

# LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

April 13, 1984

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### NOTICES OF MOTIONS AND QUESTIONS

**HON. MR. HEPWORTH:** — Mr. Speaker, I give notice that I shall on Tuesday next, move first reading of a bill, An Act to Provide Counselling and Assistance on Loan Guarantees to Farmers.

**SOME HON. MEMBERS:** Hear, hear!

### INTRODUCTION OF GUESTS

**MR. MARTENS:** — Thank you, Mr. Speaker. I would like to introduce to you, and through you, to the Assembly, 13 grade 4, 5 and 6 students from the town of Simmie. They're accompanied today by their teacher, Edna Bratvold. Linda Moir is a supervisor with them, and Darvin Davidson is their bus driver. I know that they're going to find it interesting here today to observe the conduct of the members of the legislature, and I know that they're going to have an educational tour. On the way home, they're going to stop in the Western Development Museum in Moose Jaw, and take a look at that, and I hope to meet with them later. I'd like all the members of the Assembly to join with me in welcoming them to the Assembly.

**HON. MEMBERS:** Hear, hear!

**MR. LINGENFELTER:** — Mr. Speaker, I would ask all members to join with me in welcoming the same group from Simmie: Linda Moir, Darvin Davidson, and Edna Bratvold, and the students who are here today.

Simmie is a town which sort of . . . All roads lead to Simmie, they say in our area of the world. And I welcome them here today. I hope they enjoy themselves, and have a safe journey home.

**HON. MEMBERS:** Hear, hear!

**MR. KATZMAN:** — Mr. Speaker, I would also like to welcome a group of students that are here. They're sitting in the west gallery — 30 students, grade 11 and 12 students from Hepburn High School. The Hepburn school comes fairly regular to this Assembly to watch the proceedings, and I will be meeting with you later. I hope you enjoy the day and what you see here. And would everybody help me welcome them here, please.

**HON. MEMBERS:** Hear, hear!

### ORAL QUESTIONS

#### Permits to Private and Commercial Operators

**MR. THOMPSON:** — Thank you, Mr. Speaker. I direct my question to the acting minister of Parks and Renewable Resources, and I want to ask the minister about the government's policy with respect to permits for the private commercial forest industry.

Has there been any change in the government policy in recent months, and if so, how many permits have been granted to private and commercial operators under this new policy?

**HON. MR. HARDY:** — Well, Mr. Speaker, to the hon. member's question, I'd have to take

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notice. I know there's some proposed changes coming forward, but if there's been any direct changes during the winter months, I couldn't say; but I'll take notice and get the answer back to him.

### **Sale of Former SGI Head Office**

**MR. SHILLINGTON:** — Mr. Speaker, my question is to the minister in charge of SGI, and has to do with your decision to all but give away the former SGI head office for only \$575,000.

Specifically, Mr. Minister, I want to ask you about the terms and conditions attached to the option to purchase, or agreement for sale, between Silver Developments and SGI. Specifically, I ask the minister: what were the terms and conditions of the sale with respect to the payment or the purchase price?

**HON. MR. ROUSSEAU:** — Well, Mr. Speaker, I'd be happy to provide the hon. member with a copy of the option agreement, which was signed back on October 17th of 1983. I could take all of this question period to reply to your question, in reading it, if you would like, but I can send you a copy.

Mr. Speaker, while I'm on my feet, and in reply to the hon. member's question, who has made allegations in this House about some kind of improprieties in the sale of the building, Mr. Speaker, I would like to today read to you the one written offer that we received, as well as the refusal or the rejection from another one.

On August 2nd of 1983, the following letter was mailed to Mr. Larry Fogg, of SGI, by Mr. Syd Lovell, that the hon. member mentioned the other day as being interested, in having offered \$750,000. The letter reads as follows:

Dear Larry: I hope this letter finds you well rested after your vacation. I want to take this opportunity, also, to thank you for your efforts, and the efforts of your staff, in showing me the old SGI building.

After the careful inspection, I acknowledge that the annex would not be of interest to us, and it would be in your best interest to demolish that building and perhaps build a surface elevator and double staircase along that west wall, and gutting most of the building, to make way for a prime commercial space.

Some of the report, which is enclosed, I disagree with, but far be it for me to judge this seemingly complete report by top-notch professionals.

That's the one back in August of 1983, before we sold it to Silver Development. Now, Mr. Speaker, let me refer you to the letter, to the offer on . . .

**AN HON. MEMBER:** — Where's that paper?

**HON. MR. ROUSSEAU:** — Yes, where is it? That's a good question. All right, Mr. Speaker, I will go by . . . I will refer to that particular letter by memory. But here it is. I found it. Here is the offer, Mr. Speaker, that was made on October 20, three days after we had sold it, because it was sold, Mr. Speaker, on October 17, 1983. These are the conditions. I won't read all of the letter.

These are the conditions under which we should sell it for \$600,000 — 25,000 more than we actually received. One, payment of \$100,000 within 90 days of accepted offer. Mr. Speaker, an additional payment of \$300,000 upon completion of the renovations. Number three, an agreement for payment of final \$200,000 over a five-year term at current interest rates. And, Mr. Speaker, the final one was a lease commitment by SGI or any other government agency for a period of five years, plus five years for a total of 10 years for the amount of \$15 per square foot

triple net.

Mr. Speaker, that property is being leased today by Silver Development for under \$11 to the private sector and not to the government. Mr. Speaker, the price of \$575,000 that we received was the only offer we received, the only offer we received by the date of October 17 of 1983. This one came later. And not only did it come later, but it was for far less money to the government, net.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — A brief supplementary and then I have a new question. Do I take it the minister is prepared to table that option to purchase agreement for sale?

**HON. MR. ROUSSEAU:** — Yes, Mr. Speaker, I am.

**MR. SHILLINGTON:** — Mr. Minister, new question. Mr. Minister, there is no reason to think there's any personal involvement by yourself, except for your bizarre behaviour in this House and your continual attempts to cover this matter up. Mr. Minister . . . New question, Mr. Speaker. Will you admit, Mr. Minister, that this letter is virtually irrelevant to the subject under discussion? It concerns a discussion about an attempt to purchase the annex and not the SGI building. Will the minister admit that this is virtually irrelevant to the discussion that took place in September and October with respect to the sale of the building?

**HON. MR. ROUSSEAU:** — Mr. Speaker, the hon. member has trouble with his common sense. He doesn't have any. The \$750,000 offer was for the building known as the old SGI building, including the annex – a verbal offer, Mr. Speaker, never put into writing, withdrawn on August (whatever date in August) of 1983 prior to our selling it – prior. It was withdrawn, Mr. Speaker, there was continuous communications between the parties involved.

Mr. Speaker, the hon. member across has been attempting to impugn the reputation of businessmen in this city and, Mr. Speaker, that hon. member owes those people an apology.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SHILLINGTON:** — New question, Mr. Minister, Mr. Lovell alleged that he was in the building with Mr. Miller in mid-September to mid-October, expressed interest at a figure of \$750,000, and Mr. Miller was at pains to discourage him from putting that offer, from proceeding with that offer. Mr. Miller has alleged, Mr. Lovell has alleged, but that creates some rather suspicious circumstances when the same Mr. Miller, in effect, sold the building to himself – acted on your behalf in selling the building and then went to work for the company the day the building was sold.

Mr. Minister, will you not admit that when Mr. Miller attempted to discourage an offer of \$750,000 then sold it for a fraction of that price, \$575,000, to a company which he joined the day of the sale, will you not admit that that should be the cause for further inquiry, and not an attempt by yourself to confuse the issue with irrelevancies such as you have raised this morning?

**HON. MR. ROUSSEAU:** — Mr. Speaker, what I will admit is that the hon. member knows nothing about the real estate business anywhere . . . (inaudible interjection) . . . Well, we're listening now to a member who's supposedly in the real estate business. Well, if he doesn't know, I don't know who would around here.

Mr. Speaker, when real estate is sold, it is sold usually through a salesman. It is not up to the salesman, Mr. Speaker, to make a decision as to the price. If Mr. Lovell is supposedly knowledgeable in the development business or the real estate business, then he would know full well, Mr. Speaker, that no offer is accepted unless it's written with deposits.

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Mr. Speaker, a man who acts for the owner will attempt at any time to get the best dollar possible, and that is his duty. That is his job. And they know, because it was their appraisal, Mr. Speaker, that we're referring to here today.

The appraisal that was done on this particular property back in 1980 under the government was for over \$800,000 – over 800. That was the price we were attempting to get. We tried for four years to get that price. Mr. Miller was employed by SGI for the purpose of attempting to sell that property. And when someone is talking verbally on an offer, and looking at that property, and an offer is made below that, considerably below that what the appraisal or asking price is, the duty, the responsibility of that individual is to inform the person that he's far too low for his price. But it is not his responsibility nor his duty to complete the deal, unless, number one, it is written; and, number two, he still can't authorize it. It has to be taken back to the owners for authorization.

And I say to you again today, Mr. Speaker, as I've said many times in this House and outside of this House, that no offer can be accepted unless it is written. The only offer we received was from Silver Developments for \$575,000 four years after we initially put it up for sale. It's the only offer we had, Mr. Speaker. We had no other offer. One came in three days later, Mr. Speaker . . .

**MR. SPEAKER:** — Order, please. I believe the minister has covered that ground a couple of times.

**MR. SHILLINGTON:** — A new question. I simply cannot believe that even this minister is as obtuse and confused as he's trying to make out this morning.

Let me, Mr. Minister, relay again the substance of Mr. Lovell's complaint, a Regina businessman. He complained that he was shown the building by Mr. Miller.

We were taken by Mr. Miller on a tour of the annex, as well as the main building. Throughout our viewing, my attention was called to the shortcomings of this building, and I recall remarking, "You might never sell this property with this attitude."

Mr. Lovell's complaint is not the incompetence of the salesman, but what appears in retrospect to have been a conflict of interest and a breach of a fiduciary duty. I ask you, Mr. Minister, to direct yourself to the issue, and to the irrelevancy which is Mr. Bulych's offer. Mr. Bulych's offer is not the issue. The issue is Mr. Lovell's expression of interest that was discouraged by a man who later went to work for the company who has bought the building.

I ask you, Mr. Minister, to direct yourself to that issue, and tell this House whether or not you think those circumstances are suspicious enough to warrant further investigation.

**HON. MR. ROUSSEAU:** — Well, let me also inform the hon. member across that perhaps he doesn't know what he's talking about as well. And I will inform him this morning that Mr. Bulych happened to be a partner of Mr. Lovell's in this transaction.

**AN HON. MEMBER:** — Not when he made that offer, he wasn't . . . (inaudible) . . .

**HON. MR. ROUSSEAU:** — Oh, no. No, no. Get your facts straight. He happened to be a partner of Mr. Lovell's. The offer that I'm talking about of \$600,000 is from Mr. Bulych. So they are partners, Mr. Speaker. Mr. Lovell had every opportunity to make an offer. He could have offered us a million dollars for it, but he never did. He never put it in writing. He could have offered us any amount of money. He might have offered us \$500,000 for it, but he didn't put it in writing.

Mr. Speaker, I am telling this Assembly and telling you, Mr. Speaker, that we had one offer – one offer on October 17 – and I challenge the member opposite to produce any other offer prior to October 17, 1983. I challenge you to produce any other offer. I am prepared to table the one that

we have. The ones that came in were after that, we did not get any written offer whatever discussed. It could have been a million, it could have been \$2 million. All we got was the one. We sold it. We were happy to sell it after, Mr. Speaker, having spent \$700,000 in maintaining the building over that four-year period, with no . . .

**MR. SPEAKER:** — Order, please.

### **Federal Announcement on Initial Grain Prices**

**MR. ENGEL:** — Mr. Speaker, I was just handed a note on Mr. Argue's press conference this morning, when he announced the initial grain prices. And Mr. Minister, I have a question to the Minister of Agriculture. In light of the fact that red spring wheat is going to be down about 30 cents a bushel — they gave it in tonnes, \$10 a tonne — and durum 15 cents a bushel, actual prices are: durum is down 13.6 cents and spring wheat down 27.2 cents.

That means a loss to Saskatchewan farmers of over \$100 million this year. A loss. And you announced today a program of \$4 million worth of counselling. Will you now admit that it's time to pass some emergency legislation to give these farmers a chance to regroup their operation, and see how they're going to salvage their farms?

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. HEPWORTH:** — Well, Mr. Speaker, I too am disappointed with this morning's announcements. In so far as what this government has done, one only has to review the record. When interest rates were the number one problem jeopardizing the family farm, we took care of them, we looked after them. We looked after them through the farm purchase program and the credit corporation of Saskatchewan, and in this year's budget there's something close to \$20 million there for that program alone.

When we saw taxes becoming an unnecessary burden on the family farm, we acknowledged that with an \$11 million program. When we saw the cost-price squeeze starting to jeopardize the family farm and to create, perhaps, terminal cases out there, we today have again taken action by announcing, and giving notice of motion for the legislation required to put that fund in place. And I'm presuming, and based on the member opposite's remarks today, that he would be supporting that bill, and help us get speedy passage through this House.

And as well, Mr. Speaker, and as well, Mr. Speaker, when the dips in the cattle industry were causing hardship in the industry, we spent something in excess of \$60 million in that sector since we took office. So I don't think the hon. member has a case that we weren't there when the farmers needed help. And we're here today, and we'll be here tomorrow and the day after and the day after.

But in so far as what should be done today, given today's announcements, I would hope that the voice of liberalism that roars like a mouse in this House would stand up and tell us that, based on my reading of the situation and my officials' early assessment of the situation, with this general decreases in the prices of wheat and feed grains, and if the levels of deliveries are equal to '83-84, a \$300 to \$500 million Western Grain Stabilization Fund for Saskatchewan is what should be in the works. That's what my officials tell me, and I hope the voice of liberalism would pass that message on to Senator Argue, and get that pay-out in the hands of Saskatchewan farmers.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ENGEL:** — Three cheers for a minister of agriculture, Mr. Speaker, that will stand up in this House in light of \$100 million less income to farmers, and talk about how great a deal it is if they want to buy more land; how great a deal it is if they want to expand. I'm not talking about farmers that want to expand or farmers that want to buy more land, Mr. Speaker, . . .

**MR. SPEAKER:** — Does the member have a question? The member is making a speech.

**MR. ENGEL:** — Certainly, Mr. Speaker. My question is: what about the farmers that don't want to expand? What about the farmers that can't expand, and need money today; that need money today in a form of some direct — and some direct protection. Your \$4 million advisory program isn't helping those people. It's just going to tell them how to get off the farm.

I think if you mean business, Mr. Speaker, you will move forward, Mr. Minister of Agriculture, you will move forward and do either Bill 30 that's on our order paper, or come up with something direct that'll affect them now. That's my question.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. HEPWORTH:** — Any farmers that are jeopardized today, tomorrow, or yesterday, as a result of the jaws of the cost-price squeeze closing down on him, will be looked after with the legislation that'll be coming forth very shortly in this House.

The hon. members make light of \$4 million. It depends how you use your money as to how far it goes out there. This government over here just happens to work with the philosophy of being a little smarter than some part governments who, instead of helping farmers out there, instead of helping them, what did they do? They used hundreds of millions of dollars to buy the farm. No help there. We'll take over your farm. We don't subscribe to that theory. We try and do the kinds of things that they want.

