

# LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

April 16, 1984

The Assembly met at 2 p.m.

Prayers

## ORAL QUESTIONS

### Tender Price for Highways Equipment

**MR. LUSNEY:** — Thank you, Mr. Speaker. I have a question to the Premier of Saskatchewan. Mr. Premier, my question is regarding your continuous statements of how this government is, and it has to do with some of the questions relating to last Friday, in estimates, to the Minister of Supply and Services, where we tried to get some answers, and he continuously, for about two and a half hours, refused to answer.

Could the Premier at this point tell the House as to whether Brown's Auction Rooms of Regina, the people who received the contract for selling off the highways equipment, the equipment belonging to the people of Saskatchewan, was this bid the lowest of the 47 that was received by the Minister of Supply and Services or by your government?

**HON. MR. DEVINE:** — Mr. Speaker, the minister responsible for Supply and Services knows much more about the details with respect to tenders that come in than I do. I would be glad to let him respond to the question and, I think, this is rather irregular anyway with respect to question period.

**MR. LUSNEY:** — Thank you, Mr. Speaker. A question to the Premier. Mr. Premier, surely, or am I wrong, do you not know what was given, or what the tender price was of Brown's Auction Rooms for the sale of all of this public equipment, the Department of Highways equipment? Do you not know what the tender price was?

**HON. MR. DEVINE:** — Mr. Speaker, I can only talk in general about tenders, and maybe that's what the hon. member wants me to do. When we have something for sale, we ask people to submit tenders, and we look at the qualifications of the individuals, which means their experience, their reputation, the kinds of things that they can do for how much money, and the quality of their staff, the quality of the program, the price, and the whole works.

When we finally decide on any one of these, we make the decision on the best judgement to look after whatever it is we're marketing on behalf of the public sector, and I'm sure that was the case in this instance.

**MR. LUSNEY:** — A question to the Premier. Mr. Premier, I totally agree with you there are many other considerations to be made in it. But along with the other considerations, what is the tender price, or the bid price of, or the commission which will be charged by Brown's Auction Rooms for selling the highway equipment?

**HON. MR. DEVINE:** — Mr. Speaker, if I'm not mistaken, what was involved in this situation was a proposal call which is different than a tender. Mr. Speaker, I don't recall . . . We have a lot of tenders, Mr. Speaker. I don't recall all the details of any one particular tender. I don't do that day in and day out. Like I said, the minister responsible — you've had the opportunity to visit with him, and you can continue to talk to him with respect to questions on those kinds of details, so I would refer to . . . (inaudible) . . .

**MR. LUSNEY:** — Well, Mr. Premier, since this is, as you say, a proposal, if I understood you, which it is, would you not agree that the people of Saskatchewan are entitled to know what it is going

to cost them and, therefore, along with the other criteria, they should be entitled to know what the percentage is that they will be charged for selling that equipment?

**HON. MR. DEVINE:** — Mr. Speaker, I believe that . . . I believe this is a reasonable estimates question, because I don't have all the details. The estimates of the minister responsible are coming up after question period. He can provide the information.

**MR. LUSNEY:** — Well, Mr. Premier, we have tried the same questions for two and a half hours. Would you not, at this point, tell the people of Saskatchewan, since the Minister of Supply and Services refuses to tell the people of Saskatchewan what it is going to cost them — a simple answer — what it is going to cost them to sell their equipment through the auction process on May 16 and 17?

**HON. MR. DEVINE:** — Mr. Speaker, maybe I can come at it another way. With respect to doing things in the public sector versus the private sector, there's clearly a difference in our administration over the previous administration. We are trying to provide as many opportunities as possible in the private sector, whether it's in roads or whether it's in transportation or whatever it may be.

So when you start to looking at the costs, obviously we are downsizing government under our administration, where formerly they were making it larger. We're trying to make it smaller. As a result, Mr. Speaker, we will be selling some things like equipment that we don't have.

As a result, we will be saving money, we will be building more roads for the same amount of money, and so forth. So what he wants to know what it costs, it costs much less under our system than it did under theirs.

**HON. MR. BLAKENEY:** — I have a question for the Premier with respect to the policy of his government with respect to employing private sector auctioneers. He has outlined that it is the policy of his government to sell goods at auction by using private sector auctioneers. I'm not aware that any other policy has ever been followed, but that's his policy.

With respect to that, he indicates that either tenders were called, or proposals were called, in order to select an auctioneer. He indicates that one auctioneer was selected and will be recompensed. Will the Premier indicate whether he and his government are willing to indicate on what basis the successful auctioneer selected will be remunerated?

**HON. MR. DEVINE:** — Mr. Speaker, we are asking for proposal calls and tenders on various things — from highways to equipment to roads to whatnot. Right? On the specific details of a particular tender or proposal call, I have to refer to the ministers responsible because I don't have that kind of information. So I will refer that question, with respect to this proposal call to the minister who is responsible.

**HON. MR. BLAKENEY:** — A supplementary, Mr. Speaker. I'm sorry, I clearly didn't make my question clear. I was not asking what remuneration is going to be paid to Brown's Auction. I wasn't asking that. I was asking whether or not, as a matter of policy, your government is prepared to reveal, prepared to tell the public, what it pays to Brown's Auction if it selects it as the successful auctioneer.

**HON. MR. McLEOD:** — Mr. Speaker, the Leader of the Opposition asks a very specific question from a very specific department. Certainly it should be clear that I would answer that as the minister responsible. The criteria, as I said on Friday in the estimates of this department, the criteria upon which the proposals were evaluated were the following: the management plan submitted by the auctioneer; the experience of the auctioneer; the advertising plan, which is very important in this area as well; the commission; and the Saskatchewan content. Those were the five criteria under which each of the proposals was evaluated.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. I refer to the question just answered by the Minister of Supply and Services in which he outlined the criteria for selection of the successful auctioneer. The auctioneer has been selected. These criteria have been applied. Would he kindly advise the House, just with respect to one of them, what commission rate was included in the criteria which you accepted to handle this very major auction?

**HON. MR. McLEOD:** — No, Mr. Speaker. I said that the five criteria, all of them being a package — the Hon. Leader of the Opposition knows that — the five are all in a package. The commission rate is one of the five. And the whole package in terms of evaluation of the proposal had to be taken in conjunction with each other; and they were, and the commission rate was a part of that and continues to be that. And I might add as well, Mr. Speaker, I said that all of the proposals, when the proposal call went out, they were all told, all 47 people who submitted proposals were told, that the details of their proposals will be kept confidential, and they will be.

**HON. MR. BLAKENEY:** — Mr. Speaker, I ask another supplementary. I'm not quite sure whether I understood the minister, but is he saying that he called for tenders, or at least proposals, and that he gave the assurance that all of the proposals would be kept confidential, not only the unsuccessful ones, which is common enough, but even the successful one? And here, in effect, you have selected someone to do business on behalf of the Government of Saskatchewan, and you are unwilling to give even any details as to the basis on which you have employed this person?

**HON. MR. McLEOD:** — Mr. Speaker, I have given . . . I have said to the Leader of the Opposition that these five criteria were decided. These five criteria were the criteria under which the proposals were evaluated. All of these five are important, all of these five are important. And as the Leader of the Opposition, I gave this example to some of your colleagues on Friday. If you would, for example, take the commission rate only, and someone on your side — and I don't believe this to be the case, but it may well be — but some of your colleagues would suggest that the only criteria under which an auctioneer should be selected is on the basis of commission rate.

**AN HON. MEMBER:** — Who suggested that?

**HON. MR. McLEOD:** — You did. As I would say to you, that all five criteria are important. The commission rate is one of the five. It was part of the whole package, and continues to be that.

**HON. MR. BLAKENEY:** — Mr. Speaker, a supplementary. Given that the minister says that all five criteria are important, would he equally agree that all five criteria are now, for that particular applicant, public, or ought to be public?

**HON. MR. McLEOD:** — The five criteria, Mr. Speaker, are important. The five criteria, because of the way in which we dealt with the proposal, we said that the proposal to all of the proponents, we said to all of them: your proposals will be kept in strictest confidence. They have been, and they will be.

The Hon. Leader of the Opposition knows full well you will find out after the sale is on. And I invite you to go to the sale. It will be an absolutely excellent sale. We are selling a lot of equipment that the Government of Saskatchewan should probably never have owned in the first place. There was a surplus of equipment. You believe in big government. We believe in smaller government. We say we must sell it. The Department of Supply and Services is in place to dispose of surplus equipment, surplus materials, that we found in this government, and we are doing that. We are doing it in a responsible way. And I'll rest my case, Mr. Speaker.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. We have heard from the minister a great list of the things in which he believes. Does he believe that if somebody is hired to perform services on behalf of the Government of Saskatchewan, and the contract is made, that the public

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are entitled to know the basis on which he is employed, and the basis on which he will be remunerated, whatever the criteria may be?

**HON. MR. McLEOD:** — The Leader of the Opposition full well knows . . . Other examples, individual lease space costs, and so on, never ever were made public by your government, aren't by our government, for obvious reasons in dealing with the marketplace out there. You know that's the case. It was in your government's case. It still remains that in our case.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Is the minister asserting that he ought not to make public the basis upon which this auction firm has been employed by the public of Saskatchewan, and that there's some valid reason, some valid reason for keeping secret the basis on which he is going to pay Brown's?

**HON. MR. McLEOD:** — I have made clear, Mr. Speaker, the basis upon which the auctioneer was selected — those five criteria. I have made it very clear. Those are the criteria we decided on. The best proposal, taking into consideration all of those five, was chosen. That auctioneer will be conducting the sale on the 16th and 17th of May. It will be an excellent sale.

**HON. MR. BLAKENEY:** — Supplementary, Mr. Speaker. Will the minister make public the proposal which he accepted — all five criteria, all five that were met by this successful applicant who is going to be paid by the public? Will he make public the proposal which he accepted, or does he propose to continue to keep it secret?

**HON. MR. McLEOD:** — I will not make the proposal call public, Mr. Speaker, because all of the proposals, when they were submitted, all of the proponents were told it would be in strictest confidence, and it will be that. Is the Leader of the Opposition suggesting that the successfully bidder — the successful auctioneer, who is a licensed auctioneer in Saskatchewan and has been an auctioneer in this province for a long time — are you suggesting they are unable to do this sale? Is that what the Leader of the Opposition is saying, Mr. Speaker?

**HON. MR. BLAKENEY:** — Mr. Speaker, I thought my suggestions were fairly obvious, and they were that the particular auctioneer was going to be paid, and that we, as an opposition, and we, representing the public, were entitled to know what he was going to be paid. And I ask you again: are you prepared to say what you're going to pay this firm, or are you going to continue to keep it secret?

**HON. MR. McLEOD:** — Mr. Speaker, when the sale is over, the sale will be extremely successful on the basis of these things. We're confident of that. The Leader of the Opposition will see the success of that sale when it's held, and he will know. And that's all I can say about it any more at this time.

