mines. I can assure you, sir, that that amount of gravel is not coming out of the area that I have described as the east half of LSD 6 and LSD 7. As I said earlier, that amount of gravel has been ascertained to be in excess of a million cubic metres, which is more than our 25-year requirements. We will be keeping that for department use.

Mr. Anguish: — That's not what I asked you. You acknowledged tonight that the RM was satisfied, and I accept that they're satisfied to some extent at the present time because the Rural Municipality of Meadow Lake has secured 200,000 cubic yards of gravel to be supplied at no cost. Who is supplying that gravel? Is your department supplying that gravel, or is Al Wagman supplying that gravel, Mr. Minister?

Hon. Mr. Petersen: — Well I guess I will have to say it again, and I did answer your question in my previous

response. I said that the Department of Highways is not supplying that gravel for the RM. We have ascertained that in the area of the east half of LSD 6 and LSD 7, we have got a million-plus cubic metres of gravel. And that is for Department of Highways and Transportation usage, more than we need for the next 25 years. We will be retaining that for Department of Highways' use. We have no knowledge of where the RM is receiving the amount of gravel that has been talked about in this House.

Mr. Anguish: — You expect us to really believe that, that you have no knowledge as to where the RM is getting their gravel from? That is unbelievable. In a pit that covers a large area, you're telling me that you released some of that because it was in excess, because it was convenient for one private individual to gather up and in turn sell. And then the RM intervenes and says we're not happy because we have the right of first refusal. And they all of a sudden can get a deal to get 200,000 yards of gravel at no cost, and they should. They should've had more.

And you're telling me you have no knowledge in your department as to where the rural municipality is getting the 200,000 yards of gravel from. You admitted you had knowledge of the arrangements. You admitted that earlier here this evening. Have some reflection and ask your officials, Mr. Minister, where the RM is getting their gravel from. Come clean with us here this evening and let us know who's supplying the gravel to the Rural Municipality of Meadow Lake, in this controversial and confusing area where the gravel is located.

Hon. Mr. Petersen: — Well I believe that it is only confusing to the member opposite. It's not at all confusing to me. We have adequate supplies of gravel for the Department of Highways to meet our 25-year needs, as assessed and as located, in the east half of LSD 6 and LSD 7. As I said earlier, listening to other estimates and questions in this House, I obtained the impression that, indeed, the RM had gotten gravel. They did not get that gravel from the area of LSD 6 or LSD 7, which is Department of Highways gravel which we need for our 25-year supply.

Mr. Anguish: — Well as I understand, you're giving us your assurance that the Highways is not supplying any gravel to the rural municipality. Now I don't know whether you're right or whether you're wrong, but I hope you're right on that, Mr. Minister.

I would like to ask you, Mr. Minister, when your officials met on November 20, 1989, the person who indicated the interest in obtaining that gravel pit, what did they tell you they were going to do with the gravel? What possible reason could someone in that situation have for utilizing the gravel? What was the argument they presented to you that they needed this gravel? Could you tell us that, Mr. Minister? Consult with your officials and tell us the reason the individual gave for needing the gravel.

(2145)

Hon. Mr. Petersen: — I can only repeat for the member on the first part of his comments that indeed I can only assure you, sir, and you're going to have to take my officials' and my word for it, that that gravel that is

mentioned and has been talked about in this House that the RM is being supplied, is not coming from the Department of Highways and Transport gravel pit. It is not coming from that area.

On the second part of your question — if members opposite will contain themselves for a moment — at the meeting I've just been informed that the discussion centred around whether or not there was gravel available, what the procedure would be if they wished to find out how to obtain that gravel. An undertaking was made by the department at that time to assess the needs, and in keeping with our policy, we did assess that need. We did ascertain we had adequate gravel — a million-plus cubic metres in the east half of LSD 6 and in LSD 7 — which we maintain and which we will have for the next 25 years.

Mr. Anguish: — This is getting to be unbelievable, even more so than it was earlier. An individual comes, requests a meeting . . . That's another question that I want to put to you. When was the meeting requested and who arranged the meeting? Or did these two individuals come down from the Meadow Lake area and just sort of come in the Department of Highways, and all of a sudden there was two senior people there in the department and we said well, let's have a discussion about a gravel pit; and yes, we'll have a discussion about the gravel pit. And all of a sudden they get the gravel pit.

How does something like that work, Mr. Minister? And they didn't even ask what they were going to do with the gravel, why they were interested in the gravel? I find that shocking.

Mr. Minister, two questions I put to you: who arranged the meeting and when was the meeting arranged? And the other question that I want to know, or the other answer I want to know is, was there finally ever an official written request from the individual who got the gravel pit. Who arranged the meeting? When did they arrange the meeting? And was it ever followed up in writing, Mr. Minister? That's what I want to know.

Hon. Mr. Petersen: — Well I don't know what you find so shocking about people asking for information and having it provided by the department. That's what we try to do. A request for a meeting was received, a meeting was set up, a meeting was held, as I've told you, and the results speak for themselves.

Mr. Anguish: — Who requested the meeting and when?

Hon. Mr. Petersen: — Mr. Wagman requested the meeting through the department.

Mr. Anguish: — Mr. Wagman himself requested the meeting through the department. When did this happen? I do not believe that Mr. Wagman requested the meeting himself, and I ask you to reflect on that. And one more time I ask you: who arranged the meeting and when was that arrangement made?