#### **Issue of Cutting Permits at Carrot River Sawmill**

**MR. THOMPSON:** — Thank you, Mr. Speaker. I'll direct my question to the minister in charge of the Saskatchewan Forest Products Corporation, and also the acting minister of parks and Renewable Resources.

I have a specific question with respect to the private commercial operators, Mr. Minister, who have been allowed to cut timber in the Carrot River area. By way of information, Mr. Speaker, the 1982 annual report of the Saskatchewan Forest Products had this to say about the Carrot River sawmill:

The mill continues to be plagued with a log supply problem due to a diminishing timber resource. The plant was able to maintain only a one-shift basis of production — or 50 per cent of normal capacity.

Yet in spite of this admitted supply problem for the Carrot River sawmill, you have issued a number of cutting permits to private commercial operators in the area. My question, Mr. Minister is: why did your government do this, knowing full well that this action might threaten the future of the Carrot River sawmill and the jobs of the people who work in that sawmill?

**HON. MR. HARDY:** — Mr. Speaker, I'd be happy to answer that question. In regards to why the private contractors were given some wood in the area, there was a great number of farmers in the area who had some problems in the last two or three years in land, in crops in the area. They were given some forest allocation — or wood allocation — so they could, in fact, have another income. There was no actual . . . They didn't want relief (or whatever you want to call it), they wanted some type of income. I think that was provided through the system of letting them go out and go to work, and they were very happy with it.

Further to that, in the Cumberland area there was about 2 million board feet allowed out to one of the DNS sawmills which is now under Sask Forest Products. It was given out because there's about 20 to 25 local residents who work in that area, who make their living there year round. And

it is essential, and I'm sure the member opposite realizes, essential those people do need that job, and we felt that. And that number is again brought into the Carrot River sawmill plane and creates additional jobs there. So it was jobs for people, is why it was done.

**MR. THOMPSON:** — New question, Mr. Speaker, to the minister in charge of Saskatchewan Forest Products. I wonder if the government's decision to issue these timber-cutting permits had more to do with who was getting the permits, as opposed to the long-term benefit to those permits for the Carrot River area.

Can the minister confirm that one of the three people given permits by his government to cut up the two million board feet in the Carrot River area timber, previously designated to the Carrot River sawmill, is one Robert Sauder? And can the minister also confirm that Robert Sauder's uncle, Alfred Sauder, is a current member of the board of directors of the Saskatchewan Forest Products, which owns and operates the Carrot River sawmill?

**HON. MR. HARDY:** — Well, Mr. Speaker, I'd be very happy to answer that question. First of all, in regards to the Mr. Sauder he's talking about, he was one of the first contractors working for Sask Forest Products at Carrot River. He has been working there ever since 1976, and has had the same type of contracts ever since. And, in fact, he employs the people from around the area.

In regards to the two million board feet he's talking about, I think the member is confused with what was logged for Sask Forest Products at Carrot River, and what is logged at Cumberland House, which is an individual type of an operation. That lumber that was logged was outside the Carrot River logging area and was being brought across one of the Cumberland delta, which would give additional wood and additional lumber for the Carrot River mill, as well as jobs for that area. So I think it was done very well, Mr. Speaker.

**MR. THOMPSON:** — Supplementary, Mr. Speaker. Would the minister not agree that the permits that were given out to one Mr. Sauder were permits . . . Permits that he had had before were permits to cut timber, and deliver to the Carrot River sawmill. The permit that he has now got, there's a 500,000 board feet permit to cut, and also to saw that timber in the bush — not to deliver to the Carrot River sawmill.

**HON. MR. HARDY:** — Well, Mr. Speaker, I don't know if he's got a 500,000 board contract. I'm certainly unaware that he has. I do know he has a substantial contract with Sask Forest Products, and that he worked all winter for them, and that he has logged in the area since 1976.

I couldn't tell you if he has an additional contract or not, but I would be very doubtful if he has. In fact, Mr. Speaker, those contracts were given out to local farmers to help them subsidize some of their farm income. But if the member opposite would like, I'll get the information for him.

**MR. SPEAKER:** — Order, please.

### Point of Privilege

**MR. SHILLINGTON:** — Mr. Speaker, on a point of privilege.

**MR. SPEAKER:** — State your point of privilege.

**MR. SHILLINGTON:** — My point of privilege is that during the question period I asked the Minister of Financial Services, Revenue and Finances Services, to table an agreement which he had in his hand. He has not. . . He gave the undertaking he would table it and has not done so. I believe, Mr. Speaker, that's a question of privilege.

**MR. SPEAKER:** —. Order, please! Order, please! Order!

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**HON. MR. ANDREW:** — Mr. Speaker, number one, with regard to a question of privilege, I think the hon. member doesn't fully understand what a question of privilege is. Number two, Mr. Speaker, if the motion that he is alleged to make would be clearly a question of point of order, the rules are very clear in this Assembly and have been for many, many years that you cannot table any documents during question period. It's hardly fair, it would seem to me, for the member opposite to try to chastise the minister responsible, ten seconds after question period is over, Mr. Speaker.

**MR. SPEAKER:** — Order, please! The member's point is not well taken. You are not allowed to table during question period, and the member has offered to table it, and I think we should give him an opportunity to do that.

### **INTRODUCTION OF BILLS**

#### **Bill No. 45 – An Act to amend The Vehicles Act, 1983 (No. 2)**

**MR. SHILLINGTON:** — I move first reading of a bill to amend The Vehicles Act, 1983 (No. 2).

**MR. SPEAKER:** — Order, please! Order, order! When the Speaker is on his feet, this House is to be silent. And that's one order that I'm going to demand that you obey.

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

#### **Bill No. 46 – An Act to amend The Saskatchewan Insurance Act**

**MR. SHILLINGTON:** — Mr. Speaker, I move first reading of a bill to amend The Saskatchewan Insurance Act.

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

#### **Bill No. 47 – An Act to amend The Contributory Negligence Act**

**MR. SHILLINGTON:** — Mr. Speaker, I move first reading of a bill to amend The Contributory Negligence Act.

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

### **INTRODUCTION OF GUESTS**

**HON. MRS. SMITH:** — Thank you, Mr. Speaker. It gives me a great deal of pleasure to welcome to our province, and to this Assembly today, a group of students who are seated in the Speaker's gallery, a long way from home, from Red Lake, Ontario. They are 11 of them, plus five adults, with the lead chaperon being a Mr. Kenneth Miller. I hope they find our province friendly, and the people as friendly and this Assembly as educational as what you left in Ontario. We look forward to having you around for a while. I look forward to meeting you at 11 o'clock, and I would ask the Assembly to wish you a warm welcome and a safe trip home.

**HON. MEMBERS:** Hear, hear!

### **ORDERS OF THE DAY**

#### **GOVERNMENT ORDERS**

#### **COMMITTEE OF FINANCE**

#### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**



## SUPPLY AND SERVICES

### Ordinary Expenditure – Vote 13

#### Item 1

**HON. MR. McLEOD:** — Yes, Mr. Chairman, my officials – to my right is Otto Cutts, the deputy minister of Supply and Services. Immediately behind is Ken Brehm, executive director of administration. To Ken's right is Ian Laidlaw, executive director of commercial services. We have other officials in the back that I would introduce if we're called upon to bring them forward.

**MR. LINGENFELTER:** — Mr. Chairman, and Mr. Minister, I'm pleased to have this opportunity to ask some questions on your estimates. I wonder, to start with some routine questions dealing with your personal staff in your office, if you will send me a list of the personal staff that you have, and the salaries that they would be getting from the government, in a description of the work that they do.

**HON. MR. McLEOD:** — Yes, Mr. Chairman, I would, if I can find the page – I'll just send this directly over to you right now.

**MR. LINGENFELTER:** — The list that you've sent over includes ministerial assistance which total up to roughly \$7,000 per month. What about secretarial staff that you would have in your office? Could you give me a list of that as well?

**HON. MR. McLEOD:** — Well, Mr. Chairman and the hon. member, ministerial assistants (and we describe them as ministerial assistants) two of the names on there, MacFarlane and Schindel, are both secretarial staff. The name Jarett, Pat Jarett is a ministerial assistant, what, under your administration, would have been called an executive assistant.

**MR. LINGENFELTER:** — I wonder now, Mr. Minister, if you will give me the salary and the job descriptions of your staff within your department, starting with directors, executive directors, ADMs, and deputy minister. If you would give me that list as well, so I could have a look at it.

**HON. MR. McLEOD:** — Okay, Mr. Chairman, I will provide or undertake to provide to the hon. member the list of the names and the salaries and the description of their job, although it is not a detailed job description on each one. If you want a more detailed one we can provide that to you. But I'll give that to you, and I'll send you this organizational structure which will give you a little more information.

**AN HON. MEMBER:** — Salaries attached?

**HON. MR. McLEOD:** — Salaries attached.

**MR. LINGENFELTER:** — Well, Mr. Minister, that's what I need, and if there are any questions on the detail as we go along here, I will ask that.

What I would like to do now is ask you a general question. I think the philosophy of this government, in terms of tendering, and in terms of space that you will need for government buildings, is definitely different now than it was under our administration, and of course that will occur.

What I'm wondering is whether you can give me an explanation of your policy and whether or not you see a cheaper rate of rent – for example, more efficient rental agreements. And I'll have further questions then, on some of the pricing that you're now paying, where I believe that you're paying very excessive amounts of money to, for example, places like the Bank of

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Montreal, and other fairly large companies, as opposed to leasing – if you're going to do private leasing to small entrepreneurs who would be encouraged to build smaller office buildings, decentralized, where you would encourage the small operator to become involved in the rental space business.

I guess what concerns me is two things; one, I think in many cases the government can build and lease its own buildings. But I think, more importantly, if you're going to make the change in philosophy to lease space from business people, I would be more encouraged if you were leasing to small entrepreneurs in Regina or Saskatoon or in rural Saskatchewan, as opposed to going to the larger, sort of big business operators – and I mentioned the Bank of Montreal, and there are others – to find space with them.

I think that, Mr. Minister, you would be hard pressed on Main Street in rural Saskatchewan, or, in fact, Main Street, Regina, to have anyone believe that you should be renting space from the large corporations such as the Bank of Montreal, as opposed to encouraging small businessmen to build, to give them loan guarantees to build, as opposed to giving it to large business. And I would just like you to explain to me why you have gone the route of leasing space from the Bank of Montreal, for example, at \$18 a square foot, when small-business people are telling me that they could provide you the same quality of space for around \$13 or \$14 a foot; and whether or not donations from the Bank of Montreal, that the Conservative party gets continually year after year, have anything to do with the rental agreements that you're signing with the Bank of Montreal.

**HON. MR. McLEOD:** — Well, Mr. Chairman, the member alluded to the fact that there is a different philosophy with this government than there was with the past government of which he was a part. That's true. We readily admit that. In fact, we're very proud to admit that. One of the things that the member mentions and talks about our policy which is to lease from the private sector, lease office space from the private sector.

He said something to the effect that we would be hard pressed on Main Street, Saskatchewan to talk to the business people on Main Street, Saskatchewan and say that our policy of leasing buildings from the private sector . . . And he mentions big companies and so on. I would tell him that we lease some class A office space in some big buildings, that's true. But I would say as well that we haven't been building any big office towers with gold-plated walls on them, as his government did.

The next thing that we haven't done, the other thing that we've haven't done, Mr. Speaker, he mentions rural Saskatchewan, and he talks about the big companies and so on. Let me just remind the hon. member, Mr. Chairman: Weyburn office building, joint venture with Cambridge developments of Toronto, a 60-year deal under the former administration in the Weyburn office building. Now I don't know how the former government could walk around on Main Street, Weyburn, Saskatchewan and talk to them in the city of Weyburn and say to them the Cambridge developments out of Toronto should have been the company that they would have cooked a deal with in terms of office space in that city. Cornwall Centre in Regina: a deal with Chartwood Developments of Toronto and a sweetheart deal with Chartwood Developments to come in for office space and for the rest of the proposals that went forward on the Cornwall Centre here in Regina.

So we certainly do. I reject the philosophy of the former government in terms of building towers to be named after their former MLAs as great Taj Mahals and edifices to remember the NDP and the former CCF. It's not our policy to do that sort of thing. It will not be our policy to do that sort of thing. We will rent office space from the private sector, and we do rent office space from the private sector, and we don't apologize for it to anyone.

**MR. LINGENFELTER:** — Well the minister talks about the office buildings like the T.C. Douglas Building, the health building, where he would have leased it out and made someone rich in

Montreal or Toronto. But any building you look at, built by the people of Saskatchewan, I think that there is a margin of saving when you're putting tax dollars into those buildings and owning the building, as opposed to putting the money into the Bank of Montreal (with the gold-plated windows), and not having any equity into it.

I wonder, Mr. Minister, if you can explain whether or not you will be part of paying for the gold windows in the Bank of Montreal in downtown Regina?

**HON. MR. McLEOD:** — What I said, Mr. Chairman, is that we believe in the policy that we have undertaken, and that is the lease purchase policy. We don't believe in putting taxpayers' dollars out front, the major capital costs, and we will not do that. And it's not a reasonable way to conduct ourselves in terms of the renting of office space. We will not do that.

He talks about the Bank of Montreal. But the Bank of Montreal is, as well, a tenant in that building. The Bank of Montreal is a tenant in the Bank of Montreal building in downtown Regina, as is the Government of Saskatchewan and other tenants. The building was developed by a local Regina developer, and it's local Regina business people.

**MR. LINGENFELTER:** — Well, Mr. Minister, I think that it's fairly obvious that what you're attempting to do in a lease-purchase option is avoid the embarrassment of further debt. Because, of course, anyone knows that even though it doesn't show up as a long-term debt with a mortgage, a lease-purchase option is surely a debt as surely as if you had a mortgage and owed the \$40 million, or \$30 million, or \$10 million.

The simple fact is that in a lease-purchase option for 20 or 30 years, that is a debt that the province owes, and it's not showing up on your books. And I would just like you to explain to me how the lease purchase isn't a debt, and owning a building with a mortgage is. Can you tell me the difference? Does the taxpayer owe less money through a lease-purchase option as they would through having a mortgage and paying payment on a building? Can you explain how that rationale works? Because I think more people in business would question your judgement and question your explanation of it.

**HON. MR. McLEOD:** — Well, Mr. Chairman, a couple of clarification points here. The hon. member would almost suggest by his comments that the leasing of office space in the private sector is something new. It's not something new. Humford House, Chateau Towers, all of these buildings were leased, and we still maintain leases with them. They were leased by the former government. There's no difference in that policy in terms of leasing back from the private developers who will build buildings in the various locations around the province, and the government would lease them from them. It's a good policy, that portion of the policy.

The only part of the policy that we've changed is the major emphasis that the former government had on building office buildings and building — well just let us leave it with office buildings — building office buildings, naming them after some former CCFer. For what? For the greater glory of their former party.

**MR. LINGENFELTER:** — Mr. Minister, I would like to turn to an issue which has to do with the policy respecting the contracting and tendering within your department. I'm sure that from time to time you update public works, and purchasing, and printing, and vehicles, and the executive aircraft. Can you give me a list for each of those areas, the policy and, I suppose, tendering process for each of those areas, the most recent one that you would have in the department.