### **Increased Railway Costs Passed to Farmer**

**MR. ENGEL:** — Mr. Speaker, I'd like to pursue a new question. This morning in the news we heard that the railway companies are proposing to pass on the increased costs that they're facing to the farmer. In your budget you suggested that the farmer was going to be helped, and I'm concerned, I'm concerned, Mr. Minister of Agriculture: did you know, before you levied that 8-cent a litre tax on locomotives, did you know beforehand that they could, because of Bill C-155, pass all this cost on to the farmer? Did you know that before you levied that tax?

**HON. MR. HEPWORTH:** — Mr. Speaker, the sources that this government gets its revenue from are wide and varied, and that is only one of them and, quite frankly, I would much rather see the Government of Saskatchewan getting revenues from big business, if you like, and large corporations who are better equipped to handle it, rather than off the backs of the farmers.

**MR. ENGEL:** — Are you saying, Mr. Minister, did you . . . I asked you the question: did your

lawyers or your department, before you levied that tax, check to see whether that cost – those increased costs – would all be passed on to the farmers? Did you check that or didn't you? – is our first question.

**HON. MR. HEPWORTH:** — I have no knowledge of any consultations with lawyers relative to any of the revenue aspects of the budget, quite frankly.

**MR. ENGEL:** — Mr. Speaker, I'm really impressed with this minister. They are saying that they have help for the farmers in Saskatchewan — \$19 million worth of revenue that they're charging to the locomotives for tax is going to be passed on to the farmer. And you're standing up in this House and saying you didn't check and see if that cost would be passed on to the farmer? Did you check it?

**HON. MR. HEPWORTH:** — Mr. Speaker, is so far as what may or may not be passed on to the Saskatchewan farmer will remain to be seen, and there are processes in place to check that. In so far as what I want to see passed on to this farmer is zero in terms of increased transportation costs. At the same time, I realize that we do need an efficient rail transportation system. What we expected of the federal government was outlined in debates in this House which your members supported in so far as our nine-point resolution, and that would continue to be our position.

**MR. ENGEL:** — This morning, Mr. Minister, the railway companies both said they were passing on that 8-cent a litre fuel tax directly to the rail lines affected. They have that right, according to the bill. You are levying \$19 million from the railways, and you're not levying it from the railways for your budget. You're levying it from the farmers of Saskatchewan, in the name of helping farmers.

Is this the stance your government is taking, that the farmers are supposed to not only cough up the increased rail freight rates that we lost because of the Crow rate, but an additional \$19 million this year for your fuel tax?

**HON. MR. HEPWORTH:** — No, and there are regulatory agents, as the member full well knows, regulatory agencies that look at whatever the railways propose in terms of asking for increased revenue.

**MR. ENGEL:** — The act is clear. In the railway and The Transportation Act the minister can read the act that eligible costs can be passed on in the crop year that they are incurred. Read sections 29 or section 30, section 40. Have you never read the railway act and the act in bill C-155? Haven't you read that act?

You have in your budget, in your budget in the name of helping the farmers, have added another \$19 million bill. How are you going to compensate the farmer for that? You've transferred the fuel tax from the railways direct to the farmers that are affected on the branch lines, and on the rail lines in Saskatchewan on grain. And we're picking up that tab for your mismanagement. And you are saying that you didn't even check that out before you increased the bill? That's my question.

**HON. MR. HEPWORTH:** — No, we have not put any additional burden on the Saskatchewan farmers, and yes, there is a regulatory agency called the CTC (Canadian Transport Commission) that looks at that.

**MR. LUSNEY:** — Supplementary to the Minister of Agriculture. Mr. Minister, would you not agree that that fuel tax, that additional \$19 million, is definitely going to have some effect on all the farmers of Saskatchewan in this coming crop year when they have an increase in freight rates? Would you not agree that this is going to be passed on to the farmers?

**HON. MR. HEPWORTH:** — As I've mentioned previously, and I'll say it again, there's a regulatory agency that looks at the railways' costs, investments, what they expect for return, and makes a judgement based on that. And if they're doing their job, certainly we should expect not to see Saskatchewan farmers get ripped off.

**MR. LUSNEY:** — A question, Mr. Minister. Mr. Minister, do you not agree that in the act the agency that has the powers to enforce increases will also consider, or has the power through the act to consider, increased cost to the railways which will, in turn, be passed on to the farmers through increased freight rates? Do you not agree that this is what will be done, because that is what's listed in the act?

**HON. MR. HEPWORTH:** — This is not a new tax, I would suspect the hon. members would know. It's been there for some good long time. And I wonder whose side are you on — the railways' or the farmers? Make your point, and make it clear, so the people of Saskatchewan, and the farmers of Saskatchewan understand where you're coming from.

**MR. LUSNEY:** — New question, Mr. Speaker, to the Minister of Agriculture. Mr. Minister, would you not also agree that every time that fuel tax is increased, that all it is doing is passing that cost on to the farmer, because the railways will not pick it up themselves? Would you not agree that the railways are not going to accept the additional costs without passing that on to the commodity that they haul?

**HON. MR. HEPWORTH:** — What I have read recently, and I don't recall the exact numbers, but it seems to me that in recent . . . in fact, in the last week, I may have read somewhere that the railway had . . . CN had \$241 million in profits. Are you trying to tell me that the tax there is unfair, given that profit picture and, in fact, that there is no regulatory agency place to examine that scenario?

**MR. ENGEL:** — Thank you, Mr. Speaker. New question. The minister suggests that we are trying to defend the railways. That's what you're suggesting. And the minister knows full well that we're the only ones that took a stance on what the Crow rate should be, and you allowed that Crow rate to change. My question, Mr. Speaker is: you didn't seek any legal opinion; you didn't check out whether that cost would be passed on to the farmer. Do you think that the protection of Saskatchewan family farmers wasn't your role? Are you saying that to these people, that it's not your role to decide that you can pass on a \$19 million tax increase on fuel to the railways? And they, in turn, because of the provisions in their new act, can pass every cent of increase on to the farmer, and every time the railway passes on an increase, we get stuck with it double fold.

**HON. MR. HEPWORTH:** — Mr. Speaker, this government gets revenues from several sources and, in fact, in the last budget we increased taxes on fuel for the air lines; as well, increased taxes on liquor. We increased taxes on cigarettes and cigars and, unfortunately, even chewing tobacco. Now if the hon. member is suggesting that we should raise revenues by taxing farmers and small-business men in the face of profits by the railways in the hundreds of millions of dollars, then I would suggest that you are sadly out of touch with the realities out there.

### **Minimum Wage Survey**

**HON. MR. BLAKENEY:** — Mr. Speaker, I direct a question to the Minister of Labour. And it has to do with minimum wage and the minimum wage survey which he conducted, details of which were revealed last Friday and on which occasion, as I understood the record, he indicated that there would be yet another survey this summer. My question to the Minister of Labour is this: do you propose to take any action to review the levels of minimum wage before you complete this second survey of employees that you referred to would take place this summer or this fall?

**HON. MR. McLAREN:** — Well, Mr. Speaker, it's our intention to get all the data from our surveys in place, first, to determine what, if any, move we should be making on the minimum wage. I

want to have the facts first, and when we have the facts we'll make that decision.

## MINISTERIAL STATEMENTS

### Initial Grain Price

**HON. MR. HEPWORTH:** — Mr. Speaker, in light of the initial prices which were announced last Friday, I would like to inform you and through you, the members of the Legislative Assembly, that I have sent the following telex to the federal Minister of Agriculture, the Hon. Eugene Whelan, and it reads:

The across-the-board reductions and Canadian Wheat Board initial prices for the '84-85 crop year which were announced last Friday are unwelcome news for Saskatchewan's 67,000 farmers, their families, and communities.

The announcement has put further strain on hard-working farmers already caught in the cost-price squeeze. To help improve the situation of farmers I ask you and your cabinet and government colleagues to remove immediately the federal taxes on farm fuels. This action will result in savings of thousands of dollars for farmers. This relief is vitally needed as farmers enter seeding season. The Government of Saskatchewan has advocated the removal of these taxes for some time, but the announcement of reduced initial prices and the removal of the taxes is more essential than ever.

In addition, our government requests that farmers receive an immediate pay-out from the Western Grains Stabilization Fund. The fund now totals, as all hon. members know, nearly \$1 billion, and one-third of that money came from farmers' pockets. We firmly believe that farmers should have an immediate pay-out from the fund for which they have made such a significant contribution.

Action by your government in these areas would greatly improve the cash-flow positions of Saskatchewan farmers. These are urgent matters, and I urge you to act now. I offer to meet with you at your earliest convenience to discuss the pressing need for these changes.

It was signed by myself. And I believe, Mr. Speaker, that there is little need to elaborate further, except to point out that our government is continuing to pressure the federal government to assist this province's farmers. We have stood up and spoken for Saskatchewan farmers in the past; we are doing it now, and we will do it in the future.

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

**MR. ENGEL:** — Thank you, Mr. Speaker. I think this is fine time that the minister finally stood up after a little prodding, a little prodding, and after the fact. We had a resolution in this House where this very same motion was debated. We said in view of the news report, "— suggested an imminent federal government decision." We suggested that we act urgently. We just did this on April 10.

Today the minister is reading off a telex that I sent him a copy of, that is line for line for what I did back on April 8, last Tuesday. The minister knows that he'd better come out with a statement today because \$10 million of it in your tax the farmer's picking up. You said you're taxiing the railroad. The farmers are picking up that tax for hauling their grain. It's part of the act that you had passed.

It's more essential than ever that the minister get in there and start crying for farmers. It's time you stand up, but I'd suggest you stand up before the fact rather than after the fact, when you

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know it's happening. I suggest you not only wait for Mr. Argue and the guy with the green hat to come down to Saskatchewan but you get to Ottawa and you start negotiating with the railways and say, "There's no way you're going to pass on that increased tax to farmers," because \$19 million is a lot of money.

**MR. SPEAKER:** — Order. The member is not speaking to the point that was raised in the ministerial statement.

**MR. ENGEL:** — Mr. Speaker, I am summing up what the minister spoke, into one nutshell, and that is increased cost to farmers. He's looking at a pay-out of the stabilization fund. We've suggested that should be happening. I think that's important that he deal and use his office to get down to Ottawa and negotiate some deals for the farmers of Saskatchewan, that they can get back on their land, and that we can get out and do our seeding and have some money to operate with.

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

## **INTRODUCTION OF BILLS**

### **Bill No. 48 – An Act to amend The Marriage Act**

**HON. MR. McLEOD:** — Mr. Speaker, on behalf of the Hon. Minister of Health, I move first reading of a bill to amend The Marriage Act.

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

## **ORDERS OF THE DAY**

### **GOVERNMENT ORDERS**

### **ADJOURNED DEBATES**

## **MOTIONS**

### **Referral of Motion to Standing Committee on Estimates**

That the estimates and supplementary estimates for the Legislative Assembly, being subvotes 1-3, 6-7, 17, and 20-23 of vote 21, be withdrawn from the Committee of Finance and referred to the Standing Committee on Estimates.