Hon. Mr. Petersen: — It was some time before the date of the meeting, some time before the 20th. The department got the request and we set up a meeting. Information was asked for; it was provided. Policy was discussed.

Information that the persons requested was undertaken to be provided. It was ascertained that we had more than our 25-year supply in that area. We retained the portions of that area that we required for our 25-year supply, as I said, a million-plus cubic metres of gravel, and the rest was made available to other people as I've described to you.

Mr. Anguish: — My question was: who arranged the meeting and when did they make that request for the meeting? You've told me those other things already. I want to know who arranged it and when they arranged the meeting?

Hon. Mr. Petersen: — Well I don't know how many times we have to go over this. Mr. Wagman made a verbal request to meet with the department. The department arranged to meet with him on November 20, I believe it was. The meeting was held. And as I pointed out, the request was made. The department undertook to get the information and assess the gravel in the area. We determined that we ended up with enough gravel in the area that we could make some available to others than the Department of Highways. We retained an adequate 25-year's supply in that area I've described to you as the LSD 6 and LSD 7. And the rest that was there was made available. And that's where it ends.

Mr. Anguish: — No, it doesn't end there. Are you saying that Mr. Wagman himself made a verbal request to the department? And I ask you to reflect on that carefully. If it was Mr. Wagman who made the verbal request, who did he make that request to? Tell us that, Mr. Minister.

Hon. Mr. Petersen: — I have gone over this a number of times, and I can only tell you that a verbal request was made. And the meeting was set up as I have described it to you; and the events unfolded as I have described them to you. I don't see anything sinister about that. I don't see anything to be concerned about.

The policy that we have in the department was followed. Requests were made. Requests are made. I've undertaken to get you five years, sir, of information on how these types of requests have come about in the past five years. I've undertaken to get you information as to how the disposition of any excess gravel — if indeed there is any that is available — has been made in the last five years. I've given you the information that you requested and that's where it ends.

Mr. Anguish: — I repeat, it doesn't end there. I would hope that you will have that information when you appear here tomorrow, or else you will be appearing for more days before the estimates committee to answer these questions.

I ask you: how much gravel did Mr. Wagman request at the meeting on November 20 here in Regina?

Hon. Mr. Petersen: — The information I have is that at the meeting the request was made to find out how much, if any, gravel would be made available, what the procedure was — what the hoops are, if you would. At that time the department informed him that they had to do an assessment before they could answer that question. The

assessment was done, as I have pointed out, and we ascertained that we had enough gravel in those two areas, the east half of LSD 6 and LSD 7, for the Department of Highways and Transport for a 25-year period; some million cubic metres of gravel was available to us. The excess was made available. The quarrying lease was turned over to the Department of Energy and Mines, and the Department of Rural Development became the new address for the title for the land in question.

Mr. Anguish: — Could you tell us, is there any documentation of this or is this whole thing verbal? I can't believe that by verbal arrangements your department would turn over by your figures an estimated 240,000 cubic metres of gravel, all verbal. Now I don't know what gravel is worth. Is it worth, maybe \$60 a yard? Is it worth \$40 a yard? Is it worth \$10 a yard? Even if it was worth \$10 a yard — which it's not, it's worth much more than that — we're talking about a transaction that's worth in excess of \$2 million.

Mr. Minister, I would ask you: is there any documentation or was it all done verbal in the utmost good faith of handshakes, or was there documentation involved? And if there was documentation involved, can you table that here this evening, or if not this evening, first thing tomorrow morning when you're here on estimates.

Hon. Mr. Petersen: — I would take some exception, sir, to your inferring that the officials with me would not be telling me and you the absolute truth, sir. As you have pointed out, these people who are with me tonight have over a hundred years of experience and I take their word for what information I have passed on to you this evening.

I also, earlier this evening, indicated to you that I would be getting you information, that it is not all filed in one place. I gave you my undertaking to get that information for you. I told you I'd be getting it for you and I shall keep my word as I always do.

Mr. Chairman: — Order. Being near 10 o'clock . . .

Mr. Anguish: — Mr. Minister, just one final question, okay? — for tonight. I'm not making any inference on your officials. The people you have sitting around you are professional public employees. Any administration would likely be proud of them to have them working in their department. So don't allude to me making inferences on the integrity of your officials.

Mr. Minister, all I'm asking you at this point in time: was this all done verbally or is there a trail of documents between the person making the request and the Department of Highways? Because if it's all verbal, I would find that unusual for that sort of a verbal transaction to take place over something that is worth likely a couple million bucks.

So I want to know, finally tonight — and we'll get back on it tomorrow when you have more documents here — I want to know if there are documents that exist between your department and the person who made the request, or was it all verbal?

Hon. Mr. Petersen: — As I've pointed out to you, there is

some documentation. There is obviously going to be some records. You asked earlier about Mr. Bobick transferring information to the department. I told you that I would be getting you that information. I told you that it's not all located in one place; we would be getting it for you.

As with anything there is a combination of verbal commitments and as well, written documents. When the department gives someone an undertaking, a verbal undertaking to carry out an assessment, they are as good as their word. That assessment was indeed completed, sir. And that assessment ascertained that we did have an excess of a 25-year supply of gravel in that particular area, a million-plus cubic metres of gravel, and the excess is made available. It's as I have told you.

The committee reported progress.

The Assembly adjourned at 10:03 p.m.