**HON. MR. McLEOD:** — Okay, for the hon. member's information, and he mentions certain areas, but I would say for all of those areas, and I'm not even sure now exactly which ones they were, but for all of the areas, because the policy hasn't changed, the lowest tender that meets the specifications receives the tender in all cases. And that's the policy of the government and of the department.

**MR. LINGENFELTER:** — Under The Public Works Act, I believe, that it is possible to tender out to other than the lowest bidder if they don't meet the specifications. I'm wondering if you could elaborate on how many were given out that didn't meet the lowest tender because of the fact that they didn't meet the specifications? What I'm looking for here is a list of those that didn't meet the specifications and were given to other than the lowest bidder.

**HON. MR. McLEOD:** — Mr. Chairman, there were none. And, I believe, you have the annual report '82-83 or I mean '83-84, the last year. There were none that fit the description that you describe.

**MR. LINGENFELTER:** — So in the past year we have had no tenders or no contracts that have been let to any one other than the low tender, based on specifications?

I wonder now if I could get an update of the status of the Lloydminster office building. I believe it is on hold; I'm not sure of that. Could you elaborate the process, the history of that, where it's at today and sort of give a bit of a projection, if you would, on what is happening in that area.

**HON. MR. McLEOD:** — Mr. Chairman, yes, the hon. member mentions the building which was previously considered and, in fact, is still under active consideration by us. We did a review of the office space needs in Lloydminster and, of course, a number of things that could happen in Lloydminster that could, and may well be happening in Lloydminster — could change the needs in that city of Lloydminster. And that's really all I can say on that now.

But the province owns a site in downtown Lloydminster and previously considered construction of an office building. As I've said, it's still under active consideration. We've done the study, but I can't really give a date as to when we would be going ahead with something like that. I'm not in a position to do that.

**MR. LINGENFELTER:** — The building status basically in Lloydminster is that it's on hold, and is on hold indefinitely.

**HON. MR. McLEOD:** — Well, it's indefinitely in the sense that we don't have a specific date on which we would be entering into more serious discussions. But we have been talking with the mayor of Lloydminster and with other parties in Lloydminster about some of the office requirements, as well as some of the business community there, about the office requirements of Lloydminster. And we well know from our government's point of view, and the various client departments that are in there, about what their needs are.

So we've looked at it. We don't believe it's a major priority right now. But it may well be in the near future.

**MR. LINGENFELTER:** — Well, Mr. Minister, on the issue of executive aircraft (I believe this falls under your purview) and you will know that what has been the option of the government — not the option of the government, but the tradition of the government in the days of Tommy Douglas and Ross Thatcher and Allan Blakeney was to issue a report on the number of flights taken by various people within the government. And since you have come to office, I don't believe that one of these reports has been released.

I wonder if today would be an opportune time to issue that report so that the public would have an idea of the number of aircraft, the type of flights that are being made, and the people using them. I wonder if you could deliver that to us today.

**HON. MR. McLEOD:** — Yes, I will undertake that. I think it's misleading to say that such a report has not been given since we've become government because it was last year provided, I believe, to your colleague, the member for Regina Centre. Yes, we'll provide you with a list of the flights

and the policy under which executive air falls. And I will assure you that the fleet of airplanes owned by the Government of Saskatchewan is no different than the number of planes owned by the former government.

**MR. LINGENFELTER:** — Well, Mr. Minister, the reason that I asked about the trips is because the last list we got was the flights that I took. What I'm more curious about is the ones that you have been taking. You will also know that I believe that there has been a change in the number of executive aircraft that are at the disposal of the cabinet of Saskatchewan. In a news report that was carried in the media, and not denied by the government, one of the planes that had been previously in the use in northern Saskatchewan, I believe, a Cheyenne, has since been moved from northern Saskatchewan and is now part of the executive aircraft fleet — a 50 per cent increase you might say in the turbo prop jets that the government has at their disposal. And I think that it's fair to say that a 50 per cent increase probably goes with the increase in the size of cabinet. But I think it's misleading to say that there has been no change in the executive aircraft operation. But maybe you can clarify that for me.

**HON. MR. McLEOD:** — Well certainly, Mr. Chairman. The member for his own purposes has made a few suggestions that the . . . First of all the Cheyenne that was moved from the Department of Northern Saskatchewan, which was formerly under northern air services, the Department of Northern Saskatchewan, has, yes, has been moved to Executive Air. The former minister of northern Saskatchewan, in fact, was one member of Executive Council had almost exclusive use of a Cheyenne before, and that's exactly how it operated. That's exactly how it operated. And the minister of northern Saskatchewan, plus his officials — a large army of officials as I very well recall, a large army of officials I very well recall — who flew back and forth to Regina and to La Ronge with that particular plane which they painted a different colour and so on, because it was a different province up there under the former administration, Mr. Chairman.

Now it's all one province. And the reason to have that Cheyenne here with Executive Air is because, as I have pointed out many times to your colleagues, all of my colleagues here who have jurisdiction over departments that affect northern Saskatchewan — I think of Health, of Social Services, and Advanced Education and Manpower, Agriculture, you name it, Urban Affairs, you name the departments — all of those ministers have been visiting northern Saskatchewan, and they've been going into northern Saskatchewan with their officials and so on, and dealing with the key concerns of people in northern Saskatchewan, which is a very different thing than was done by the former government when you had one minister of northern Saskatchewan who had his own little empire there. We are not empire builders here. We're just people who believe in administering the provincial taxpayers' money in a most effective way.

So I won't say any more about that except to say that under the former administration and Executive Air there were three planes, and under our administration there are four. Under the former administration there was a Cheyenne based in the North. Under our administration there is not a Cheyenne based in the North. The Government of Saskatchewan has the same number of planes as the former government had, but they are now put to much better use, and more efficient use.

**MR. LINGENFELTER:** — The minister has decided that having the extra Cheyenne at the disposal of the cabinet is putting it to better use and, from his personal view, I suppose that's correct, that having an extra plane to fly the 25 cabinet ministers around, that that is putting a plane to better use than had been previously in northern Saskatchewan where services were provided to people using an aircraft.

And I think that, if you look at northern Saskatchewan today, there has been a change. That's right — 95 per cent unemployment, hospital construction on hold, the services to people in terms of transition houses put on hold. And I would agree that there has been a change and, yes, it is nice for the new increased bloated cabinet to have an extra aircraft that previously was in northern Saskatchewan.

But I don't agree that the best interest of Saskatchewan taxpayers is being served, Mr. Minister. And I would encourage you to look again the third executive aircraft and put it back in northern Saskatchewan where it can be used in health emergencies or, if there's a major crisis in northern Saskatchewan where an aircraft will be centred in that part of the country.

I suppose some centralization in any government is necessary, but I think when we look at the kind of centralization in your operation which is going on at the present time, in culture and youth and Agriculture, I think the public of Saskatchewan did not elect you to move everything to Regina, or to move everything to the bigger centres.

And I would question whether moving one of the executive aircraft from northern Saskatchewan to Regina makes good sense. And I just want that clarified from you, that moving that Cheyenne out of northern Saskatchewan into Regina, to fly cabinet ministers around, is in the best interest of Saskatchewan people.

**HON. MR. McLEOD:** — Well you'll certainly get it clarified from me, Mr. Chairman. I'll certainly be pleased to clarify it for the member, because he talks about the size of our cabinet.

Mr. Chairman, as you will know, and as all my colleagues know, when we go to the corners of this province, including the corners of northern Saskatchewan, people say to us, "You are the second minister, you're the third minister, you're the fourth minister . . . We've had more ministers . . . We've had more contact with this government, and the members of the treasury benches of this government than we ever had with the former government. With the former government we saw bureaucrat after bureaucrat after bureaucrat."

The people of northern Saskatchewan, with the Cheyenne that you refer to, saw many, many bureaucrats located in La Ronge flying back and forth – almost had to have a corridor set aside by the national ministry of transport, set out a corridor for the Cheyenne because it made so many flights full of bureaucrats running back and forth.

Well we don't operate that way. We operate for elected people, who are elected by those taxpayers that you like to refer to now, that you didn't refer to when you were in government. We were elected by those taxpayers that you like to refer to now, that you didn't refer to when you were in government. We were elected by those taxpayers, and they wanted to see us. They say that they're very pleased that they're seeing us as often as they are, and all of my colleagues can attest to that. If we continue that policy, which we will, you will be there for an awful long time, and we will be here for an awful long time.

**MR. YEW:** — Thank you, Mr. Chairman. I want to ask the minister whether or not he's been invited in to Cumberland House on a number of occasions, and whether or not his colleague, the Hon. Sid Dutchak, the member for P.A.-Duck Lake, has been invited to this community, and whether or not they were able to meet with the public in Cumberland House over the course of the last couple of months?

**HON. MR. McLEOD:** — I'm not sure of the dates. In my capacity as Minister of Supply and Services I have not had an invitation to Cumberland House – no. I can't really answer for my hon. colleagues, but I believe – I'm not sure of that or what the dates would be – but I believe some of my colleagues have been invited to Cumberland House.

What I know of our government, and what I just reiterated to you before, I know that some of my colleagues will certainly be in Cumberland House. But I'm not sure of the dates, and I don't think this is the real forum to ask that, Mr. Chairman. But under my jurisdiction as the Minister of Supply and Services, I have not been invited to Cumberland House.

**MR. YEW:** — I just want to take into issue that you just mentioned a while ago to my colleague

that you have been all over the landscape in terms of touching base with people in various jurisdictions through the province, which you so loudly proclaim that you have been doing.

Well the fact is, Mr. Minister, you've been invited in to Cumberland House on several occasions, being the responsible minister for northern Saskatchewan, to go into the community and see the social and economic problems that that community encounters over your government's policy and programs.

And furthermore, the hon. member for the Indian and Native Affairs Secretariat was also invited in to this particular community the last week in March. But he failed to show up, because of one phone call by the so-called mayor, indicating to him that he shouldn't attend this meeting.

Now I take issue that you shouldn't be stating that you've been all over the landscape touching base with the people in respective jurisdictions when you haven't.

**HON. MR. McLEOD:** — Mr. Chairman, we're straying a little from Supply and Services estimates. I will be very pleased to relate to that when we get into my other estimates which the hon. member, I believe, is a critic for. But just to put this issue to rest, once and for all, I will respond to the question just in the spirit of co-operation, Mr. chairman.

My colleague, the Minister of Health, has been to Cumberland House at least on several occasions. My colleague, the Minister of Co-ops has been to Cumberland House. My colleague, the Minister of Agriculture has been to Cumberland House on several occasions. My colleague, the Minister of Science and Technology has been to Cumberland House. Almost all ministers in this government have been to Cumberland House.

The point of this government's view on taking a part in DNS (which we agree that we did and because people asked us to do), we dismantled, we down sized the Department of Northern Saskatchewan and rolled it into all of the departments of government. And all of those other departments of government have been addressing the issue of the North in their various purviews. And that's what we set out to do, that's what we have done, and that's a record that we're proud of.

**MR. YEW:** — If I may, Mr. Chairman, Mr. Minister, add onto that bit of information the minister just finished telling the House. You certainly did dismantle DNS.

**MR. CHAIRMAN:** — Order, order, order. The member from Cumberland will know that DNS will be coming up later under the same minister, and I'd ask him to relate his questions to Supply and services.

**MR. YEW:** — Thank you very much, Mr. Chairman. I want to ask the minister: in terms of the heavy equipment that is proposed to go to public tender later on this spring, I wonder if the minister can advise members of this Assembly just what amount of equipment we're talking about in terms of the equipment that's been taken from the northern administration district, which will be ultimately be put up for public tender.

**HON. MR. McLEOD:** — Mr. Chairman, as it relates to the . . . I believe the hon. member said "public tender." I believe he is referring to the public auction. Is that what you're saying — the auction sale of heavy equipment? That's true?

Mr. Chairman, I would say that the Department of Supply of Services' role is to dispose of equipment that comes from the various client departments around government if there's surplus — surplus materials — whether it's heavy equipment or whether it's . . . regardless of what it is, cars or whatever. So that is our role.

There is an auction sale scheduled for May 16 and 17 in Saskatoon, which will dispose of a good

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deal of surplus equipment that was purchased by your government, and which we find to be surplus to the needs of the taxpayers of Saskatchewan, and we will be putting that up for public auction. That's true – something in the order of 400 pieces of equipment.

**MR. YEW:** — More specifically, I'm not quite certain as to the number of heavy equipment items that will be put for this public auction in Saskatoon on May 16 and 17, which has come from northern Saskatchewan. Getting to my point though, Mr. Minister, I want to ask you: was that heavy equipment used in northern Saskatchewan as part of the training component in terms of heavy construction for a number of various programs that were running in northern Saskatchewan, or were being implemented in northern Saskatchewan?

**HON. MR. McLEOD:** — Mr. Chairman, first of all, just the process. The equipment that was DNS equipment was transferred to Highways when Highways took over that portion of the responsibility in the North. The surplus equipment that we received that may have been used in the North – and some of it was – I know for a fact that some was, but piece by piece I can't really give you that because we received that equipment from the Department of Highways.

As it relates to your specific question about the training of people in the North for the use of heavy equipment, we, in fact, have enhanced that, and there is extra equipment. There is more equipment available now through the Department of Advanced Education and Manpower for the training of people in northern Saskatchewan, and other portions of Saskatchewan, in the use of heavy equipment than was ever there before. So that's a program that's being enhanced by this government, and, in fact, a bit larger than it was before.

**MR. LUSNEY:** — Mr. Minister, on the topic of highway equipment, you received some 440 pieces, apparently, of Highways equipment, and you are apparently auctioning that equipment off. Is this the normal practice of your department to auction equipment off that the government may, from various departments, move to your department?

**HON. MR. McLEOD:** — We use both accepted methods. One is the public auction, and the other is public tender. In this case we have chosen to go with public auction, for obvious reasons.

**AN HON. MEMBER:** — They're not obvious.

**AN HON. MEMBER:** — They're not very obvious.

**MR. LUSNEY:** — As my colleagues were saying, Mr. Minister, it's not very obvious. Did you, in choosing to go the route of the public auction, appraise this equipment before you put it up for auction?

**HON. MR. McLEOD:** — Well, first of all, the other departments declare their . . . I'll just take you through the process. Departments of government will declare their materials, or equipment, whatever it is, surplus. It's our job to dispose of it, and get the best dollar for the taxpayer that's possible of the equipment that's been declared surplus by the departments. That's what we're doing, and we have an estimated market value, but certainly the market value of that equipment will be determined by the sale which will be, I might add, one of the best sales that anyone has ever attended in this province.

**MR. LUSNEY:** — I'd have to agree with you, Mr. Minister, it's probably going to be one of the best sales anyone has attended in this province, because they're going to get some awful cheap equipment. That's probably the reason it will be the best sale in the province.

But you're saying, Mr. Minister, that you apparently have not made an appraisal of this equipment, number one. Number two, in choosing this route, you don't normally dispose of the equipment for whatever you can get for it. When you go through the tendering process, if the tender is too low on that equipment, you don't accept that tender. You'll re-tender that



equipment again.