Motion agreed to.

## **COMMITTEE OF FINANCE**

### **CONSOLIDATED FUND BUDGETARY EXPENDITURE**

### **SUPPLY AND SERVICES**

### **Ordinary Expenditure – Vote 13**

#### **Item 1 (continued)**

**MR. LINGENFELTER:** — Mr. Chairman, again in question period we attempted to get from the Premier of the province, and from the minister, an explanation as to why a certain auctioneering company was given a contract for one of the largest auction sales in the history of the province, by the government's own admission. And we're not questioning whether this firm should get it



or not.

I think some questions have been raised by auctioneers I have talked to on the weekend as to whether or not this firm, who has not carried out a major heavy equipment auction, should have been the firm to get the contract or not. I think that debate is not what we're talking about at the moment.

Mr. Chairman and Mr. Minister, what we are questioning is the right of the government to allocate, and to give a major contract in the area, well, at least in excess of \$1 million to one firm, and not disclose to the other people who have bid and to the public why, in fact, this firm was successful. I think that it raises a great number of questions about the tendering process of this government, especially in light of the fact that the minister earlier on in the discussion told us unequivocally, that in no case was anything other than the low bid accepted by his department.

Mr. Minister, I wonder whether, over the weekend, you have had an opportunity to talk to some of the public, and other auctioneers – the other 46 who have put in bids and spent a good deal of money getting together a proposal, in some cases in the area of 2 or \$3,000 that they had spent getting their proposal ready for your department, only to be told that not only were they not successful, but the government was not going to release any of the detail of the successful bidder.

And I say to you, Mr. Minister, that you're comparing it to the rental of leased space by the government, and the amount paid per square foot simply isn't a comparison that should be made, because you will know that this sale is one of a kind that will happen probably this year, and that the amount you pay will not reflect on any other auction sales that your department will hold. And I will ask you once again, Mr. Minister, to come clean on this issue. Why is it that you're being secretive and not telling the public of Saskatchewan what the amount of the tender was, and what the conditions of the tender were, so that other auctioneers will know, in fact, why they were refused in this process?

**HON. MR. McLEOD:** — Mr. Chairman, the hon. members persist, and this suggestion that he keeps on saying what the amount of the proposal was, the amount of the tender I've pointed out on I don't know how many occasions, but certainly numerous occasions on Friday, and again this afternoon, and here again now, that there are . . . all of the criteria that were taken into consideration. I said as well, the other day, that we have each of the proponents that puts in his proposal, is basing his proposal on the basis of their own experience and the basis of business practice that they've been into for an awful long time. And we said that these proposals will be kept in the strictest confidence, and they should be, and they will continue to be.

The former government operated in a very similar way. No question about it. All of these things – leased space, proposal calls for leased space – exactly the same situation. We do the same thing. Proposals calls for option to purchase leased space – systems acquisition – comparative evaluations of systems acquisitions where you've got the details in computer systems and so on – proposal calls in the same format. Commissions for design of buildings – the same format altogether. Because, let's take that one for an example, commission of an architect for the design of a building. Those designers put their proposals forward on the basis of their best experience and so on, and we choose the best one that comes forward.

Why would we make that public? And no architects would ever ask us to make their proposals public, whether they're successful or unsuccessful. They would be very, very disappointed —well, disappointed is saying the very least – in a government that would do business in such a way. We continue to operate in that way, and it's a reasonable way to operate. And this auction sale, and the selection of an auctioneer on the basis of a proposal, will follow in that same vein.

**MR. LINGENFELTER:** — Mr. Chairman, over the weekend I talked to an engineer – or not an engineer, but an auctioneer – who has had experience in selling not only some heavy

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equipment, but a good deal of agricultural equipment. And he was listening to the five points that you outlined. And he said the tendering process is very important. But part of the tendering process is letting the people know afterwards, so they know what they did wrong, how they failed to get the contract.

And sure, you have five main points. But they would like to know how this company advertises better than some of the other people. They would like to know, based on experience, how an auctioneer who has no experience – and you say this is one of your criteria – how an auctioneer who has no experience in heavy equipment outweighed some of the auctioneers who have years and years of experience in that area.

And some of them are saying that they believe that their tender, in terms of the other criteria, that is, the percentage that they will be getting on the auction, was actually lower than the successful bidder. And there's many auctioneers who are saying that in every one of the criteria their bids were better.

How are you going to prove to them, how are you going to prove to the public and to the other auctioneers if you keep it a secret? They say that on every one of the five criteria their bid was better. And you're saying: we're not going to tell anyone whether they were better or not – it's a secret.

And I say to you, Mr. Minister, that that's unfortunate, and you should come clean on this and tell how this company was better than the other 46 auctioneers in each of those five criteria that you have proposed.

**HON. MR. McLEOD:** — Mr. Chairman, I'm sure that a number of the 46 proponents who are, were not successful, believe that their bids were better. That's the case in a great number of things that this department deals with. Those who lose the tender, or lose the bid, believe that their proposals were best. Now, Mr. Chairman, there has never been, by the purchasing agents of our department, a refusal. In fact we have encouraged auctioneers and we will, through the purchasing agency, we'll talk to individual auctioneers in the same way that we did prior. We'll talk to them on a confidential basis. We'll talk to them about why they didn't win the proposal call. That's not a problem. That's always been the practice, and it will continue to be.

So for the hon. member from Shaunavon, or any other hon. member sitting across there, to stand up and say he's speaking on behalf of this auctioneer or that auctioneer who can't find out why they didn't win the bid, it is not the case because the individual auctioneer or the individual proponent can come into our agency, as they did with their bid, as they did with their proposal, and hear about why they didn't win the proposal. But they will not – I repeat that – in that process they will not get the copy of the successful bid. And if they had won it, any one of the individuals had won the bid, had won the proposal, they wouldn't like it to take all of the years of experience of their business practices and have it out to their competition. This is what they put in there.

The point is, it does have the experience. It does have, and will run a . . . (inaudible) . . . sale, has the best proposal there. Good and competent people have chosen them, and I'll stand by that, as I said the other day.

**MR. LINGENFELTER:** — Mr. Chairman, you're saying that the other auctioneers don't have as much experience as Brown Auctions who were successful in this competition, and I say that Brown's Auction Rooms, Mr. Chairman and Mr. Minister, are not experienced in handling of heavy equipment.

And the reason that many auctioneers are saying that there is a scam going on here, Mr. Minister, is because of your refusal to say why Brown Auction rooms got the bid, when what they're in the habit of auctioning when he was still working (he's now retired), but when he was an

auctioneer the things that he auctioned were household effects: bedroom suites, chesterfields – and I say that he was an expert in that area. But when you're trying to explain that a retired furniture salesman is the best person in the province to auction off heavy equipment, you're insulting the integrity of the intelligence of the people of Saskatchewan and the other auctioneers who bid.

Mr. Minister, we're going to spend some time on this because I have here in the annual report, 1982-83 of your department, list after list of the tendering process where you give out very detailed information on the bidding process. And I have one here, for example, on the Teachers College Day Care Centre renovations, and it lists out six different companies that bid on that project. It lists them out in order of the amount of the bid, and it says that Scantec Development of Saskatoon awarded \$75,999. In the high bids, Smith Bros and Wilson, Ltd., of Saskatoon, \$88,888. And in between there are four other tenders, and it's made public, and it's printed in your annual report.

Mr. Minister, we're not talking here about 88,000. We're talking in the area of \$2 million or \$3 million of taxpayers money. And I think that it's an important issue on principle, as well as in fact, that you come clean on this and tell us why this company got the bid.

**HON. MR. McLEOD:** — Mr. Chairman, I explained the other day and I will again, the difference. The hon. member in his references to the various lists that he's reading from, from a former annual report, is quoting from tender lists, lists of successful bids in the tendering process, in the tendering process. Okay? And I pointed out very clearly the other day the very difference between the tendering process and the proposal.

A tender is given to the low bidder if they meet very specific specifications, in the case of building a building or whatever. That's true, and it still remains the case within this department. It was the case under your department. Proposals, which is the case under this department now, and was the case under the former department of government services, and supply and services under the former administration; proposals where there are many factors to be considered, not necessarily only the low price – many other factors. Proposals are kept in confidence. Those are the things that were done before with proposals. Those are the things that are done now with proposals.

A couple of examples that I gave on Friday, I will give them again: computer systems, a very detailed and complex industry; computer systems and the purchase of — proposals go out for that, because it's very, very difficult as the hon. member, I would think, knows – it's very, very difficult to put absolute specifications straight down, so you say: these are our needs; what are your proposals to fill those needs? You choose the best selection.

But in that very highly competitive industry, which is not unlike the auctioneer industry, we say: here it is, here's a proposal, and we do it – computer systems. Lease space where options are wanted, and the options such as: where is the location, where have you got some land, and the location that would best suit our needs. And we say that, and we don't put them into the public, and we won't do it on this one; we don't on those. You never did on those. I don't understand how you can stand here and be so pious . . .

**AN HON. MEMBER:** —What are you talking about? We never had a sale like this.

**HON. MR. McLEOD:** — Well, you certainly didn't. but you are being rather sanctimonious over the whole process. You know exactly how the process works. You know exactly how the process works. Mr. Chairman, I know they do, but they're trying to raise these points. They're trying to raise these points but they know exactly that the process is not changed from when they were in government, or from what happens in any other province in this country.

**MR. LINGENFELTER:** — Mr. Chairman, the question is, Mr. Minister, is on each of these points,

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why you won't give an explanation. On the point of experience, can you tell me how Brown's Auction room was more experienced than the other 46 on that one very narrow point? The fact that he never had one heavy equipment auction that any one knows of, in his life, and then retired after auctioning furniture – why in that category was he preferred over the other 46, four or five of them who have a great deal of experience in western Canada in selling heavy equipment? Can you tell me why, and what reason you outweighed the other four or five who have a great deal of experience, and chose a furniture auctioneer? Can you tell me that?

**HON. MR. McLEOD:** — Mr. Chairman, I've said this before and I'll say it again. The proposals were evaluated on the basis of these five criteria. In all cases, in all, the five criteria were considered very carefully. All the proposals were laid up against the five criteria. In some areas, any proposal, any given proposal numbered 1 to 47, might be strong in one area and weak in four others, and so on. And that's why it's very important to leave the five in a total package. When the total five as a package were taken into consideration, this was the best proposal, and this proposal won the award.

**MR. LINGENFELTER:** — Mr. Chairman, I want to go over those five items one more time. In the area of advertising, Mr. Minister, I think you would be hard pressed to say that this individual, or this company, has more experience in advertising than other auctioneers who have gone through the proposal of making up books of machinery and advertising sales and held very successful heavy equipment sales.

You don't have that on Brown's record, very simply and straightforwardly, because he hasn't done it. On previous experience, your point number two, he has no experience in this area. On the management of sale, you can argue that point, but I would be hard pressed to accept if other auctioneers wouldn't break even.

On the compensation or commission, by your own admission or lack of confirming it, you're saying that he wasn't the low tender. On the Saskatchewan content, there are other auctioneers who have as much Saskatchewan content as your successful bidder.

And I think when you weigh this up, there's a good reason why four or five or maybe 15 other auctioneers are very upset about this closed-shop arrangement that you have here.

What I would like from you, Mr. Minister, is who made this decision that Brown's Auction Room would be the successful tender on this sale? Who, in fact, made that decision in your department, and were you personally involved in making the decision?

**HON. MR. McLEOD:** — Mr. Chairman, the member has clearly stated here: he says, well, Brown's Auction doesn't have this experience, and can't advertise, and can't put together a management plan, and doesn't have whatever else. . .

All I'm saying to the hon. member, and I'll say to you, Mr. Chairman, what that member is saying is that this particular auctioneer, the professional auctioneer in the province of Saskatchewan, auctioneers in this province for an awful long time, what he's really saying is that they can't do the job.

I would say to you that the proposals were . . . (inaudible interjection) . . . They absolutely are. You're saying that they can't do the job. I would say to you that the proposals were . . . (inaudible interjection) . . . You absolutely are. You're saying that they cannot do the job through all the reason you're saying. We say: on the basis of the proposals submitted, and what they're prepared to do on all those five criteria, it's the best proposal that we received. On behalf of the taxpayers of Saskatchewan we are to sell the surplus equipment which you left us with, to get the best dollars possible. The decision was made by the Department of Supply and Services purchasing agency, good people within whom I have a great deal of confidence. And that's it.

**MR. LINGENFELTER:** — Mr. Minister, I would like to know who was involved. And I asked you very specifically whether you had input into the decision, and that's the question: whether or not you influenced the decision that Brown Auction Room would get the bid over other very qualified auctioneers, who have much more experience, who many of them say had a tender in lower than what we have accepted here. And, Mr. Minister, the only way that we can get to the bottom of this is if you will make public the successful bidder and tender, and Mr. Minister, many, many people are asking why you will not come clean on this when it's a tradition in the annual report. And you can go through the report for page after page after page where the tendering process is made public, and I'll tell you on issues that are not as controversial and not as expensive as this one. Mr. Minister, we're talking about 1, or 2, or \$3 million depending on an answer that you will give us at some point in time. And I think the public has a right to know why this auctioneer was given this bid and this tender.

**HON. MR. McLEOD:** — Mr. Chairman, the process, as I have outlined it on Friday, and as I will outline again, the purchasing agency through the Department of Supply and Services, through the deputy minister came to me and said, "Here is our recommendation of where we should go on the basis of the proposals that have been evaluated on the basis of these criteria." He gave me the recommendation. I said, "go with it." That's exactly what my involvement would be. That's what the involvement of the minister should be in any of this tendering. And that's the way it is. So I don't know how it was under your government — I have my suspicions — but I know exactly how it is under this government.

**MR. LINGENFELTER:** — Well Mr. Minister, I would like to say that under our administration if there was an issue where the low tender was not accepted, that there was a good explanation why. And I'm telling you, Mr. Minister, that by your denial of this committee, and to the public of Saskatchewan, any information on why — and we assume a low bidder was not accepted — many, many people are beginning to question your credibility. Because I'll say that it's been the process, and I'll say it again, in the annual report that when a low bidder was not accepted, that there was an explanation as to why that occurred.

And we're not fooling around with 1,000 or \$2,000. We're talking about millions of dollars going to what many will suspect is because of political patronage. And I'll accuse you of that, Mr. Minister, because you were ultimately in the final decision-making chair. You decided; you can't blame your department for this. You have admitted in this committee that you made the final judgement, that recommendations came to you, and you chose this one. And I would like to say to you, Mr. Minister, that you have an obligation to the public, and to this committee, to come forward and to clean the record as to why you chose this company.

**HON. MR. McLEOD:** — Well, Mr. Chairman, the proposal selection in this case was done no differently than what it is always done when the proposals are selected in all . . . (inaudible interjection) . . . It is not. It is done exactly the way in which they're supposed to be done. And they all went . . . Those are tenders.

The hon. member waves the annual report which he continues to refer to. He's comparing apples with oranges, Mr. Chairman. He refuses to admit, and I would say this clearly. He refuses to admit that he understands the difference between proposals and tenders. I believe that he understands the difference between proposals and tenders.

As it relates to the auctioneers, he has said that the auctioneers can't find why they didn't receive the tender. Every one of the people who submitted a proposal to us can come to the purchasing agency of the department, as some have done, and as some have not done, but some have done, and every one of them can come to the purchasing agency and find out where they were weak, in which areas they were weak, on the same confidential basis that they submitted their proposals. That's the way business should be done, and that's the way it is being done by this department.

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**MR. ENGEL:** — When Brown's Auction rooms submitted this proposal, did they submit a proposal on behalf of a group of auctioneers or other auctioneers that were going to handle the sale, or was this an individual proposal by the people listed on this yellow advertising sheet?

**HON. MR. McLEOD:** — The proposal was on behalf of . . . I guess you could call it a group. It was Brown's Auctions of Regina and Saskatoon, both together.

**MR. ENGEL:** — When you looked at the proposal as far as . . . I suppose that would come under your point five as to Saskatchewan content. Did they list or put together a proposal? When we used to bid sewer and water jobs, Mr. Minister, we had to list and make a proposal stating that this is the equipment we're going to use. You'd put the package together and say, if I get a certain job, say at Central Butte, for example, I'd bid that with saying I'm going to have a new dragline. If I get the contract, I'll buy that particular machine to do the job.

When they put this proposal together, did they list an expertise of who was going to be conducting the sale for them? Did they list . . . In their group that was going to put the package together, did they list who was going to . . . or the kind of personnel and the amount of auctioneers they were going to have on site? You know, to sell 400-plus pieces of equipment, you need to roll through quite a bit of equipment. And how many auctioneers did they say are going to be working on the project?

**HON. MR. McLEOD:** — Mr. Chairman, as part of the management plan, the successful bidder, as well as the other bidders who submitted proposals, submitted their management plans – how they would conduct the sale, how they would conduct it, how they would line the equipment up, and all the rest of it. So yes, they submitted all that material, and it came under the heading of the one criteria, which I have mentioned to you, the management plan. We're confident that their management plan of conducting that sale will carry that sale through in the two days allotted to it.

For the member's information, I believe Ritchie Bros. in Edmonton does these kinds of sales, and they move this through as much as 700, 800 pieces of equipment in a day, and their management plan handles that. This guy's management plan says that they can handle it on the days of those sales, and we feel very confident that they can, on the basis of what they submitted.

**MR. ENGEL:** — There are a number of firms like Ritchie Bros, even here in Saskatchewan. Great Plains out here out at White City can put together a management plan that Ritchie Bros. would have to take a second seat to. I know, because we've been to some of those sales where groups like that can put together a great sale.

On Wednesday this week, Mr. Minister, the town area of Assiniboia, for example, the dealers around there got together – dealers from Lafleche and Gravelbourg and all over – bringing their equipment to Assiniboia, and there's going to be a giant auction sale in Assiniboia. They've done this annually for years, and it works out good. I have yet to see Brown's Auction rooms involved in that kind of sale.

I come out here to White City, and I go to a sale where dealers – and they have consignments from dealers from all over the province – and they have multi-million-dollar sales. And what we're saying is: who is on the management team with Brown Auction rooms that they all of a sudden were able to buy the experience?

It can be done; they can buy that kind of expertise. And we'd like to know: are they buying that kind of expertise to put that management package together, or are they doing it themselves? Because if they're doing it themselves, it's like a contractor that remodels basement suites or rumpus rooms and is all of a sudden takes on a job to build a 50 or \$60 million building. And that's the same kind of comparison we're making.

And if you want to question me, you tell me where Brown's Auction Rooms have ever held a multi-million-dollar sale where it was a consignment of that kind of equipment. You know, even that volume-wise. You hired them on a basis that they're able to put that management practice together. We're questioning that. So how many auctioneers are involved in this package, first of all?

**HON. MR. McLEOD:** — Mr. Chairman, the management plan was a very satisfactory one. I'm going to tell the hon. member the only way that you will find out the details of it, you can go and talk to the auctioneer, or you could go to the sale, or whatever. But we have every confidence that the sale will be conducted in a very professional manner.

The proposal that was put forward was a very, very sound one, I assure you — all of those things. They will have people there. You say they bought expertise, or they're going to hire somebody, whatever. You're surmising that, certainly, but fine, go ahead and surmise all you like.

All I'm saying to you is that the sale will be well-conducted — an excellent management plan by an excellent, long-standing auctioneer firm in this province. And they'll be conducting the sale on behalf of the Government of Saskatchewan, the people of Saskatchewan, to get the most money possible for the surplus equipment that we were saddled with after taking over the government from you.

**MR. ENGEL:** — That's the management plan. The other area of concern is on the advertising. Now it says here that if you want a detailed catalogue free of charge, additional detailed catalogues are available. I know a person that has phoned and has written and has asked for a detailed catalogue on a number of occasions from as long as three weeks ago. He still hasn't got his catalogue. What seems to be the hold-up in this case? Because we're within a month . . . If somebody wants to buy some equipment, they've got to get their financing in place. How come they're so slow at getting out the catalogues?

**HON. MR. McLEOD:** — Well, Mr. Chairman, I don't know where the members . . . Here's one right here for you to look at. I would just ask . . . You could take this over to the hon. member. Anybody who's asking for this catalogue, and certainly has them available, as you have today, and there it is.

**MR. ENGEL:** — That's good because, as of this weekend, I had a number of contractors tell me that — ask us when those catalogues are available because they haven't been able to get them yet.

On the auctioneers, will the minister assure this House that the auctioneers or the member from Melfort aren't going to be involved in actually direct selling; that we're not going to have to raise an issue of conflict of interest?

**HON. MR. McLEOD:** — Mr. Chairman, the criteria were evaluated. Brown's Auction Rooms of Regina and Saskatoon, the combination of those two firms have won the proposal, and they're conducting the sale.

**MR. ENGEL:** — And they can hire whatever auctioneer they want to help them do the sale, and that is of no concern of yours, then, is what you're saying?

**HON. MR. McLEOD:** — No, what I'm saying is that they will be conducting the sale. If someone wins a tender or a proposal to provide computer equipment or whatever to the Government of Saskatchewan, somebody has computer expertise, and they hire them, I guess that's what they do. But I'm not saying . . . I don't know, but I don't think that anybody from Melfort is involved in this sale. I really don't believe that that's the case. I really don't believe that's the case. I don't know, and all I would say to the hon. member: go to the sale. If you see anyone there that you

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feel shouldn't be there, raise it with me when the sale is over.

**MR. ENGEL:** — That's about the size of it, I guess. I suppose this is why Brown's were maybe put up to front the sale because I have information — and I'm not going to say it's a rumour because it isn't a rumour — where the member for Melfort and his father were busy making lists of serial numbers up for that sale. Now maybe they want to buy a lot of equipment to resell, and maybe this is why you're not telling us anything.