So, Mr. Minister, how can you say that this is going to be part of the normal procedure of the department? And you're going to just be selling this equipment for whatever you get out of it, and not really saying that you have made an appraisal of this equipment, and that you are going to see that you get the best price for it, and the price that will probably get close to the appraised value of this equipment.

**HON. MR. McLEOD:** — No, well, the member's suggesting that we have not taken an appraisal. I didn't say that we don't take an appraisal of the equipment. Anybody who knows anything about auction sales, farm auctions or any other type of auction sale, you appraise the equipment. And the fact is, when you decide to go with the route of an auction sale, you say, well, we are about to get the best price possible for the surplus material that's to be sold.

We chose the auction-sale route. We believe it's the best route possible, and it is. And I guess all I can say to the hon. member is: attend the sale. That's really all I can, that's really all I can say to you at this stage.

**MR. LUSNEY:** — Mr. Minister, since you have apparently made an appraisal . . . you said you didn't go into this without an appraisal, and since you have made an appraisal, are you, therefore, going to have a reserve bid on some of this equipment, especially the newer equipment, if it goes for, say one-third of its value? Are you going to have a reserve bid and hold this equipment back, or are you going to sell it for whatever it is?

**HON. MR. McLEOD:** — Mr. Chairman, one of the reasons we decided to go with the auction was because of the number of pieces of equipment. The number of pieces of equipment and the large sale it will be will attract buyers from all over this continent. We have had inquiries from . . .

**AN HON. MEMBER:** — You're assuming that, George.

**HON. MR. McLEOD:** — It's an assumption, there's no question about that, but it's a very educated assumption because we had inquiries, as has the auctioneer, from the south-eastern states, south-western states, from all over North America. That's where many of the buyers will be coming from, and that's the reason to have an unreserved auction sale; and we attract buyers from many areas. The more buyers that come there, the more serious bidders that come, the better price that you will get. And the market value will be established, as I said before, at the sale.

**MR. LUSNEY:** — Well, Mr. Minister, again you stated categorically there is no reserve bid on this equipment, and you're assuming that you are going to have buyers, international buyers coming from all over the continent to buy this equipment. Well I think that's a very broad assumption, because if people have to haul this equipment any long distance, they are not going to come in for it. You may get some buyers from the States that, if they think they are going to be able to get it real cheap, they might come in. They might come in if there is equipment that they want. But I would suggest they can probably get that equipment in the States just as cheap, if not cheaper. But if we are looking at getting buyers from outside — and this is basically what you are going to be looking at, because the depressed state of the construction industry in in this province today is such that there won't be as many bidders from this province as what one might want to have or expect. So you are depending totally on bidders from outside of Saskatchewan and hoping that they will bring that price up.

You can look across Canada, basically, and say that you are not going to have too much activity coming out of Alberta or B.C. or Manitoba or even Ontario, for construction equipment. There's going to be very few buyers from Canada that are going to be all that interested in it. So you are making very many assumptions, Mr. Minister, and you are going to be disposing of the public's equipment — the public assets — at any price, with no reserve, on some fairly new equipment.

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You are going to be virtually giving away a lot of this equipment. And I think it's unfortunate that the public is going to be faced with losing so much money when some of that equipment could have been put to better use.

Mr. Minister, since it's going to be sold that cheaply, have you – since the Minister of Highways didn't – have you, after receiving some of that equipment, contacted R.M.s in this province – and especially in this province – the R.M.s or local contractors, suggesting to them that you do have some equipment that could be purchased and, if they wanted to put in some bids, if they wanted to bid on some of this equipment directly through your department, that you did have a good number of equipment? But I think I would want to specify the one group and ask the R.M.s of this province.

Where the taxpayer has paid for this equipment once, and the taxpayers has to pay for equipment that the R.M.s buy, did you at any time contact every R.M. in this province and say, "Look, we're going to have 440 pieces of equipment, are you interested in any of this, since this is equipment that your taxpayers have already paid for? Are you interested in this equipment? Will you give us an offer? And if you have some equipment that you want to dispose of, we will then take that equipment and put it on our auction, when we have that auction." Have you approached the R.M.s?

**HON. MR. McLEOD:** — Well, Mr. Chairman, the member suggests, you know, stands now in opposition and speaks on behalf of the taxpayers. What I would say to him is, those same taxpayers, it's because of fiascos like this kind of surplus equipment accumulated by government over the years that you were in power, that those same taxpayers said goodbye to you guys.

Now, Mr. Chairman, the member talks to me about assumptions. I'm just saying, when I said to him we have many inquiries, I said we've got to date in the department, we've had over 2,000 inquiries wanting detailed catalogue on this sale – 600 of those inquiries have come from the United States.

One of the things that the hon. member says about the R.M.s, the hon. member says: did we contact the R.M.s? The R.M.s are very aware of this sale. And if you take your argument to its logical end, and you talk about a fire-sale price and so on, which I don't believe will happen, the R.M.s obviously will be at that sale.

**MR. LUSNEY:** — Well, Mr. Minister, if you're aware how the R.M.s operate, the sale, being on May 16 and 17, is likely to see many farmers in the fields at that time. And the councillors of these R.M.s are farmers. And usually when they buy equipment, you will have the whole council, or a few of the council, along with the operators, that go to check this equipment over and see if they're interested in buying this equipment. On May 16 and 17 you're going to see a lot of those R.M. councillors that aren't going to be able to go to that auction. I heard that it's going to create a problem there.

You haven't taken into consideration the R.M.s whatsoever. What you're saying to them is, if you're interested in this equipment, even though you already paid for it, what you can do is come to the auction sale and compete against the American buyers if you want to get it, without giving the R.M.s an opportunity to have bought some of this equipment at a reasonable price to begin with. Why didn't you give them that opportunity, Mr. Minister?

**HON. MR. McLEOD:** — Well, Mr. Chairman, R.M. councillors that we've been talking to have said they'll be at the sale, and I'll just leave it at that. There will be R.M. representatives at those sales, at that sale. There's no question about it. On one hand the member is saying . . . On one hand the member is saying, bring in buyers so that the sale can realize the best price for the taxpayers. So I don't think you're discouraging us from encouraging United States buyers or other buyers to come in and buy some of this equipment so the best price can be realized by taxpayers. I don't think I hear you saying that . . . (inaudible interjection) . . . You say that, and on

the other hand you're saying, if you bring in American buyers to ensure a better price at the sale, our local R.M.s will have to compete with them. So you can't have it both ways, and I would just ask the opposition member to get it straight which way you're coming from.

**MR. LUSNEY:** — Well, Mr. Minister, I think I have it quite straight as to where I'm coming from, and I'm saying: why didn't you give the R.M.s an opportunity to buy it at a reasonable price? The Minister of Highways kept talking about book value, as to what he considers very cheap, and we know what book value is. And if he was interested in acquiring book value for this equipment he should have offered that to the R.M.s, and if he had offered that equipment to them at book value, I think you would have had every R.M. in the province that's interested in equipment buying it. So if you're talking about book value . . .

The problem is we get different things coming from this government, and different values on that equipment with no assurance that the taxpayers is going to get a fair return for that equipment at that auction. If you had reserves on it, then we could see that you would be looking for the best price on that equipment; but without a reserve, if you don't have a good number of buyers there – interested, serious bidders – then that equipment is going to go cheap. And you have no structure in place to say that, if it goes too cheap, we're going to hold this equipment back and wait for a time when we can get a better price for it or offer it to someone else at a cheap price.

There's no way that you can hold back any of that equipment at this auction, even if it does go cheap, and this is what I'm saying, Mr. Minister. Why didn't you set a half reasonable price and allow the taxpayers of this province first to buy the equipment that they might need, and then, if you have excess equipment, get rid of all the other equipment through the auction process?

**HON. MR. McLEOD:** — Well Mr. Chairman, the . . . We do other business in this department in terms of disposing of surplus equipment. We do other business with the R.M.s of Saskatchewan, with local governments of Saskatchewan, and we always in any of those cases, whether it's for a single piece of equipment or for a parcel of materials, we always establish a fair market value, and that's what they buy it at. The fair market value of this particular equipment will be established at the auction sale May 16th and 17th in Saskatoon.

**MR. LUSNEY:** — Well, Mr. Minister, you are saying in disposing the equipment you have through your department, you always establish a fair market value. This is what you seem to charge, or you always have, I suppose – that would be the practice through the bid system, or the tender system that you'd had – to get fair market value for this equipment. If it went too cheap, you wouldn't dispose of it. Now you're saying that not using the tendering process, and using the auction process, that in the auction process they are going to determine fair market value, and whatever that is that's what you're going to accept.

Well if you were going to do that, why didn't you then allow the R.M.s that same opportunity and tell them: we have all this equipment, have a look at it, and put in a tender if that's what you want? If you want this equipment, put in a tender for that equipment, whatever you think it's worth to you, and we will look and see if we're prepared to sell it at that value. Put that tender in, and if the R.M.s didn't put in those tenders for that equipment and didn't want it, then you could say we have no other means of disposing of this equipment, and we could go through the auction process.

But you didn't allow the R.M.s or the taxpayers of this province one little chance on that, to acquire any of that equipment at a reasonable price. You are saying to them that if they want it they can go and bid against it. And yet this is their equipment. They have paid for it once. Why didn't you give them the opportunity to at least tender on that equipment, and let them see if they wanted to pay a certain price for it and buy that equipment?

**HON. MR. McLEOD:** — Well Mr. Chairman, had we followed exactly the route the hon.

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member would suggest and taken a portion of the equipment off to one side, and said, "Here," to the R.M.s, and then have an auction sale and try to get the best possible price for something less than what's there now – for half that amount, let's say just for argument's sake – the smaller sale wouldn't have attracted the number of buyers. The smaller sale wouldn't have attracted the number of buyers, and so we wouldn't have had the price. We're hoping, and we think we know what we're doing in this sale, and I believe we do, and that's the route that we're going. The R.M.s will put in their tender for whatever piece of equipment they're interested in by getting the attention of the auctioneer.

**MR. LUSNEY:** — Well Mr. Minister, you're not giving the R.M.s much of an opportunity. They have to go in there and compete against American buyers, as you state will probably be coming in; we don't know if they will or not. But you could have given them that opportunity. If you were going to give them any opportunity, it was to at least put in a tender on that equipment, allow them to tender on that equipment before you had this huge auction sale.

And there are only so many R.M.s in the province, and we don't know if every one is interested in equipment, and I'm sure they aren't. But there are some that are, so why couldn't you have given them the opportunity to buy some of the better equipment – which they have paid for once – why didn't you give them the opportunity to buy that equipment at a reasonable price? And then the taxpayer of this province would have at least had some benefits out of that money, rather than saying that we're going to hope that all these American buyers come in and buy this equipment, and the taxpayers, if they want anything, can go and pay for new equipment because we won't give them the opportunity to buy this equipment at a reasonable price.

You're asking them to go out there and bid against it, and this might be fine, but some R.M.s won't be able to be out there and bid against that equipment, and it's going to create some difficulty for them. You could have given them a bit of a chance to get hold of this equipment, to look at it, to have their operators and their councillors come in and check this equipment over. You could have given them that opportunity. But your interest is not in the people of this province; your interest is in disposing of assets – getting rid of them and sell them as far and wide as you possibly can. And the people of this province are the last and the least concern to this government.

**HON. MR. McLEOD:** — Well, Mr. Chairman, our communication with local government all . . . and the equipment is there and lined up and many of them are in there looking at it now. Those R.M.s that have a need for equipment will certainly be at the sale, and they've indicated that to us. Not one has ever asked for any special tender that the hon. member is suggesting. And those who want equipment have indicated that they will be at the sale. What more can I say? The R.M.s that the member seems to be . . . suggests that he's speaking for, have not been communicating that to us. They think this is a very fair way to operate and they will be there at the sale, those that need equipment.

**MR. SVEINSON:** — Well, I kicked one dead horse into life; maybe we can kick another one into life. Mr. Minister, I'm interested in this line of questioning. I think one question I would have, I'd have to initiate the discussion with is: how many proposals were presented to you from auctioneers in Saskatchewan?

**HON. MR. McLEOD:** — 47.

**MR. SVEINSON:** — And, as a result of those 47 proposals, you did select one auctioneer to represent the Government of Saskatchewan at that one auction sale that's going to sell all of the surplus equipment in the province. Basically, the selection of that one auctioneer, could you run through that with me for the benefit of the people of Saskatchewan, how you selected him and on what basis, and also include in there, if you wouldn't mind, the commission paid to the auctioneer that won the contract and the low commission that was, in fact, bid by any of the auctioneers across the province?

**HON. MR. McLEOD:** — Well I'll run through it. Forty-seven proposals were received. The proposals were evaluated on the basis of the following five things: (1) the advertising program — the way in which the potential auctioneer was proposing to advertise the sale and where, and where would the buyers be coming from and so on, to ensure a good sale, which we believe is the case; (2) the previous experience in the auction business; (3) plan for management and the operation of the sale — which is a very important item, as everyone would agree — the proponent's plan for management and operation of the sale; (4) Saskatchewan content, which is very important as we continue to look after citizens of Saskatchewan in terms of the business world; and (5) the commission rate.

**MR. SVEINSON:** — Okay. You mentioned that the first, or maybe the most important in your mind, is the advertising program which would bring the foreign buyers, and the offshore buyers into Canada. Now on that assumption my question would be, with respect to the winning contract, what percentage of the commission did he propose that he spent on advertising to bring in offshore and out of country bidders on this equipment?

**HON. MR. McLEOD:** — Well, Mr. Chairman, I've given the five criteria under which the proposals were evaluated. The member alludes to the fact that I suggested that advertising was the first and most important. I listed it number one but they aren't necessarily in importance . . . in terms of importance. All five are very important. I've listed the five things. I will not release the commission rate or the percentage of commission rate expenditure on whatever the various parts are. I just say that the proposal that was received from the winner, the one who was accepted, was the best one available, and that's the one we chose.

**MR. SVEINSON:** — It's rumoured that the commission rate on the winning proposal was approximately 8.5 per cent. Could the minister comment on that, please?

**HON. MR. McLEOD:** — Well I'll only comment that I don't comment on rumours. You know, the hon. member heard a rumour that the Liberal Party was rolling really well in this province of Saskatchewan, and there he sits today. So, Mr. Chairman, I'm not going to comment on any rumour, thank you.

**MR. SVEINSON:** — The rumour that the Liberal party is very healthy in Saskatchewan today is not a rumour. It's an absolute fact. And the basis of the rumour with respect to the winning bid in this particular auction, while it is a rumour, it's also very, very close to absolute fact. I ask the minister: Mr. Minister, would you comment on 8.5 per cent? If, in fact, you won't comment on whether it is 8.5 per cent or not, would you comment on whether or not 8.5 per cent would be a fair allocation of commission on a sale of this size to the winning contractor?

**HON. MR. McLEOD:** — Mr. Chairman, as I indicated before, I would comment that the five criteria that I suggested are all very, very important in terms of the selection of an auctioneer to conduct a sale of this size. It's the only comment I will make on that basis.

**MR. SVEINSON:** — With respect to your second point of importance, previous experience: could you outline the previous experience in heavy equipment sales of the winning contractors?

**HON. MR. McLEOD:** — Mr. Chairman, I would say once again, the five criteria that we talked about are all very important criteria — all of them taken into consideration as a total package. The total package that we accepted was the best of the 47 we received. And this auctioneer, this firm will, we believe, get the most money for the people of Saskatchewan for the surplus equipment that was purchased by that former government that they did not need, and that we are now saddled with the responsibility of disposing of it.

**MR. SVEINSON:** — I'm aware that some very qualified auctioneers did bid on the sale. Several of them have been in touch with me in the last weeks, and basically, they've been very

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concerned that the way, number one, the way it was handled; and number two, that there were several bids that were lower than the winning contractor in this particular bid.

I think the previous experience, as it's listed as one of the criteria . . . And I understand the minister doesn't want to take any single one of these criteria and break it down and relate its importance to the winning contractor. And I can understand that. It would be fairly embarrassing with respect to previous experience. It would also be fairly embarrassing possibly with respect to the actual commission rate paid. I know for certain, and I have with me, in fact, if it would help the discussion . . . I have seen other proposals. Were these other proposals that were presented to you, Mr. Minister, were they not in the same context and based on the same information that you're outlining here? And if so, can you outline some of the reasons why you would have refused other proposals and accepted the proposal you accepted on this auction?

**HON. MR. McLEOD:** — Mr. Chairman, I will reiterate again, we made a good management decision. The hon. member suggests to the House that he has seen other proposals. I would suggest . . . I take it from that that those are proposals that were submitted to us — one of the 47. At least he believes them to be proposals that were submitted to him and were subsequently rejected.

If the hon. member is suggesting that those are very good proposals — and we did have some very good proposals put forward, there's no question about that — I will say once again, we chose the best one based on the five criteria that I've outlined. And if the hon. member suggests that those that he has seen were very good, all that shows is that this one, which was better, is going to get more money for the sale, the most money for the sale that it's possible to get under the circumstances.

**MR. SVEINSON:** — Mr. Minister, you refuse to comment on the commission paid to the contractor who, in fact, received a contract in the sale. You refused to comment on his previous experience, so I suppose the next question is something within his proposal must have attracted you, as the minister, and your advisers, and attracted a very, very . . . You must have been attracted to something within that proposal that said, well, this man is the one out of 47 who should receive the contract.

The third point you mentioned as important is plan of management, plan of management with respect to the sale. Could you outline then for me and the people of Saskatchewan, if A is not important enough to discuss in the House, and B you refuse to discuss, could you possibly discuss the plan of management that that proposal that won the contract would have outlined, that maybe overrode the other 46 contractors in this particular bid?

**HON. MR. McLEOD:** — No, what I've said is I've given the criteria under which very competent managers in our department chose the successful bidder. In this case, the successful bidder chosen by the management team in our department, whom I have very great confidence in, the management team did a good job. They looked at all these criteria, took all five criteria into definite consideration. The total package, when it came down to the bottom line on the total package across the 47 bids, this was the best bid, and that's the one that our managers chose. And I'll stand by that in this House, and I have confidence in managers in the Department of Supply and Services.

**MR. SVEINSON:** — Mr. Minister, I'm not questioning the competence of the people in Supply and Services. I'm questioning the bid proposal that was accepted by you as the minister on behalf of the people of Saskatchewan — that's not totally unrelated to the competence of the people who are working for the Department of Supply and Services.

Back to the discussion on the proposals within the contract, it's been rumoured that 8.5 per cent was accepted by your government as a commission paid on the sale, number one. It's also been rumoured that the contractor who received the bid has no previous experience. Mr. Minister, I

know you find this very funny, but the people of Saskatchewan don't.

It's also been rumoured that the contractor had no previous experience with respect to heavy equipment sale, and the primary impetus of the sale that we're discussing is heavy equipment sales. I see that members opposite feel this is very funny, and I can appreciate that, George. It's a nervous laugh, because I think when this does come to light it's going to be a little embarrassing for the Government of Saskatchewan.

Now, you've refused to give me an answer on the plan of management by the contractor who received the contract, so the last question is: of the 47 bids that were made to your department, how many of them were Saskatchewan in content?

**HON. MR. McLEOD:** — Okay, the answer to the specific question: there were 44 that had total Saskatchewan content; there were three that had either a total outside of Saskatchewan, or were affiliated with auctioneers from outside Saskatchewan, so did not have total Saskatchewan content.

As it relates to another comment of the member opposite, Mr. Chairman, I really . . . He says rumour has it. He reiterates many of his questions with, rumour has it this and rumour says that. I would say to the hon. member, Mr. Chairman, that there's a rumour out there this morning that the Rhinoceros Party is on the upswing, Tuesday would be a good day for the move.

**MR. SVEINSON:** — And based on that rumour, Mr. Chairman, I suppose there could be members opposite who are thinking of joining the Rhinoceros Party of Saskatchewan.

But that is not the debate. The debate here is much more serious than the minister wishes to address it. He is willing now to answer one part of the scenario. He's willing to stand up and say that 44 of the bids were Saskatchewan content. Well if you don't want to hid the fact that you're addressing Saskatchewan content, why is it, Mr. Minister, you wish to hide the commission structure of the offer; the previous experience of the contractor; the plan of management of the contractor; and the percentage that he's willing to spend on advertising to bring the people from across the world that you say are going to come in and bid on this equipment to bring them into the province?

**HON. MR. McLEOD:** — Mr. Chairman, I'll reiterate once again. Commission rates and those kinds of things have never been given by the Department of Supply and Services or its predecessor, government services, for good reason. They will not be given by this department or this minister. What I will say, and I will say once again: the management team in the Department of supply and Services that put up the proposals, that accepted the proposals, the 47 proposals, and evaluated them on the basis of the five criteria which I have outlined, I have confidence in did a good job. The proposal that was accepted was the right one and the best one. The proof will be in the pudding on the 16th and 17th of March. I invite the hon. member to attend the sale.

**MR. SVEINSON:** — I accept your invitation and I'll make every attempt to be there.

Now the minister qualifies all his answers with the credibility and the confidence he has in his staff. I recall sitting on that side of the House and addressing the same kind of concerns to the government who is now represented in opposition beside me, and somewhere along the way the people of Saskatchewan lost confidence in their advisers. And I would suggest to you that, on the same token, that with answers like you've given me today on the sale, somewhere along the way the people of Saskatchewan are going to lose confidence, not only in your ministry, Mr. Minister, but also maybe in some of your people.

The question I have is: do you rest assured that the hotels in Saskatoon are full, as of sale date, of buyers from U.S. and offshore, Saudi Arabia – I guess some of those graders would move sand, and apparently there's people coming in from that part of the world – are you satisfied that

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these hotels are now full, that their accommodations are looked after? And if so, how many people have presently booked from offshore and out of the country to participate in the sale?

**HON. MR. McLEOD:** — Mr. Chairman, what I'm satisfied in. I'm satisfied in the advertising program presented by the bidder who won this proposal. I'm satisfied in the previous experience of that bidder. I'm satisfied in the plan for management and operation of the sale. I'm satisfied in the total Saskatchewan content of that auctioneer, and I'm satisfied in the commission rate as a reasonable one. Those are the things I am satisfied in.

I'm satisfied that the sale will be the best possible sale for disposing of the surplus equipment now owned by the Government of Saskatchewan, which should not be owned by the Government of Saskatchewan and which, after the 16th and 17th of May, will not be owned by the Government of Saskatchewan, and that the taxpayers of Saskatchewan will realize the most money possible for the assets which will be sold.

**AN HON. MEMBER:** — Hear, hear!

**MR. SVEINSON:** — Well, you did get an ovation. It certainly wasn't standing, George.

I would like also to ask, Mr. Minister . . .

**MR. CHAIRMAN:** — Order, order! I caution the member to use the name of the constituency rather than personal names.

**MR. SVEINSON:** — Mr. Minister, there never was a suggestion that I was your friend, and that's part of your trouble as a government. Maybe you should drop up to the back benches and introduce yourself to some of the back-bench members. And if you did that, and you got to know a few of these boys, I am sure that my presence in this House would maybe not even be one. And I'll just say to the back-bench members, I would also advise you to get to know some of the front benches in the Conservative government. They have some ideas, but they're unwilling to share them.

**MR. CHAIRMAN:** — Order, order! We are on estimates of Supply and Services. I have allowed a little comment on party policies, but I cannot have a complete debate on party policies and party strategy. So if you would limit yourself to Supply and Services, please.

**MR. SVEINSON:** — I apologize to Mr. Chairman. But earlier it was enunciated by the minister that some 600 inquires had come into his office from the United States of America with respect to the auction sale. Now I know the situation in Regina. If 600 people were to flow in here for a weekend, we may have problems housing them. What are you doing to assure that the people coming in offshore will have accommodation in Saskatoon for this sale?

**HON. MR. McLEOD:** — Mr. Chairman, the sale is being very well management, very well management. The hon. member has suggested on many occasions that he is a proponent of less government. Less government means fewer employees in the department, more employees in the private sector. To have fewer employees in the various departments and more in the private sector it would logically follow there should be less equipment in the departments, and there should be more in the private sector. This sale logically follows from the move of this government to have less government on the backs of the taxpayers of Saskatchewan.

**MR. SVEINSON:** — Mr. Chairman, I don't debate what the hon. minister just alluded to, but I do and have been a proponent of less government. And I don't take any different position on my own philosophy with respect to government, but I do take a fairly hard position on the nature of this auction sale that's representing a capital owned by the people of Saskatchewan. And I just want assurances that everything is being done by the present government to assure the people of Saskatchewan that they're going to get the best dollar for the equipment sold.



I don't think I've ever mentioned anything, hon. minister, with respect to the sale of the equipment. I'm just saying that, based on the auction sale itself, and the criteria you've given me outlining why you chose a contractor to sell this equipment, I'm trying to get some answers on behalf of the people of Saskatchewan to at least relate, in some way, to the reasoning your department would have to make these selections . . . (inaudible interjection) . . .

Now the hon. member from Lloydminster has just jumped into the fray, and the hon. member from Moosomin is answering most of the questions for the hon. minister from Meadow Lake. It's an interesting discussion, this. I wish the public could see what was happening on the other side. It's chaos. It's panic. They don't know how to react to the situation . . . (inaudible interjection) . . . I will. I am a spokesman of the Saskatchewan Liberal Party, and all we want . . .

We would like assurances of this government that there's a fair and equitable sale happening. And there are indications out there from the auctioneers, also from the people of Saskatchewan, that maybe there is not a fair and equitable sale happening. And all we're asking, as a party that would like to see at least a fairness in the handling of this whole operation, all we're asking for is the minister's assurances, and he will not give us any evidence to, in fact, substantiate the assurances he's attempting to give us.

He suggests I'm saying his department's incompetent. Well that's not the question here because he has the overriding decision with respect to his department. His department officials listen to him. That happened in past government. It's on the record. It's very clearly enunciated in both sides of the House.

So basically, the question, George, is the last question I asked was not answered. I'd like to get back to it just for a moment, just for a moment, just for a moment. The opposition will get their . . .

**MR. CHAIRMAN:** — Order, order! Order!

**HON. MR. DIRKS:** — Mr. Chairman, I believe this is the second or third time that the member from Regina North West has used personal names in this Assembly, instead of referring to the member as "the hon. member." I believe the member was cautioned once already to refrain from that, and I wonder if you would chastise the member appropriately.

**MR. CHAIRMAN:** — I've cautioned the member and . . . Order. As the Speaker indicated earlier there has to be silence when the Chairman or the Speaker is speaking. I thank the Minister of Social Services for reminding me of the rule. I have cautioned the member, and I'm sure he will try his best not to infringe upon the rule. Will the member for Regina North West continue?

**MR. SVEINSON:** — New question of the member for Meadow Lake, who represents the Meadow Lake constituency and as the Minister of Supply and Services, my question is: Have you assured the offshore and the American visitors who are coming into this sale, have you assured them that there is adequate accommodation in Saskatoon to, in fact, put them up over the weekend of the sale?

**HON. MR. McLEOD:** — Mr. Chairman, the Department of Supply and Services accepted the bid, as I've said, on those criteria. The auctioneer has things well in hand as I understand it. But what I will say, the member has asked in his previous questioning, has asked for assurance from myself as Minister of Supply and Services on behalf of the government and my colleagues, that this sale . . . that the acceptance of the bid of the auctioneer who will be conducting the sale was right and proper, and is the best proposal there.

Mr. Chairman, I'm prepared, because I believe in ministerial responsibility, as do all members on this House — ministerial responsibility in the parliamentary system — I believe in it . . . I take full responsibility for the selection of that auctioneer, take full responsibility for the actions of my

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officials who have done a good job, and I will give the assurance to the member, to all members, to all the people of Saskatchewan, that the sale is being conducted in the best possible way according to the best proposal given of the 47 proposals received. You have that assurance. And we'll leave it at that, Mr. Chairman.

**MR. SVEINSON:** — The assurance by the minister has not necessarily been accepted by the auctioneers in Saskatchewan, and hasn't necessarily been accepted by the opposition in Saskatchewan.

Going back just a ways to the commission paid, I would expect that somewhere in Public Accounts, or somewhere down the road, the commission paid with respect to this sale will become public. In that event, why is the minister refusing to make public the commission paid on this sale at this time?

**HON. MR. McLEOD:** — Mr. Chairman, we'll be here an awful long time. I have given the House the assurance that was asked for. I have given the House the criteria under which the proposals were evaluated. That's all I'm prepared to give. That's all I'm required to give. That's all that I should give. That's all that I should give. That's all that I will give. And Mr. Chairman, that's all I can say about it at this time.

**MR. SVEINSON:** — The people of Saskatchewan are asking me, Hon. Minister: what is the number — what are you paying the contractor who won the bid for this sale — what are you paying him to conduct this sale?

**MR. CHAIRMAN:** — Order. Order. Is the member for Regina North West suggesting something improper with respect to payment? I didn't fully understand the question.

**MR. SVEINSON:** — No, I'm not, I'm just asking the minister. I'm not suggesting that payment would be improper. I'm just asking what commission is paid the contractor with respect to this sale. It's a commissioned sale. An auction sale is usually conducted on a commission basis. I think it's well within the range of the minister's office to answer that question.

**HON. MR. McLEOD:** — Mr. Chairman, I've been — shall I say — more than patient? I've given the assurance that's required in the House. I've given that assurance, Mr. Chairman. The hon. member insists on suggesting from his seat in the middle over there, the people of Saskatchewan are asking him this and that. I suggest to you, Mr. Chairman, that the people of Saskatchewan haven't stopped laughing enough to ask him anything. The people of Saskatchewan are laughing at that member. They have no time to ask him a serious question about anything that's serious, as it relates to the political activities of this province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SVEINSON:** — Mr. Chairman, I'd like to say, the people of Saskatchewan are laughing with me, and they're laughing with me at that government across this House.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SVEINSON:** — And a government that becomes so sensitive to a question relative to a commission paid on a sale of government equipment, I believe, is not only . . . The signs aren't there that you're falling — your wheels are coming off — as it was earlier said by a member of the opposition, but the signs are there that you refuse to answer questions that the people of this province pose to you, that should be answered in a very fair and a very equitable manner.