But if you're saying that Brown's can hire whoever they want to conduct the sale for them, and then that is not a conflict of interest, maybe that's why you're being so secretive here today . . . (inaudible interjection) . . . You didn't hear the question? Well, the entire question is that: are you making assurance in this House that that is not a conflict of interest if Brown's hires an MLA to help him conduct the sale?

**HON. MR. McLEOD:** — Well I'm not aware that there should be any concern in that area, that Brown's Auctions won the proposal. You know, I mean, you can go off into dream-land all you want to, but I just tell you that Brown's Auction Rooms of Saskatoon and Regina won the proposal, and they will be conducting the sale. They submitted the management plan we evaluated on the basis of their experience of the advertising program which they would put out, the part of which is that catalogue, the very good catalogue that I sent to you today. Their commission rate, the Saskatchewan content, all those things are involved. Brown's won the proposal, will be conducting the sale, and that's really all I can tell you about it.

**MR. ENGEL:** — When you selected the auctioneer to do the sale, and the question I asked, and I'll repeat it: did you look at who the auctioneers are that he was going to have employed that will conduct the sale, or didn't you? Was that part of the management team? Is this why he rated so high on experience? This is the question I'm asking. Because the experience that Brown's Auction rooms have I'm questioning, because I don't think they ever sold anything bigger than a muffler on a D-9 Cat, let alone the Cat. I'm suggesting that.

You haven't told me yet, and you name one big sale they had where they were selling some construction equipment, and I'll say, okay, they've got the management experience. On the advertising you'll pay . . . The catalogues are out a month before. We'll say that they'll get them distributed. I hope they do better than what they have done in our area where contractors and people that have contracted, and he said they wrote for them as much as two weeks ago and still haven't got the catalogue.

And the compensation you won't tell us now. I suggested on Friday maybe the compensation's at 8 per cent, because you're giving 5 per cent to somebody else to conduct the sale for him, and they're only making 3. Maybe that's part of the package. We don't know because you're not coming clean. If you want to settle this issue today, all you have to do is tell us: these are the auctioneers that are going to conduct the sale; this is the commission we're paying them; it's legitimate. Every farmer who goes to an auction sale knows that the auctioneer, be it Kramer or whoever it is, he knows what that's costing to tell sell the stuff. If I put a machine, my drills, on a consignment sale in Assiniboia tomorrow, I know that that's what it's going to cost me. And everybody knows that it did. That's the facts of an auction sale. There is nothing to hide when it comes to commission because all the auctioneers advertised that, and we know the kind of program they put together. Why are you afraid to tell us who is involved in the sale, and how much they are getting for it?

**HON. MR. McLEOD:** — It's just the very point, Mr. Chairman, that I've been making. It's not a matter of being afraid to tell anything. All I'm telling you is that the proposals came in. It's not a matter of being afraid to tell you anything. It's a matter of the proposals came in in strictest confidence. They are being kept in strictest confidence. I would say to the hon. member on the 16th and 17th of May, go to the sale, see how it's conducted, see who conducts it. If you have any problems with anyone who was conducting it, with anything that went on, certainly we



could talk about it after the fact . . . (inaudible interjection) . . . Well you may have a problem right now, but it's all on the basis of the surmising that you're doing in your own group, and it's not reasonable.

**HON. MR. BLAKENEY:** — Mr. Chairman and Mr. Minister. I am puzzled by what you say about your calling for proposals., and then you are not disclosing the terms of the successful proposal accepted. Does your department call for proposals for architectural projects?

**HON. MR. McLEOD:** — Well, Mr. Chairman, for the Leader of the Opposition, when we do submit proposals, when we do ask for proposals for architectural firms, we do it in the same way we're doing here. On some cases we commission an architect to do a particular job, as was the case before, and continues to be the case.

**HON. MR. BLAKENEY:** — I thought so. And do I understand now that when you call for proposals, as has been common in the past, and I'm sure will be on occasion in the future, and when a proposal is accepted that you will decline to tell us what the commission rate is. Certainly it's never been declined before. This is why I'm trying to figure out why you would decline to tell us the commission rate with respect to auctioneers, when we freely did so with respect to architects.

**-HON. MR. McLEOD:** — Well, we'll announce who the successful architects, and we don't publish the commission rate. But in the case of architects, as the hon. member as well knows, the commission rate for architects can almost be said it's a standard commission rate, and that's true for architects.

It's certainly not true in the case of this auction sale where you have a sale like this . . . (inaudible interjection) . . . No, it's not the case in the case of auction sales where you've got to go through all of the various aspects. You know, if you take that argument that the hon. members opposite have been raising, as it relates to commission rate only being the way in which you would choose an auctioneer, someone could come in at one-tenth of 1 per cent and have no expertise in any of the other areas, and they would say: well that's the low bid. Because you're using terms like "low bid" or "high bid"; "low tender," "high tender." You've been using those terms in the discussion of this matter. And that criteria is not reasonable or acceptable.

**HON. MR. BLAKENEY:** — This is not unusual for other things. You can get somebody who has no experience to bid on a major highway project or building project. And their bid is not likely to be accepted, even though it's the low bid, if they haven't a track record.

What we're asking you, Mr. Minister, is to tell us, to give us, not the names of the criteria — we know experience, everybody can ream those off — but the elements in the successful bid. Commission: commission was so-and-so; experience: we find that the Brown firm has this type of experience, as they indicated in their bid. Whatever other . . . the management plan, or sales plan. There's no reason why that shouldn't be public.

I could understand why the unsuccessful applicants may not want their material public — fair enough. But the successful applicant should have no objection whatever to knowing on what basis he is going to be paid out of public funds. And I'm frankly surprised; I'm surprised at your telling us that Brown's want to keep this secret, and that it's on behalf of Brown's that you are keeping this secret. There's certainly no public interest in keeping it secret. It can only be for the benefit of Brown's, and I'm surprised that Brown's, the applicant you chose, is an auctioneer who would not want the public to know what his experience is, what he offers, and, therefore, it certainly renders suspect your assertions that he's got all this experience but we won't tell you what it is. He's got a great management plan, but we won't tell you anything about it. That certainly renders suspect your assurances that this particular auctioneer is thoroughly competent.

**HON. MR. McLEOD:** — Mr. Chairman, the Leader of the Opposition used the example of

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architects and when you're commissioning an architect. What we do, which is no different than what's been done for many years, we conduct an annual survey of the various firms in the province to find out just what there . . . how big is their shop, what's their experience have they got some new people with different expertise, all those kinds of things.

That annual survey of architectural firms never was published. It is not published now, but we certainly, in the department, need to know who can do what, and at the time of commissioning an architect many things are taken into consideration, including the information that comes from that annual survey, how busy they are at the time in which you need them and those kinds of things.

And it's the same thing here, Mr. Chairman. As I pointed out to the Leader of the Opposition, to the Hon. Leader of the Opposition's colleague a few moments ago, proposals that were submitted for this sale, and for any sale of this magnitude, are submitted by auctioneers who bring together, obviously, the best possible business experience for the longest period of time to put the best proposal forward. And why they would want, or why we would on their behalf, or against the strictest confidence that we took them in, put them out to the public to their competitors, doesn't make any sense.

As I have said as it relates to the competitors, those competitors, the 46 proponents who submitted their proposals can go to the purchasing department on the same confidential basis that they submitted their proposals, and they can find out where they were weak and where they were strong, if, in fact, there were some areas in which they were strong. They can find that out from our department. We won't hide that at all from those proponents.

**HON. MR. BLAKENEY:** — What you're saying, Mr. Minister, is that you will comment on the Ajax Auction, you will tell them why you think they were weak and they were strong. But you won't sit down with them and say: here is your bid or your proposal – I'll keep the term appropriate – here is the successful proposal, and here are all the reasons why you were less successful than the successful one. Are you telling us you will do that? You will lay out the successful proposal for the unsuccessful Ajax firm, and give them all the information about the successful bidder, and let them make up their own mind whether or not they felt that they were successful or less successful, competent or less competent than the successful bidder.

**HON. MR. McLEOD:** — I'm saying we will not lay them out in detail, side by side, certainly, but we will go through every one of the criteria and in relative terms tell them where they are weak, and where they had a strong case, and if they were close or so on. But we will not lay that out in detail, side by side with the other proposal.

**HON. MR. BLAKENEY:** — Mr. Chairman and Mr. Minister. The Ajax Auction firm may well know quite a bit about themselves. So your views of whether or not they were weak or they were strong are interesting. But what they want to know is whether the successful one you chose was, in their judgment, weak or strong. And you're telling us you won't tell them what the successful person laid before you.

Again, Mr. Minister, this is not only a matter of whether or not the Ajax firm is being treated fairly. It's a question of whether anyone else who might in the future, want to deal with your department has the assurance that they will be treated fairly and reasonably.

Again, I'll come back to this. Your reference to the survey of architects is no-relevant. That's a survey of all architects – a survey of all architects, and I'm not asking that you disclose all of the material with respect to all of the people who put in proposals. That's not what I'm saying. I am saying the successful one ought to be disclosed, just as I would say, architecturally the information with respect to the successful proposal ought to be disclosed.

If you are relying upon expertise, you shouldn't be afraid of saying in what that

expertise consists. If Brown's Auction has made an arrangement with some other auctioneer who has more experience in dealing with heavy machinery, and that was part of your thinking, we, and the public, have a right to know that. You've made up your mind on some bases. It's unlikely to be the basis of Brown's previous experience in selling heavy machinery. You have not outlined that for the very good reason that it's not extensive. Obviously there's something else. Obviously there's another connection. Obviously Brown's have brought in some expertise. And this is pretty interesting to know who it might be, and under what circumstances.

We are aware of your colleague, Minister of Health, who has given contracts to firms, and they have brought in expertise in the form of Mr. Louis Bud Sherman, and we thought that was relevant. He said it wasn't, after all he wasn't dealing directly with Bud Sherman. It just happened that the person he gave the contract to had decided to use Bud Sherman's expertise. Now you have given another contract to someone who, at least on the face of it, is not experienced in the field of heavy machinery, on the face of it. And if you can roll off half a dozen major sales they have handled, or even one or two, then I will revise my view on this — in the last year or two. So obviously, and you're unlikely to give it to an inexperienced auctioneer unless they've got some other people coming around . . . What we're asking is: who are going to assist them — if I were going to put this in a relatively pejorative way — who is the Bud Sherman who is going to assist Brown's Auction with the sale?

**HON. MR. McLEOD:** — The hon. Leader of the Opposition is laying out an example which, you know, I reject that. There is nobody. I would say to him once again the sale has been awarded to Brown's Auctions of Regina and Saskatoon. That's who'll be conducting the sale. They will conduct the sale. They've got experienced, good people with them, and they'll do the job, and we're confident of that. We are very confident of that.

**MR. KOSKIE:** — Well I just want to address the minister on this. It seems to me that you have laid out the five criteria: the advertising ability; the previous experience; the management of sales — that is the management of sales plan, how well they can conduct it; compensation; and -Saskatchewan content.