**MR. CHAIRMAN:** — Order.

**MR. LUSNEY:** — Mr. Minister, all the time that the member from Regina North West was on his

feet asking you questions you refused to answer. Now, Mr. Minister, I don't see why you would refuse to tell the people of Saskatchewan what commission you are paying on this tender. People are told what the bids are on highway construction that contractors bid on. This is just another contract that you have with bidders in this province. Why would you deny the province, or the people of this province, to know what you are paying for this auction? Is there something to hide, or what is your reason for denying this information to the public?

**HON. MR. McLEOD:** — Well, Mr. Chairman, let me just . . . I have given the criteria that the proposals were evaluated under. If you use the logic suggested by the members opposite, who would suggest that commission rate is the only thing . . . Let's take a hypothetical example: an auctioneer could come in and say, "We'll sell that equipment for the commission of, let's say, one-tenth of one per cent," and pay no attention whatever to the other four criteria, which are very important. I mean, if you take that to its logical conclusion, it makes no sense whatever.

The commission rate is important, but it's important in the sense that it's in the total package of the five criteria that are there. The five criteria were looked at carefully. The total package was looked at carefully. The auctioneer was chosen in a very responsible and professional way, and I'll give my assurance, once again, to the people of Saskatchewan, and to this House.

**MR. LUSNEY:** — Mr. Minister, I am not denying that there are other components of your decision to allow this to the one auctioneer. All I am saying is: what is the commission that you have accepted his bid on? What commission is he going to get, along with the other considerations. . .

**MR. CHAIRMAN:** — Order!

**AN HON. MEMBER:** — Order for what?

**MR. CHAIRMAN:** — I said order! If the members will be quiet long enough, I will give them the reason. Now, the question that's been asked on numerous occasions here today is: what is the commission? The minister has answered many times he is not going to reveal the commission. The only question that I suggest is now relevant is maybe why he is not giving the answer, but to ask the same question — what is the commission? — and get the same answer is repetitive and is out of order. but I will allow questions leading from that point.

**MR. LUSNEY:** — Mr. Minister, in that sense I will rephrase the question. Mr. Minister, along with all the other consideration s that you have made, will you tell us with the other considerations in accepting the tender of this one auctioneer for the sale of this equipment, what was the commission paid? What were the other considerations that you have made in allocating this bid to Brown's Auctions? Give us all the details of this tender. We know there might be others, and whatever it is, we'll accept it, but tell us what the tender is, what the other considerations were that you accepted.

**HON. MR. McLEOD:** — The hon. member suggests that I have not given the other criteria. I have given the other criteria which, together with the commission, which together with the commission in a total package, make up the criteria under which proposals are evaluated. I'll give them one more time.

The advertising program suggested: previous experience of the auctioneering firm, the plan for management and the operation of the sale, the Saskatchewan content of the firm, and the commission rate. All five of those make up the criteria under which these proposals were evaluated.

I would say, you know, the hon. member continues to suggest that we're withholding — and for no good reason — the commission rate. We are withholding the commission rate. It is not a reasonable thing to give the commission rate. Taken alone it can be taken totally out of context.

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It can have the wrong effect on future bids and tenders by auctioneers. It's the same thing that's always happened. It always has, and it's always been, and it never has been the practice, nor will it ever be the practice, to give the proposals, the details of the proposals, of one business person over another in this House or anywhere else.

Our department deals with the business people of this province in a responsible way, and the business people of this province deal with our department in such a way. The people of this province deal with our department in such a way that they expect us to respect the confidentiality of their material. And we will continue to do that, despite the efforts of the NDP to forget about business, to forget about business people – small-business people in this province.

**MR. ENGEL:** — Thank you, Mr. Chairman. Mr. Minister, . . . (inaudible interjection) . . .

**MR. CHAIRMAN:** — Order please. Order, order! If the members of both sides would be a little quieter the member for Assiniboia-Gravelbourg could ask his questions.

**MR. ENGEL:** — This issue seems to have touched a very sensitive note amongst members opposite. There's several criteria that the minister mentioned, just as I was coming back into the House, when he was discussing this auction sale. I'd like to go over them. I have purchased equipment at heavy equipment auction sales, and I've sold equipment at heavy equipment auction sales. I even sold some at a sale in Saskatoon for the member opposite's information.

Mr. Minister, when somebody is buying or selling heavy equipment, I think it's very, very imperative that that person has experience in the field. Now you said you chose this auctioneer because of his management ability and his experience. Can you tell me how many heavy equipment auction sales that Brown has ever conducted or how big of equipment sales he's ever had? When has he demonstrated, in this province or in Canada, that he's been able to manage a heavy equipment auction sale with that amount of equipment? I would like to know what you have in his management background that he's able to handle a large sale?

**HON. MR. McLEOD:** — Mr. Chairman, I have said on many occasions, I will say again, the five criteria, all of which are important, and taken together are the criteria under which the proposals were evaluated. Experience was one of them, experience in conducting auction sales. I will say once again, and give the House my assurance that the best proposal was accepted. The best proposal, as I said, was accepted. And that sale will be conducted in the best way possible, on behalf of the taxpayers of Saskatchewan, in the disposal of this equipment.

**MR. ENGEL:** — The minister is using lines of clichés and quotations, but you never answered my question. I said, did the contractor or the auctioneer that won the bid – did he ever conduct a sale where he sold heavy equipment, before? Period. Short and precise.

**HON. MR. McLEOD:** — Mr. Chairman, experiences is one of the five, as commission was one of the five, as advertising is one of the five. And I will say once again: this auctioneer, this firm, will conduct this sale because the proposal, including all of the five criteria, was the best. And that sale will be conducted by this auction firm and will be conducted in a very good and responsible way.

**MR. ENGEL:** — Mr. Minister, you refuse to talk about experience. You refuse to talk about his commission. You refuse to talk about his managerial experience. And the other one was . . . Saskatchewan content.

Now you always say five. I believe number five is the only reason he got the sale. And I want to know now, how much money is he putting under the table to the Tory Party? Because that's criteria number five.

**SOME HON. MEMBERS:** Hear, hear!

**HON. MR. McLEOD:** — Mr. Chairman, Mr. Chairman, I'm absolutely surprised that that member, who I will hesitate to call an hon. member, would say something like that. It's absolutely the case. These five criteria were suggested, these five criteria were evaluated by officials of the Department of Supply and Services whom I have great confidence in.

And don't you tell me about patronage in this House. Don't you dare talk about patronage to me. This House is a place for you, as an hon. member or a so-called hon. member . . . You talk to me in an honourable way about the way in which a sale is being conducted, you do that and I'll give you the answers. I have given you the answers today, and don't you dare suggest anything like that because it's totally dishonourable of you to do so.

**SOME HON. MEMBERS:** Hear, hear!

**MR. ENGEL:** — The member is very sensitive. The member is very sensitive. If the member thinks he's going to sit me down by intimidation, he can keep at it for a long time. He can keep at it for a long time. I asked you how much experience did the auctioneer have and you never answered me. You never answered me about experience, because I want to know if he ever sold an item worth \$100,000. One item. Did he ever sell one item worth \$100,000? Contractors told me we're going to an action sale to a guy that sells fridges and stoves. That's what they tell me. That's what the contractors tell me.

Now the other aspect I want to know is, you said Saskatchewan content. Is the auctioneer bringing in helpers or other auctioneers that have sold heavy equipment before? Is he contracting out part of the sale to guys that know how to sell heavy equipment?

**HON. MR. McLEOD:** — Mr. Chairman, I will not take one of the five and break it down individually. I will tell you that the total package, as I've said many times, is there. The hon. member asked these questions, and I would say one more time as it relates to your last question, you go outside that door and say what you just said in here. If you have the intestinal fortitude to walk out side that door and make the accusation that you made in here, just go out there and make it. If you have any courage you will go out of that door and make that statement, because that's the issue that you raise here. You've been trying to do it by innuendo all morning, and now that so-called hon. member stood up and did it here. But go outside that brown door and do it. I challenge you to do it right now.

**MR. ENGEL:** — Well Mr. Minister, you refuse to break down the four criteria. You said there's five. I'd like to go over the list again. I haven't got five. You've given us four. You said that, and I won't deny Brown's a dirty advertiser. Anybody can put together some ads and advertise. So I'm not questioning the advertising, because any auctioneering firm can get a printer and draw up some bulletins and put them out and advertise. I don't deny the advertising. But I want to know, number one, about previous experience. I want to know, number two, about managerial experience of a sale. And I want to know about Saskatchewan content. You have refused to tell me if he's going to bring in some experts. You've refused to tell me. Is he going to bring in some helpers that know how to sell heavy equipment?

**HON. MR. McLEOD:** — I have said to the hon. member, I've said to the hon. members in this House, I've said before: this is a professional auctioneer. This auctioneer will be doing the sale. This is a professional auctioneer who put in 1 of 47 proposals and was the successful proposal. This auctioneer will be conducting that sale. It will be conducted in a very professional manner.

And that hon. member with his innuendo is not worthy of any reasonable answers in this House because of the innuendo that he lays out there. You want to say something about it, you go out that door and say it today, what you're suggesting now. You go out there and suggest today,

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because you are taking this issue to the lowest road that you've ever gone in this House and that's mighty low.

**MR. ENGEL:** — Mr. Chairman, I was elected to represent the people of Assiniboia-Gravelbourg in this House. If I ask a question of how much money are you getting in your party under the table, that is an honourable question and I'll stand by it because he could just stand up and say not one cent. Why don't you say not a penny? Why didn't you say you're not getting a penny? Why aren't you saying you're not getting any money from them?

You are conducting a very large sale. You are conducting a very, very large sale. I know how large that sale is. I know what 8.5 per cent of that sale is going to be, so part of that . . . (inaudible) . . . says, okay, he's hiring another auctioneer. Why didn't you tell us if he is or not? Why didn't you tell us if he is or not?

Who are the people that are going to be conducting this sale? Brown is a general contractor and he got this contract to run it. The Minister of Highways assured me in Highways estimates that somebody is going to sell it that knew how to sell heavy equipment. Now tell us who the sales people are going to be.

**HON. MR. McLEOD:** — Mr. Chairman, I'm a member of this legislature here to represent the people of my constituency. That member suggests on his feet that he's here to represent the people of Assiniboia-Gravelbourg. He suggests to me that I know something about the raising of funds for the Conservative Party of Saskatchewan. Well I don't. I'm here to represent the people of Saskatchewan, and I don't do any fund raising for my party.

The hon. member also suggested he has experience in the contracting business, and experience in selling and buying equipment. And the way that he brings that to the top of his head in terms of some kind of . . . what does he call it? I hesitate to use the words that that member would use, talking about under the table, and all this sort of thing. If that's the way you conducted your business when you were in the contracting business, so be it. That's the way you conduct your business. And if that's the kind of activity that you brought to politics, so be it. That's you and the NDP, but that's not us in the Conservative Party and nor will it ever be.

**MR. ENGEL:** — Mr. Chairman, Mr. Chairman, when I was a contractor I had somebody from the government come to me and ask for 10 per cent of the hold-back. I didn't give it to them. That's why I'm sitting in this House today. That's why I'm sitting in this House today. I know it's been done by right-wing reactionary governments in the past. I know it's been done in the past. And go around Regina with me and I'll introduce you. I'll introduce you to people that have given patronage money.

**MR. CHAIRMAN:** — Order, order. The member for Assiniboia-Gravelbourg is recognized by the Chair. Would you give him a chance to speak?

**MR. ENGEL:** — Thank you, Mr. Chairman. We have a situation here today where the government is selling off a lot of construction equipment. We are selling it, we are selling it at time, we are selling it at a time by public auction when contractors are over-stocked with equipment. I know they are. They tell me that third of their equipment has been rusting since you were in office. They haven't been using their highway equipment in Saskatchewan. I know it's rusting. And they are by public auction selling off heavy construction equipment by an auctioneer that his reputation is for fridges and stoves — is for fridges and stoves.

I asked you what he's getting. You refused to tell us. I asked you why you hired him. You refused to tell us. I asked you what managerial experience he has. You refused to tell us. And you try and create a big over . . . (inaudible) . . . that we are somehow suggesting something's wrong.

I asked you a flat out question: are you paying money under the table, is that the fifth criteria?

Okay. So you said you're not. We'll find out how much commission there was because we'll know how much the sale brought, and we'll know how much the government got out of it, so the rest is commission. That's easy to determine.

Why you are keeping that a secret I don't know. I don't know why you wouldn't tell us what percentage you're getting. I don't know what percentage you're getting but, Mr. Minister, unless you clarify some of these points the people of Saskatchewan are going to be very, very suspicious of this government, and they're going to say that this right-wing reactionary government, this government who is friends of big business is no different, is no different than what we saw from '64 to '71. No different.

**MR. SVEINSON:** — I suppose it's my place to apologize for directing this House today on a very touchy issue, that of commission. And I appreciate that the opposition, the NDP opposition, has picked it up with such enthusiasm and the minister, unfortunately for himself, has approached it with such disdain. I think it's extremely important to the people of Saskatchewan to know was the winning contractor the low bidder with respect to commission. Was the winning contractor the low bidder with respect to commission? You have indicated that we had 47 bids. We had 44 qualified contractors, auctioneers, from Saskatchewan bid on this sale. If all of them were qualified, I would think the primary reason for awarding the contract to the contractor that got it would have been commission. Was the low bid, Mr. Minister, was the low bid the auctioneer that got the contract?

**HON. MR. McLEOD:** — Mr. Chairman, I have said that the commission rate is one of five in the package. The commission rate is one of five in the package, and all I'm saying is that the total package was considered in a responsible way, as I said before, and that is all I can say and all I reasonably should say.

**MR. SVEINSON:** — Would it be incorrect in assuming that there was a contract, at least one of the auctioneers, who bid as low as 5 per cent on this sale?

**HON. MR. McLEOD:** — Mr. Chairman, we're not here to deal in rumour, as I established earlier with the hon. member, or to deal in assumptions and so on. We are not to be . . . I will not be answering assumptions, and that's what he's putting out here — assumptions. And as I said in the hypothetical case I laid out before, if you were to take one item of the five — for example, the commission rate — if you were to take one item of those five and break it down by itself, and say, that alone will be the criteria upon which this proposal will be accepted, somebody could come — in with no advertising program, no plan for the management of the sale — from somewhere outside of Saskatchewan, and offer something in less than 1 per cent, or some portion of 1 per cent, and receive the sale, if we used the logic suggested by hon. members of both parties opposite.

**MR. SVEINSON:** — That was not my question, Mr. Minister. My question wasn't that you single out a single auctioneer who made a bid on this sale and say, well, this is ridiculous. My question was: I believe that anything above 5 per cent would have to be credible as far as the commission rate is concerned. And I think the auctioneers of Saskatchewan agree with the same thing.

My question was not that we have a ridiculous bid of 1 per cent. My question was: was there a bid? Was there a single bid in the 5 per cent range from an auctioneer who has Saskatchewan content, who has all the other criteria that you list here? Was there a bid in the 5 per cent range?

**HON. MR. McLEOD:** — Mr. Chairman, if we follow what the members are asking, the next logical step would be to evaluate in public then all of the 47 proposals. There can only be one winner, Mr. Chairman. There can only be one winner, only one winner, and in this case there are 46 losers in the proposals. You can never satisfy everyone in this business, whether it's with a

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lease space, or whether it's with any kind of tendering, you're never going to satisfy everyone. The winner wins and the other people will lose it.

It's the job of the purchasing agency of this department to evaluate the proposals on the basis of the several factors as a package, as I've said before. We have done that. Good responsible officials have done that. We've come to the decision that we've come to. I have accepted my ministerial responsibility in this government as all of my colleagues do in their areas. And I take that responsibility . . . I have given the House assurance, and I'll give it once again, Mr. Chairman, in case the members didn't hear it. The assurance is there and we will not be evaluating those proposals in public to compromise all of the people who do business with our department.

**MR. SVEINSON:** — I only have four criteria down. I may have missed one. The opposition sitting to my right intimated what that fifth criteria could be. Could the minister go through the criteria again? I've missed the fifth one and I think you have them in order of priority. So could you go through that order of priority again, Mr. Minister, and outline the fifth criteria.

**HON. MR. McLEOD:** — They are not in order of priority. And, in case anyone would suggest that they are, I will read them in a different order this time so that you can make sure that you would never want to go outside this House and misrepresent what I'm doing. Here are the five criteria. They are not in the order of priority. The five are a package, as I've indicated how many times.

1. The advertising program suggested by the proponent;
2. Previous experience;
3. The plan for the management and operation of the sale;
4. The Saskatchewan content of the proposal;
5. The commission rate.

Now that was an hour or so ago that I've given that, and we're back to the same place. So carry on, gentlemen.

**MR. SVEINSON:** — Thank you, Mr. Minister. I would say, in my appraisal of your five conditions, that possibly the advertising program and the commission rate would be negotiated together. Obviously with a sale of this magnitude the contractor who won the sale should be willing to outline exactly what percentage of his commission he's willing to spend on advertising. As you've alluded to earlier, the people of Saskatchewan would benefit most from a good advertising program. The price of the equipment will, in fact, rise as a result of a good advertising program.

My question is: why was it not collectively addressed? And with respect to the 8.5 per cent that's been alluded to as a commission, why was the advertising package not a percentage of that 8.5 per cent?

**HON. MR. McLEOD:** — Mr. Chairman, the member is again making assumptions. I have said that all five things are considered together, which would mean if those are the five, and I say all five are considered together, it should logically follow that two of the five are considered together as well, or three of the five. All five are considered together which means the commission rate is discussed and considered along with the advertising program, along with the previous experience, along with the management plan, along with Saskatchewan content. They are all considered together.

**MR. SVEINSON:** — You did isolate, Mr. Minister . . . In deference to what you just said, you did



isolate one part of that package that you were willing to expand on and indicate to the people of Saskatchewan that Saskatchewan content became a very important consideration. You just, a little earlier in this discussion, alluded to 44 people, 44 contractors, who did have total Saskatchewan content, so that you have isolated one, you have isolate done. I've asked you questions on the other four – you've refused to answer. My question would be: does your refusal to answer indicate that you're hiding something, or are you just, as you assured me earlier, are you trying to protect the people of Saskatchewan and the auctioneers of Saskatchewan from an embarrassing situation that happened within your department?

**HON. MR. McLEOD:** — First of all, Mr. Chairman, we don't consider it in any way, shape, or form, an embarrassing situation to the department. The department is acting in a very responsible manner. We say to the business people of this province that our department deals with on a day-to-day basis, that we will act in a responsible way. One of the paragraphs of the proposal called that went out to all of the auctioneers who subsequently submitted proposals – 47 of them – one of the paragraphs reads as follows, and I quote:

Proposals received after the closing time and date stated above will not be considered. Proposals will be kept in strictest confidence and will not be open in public, and will be kept . . .

But the key words there, “will be kept in the strictest confidence,” and I suggest for the sake of the one who won the contract, as well as for the sake of the 46 who did not win the contract, we will go by our word, as we always do in this department, in dealing with the taxpayers and the business people of this province.

**SOME HON. MEMBERS:** Hear, hear!

**MR. SVEINSON:** — Thanks. Mr. Minister, I would suggest to you that that was a very unilateral decision on your behalf, or was that in discussion with the auctioneers prior to sending out that call?

**HON. MR. McLEOD:** — This was the first sale, I believe, in the history of the province where all the auctioneers of Saskatchewan received the right to tender, received the right to propose. So they all had a right to choose. So as far as any consultation with the auctioneers we said, we sent out proposals to the auctioneers of Saskatchewan, just something that had not been done prior to that, and it's our open government way of doing things and will continue to be.

**MR. SVEINSON:** — I'm not questioning your open government. I am questioning your proposal call. Was there discussion with the auctioneers based on the proposal call you just read out earlier regarding the confidentiality of the total proposal package? Did you sit down with the auctioneers of Saskatchewan and arrive at that proposal item, or did you unilaterally out of your own department and on your own recognizance, did you present that proposal call to the auctioneers?

**HON. MR. McLEOD:** — The proposal call was sent to the auctioneers. The proposal call was drafted in our department and sent out to the auctioneers of Saskatchewan.

**MR. SVEINSON:** — So you're saying that the proposal you just mentioned earlier, the decision for all the hush, hushness regarding that proposal call and the commissions paid and the experience and everything else outlined in your five-point package, you're saying that decision was unilateral out of your department and was not in consultation with either the people of Saskatchewan or the auctioneers who bid on that contract.

**HON. MR. McLEOD:** — Well once again, Mr. Chairman, and the hon. member. The proposals were drafted in our department. We decided that we would get the best . . . go by the best possible method of disposing of the equipment that was surplus to the departments of

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government. And the decision was taken by our department, which we do not apologize for, to go by public auction. We made that decision. We drafted a proposal. We sent it to Saskatchewan auctioneers and that's the . . .

**MR. SVEINSON:** — So I just want to basically sum up what's been discussed here this morning: (a) you refused to tell the people of Saskatchewan, you refused to tell them, you refused to tell the people of Saskatchewan what the commission rate was; (b) you refused to outline to the people of Saskatchewan the experience of the contractor that won the contract; (c) you've also refused to outline the percentage of the contract that that particular auctioneer is willing to spend, and that money would be actually spent on his behalf but also the people of Saskatchewan, is willing to spend on advertising. You've refused to answer the questions asked in this Assembly of your ministry that would, in fact, I think add a participatory factor with respect to the whole constituency of Saskatchewan. Mr. Minister, I believe that it's in your court now. I think you should answer those questions for the people of the province. And if you do, I could assure you that the Liberal Party of Saskatchewan would be satisfied with those answers, if you will answer those things in due course and maybe by five o'clock this afternoon.

**HON. MR. McLEOD:** — Mr. Chairman, we in this department are adhering to business principles that have been established over many years. We will continue to adhere to those established by governments and the departments of government service across Canada and across North America. So there's no question about that. We adhere to business principles that have been established for a long time. We will continue to do that, Mr. Chairman.

**MR. LINGENFELTER:** — Mr. Chairman, I would go back to an earlier question that I asked the minister. I had asked him early on in this tendering process whether or not there were any tenders in any form within his requirement, where anything other than the lowest tender were accepted.

He gave me his personal guarantee at that time, when the questioning started today, that nothing other than the lowest tender had been accepted by his department. Am I to believe that in this case you are saying that the lowest tender was accepted on this sale?

**HON. MR. McLEOD:** — Mr. Chairman, the hon. member was referring at that time to the public words and to the purchasing of commodities. The hon. member was, because you talked specifically about specifications, and you said, were there any occasions where the contract was awarded for other than the lowest tender because of specifications – because of specifications. And I said no.

**MR. LINGENFELTER:** — Are you then guaranteeing that for this sale, the Saskatchewan government's unreserved public auction, that the lowest tender was accepted? That's the question.

**HON. MR. McLEOD:** — A sale like this, because of the criteria that I have discussed to you, commission rate which I believe you're referring to, commission rate as being the lowest – the lowest tender or the highest tender – this sale was evaluated on the basis of all of those criteria, the commission rate being one of five criteria – the commission rate being one of five criteria.

I've said that before. This is the best proposal. This sale, or any auction sale, cannot be based on the basis of highest or lowest. It has to be based on the basis of all of these other criteria which I have outlined clearly to you, and that's what I can outline again for you, but I don't think it's needed.

**MR. LINGENFELTER:** — I think what's at question here is an earlier statement that you made that any tenders that were given out by your department, that the lowest tender was always accepted. What we are now seeing here is that we have a tender – at least, it's the suspicion of the opposition – where the lowest tender was not accepted.

And I think it's important for the committee to clarify that point, whether your earlier statement was accurate, or whether you attempted to mislead this committee by telling us that the lowest tenders are always accepted, and you didn't.

Now I would ask you one more time: in this instance, in this public auction, is the lowest tender accepted or not?

**HON. MR. McLEOD:** — Mr. Chairman, the reference that the hon. member makes into the earlier workings of the committee this morning was related to public works. He made a reference to the public works, the whole area of specifications as it relates to the building of buildings, and those kinds of things. So clearly, there was no attempt to mislead the House, and there will not be an attempt by me to mislead this House.

**MR. LINGENFELTER:** — Well I think it's clear by your statement, Mr. Minister, that the lowest tender was not accepted for this auction. And I would ask you, Mr. Minister, if you will, in confidence, and personal confidence, deliver that information of that tendering process to the opposition.

**HON. MR. McLEOD:** — Mr. Chairman, I have said that we have told the people who sent proposals that it will be kept in the strictest confidence, and it will be kept in the strictest confidence, and won't include opposition members — or members of the government side, for that matter.

**MR. LINGENFELTER:** — Mr. Chairman, I think it's important that at this time we establish a precedence in this House, where the minister himself has given personal and confidential information to the opposition on a similar matter.

Last year in the committee of finance under similar circumstances, an analysis of a lease, which was given to the opposition in confidence, and personal — and I'll read you the letter that was given by this minister on a similar issue last year. A question was asked by the member from Regina Centre, Ned Shillington, and the letter was returned from the minister to Mr. Shillington, that says:

During the committee of finance, on May 19, 83, the Hon. Joan Duncan agreed to provide you with a copy of the analysis recommending a lease-purchase agreement for the urban camp in Saskatoon. You agreed that this material would be kept strictly confidential. Accordingly, I have attached a copy of the report prepared by the capital planning division of my department.

You will note that the report recommends a lease-purchase option. The result of the recommendation: we have entered into a suitable lease-purchase arrangement with Atco Structures.

This letter is signed by yours truly, George McLeod.

We have established in this House that information on tendering can be sent to members of the Assembly on a confidential basis. Mr. Minister, your refusal to do this, in this instance, I think proves one thing. It proves that what my colleagues from Assiniboia-Gravelbourg said earlier on is accurate.

It proves to me unequivocally, Mr. Minister, that you have something to hide, that you will not give the information to the committee, to the press, to any members of your government. Even the back-benchers, you say, are not qualified to hear this information. And I want to tell the public why they are not qualified to hear this information, Mr. Minister, there's something wrong, with the way you have accepted this tender, and I believe that the only way to clarify it, to take

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away the accusations that have been made, to clear the deck, is for you to come clean; and I'll give you that opportunity to explain to us for the last time why you are not willing to give it in confidence to the members of the opposition.

**HON. MR. McLEOD:** — Mr. Chairman, I have outlined to you that we have said to the business people concerned in this particular issue, who have given proposals to us, that we would keep the proposals in strictest confidence. Now Mr. Chairman, my interpretation of those two words – strictest confidence – is just that. They do not expect that the proposals, they do not expect at all that I should take those to a meeting of my colleagues. The member from Moosomin, as you have suggested, who is my seat-mate, sits here, does not know, has not seen these proposals. Nor do those auctioneers . . .

**MR. CHAIRMAN:** — Order, order. I would ask the member from Regina North West to keep quiet while the minister is answering the question.

**HON. MR. McLEOD:** — As I was saying, and thank you, Mr. Chairman, as I was saying, I do not expect that these documents . . . They do not expect, the business people who submit proposals, that they would be given to members of our caucus, or I would go out to Conservative meetings and talk about them. And they certainly don't expect that I would give out things that came to us in strictest confidence, which they believe are in strictest confidence, to members of the opposition or anyone else. We will not do that.

It is absolutely the way and if the member would suggest that he would do it, I guess I could take from that: if you were in government. The reason you are there now is because you were unable to deal with the business community in this province. One of the major reasons. You are unable to deal with them. What you call strictest confidence is to share anything that you have in your confidential file with everybody at every NDP meeting there is – if anybody comes to them. We don't do that. We will not be sharing this with you.

The letter you refer to I did send to you because there was a commitment made by one of my colleagues. The commitment was made by my colleague for the letter. I sent the letter because of the commitment of my colleague. But I'm giving you the commitment now, and the commitment to the people out there in Saskatchewan, who have the assurance that it will be kept in strictest confidence, that it will, in fact, be kept in strictest confidence.

**MR. LINGENFELTER:** — Mr. Chairman, I resent the comment by the minister that information shared on a confidential and personal basis, which he gave to the opposition last year, was shared at NDP meetings. I would ask the minister to retract that statement because it's false and misleading, and I would ask you, Mr. Minister, to withdraw that statement, because you know that it's a lie.

**HON. MR. ANDREW:** — Mr. Chairman, the long-standing rule in this Assembly is that the word "lie" is very unparliamentary language, and I would ask that the Chair ask the member to withdraw that comment.

**MR. CHAIRMAN:** — Page 104, rule 319, paragraph (3):

In the House of Commons a Member will not be permitted by the Speaker to indulge in any reflections on the House itself as a political institution; or to impute to any Member or Members unworthy motives for their actions in a particular case; or to use any profane or indecent language;  
...

I would ask the member to retract his statement.

**MR. LINGENFELTER:** — Mr. Chairman, I will retract the statement that I said the minister had lied, but I would like also you, Mr. Chairman, to reflect on what he said about personal and

confidential information that was given to the opposition and subsequently given out at public meetings. I would ask for an apology from the minister for that because it simply is not true.

**MR. CHAIRMAN:** — Order. A dispute arising between two members as to allegations of fact does not fulfil the conditions of a parliamentary privilege.

**HON. MR. McLEOD:** — Mr. Chairman, the difference between a tender, specific tenders as the hon. member from Shaunavon talks about tenders – and he made reference to that as it related to public works and the possibility that some tenders may be let to the other than the lowest bidder if they don't meet specifications – and I said at that time, no, there are none of those. They've all, in this last year, were all given to the lowest bidder. The hon. member then made the suggestion that he had said all tenders. But I want to make a clear difference now between what a tender is and what a proposal is.

Proposals, where they're stated as proposals and not tenders, have many factors to be considered, and there are many factors to be considered. This auction sale that we have talked about this morning is one of those. Other examples can be in computer systems, the kinds of systems that can be provided for the needs that are there. Others might be leased space where there are several options wanted and it might have to do with location, with some of those things.

So there is a very clear difference between a tender and a proposal. This department deals with both on a regular basis. And I just want to make that very clear to the member.

**MR. LINGENFELTER:** — Mr. Chairman, I would indicate to the minister, and the record will show, that very clearly in my original question I asked him for any of the regulations policies respecting contracting and tendering. I went on to refer back to that and asked for any tenders or contracts by his department where it went to other than the low bid. Mr. Minister, you assured me that there were none. And now you refuse to give the same assurance on a major contract which has been tendered by your government.