Now Saskatchewan content: you indicated already that 44 of them out of the 47 were Saskatchewan auctioneers. So Saskatchewan content seems to not be a very relevant one if 44 of them, in fact, were Saskatchewanites. And then you go into the advertising which is, I think, you have to look fairly subjectively at the capacity there for advertising. Previous experience: I think we can demonstrate to you that Brown's Auctions hasn't got the previous experience of heavy equipment sales that many other Saskatchewan-based auctioneers. I'll tell you, Mr. Minister, that there's one area here which is essentially objective in reviewing it, and that is compensation. And I want to ask you point blank: was it in fact the lowest bid, or the lowest fee being requested by Brown's over and above the other Saskatchewan people who put in the tender. Can you advise us whether or not it was the lowest?

**HON. MR. McLEOD:** — I can advise you once again that the commission rate is one of the five criteria taken into the package with all of the other four. Commission rate is not the only criteria that you look at in this, and I've been over this ground many times before, Mr. Chairman.

**MR. KOSKIE:** — I'm going to tell you when you go out for a proposal, as you said this was, that one of the very essential ones is, in fact, how much it's going to cost. That's vital. And I want to ask you whether again, in view of the fact that the price is a vital consideration, because you are dealing with taxpayers' moneys, I want to ask you again: why won't you tell us whether or not the vital criteria of compensation whether they put in the lowest tender . . .

**HON. MR. McLEOD:** — Mr. Chairman, the most vital thing in going to a sale of this nature, or any type of sale, is how successful will the sale be, how much will we get for the equipment on behalf of the taxpayers that you mention? How successful will it be? So in order to ensure success you put the package of the criteria together to make sure that all bases are covered

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— commission rate certainly being one of them. As I have said before, we won't get into the details of any one of the particular ones, but the five together, added together and worked side by side with each other, pointed to Brown's of Saskatoon and Regina, and Brown's received the successful award.

**MR. KOSKIE:** — Mr. Minister, your reluctance to give this information — who are you protecting? I ask you: are you protecting the people of Saskatchewan by the refusal to indicate whether, in fact, this is the lowest tender? I would have thought that the prime consideration here is to protect the taxpayers of Saskatchewan. Who are you protecting?

**HON. MR. McLEOD:** — When we take proposals, we protect the integrity of the people that are proposing. When they submit proposals, they are comfortable that their proposal will be kept in confidence, in all cases. That way we get the best proposals; like, people come through with their proposals. They put their best experience for whatever period of time they've been in business and whatever they've been able to muster, the best thing together, and they want that protected for them from their competitors. If you have the formula for Coke, you don't give it to Pepsi, and that's what we're saying to you here today. That way we get the best proposals, the most creative proposals, and in they come, and we choose the best proposal.

**MR. KOSKIE:** — Who decided that the proposals that were put in to, submitted to the government, would, in fact, be confidential? Who decided that?

**HON. MR. McLEOD:** — The same officials who sent out the proposals made the recommendation of who it should be chosen, the same officials in the purchasing agency of the Department of Supply and Services.

**MR. KOSKIE:** — Are you in agreement that in future and in respect to this that major contracts, which the public is tendering for or putting in a proposal, that they should be confidential? All of these should be confidential in the future? Is that the established policy of this government?

**HON. MR. McLEOD:** — I've made it very clear before, Mr. Chairman, the difference between a tender and a proposal. What I'm saying is that the way in which proposals are dealt with is no different than proposals are dealt with before, and no different than they have been by our government before, by their government in the past, and by other jurisdictions . . . (inaudible) . . .

The hon. member from Quill Lakes is suggesting that he, as well as several of his colleagues, don't understand the difference between tenders and proposals. I know that they do understand the difference. They believe they should cloud the issue for some reason, but there is certainly a very clear distinction, and that distinction is extremely important to the department in the way in which we do business with the private sector in this province, who, by the way, are very, very pleased to do business with this department when they think back to the way in which they did business with the former department.

The hon. member mentions auctioneers as one group who are not happy doing business with this department. The auctioneers in this province have never, ever been sent the opportunity to bid or to send proposals before. They now have that.

**MR. KOSKIE:** — Mr. Minister, assuming that your department and that you, in fact, confirmed it, that all this information should be confidential, I ask you: how are you, in fact, protecting the public by non-disclosure?

**HON. MR. McLEOD:** — We're protecting the public because, as the proposals come in, we get the very best proposals that the people can muster, the very best and most creative proposals they can muster, knowing full well that their proposal and their formula for success, if you will, is not going to be disclosed to their competition. Because, what you're really saying is, if one auctioneer is successful and puts in his proposal and it's successful under those criteria, and we

disclose that, it means if there's ever another auction sale at some time in the future his formula is out there. How confidential is that?

So what we're saying got you is that we get the best proposals possible. They stay there. We have said to the people that when they put their proposals in there. And you will know, Mr. Chairman, that if there had been seven proponents or 47, as it were, or three – one successful one – the others are certainly going to be disappointed. We understand that. We know they are disappointed. Some of them are more than disappointed. But they have every opportunity to come and talk to our purchasing agency, and some of them have already done that.

**MR. KOSKIE:** — I'd like, Mr. Minister, if you could provide me with the dates: that is, when did you first submit your request for proposals? Did you submit the request for proposals, on what date, and to whom? Can you give us the list of to whom you submitted the list to, for a proposal?

**HON. MR. McLEOD:** — On December 30, proposals went out to every registered auctioneer in Saskatchewan and, I believe, to Ritchie Bros in Edmonton, Alberta.

**MR. KOSKIE:** — And can you give me the deadline by when the individuals had to have their proposals in?

**HON. MR. McLEOD:** — The proposals were to be received by 2 p.m., January 12, 1984, by Saskatchewan Supply and Services purchasing agency . . . (inaudible interjection) . . . January 12.

**MR. LUSNEY:** — Mr. Minister, in awarding the contracts to Brown's Auctions, what were the terms of awarding that contract? What were the terms of awarding that contract? Surely you didn't say that we accept your proposal, and now you sell that equipment; we're really not going to lay down any terms for doing that. Were there some terms involved in awarding that contract?

**HON. MR. McLEOD:** — Okay. The proposal was awarded on the principle of the evaluation criteria that I have mentioned many times here. We said okay, and on a weekly basis since the awarding they must give a progress report about how they're coming along with the sale. And that's the way it should be done.

**MR. LUSNEY:** — Were there time limits in the proposal that had to be adhered to when you sent it out, or not? Was there a certain time by which this auction had to be held, in your proposal, when you sent the proposals to the auctioneers?

**HON. MR. McLEOD:** — One of the dates – and I believe I understand what the hon. member is getting at – one of the dates here, this auction sale was to be conducted by May 15. As it turns out the sale is on the 16th and 17th. One of the things in that proposal was because there's an industrial trade show on in Saskatoon, but I would assure the hon. member that the date of the sale by one day is not the criteria upon which this would be awarded. But there's an industrial trade show on in Saskatoon at the same time, and it's a good thing to have in conjunction with it.

**MR. LUSNEY:** — Were all the auction services that you had sent the proposals to aware of the fact that you would allow them to hold it at a different date other than the May 15 deadline?

**HON. MR. McLEOD:** — One of the things that we asked for was: state your recommended dates for the auction, and one of the other ones was that proponents would be able to say if they had an alternative site, that they should say so and where and why and so on, if they thought that this would be better. So those things were part of the proposal call, and from our point of view, always with a view to getting the most, and having the best and the most successful sale possible.

**MR. LUSNEY:** — Mr. Minister, when you awarded that contract, was there some discussion, or

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how was that contract awarded? Is the government going to pay any additional costs to the commission that the auctioneer is going to receive? For instance, are you going to pay any advertising? Are you going to pay any preparation of the grounds, or are you going to pay any costs of the grounds where it will be held? Are there any additional costs to the government on top of the percentage commission that's going to be paid to the auction service?

**HON. MR. McLEOD:** — Okay. Mr. Chairman, the proposals came in with a wide variety, a different sort of a mix. Some said, "Look you pay the advertising and you rent the grounds, and we'll do these other things." So we picked the best one. And in this particular case the grounds are rented by the auctioneer, I believe. The advertising is paid by the auctioneer, and that's part of the advertising program submitted. And the advertising in the total package is conducted by the auctioneer who was successful in the proposal.

**MR. LUSNEY:** — You said, you believe, Mr. Minister. Am I clear to understand that whatever percentage is being paid, a percentage which you refuse to disclose, that that is going to be the only cost to the government to dispose of this equipment? There are no additional costs – no sharing of advertising, no sharing of the grounds, no sharing in any management of the sale or any preparations of that sale, no other sharing to the government. You have given the contract totally on the basis of he gets his commission rate, whatever it is, and all other costs associated with that sale are going to be that of the auctioneer.

**HON. MR. McLEOD:** — Well, Mr. . . . I'll get the details of what's all included in that sense, and I can give you that. I once again emphasize that the whole package, including the management plan for how the sale will be conducted, was all a part of it, including commission, and I would say that once again.

**MR. LUSNEY:** — Well, I understand that, Mr. Minister. What I'm asking is: just what part of this is going to be part of the commission? What part is going to be paid by the government on top of the commission? And when you said you will get those figures, are you going to get those today, or are you going to get them some other time, or are you going to get them now?

. . . (inaudible) . . . Okay. I appreciate that. The reason for the questioning is that I have some concerns as to what the total cost might be. We could say it's a 4 per cent commission, but if we're paying the advertising, and paying the transportation, and paying the grounds, those will be additional costs. I am asking just what are the costs associated with this auction, and who is paying them?

**HON. MR. McLEOD:** — Well, as I said, Mr. Chairman, I will endeavour to give . . . I will give you the cost to the government, and will get that in a minute or two, okay? – if there are any.

**MR. KOSKIE:** — . . . (inaudible) . . . on which the decision was made to accept the Brown's as the successful auctioneer.

**HON. MR. McLEOD:** — Well, Mr. Chairman, the 18th of January; the successful proposal was advised on the 18th of January. As it relates to your former question for the hon. member from Pelly, the other costs besides commission, I believe I said that the site, which is at the exhibition grounds in Saskatoon, the rent would be paid for by the . . . these are the things, in fact, that are the cost to the government. We were responsible as a government to move the equipment there. Some of it was beginning to move there prior, so we moved the equipment there, and we're responsible for repairing and fixing and getting the equipment sale-worthy, and we are responsible for the rent of the exhibition grounds.

So those are the three costs to government. From there on, the whole sale and the management of it, and the whole operation is conducted by the successful proposal.

**MR. LUSNEY:** — Could you tell me what the costs of fencing the grounds would be for the two days?

**HON. MR. McLEOD:** — I will provide that to you. I'll just . . . while they look it up, if you have other things we'll carry on.

**MR. LUSNEY:** — While they're looking up that information, Mr. Minister, could you also find the cost of moving that equipment, and what trucking firms moved that equipment, what the cost of it was, and the firms involved?

**HON. MR. McLEOD:** — The moving of the equipment and the repairing and fixing of the equipment were both done by the Department of Highways. And we won't have the total cost of that until all of the bills are in, and so on. But we have no hesitation about . . . as a government have no hesitation about providing to you what the costs of moving the equipment, and repairing and fixing equipment. But I don't know when all the bills will be in, but you know, I could undertake to get that to you, whether it's under here or from the Department of Highways.

**MR. KOSKIE:** — Mr. Minister, you indicated that the deadline for the submission of the proposal was January 12, 2 p.m., '84. And you indicated that the decision to award it was made on January 18, 1984. I ask you: during the period in between January 12, the closing date, and the date of awarding the contract to Brown's, whether any of the auctioneers who, in fact, had submitted proposals, had any further communication and discussion with you or your department officials during that period from the deadline — you get me? — from the 12th to the 18th?

**HON. MR. McLEOD:** — Mr. Chairman, the officials don't have any, you know, particular dates on what dates. But I would tell you this: that from December 30, from the time the proposals went out, we had many, many phone calls in our department from auctioneers and from potential buyers and from all sorts of people. And I believe there were calls right down to the time that the successful proposal was awarded because, as the member can well imagine, there was a good deal of interest in it, and auctioneers were calling our offices on many days. But I don't have a record of who called what day or anything like that?

**MR. KOSKIE:** — Well, I'm interested to know, Mr. Minister, because it's of interest to other auctioneers of this province. Because they have indicated to me that some selected ones were given the opportunity to go in and to review with the department officials and/or yourself, after the proposal deadline, and to clarify any weaknesses within their proposal.

And I'm asking you to give us a record of those that came and contacted your office, and which meetings were held, from the period of the closing of the deadline for the proposal and the date of the final awarding of it. And you've got to have those records, or else you're totally hiding it.

**HON. MR. McLEOD:** — There were no such meetings with the intent of impacting on their proposal . . . (inaudible) . . . No such meetings. No such meetings between our department officials and people who had submitted proposals between the 12th and the 18th.

**MR. KOSKIE:** — Well a few moments ago you indicated that there was telephone calls. I mean, whether or not they have called in to the office, or you have a discussion of it, did you have contact with any of the auctioneers between the deadline for submitting the proposal and the awarding, whereby you were asking or receiving clarifications, or where an addition was added to the submission?

**HON. MR. McLEOD:** — As I indicated to you, there were phone calls, and there were, by auctioneers and interested parties, from the 30th and right down to the end. Near the end, what the calls were about were: when will the award come out, and all those kinds of things. I don't know the dates of any of those things, but I can give you the assurance, and I will give you that assurance now, that there were no adjustments made to any of the proposals after the 12th, the deadline date, the 12th of January of 1984 at 2 o'clock.

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**MR. KOSKIE:** — Are you indicating that, in respect to the request for the proposals, you didn't indicate within that the likelihood of the date on which you would make the awarding of the successful one? You're saying that they were phoning in and asking in respect to the dates as to when the deadline for awarding the successful contract. Surely within the proposal you would ask for their proposal and indicate when you wanted the sale and when you would be making the decision.

**HON. MR. McLEOD:** — No, there was not a date. There was not a date in the proposal to say that at this particular date the award will be made. That was not the case. As the hon. member can well imagine, had we said that, the successful bidder will be notified and people will be notified by the 13th, by one day later, there would still have been phone calls. Phone calls were coming as soon as the proposals were in there because people were extremely interested; there's no question about that. And that's no different than it is with any other proposals that go out, regardless of what the subject matter of the proposal is.

**HON. MR. BLAKENEY:** — Mr. Chairman and Mr. Minister, I want to know whether you leased any office space or court-house space in Yorkton in the last several months.

**HON. MR. McLEOD:** — Yes, we have, Mr. Chairman.

**HON. MR. BLAKENEY:** — With respect to the court-house space, would you indicate who the lessor is, and what the rent being paid is?

**HON. MR. McLEOD:** — The space is leased from the company called Broadcast plaza, and I believe that that may be the building that they're in.

**HON. MR. BLAKENEY:** — And what is the rent being paid?

**HON. MR. McLEOD:** — Mr. Chairman, I'm advised that the rent being paid has never been disclosed in the House, and we don't disclose the rent that's being paid for the . . .

**HON. MR. BLAKENEY:** — Yes, you tell me that you rent something from something called Broadcast plaza, and you are unwilling to tell us what you pay for the space. Will you tell us how much space you're renting?

**HON. MR. McLEOD:** — We'll provide it. He'll take it out here now, and we'll provide it to you, the amount of space.

**HON. MR. BLAKENEY:** — Is Broadcast plaza the building that is, or was managed by Maximum Management Incorporated, operated by one Dick Richards, now, or formerly, and I believe now again, executive assistant to your colleague, the Minister of Labour?

**HON. MR. McLEOD:** — I believe it is, yes.

**HON. MR. BLAKENEY:** — And again, you do not wish to tell us how much you are paying? You don't wish to tell us how much you are paying to this company which is now, or formerly operated by the EA to your colleague, the Minister of Labour?

**HON. MR. McLAREN:** — There were three proposals submitted. That was the successful one. That's . . . (inaudible) . . .

**HON. MR. BLAKENEY:** — With respect to these proposals, were there an area of the city of Yorkton with respect to which the proposals were to be submitted?

**HON. MR. McLEOD:** — The answer to one of your former questions, there were 3,000 square feet, 3,000 square feet of space. And Broadcast plaza is in an area within which we ask that the



court house space be provided within this approximate area. And we asked that, and it fits that bill.

**HON. MR. BLAKENEY:** — Could the minister then explain why Alderman Ed Magis, of the city of Yorkton, was unaware of the fact that Broadcast Place was within the area you had indicated, but indicated that the Yorkton City Council, to Yorkton City Council in a public council meeting, that it was, in fact, outside the area?

And while he is not called upon to make this judgment, he is reported as saying that the questioned the legality of the contract going for Broadcast Place location because the building was outside the downtown area the government specified in its call for tenders, convincing fellow aldermen to put the issue on the agenda for council at its annual meeting with Mr. McLaren.

Would you have any idea why Alderman Magis was confused on this point, or are you confused as to whether or not this space was within the area which you had earlier specified?

**HON. MR. McLAREN:** — No, I would have no idea why Alderman Magis would be confused on it. But I would say that we had an approximate area where we wanted the space. We chose that proposal of the three that were submitted.

**HON. MR. BLAKENEY:** — I perhaps didn't make myself clear then. You may well have had an approximate area that you sought to have the space in. What I'm asking is: what did you tell the public? Did you specify an area where the space was to be located, and was this space within the specified area?

**HON. MR. McLAREN:** — Mr. Chairman, the public proposal call went out with an area, a defined area, and the successful proposal was right on that street.

**HON. MR. BLAKENEY:** — I don't want to be confused. Are you telling me that the Broadcast Place where the court-house is now – the space is located – was within the area which you defined as the area where you were seeking space?

**HON. MR. McLEOD:** — No, what I'm saying is the line went down the streets. The Broadcast plaza is – and I don't know the name of the street, but it's not hard to find – Broadcast Place. It's right on that street and it's . . . well, it's across the street I guess you could say. But it's on the same street.

**HON. MR. BLAKENEY:** — Well I could easily think of defining space within the legislative area and drawing a line around here and wanting to locate some office space and, indeed, office space could be on Albert Street which obviously goes through this area, but it could be on Albert Street and outside the area. And what I'm asking you is not whether it's on this street or that street. I'm asking you very simply: was it within the defined area?

**HON. MR. McLEOD:** — Well, first of all, let's make this very clear, Mr. Chairman. The three proposals that came in – one of them was blocks away from it; one of them was inside the area, with a higher cost and with a longer term to get into it, to occupy it, for occupancy; and this one was right on the same street, just across the street, of the three, obviously the best choice.

**HON. MR. BLAKENEY:** — What you're telling us is that you defined an area, that you rented space from a building which was outside the area – you say "close by," but outside the area – from somebody . . . Broadcast Place, managed by . . . this company which is run by Dick Richards. You tell me how much space it is. You won't tell me the cost of it. You won't . . . You just tell me it's a better deal, but you are unwilling to put forward any figures which indicate it's a better deal, and you are unwilling to tell me what the bids were and why it's a better deal.

**HON. MR. McLEOD:** — That's what I'm saying to you is that we defined the area; we had three proposals. As you can well imagine, there weren't a great series of proposals coming in in Yorkton. One was block away, as I've said. One was inside, but with a longer term before occupancy could be realized by our client department. We needed to get the renovations under way at the court-house, so we said, "We'll go with this one." And it is a better deal in terms of . . . with the . . . as it compares to the one that was just inside.

**HON. MR. BLAKENEY:** — Well, Mr. Chairman and Mr. Minister, I'm sure it was a better deal. I'm just trying to figure out a better deal for whom. What evidence do you offer this House that it was a better deal, other than your say-so that the term of the lease was shorter? Will you offer any comparable figures indicating that the price per square foot per year was lower or significantly lower or that the space . . . Will you show us why you chose the building outside the area you had designated, the building owned by you well know whom and managed by the person associated with your colleague, the Minister of Labour.

**MR. CHAIRMAN:** — Could the Leader of the Opposition repeat the last part of his question for the minister?

**HON. MR. BLAKENEY:** — Yes. Well, as I say, what evidence will you give us . . . Will you give us the comparable figures showing why it was a better deal for you to take this particular space, outside the area you designated, in a building operated by the person associated with your colleague and I think, still, the executive assistant for your colleague, the Minister of Labour, and owned by people you well know. Will you give us the figures, not your say-so, but the figures which indicate that that was a good deal, not for the people who owned the building, but for the people of Saskatchewan?

**HON. MR. McLEOD:** — Oh, I would say for the same reasons. The hon. member knows that the amount paid for the office space will be available, and it will be available in the *Public Accounts* at some future time. The reason in the past, and the reason now, that the actual rates paid right now are not revealed is for the very reason that it can affect the rental rates and what goes on in terms of office-space leasing in the city of Yorkton now. And that's always been the argument and will continue to be the argument from this government, as it was from your government.

**HON. MR. BLAKENEY:** — Mr. Chairman and Mr. Minister, how many court-houses do you expect to lease in Yorkton in the next period of time?

**HON. MR. McLEOD:** — It's not the matter of court-houses, Mr. Chairman. As the Hon. Leader of the Opposition knows, it's the matter of the amount that you pay for the per square foot or per square metre of space there. And you know, class A or B or whatever space, but A space, good space, and that can certainly, as you also well know, sir, that it can affect the cost of office space in Yorkton, not only for the Government of Saskatchewan, if we have other office space requirements, but for the private sector of people in that business.

**HON. MR. BLAKENEY:** — So I conclude then, Mr. Minister, that with respect to the space in Yorkton, you are unwilling to tell us what you're paying for it — that particular space interestingly connected as it is?