I think it's unfortunate that a bid process where we are dealing with \$40 million worth of equipment by the advertising that was done by your expert in the area – the auctioneer – the replacement value of over \$40 million listed here in this brochure, if we're talking about 10 per cent or 8 per cent of the commission, we are talking in the area of \$4 million, Mr. Minister, of public money. And I'll tell you that if you believe you can get away with not making public where three and a half or \$4 million of public money has gone to, whether or not the tendering process was accurate, where possibly the low tender was not accepted, Mr. Minister, you're wrong. Because we will make this a very major issue of political scam that you're involved in where you're handing out to your friends. Because unless you prove otherwise, the public of Saskatchewan will bear witness to the fact that you've given out a contract worth \$3.5 million to one of your friends, and you're not willing to stand up and defend it by producing documents which show that you did not do that, Mr. Minister. And I will challenge you to get up again and explain to us why other than the low tender was given in this operation, and open the . . . confidentially and personally send us the bids that were given so that we can decide whether or not you are involved in something that is not proper.

**HON. MR. McLEOD:** — Well once again, Mr. Chairman, a clear distinction between tenders and proposals must be made, and it's on the record what I have explained just in my prior answer. What we're talking about here was a proposal call, what the hon. member suggests that it was a tender, where something is cut and dried and tenders certainly are that. They're open, and they say this is the high, and this is the low and the lowest tender – unless there are some incidence of not meeting the specifications – would receive it, and in this department do receive them.

This is a proposal. Many factors are taken into consideration, as we've been over that ground many times this morning. This was a proposal call. Proposal was evaluated by good people. It

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was evaluated on the basis of five criteria which I've outlined. They are the right ones, and we will stand by that, Mr. Chairman.

The other thing that the hon. member is doing, he's laying out particular numbers. And I don't want to get into that game, and I won't. He's laying out particular numbers. The only proof of right or wrong of those numbers will be when the actual sale is held, and it will be on the 16th and 17th of May. The market value for the equipment in question will be established at that sale, as is the case of auction sales, and that's what they do.

And all I can say is that the hon. member is attempting, I believe, to lay out some very misleading numbers in terms of sale, but we won't get into that. And fine, he can do what he likes to do, but the market value of the surplus equipment which your government bought in its ever-increasing grab at being bigger and bigger and bigger government, and which we inherited as a government taking over from you – to try and turn this thing around and turn this province around, so that private sectors are doing the work, and the government is not. And that's the real crux of this whole thing as why we have this surplus equipment in the first place, and nobody in Saskatchewan should ever forget that.

And the reason we have that is to . . . And we must get the equipment out of the hands of government and realize as much money as possible for the taxpayers of Saskatchewan. This auctioneer that was given the contract is the best one of the proposals submitted to do that. We have confidence in him, and that will take place on the 16th and 17th of May, as I've suggested.

**MR. LINGENFELTER:** — Mr. Chairman and Mr. Minister, the minister is saying that the numbers that I use are not accurate. In the brochure which is put out by his expert on auctions, the person who's doing the auction sale, and remind him that this is one of the criteria that you based your decision on, was his ability to advertise. Are you saying that the \$40 million advertised in this brochure is not accurate?

**HON. MR. McLEOD:** — The auctioneer is advertising, I believe, the number 40 million, he says, the \$40 million that he said . . . And it says very clearly on there, if the hon. member wants to be totally honest with everything, replacement value, which means a piece of equipment that may have been purchased, and I don't know if what year – 1957 – a piece of equipment that would have been purchased in 1957, and you wanted to buy the equivalent piece of equipment in 1984, and there it is, replacement value. So there it is.

**MR. LINGENFELTER:** — Mr. Chairman, the replacement value, of course, means if you're replacing a 1968 grader, you'll replace it with a similar one of similar value, and the 40 million here, the \$40 million you're talking about here, that your auctioneer is talking about, Mr. Minister, I believe that it is accurate. And if we're talking about an 8 per cent commission, we are talking about \$3.2 million of public money in one contract. And I would say to you, Mr. Minister, that it's the public right to know why \$3.2 million is going to this individual as opposed to another. And I wonder why you're so secretive about the fact that the \$3 million is going to this individual. Why are you so secretive about it?

**HON. MR. McLEOD:** — Mr. Chairman, now we have what these people know about replacement value and about conducting of sales and so on. The replacement value of a piece of equipment that was purchased in 1957 may be \$10,000 when it was purchased in 1957. The replacement value of that piece of equipment may be, let's take for the sake of an argument, in 1984 may be \$100,000. The replacement value of buying a piece of equipment, you want to buy the equivalent equipment at today's prices, today's equipment is the replacement value, and don't try to mislead the House. Either you're trying to mislead someone in Saskatchewan, or you don't understand.

**MR. ENGEL:** — Thank you, Mr. Chairman. Mr. Minister, I'm still interested in those five aspects of the criteria, and on why you chose this auctioneer. I asked you a question on a number of

occasions. I'll rephrase it. Why did you choose this auctioneer? Does he have experience in that particular field, or is he bringing in outside help to help him? That is what I want to know. Is he bringing in additional sales people to help him, that know that equipment, in order to sell it? How does this work?

**HON. MR. McLEOD:** — Mr. Chairman, we've been over this ground many times this morning and, Mr. Chairman, the hon. member indicates that we'll go over it many more times, and that's fine. Go over it, that's fine.

All the five criteria are a package as I've said. All of them are a package. He says why did you choose this particular auctioneer. He made his innuendo which was lower than low this morning already. He made that accusation this morning. I saw him go outside once before, but I don't think he went out and said that out there, but I wish he would. But we chose the best auctioneer, the best proposal for this particular sale, Mr. Chairman, and I've given my assurance of that, and that's what I intend to continue to do.

**MR. ENGEL:** — Is there an auctioneer going to be selling that equipment that is sold, a piece of equipment worth more than \$100,000? Is there somebody going to sell on this sale . . . are they bringing in auctioneers that know how to sell big equipment?

**HON. MR. McLEOD:** — Mr. Chairman, as I have said, we are very satisfied with the plan for management and operation of the sale. We are satisfied with that. That was one of the criteria there in the total evaluation of this. We're pleased with it. We think that the sale will be a good one. And that's all I have to say.

**MR. ENGEL:** — The minister is saying things by what he's not saying. Why are you afraid to say who the auctioneers are going to be involved in this sale? Are you trying to hide, maybe, that even one of your colleagues is going to be at the sale? What are you really saying? Is Melfort auction sales going to be involved, as well? What is the real question I'm asking you? Who is going to be involved in this sale?

**HON. MR. McLEOD:** — Mr. Chairman, we contracted with an auctioneer to run the sale. The auctioneer, according to the management plan that he suggested, is going to run the sale. He will run the sale. I will invite the hon. member, as I will invite everyone in Saskatchewan who's interested in this sale — and many are and have expressed that interest. And many people from outside of this province have expressed an interest in this sale.

I invite the hon. member to attend the sale, to enjoy himself. Don't get carried away waving your hands around there, like you do here, or you'll end up with some more equipment.

**MR. ENGEL:** — When it comes to waving hands, the minister can't throw the first stone.

Mr. Minister, are you saying that when you looked at this proposal, and you looked at the criteria, and you looked at the ability to manage the sale, that you didn't check out and see if these people sold heavy equipment or not? Is this what you're standing up and telling this House? Is this what you're telling this House that they didn't look at anybody that sold heavy equipment?

**HON. MR. McLEOD:** — No, Mr. Chairman, that's not what I'm telling this House.

**MR. ENGEL:** — So you're saying that you looked at this proposal that people did sell heavy equipment, and I'm saying that if you hired these people, Brown's Auction Rooms, to sell the sale, they don't sell heavy equipment. They don't go out. They don't even make it a practice of selling farm sales.

Now what I'm saying is, what I'm asking is: when you looked at the proposal, they must have

included an auctioneer that sold heavy equipment before. Who is helping them sell this equipment?

**HON. MR. McLEOD:** — Mr. Chairman, the five criteria, the plan for management and operation of the sale was in place. It was one of the criteria evaluated. It was looked at very carefully, and it is totally to the satisfaction of our department. And it will be, once the hon. member attends the sale, when you come back, I suggest to you that you will be very, very impressed if, if for once you're honest with yourself. And if you are, you will be pleased with the way that sale is conducted.

**MR. ENGEL:** — Mr. Chairman, the minister tries to reflect and say that I'm not honest with myself. He tries to reflect in this House in saying, "I am trying to get to the root of an issue here and to the bottom of it." If you pay 5 per cent commission on a \$40 million sale you're looking at \$2 million. If you pay 8.5 per cent you're looking at \$3.4 million – a difference of \$1.4 million. And he considers that that's not a genuine issue, that that's not a real issue. If you're looking at another criteria, and you're talking about ability to manage a sale, and if you can go to an auction sale, and you can see people . . . And I've got relatives in the auction business. I know what auctioneerings all about. And I can go to Kelowna, and I can go to an auction barn, similar to what Brown's Auction Rooms do, and those people know what every little item's worth. They know when they're holding up a clock that that's worth \$200 or \$20. But you take that same person out and start talking about heavy equipment. That's a different line of questioning.

And all I'm trying to find out is: do we have somebody conducting a sale of this magnitude that's been selling teacups, or are we selling cats and scrapers? And all I want to know is: have you got somebody in there? Because there's three criteria that are involved: the ability to manage a large sale, the ability to know what that equipment's worth and when to know when to call it sold or not, and the ability to prove a track record that they've got to get the best dollar.

I know these people can get a good dollar for teacups, and I know they can get a good dollar for furniture, but I don't know whether they can get a good dollar for construction equipment because I've never seen them sell a piece of construction equipment, and I've been to an awful lot of construction sales in this province. They don't sell construction equipment. If they do, prove me wrong.

**HON. MR. McLEOD:** — Mr. Chairman, there's no sale on in here today so I won't be able to prove you're wrong right now, but I would suggest that you go to Saskatoon on the 16th and 17th of May. You go there to that sale. I have said to you that they have a good management plan. This will be a professionally managed and a well-run sale.

What else could I say? The sale is not on yet. When the sale is on, go to the sale, and I would invite you there and bring all of your colleagues and every NDP'er in Saskatchewan that you can find.

**MR. ENGEL:** — That's a great answer for a minister. If that sale is going to be professionally conducted they are going to have somebody out there that knows when to bring down the hammer on a heavy piece. Who is involved in the sale with them? This is what I'm asking.

They must have brought you a package and said, "We're going to manage this sale," because it says very expressly and very clearly on here "managed by" – managed by. What I want to know is who are the people that he told you in this little package that are going to sell this stuff for him? And you said you selected these people by Saskatchewan content, you selected it by their ability to manage, you selected it by their ability to advertise in a previous record. And then the other one is the commission. You've never given this House one answer on any of those five issues, and I think the people of Saskatchewan are entitled to know.

**HON. MR. McLEOD:** — Mr. Chairman, we have given a contract to a professionally licensed



auctioneer to conduct this sale in this province, and a big sale. The hon. member . . . You know if you take this argument to its logical end you would say, in the same estimates you could say, well, you've given this contract to build this building in Weyburn or anywhere else. Who will be the carpenter? Who will shovel gravel? Who will do whatever? That is not the question. It is not up to me, as the minister responsible for the department that awarded the contract, to tell you who does everything for the management group that has won the contract. It is not up to me to do that, nor will I do it.

**MR. ENGEL:** — We finally go the point. I challenge this minister in charge of — it's not government services any more — Supply and Services. I challenge this minister to stand up and tell me that he's going to hire a carpenter or a contractor . . . (inaudible interjection) . . . Let me finish this. The member for Moosomin is laughing. But you're going to give a contract, you're going to give a contract to a carpenter that builds rumpus rooms to build a new building. Is this what you're trying to convince me, and that's the point I'm trying to make. You brought it out loud and clear. When you want to build a large building worth \$40 million you hire a contractor that's got a track record and has built buildings worth \$40 million. You don't hire a person that's working out of his little shop and remodels basements, and that's the point I'm making. That's the point I'm making.

**HON. MR. McLEOD:** — And if we carry this one step further, which is far off the track, but we could carry it for a step further, the hon. member can say: that's why. What you just said is why your government went to Toronto for the Cornwall Centre and to some place in Ontario for the Weyburn office building, and so on. We believe in Saskatchewan content. That is why Saskatchewan content was one of the five criteria here.

**MR. LUSNEY:** — Mr. Minister, the member from Assiniboia asked you a very simple question. You must, surely you do have some assurance in the bid or in the tender from this one auction service that they will have qualified people to run or to sell that equipment,. Brown's auction has never sold any of that equipment, any heavy equipment. Surely, in that bid that you received, they must have given you some assurance that they are capable and will have certain auctioneers there to sell this equipment that have the ability and have the experience in selling this equipment. Or are you telling us, Mr. Minister, that you hired Brown's auction without any assurance that they will get qualified people to sell this equipment and get the best price for it? Is this what you're telling us?

**HON. MR. McLEOD:** — Mr. Chairman, that's not what I'm telling you. The hon. member suggests that's what I'm telling him. That is not at all what I'm telling him. I'm telling you that there's a good management plan put forward. All of the criteria were suggested. All the criteria were taken into serious consideration and the contract was awarded.

**MR. LUSNEY:** — Well, Mr. Minister, if you gave the contract on that criteria, then you must have some assurance from Brown's auction that they will be having qualified auctioneers at that sale. And they probably gave you a list of those qualified auctioneers, and if you do have that, won't you tell us who they have, or whether they did indicate to you that they will have qualified auctioneers to sell that equipment?

**HON. MR. McLEOD:** — Mr. Chairman, the qualified auctioneer — the whole question relates to the management plan. I'll go over this ground once again, Mr. Chairman.

In evaluating all of the proposals according to the criteria that was set forward, some of them came in with a low price, but no advertising campaign. Some would have a good ad campaign but too high a price. Those are the kinds of considerations that must be taken in. Some have a low price but poor plan for management of a sale and so on and so on, as I've said. And it makes eminent sense that the five criteria will be taken into consideration as a package, which they were. The best package got the contract. And what more would you like me to say?

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**MR. LUSNEY:** — Well, Mr. Minister, if the management package had all of those concerns that you addressed, if they had had it in there and quite explicitly stated that you have no worries about whatever you wanted in that management contract, then, Mr. Minister, why are you denying the people of this province the right to know, at least to say from you, that you did have the assurance from Brown's auctions that they would have qualified auctioneers there? Why won't you tell the people of this province that you were assured that you will have qualified auctioneers to sell all of this equipment — a large number of the taxpayers' equipment?

**MR. CHAIRMAN:** — Order, order. The Chairman doesn't recognize anything unless one of the members is standing, and then I can recognize him. The member from Pelly.

**MR. LUSNEY:** — Well, Mr. Minister, being 1 o'clock, and we do have many, many more questions of this minister to ask, I would suggest then, Mr. Chairman, that we call it 1 o'clock and we can get back into estimates on Monday.

The committee reported progress.

The Assembly adjourned at 1:06 p.m.