With respect to buildings in Regina, can you tell me what buildings your department has committed to lease space in — buildings which are not yet occupied, which are either under construction or under renovation, and are not yet occupied by tenants or have significant vacant space, let's put it that way . . . (inaudible interjection) . . . Well, I'll inquire as to a few.

**HON. MR. McLEOD:** — Okay, there are two when you say Government of Saskatchewan. First of all, the only one that we have knowledge of in this department, or detailed, is what will be called the Victoria Plaza Building. I believe it's proposed to be on the location of the former McCallum — Hill Building. We're at the preliminary lease negotiation stage now, but that's . . . And

we are committed to take some space in it.

**HON. MR. BLAKENEY:** — You are committed to take some space in — we will call it Victoria Plaza — on the north-west corner of the intersection of Scarth and 12th Avenue in Regina, the location of the former McCallum-Hill Building? Okay. Are you committed to take space within any given price range?

**HON. MR. McLEOD:** — Price is a subject of negotiation which is ongoing now.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I can understand the price is subject to negotiations. Has a range been settled? That is, is the negotiation taking place within an agreed range? Or is the negotiation running between \$1 and \$25 a square foot?

**HON. MR. McLEOD:** — There was never a range set.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, has your department any commitments to rent space in what I will call the Pioneer Trust project, at the south-east corner of 11th Avenue and Hamilton Street?

**HON. MR. McLEOD:** — No, we have not.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, does your department have any commitment or tentative commitment to rent space in a project of the Denro group, which was announced, at the north-west corner of 12th Avenue and Albert Street? The old, old location of Regina Motor Products?

**HON. MR. McLEOD:** — Yes. The Saskatchewan Housing corporation has an arrangement. I believe that property was owned by the Saskatchewan Housing Corporation most recently, and then it was sold. The Saskatchewan Housing Corporation has an agreement, and part of that agreement is that the Government of Saskatchewan would lease some space in that building. Our department's involvement in this would be that we would sublease from the Saskatchewan Housing Corporation, and use it for client departments of government.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, do you have an approximate number of square feet that you are committed to take over and dispose of by way of subleases?

**HON. MR. McLEOD:** — The Sask Housing space, I am advised, is 50,000 feet, I believe, and I think that was opened at public tender or whatever so . . .

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, is there a price or approximate price settled for that space?

**HON. MR. McLEOD:** — Okay. We will be leasing space from Sask Housing at the . . . through what we call joint-use agreement with the Crown corporations which, I believe, was under way in your government and continues. Sask Housing may well have an agreement signed. Well, I believe they have an agreement signed and the price is probably a part of that. I don't know what it is. But I would say that from our department's point of view, and from the client departments of government that will use it, and which we will act on behalf of, we'll be signing that on the basis of the joint-use agreement between us and the crowns. And if there's anything we'll get it at the best possible price, and if there's any other, I suppose you could say it will be Sask Housing will be paying the extra if there is extra to be paid.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, does your department lease space in the what I might call the Bank of Montreal building at the south-west corner of 11th Avenue and Scarth Street?

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**HON. MR. McLEOD:** — Yes, we do.

**HON. MR. BLAKENEY:** — Can you tell me who is the lessor, from whom do you lease, and what price do you pay per square foot?

**HON. MR. McLEOD:** — We lease from McCallum Hill Dover Park, I believe it's called, and for the reasons that I outlined in Yorkton, we don't disclose the price.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, in a recent article in the *Leader-Post* it is reported as follows:

The newly opened Bank of Montreal building has about 27,000 feet of vacant space. However, first class space is \$18 per square foot in that building compared with \$13 per square foot in other buildings.

Do you have any reason to doubt that the amount you are paying approaches \$18 per square foot?

**HON. MR. McLEOD:** — Mr. Chairman, I'll give the hon. member the assurance we're paying nothing close to that, nothing even approaching that. Without giving you the actual price, as a major tenant in there I think we have 33,000 feet. And as you well know, sir, as a major tenant you have the negotiating power to be able to get space at much cheaper than the rate that you cite.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I would very much hope it's a great deal less than that because there is good space available at \$12 for blocks like that — \$12 a square foot — around Regina. And if you are having difficulty getting it, I think we could rustle you some up.

So that is McCallum Hill, Dover Park, whatever they call their . . . Harvard, Dover park, McCallum Hill, whatever, whatever name they're using at that moment.

Can you tell me whether or not you have made any arrangements to lease court-house space in Regina?

**HON. MR. McLEOD:** — Yes, we have made those arrangements and, in fact, we took proposal calls and have just awarded it. I will give you the details just in a few moments.

Okay, the court-house proposal call was on proposal of approximately 10,000 square feet. It's on Smith Street. The developer is Park Avenue developments and Tricor developments.

**HON. MR. BLAKENEY:** — I ask the minister again to repeat that. He's talking about 10,000 square feet of space?

**HON. MR. McLEOD:** — To the Leader of the Opposition, it's 30,000 square feet. I'm sorry about that. I'll give the recent lease-space proposal called for provincial courts. There was an urgent need for the provincial courts for good-quality facilities for consolidation of their program, and as the hon. member will know, they are presently located in three areas. That's the information I have here.

**HON. MR. BLAKENEY:** — What is the nature of the arrangement? Is the building to be owned by the Crown? Is it to be owned by a developer and leased to the Crown on a long-term lease, and would the minister advise me of the length of the lease?

**HON. MR. McLEOD:** — It's a lease arrangement on a 10-year lease that has been signed.

**HON. MR. BLAKENEY:** — Well, Mr. Minister, then you are leasing approximately 30,000 square feet of space on the 18 block Smith Street in Regina, and you're going to lease it for 10 years from two developers whose names you gave me. Would you repeat those?

**HON. MR. McLEOD:** — Park Avenue developments and Tricor developments.

**HON. MR. BLAKENEY:** — Is the minister aware of who the principals are in either or both of those?

**HON. MR. McLEOD:** — I'm not, but I'll find out and give you the information.

**HON. MR. BLAKENEY:** — Has the arrangement been made with Park Avenue and Tricor?

**HON. MR. McLEOD:** — Yes, well, the proposal that was accepted was submitted in their names, in the names of these two developers, and it's been accepted on that basis.

**HON. MR. BLAKENEY:** — Prior to your accepting that arrangement, did your department have any discussion or dealings with the Regina Bar Association?

**HON. MR. McLEOD:** — Mr. Chairman, the Department of Justice was involved with our department every step of the way, and I would . . . any discussions with the bar association, I'm sure, would have been done with the Department of Justice.

**HON. MR. BLAKENEY:** — I just was checking to see. What you're telling me is that your department was not so involved. When do you expect that that new court-house space will be on-stream?

**HON. MR. McLEOD:** — I'm advised in about 14 to 16 months.

**HON. MR. BLAKENEY:** — And I don't want to go into this in too much detail, because some of this might be more appropriate for the Department of Justice. But I ask you this: by this device are you providing space for activities, some of which are now being carried on in the court-house, or all of which are being carried on in other buildings, e.g. the Municipal Justice Building and the building up on Broad Street, or whatever?

**HON. MR. McLEOD:** — It's certainly correct that a good deal of this could be better directed to the Department of Justice. But I would say that our information is . . . First of all the Department of Justice was very much involved in this, as I've indicated before, and that the activities that'll be carried on in the new building are presently being carried out in three different area in the city, and I'm not sure, not having been involved in a legal community here, as you have.

**HON. MR. BLAKENEY:** — I will pursue some of these, Mr. Chairman, and Mr. Minister, I will pursue some of these with the Department of Justice. I was wondering just what consolidations were involved. Does your department have any proposals with respect to court-house space in Saskatoon? Have you made commitments with respect to new court-house space in Saskatoon?

**HON. MR. McLEOD:** — Yes, Mr. Chairman, we have provincial courts in Saskatoon located in the Phoenix House, Saskatoon. I think that's the name of the building. What information I have – and I'll just give it to you:

- the Municipal Justice building was substandard to provincial courts' requirements;
- provincial courts were fragmented in four buildings;
- the courts' requirements were advertised on a proposal-call basis;

— Phoenix House was the successful proposal out of the five received;

— interior improvements for courts amortized over term of lease in accordance with standard procedures.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, will you tell me the number of square feet which you have – approximate number of square feet you have taken in Phoenix House, the length of the lease, and if you will so tell me, the amount that you are paying.

**HON. MR. McLEOD:** — I'll provide you with the number of square feet and with the length of the lease in just a moment or two. And for reasons I've given previously, in two other locations I won't give you the amount we're paying.

**HON. MR. BLAKENEY:** — While this is being dug up, may I ask another question. Does your department have a policy of leasing court-house space in smaller centres in Saskatchewan from . . . Well we've already dealt with Yorkton, but that was a special case because we have a court-house there. I am talking about places where there is no reasonable expectation that we will have a court-house.

I am referring to a practice previously followed in a place like Esterhazy, where, when they built a town hall, we made a deal with them to build a council chamber which was also suitable for a court-house, and we entered into an arrangement to lease it one day a week, or whatever the arrangement was, and they built the council chamber so it could be a court-house, and they, of course, looked after all the maintenance and that sort of thing. And it was a highly successful arrangement, I think, of providing appropriate court-house space which was multi-purpose space.

Watrous is somewhat different. But there is a small court-house built into a public building in Watrous. Do you have any policy wherein you attempt to co-operate with the municipal people when they are putting up a building, so that we could get a room which was suitable for court-house space, but which was not confined to that, since we obviously do not use it very much?

**HON. MR. McLEOD:** — Without remaining very specific to court-houses, and I think the hon. member is talking about, he mentioned some examples that were done previously. But without staying specific as it relates to court-houses, we just signed an agreement in the very recent past here with the community of Preeceville for a joint venture with the town and our department for some consolidation of some office space, government office space, as well as the office requirements of the town of Preeceville – a similar thing that had been done in several locations by your government.

So where that's appropriate, where we see it to be appropriate, certainly we would continue with that policy. As it relates to a hard-and-fast policy for court-house space, we look at each case, but certainly we have no difficulty with dealing with a municipal government if it's mutually beneficial.

While I'm on my feet, the Phoenix building is 22,000 square feet, and the length of the lease is 10 years.

**HON. MR. BLAKENEY:** — Mr. Chairman, and Mr. Minister, I just very briefly say that I think that those joint arrangements work very well. In my judgement, the Crown needs some decent and appropriate space in a number of small communities, but what it doesn't need is any space it needs to maintain. And if you can deal off the maintenance to the local people in a building which they operate, and yet you can have a space there which is a proper space that will serve the public, then that can be done. And court-houses are a particular problem, because you're only going to use them once a week or something, and then the job of getting multipurpose

facilities which can be used for a court-house and for something else are not easy.

I have attended courts in Saskatchewan in a lot of places which didn't do the administration of justice a whole lot of credit, you know, in the basement of all manner of halls. And if you can site them, if you can locate them, in a place like a council chamber, which also is a part-time use, then I think there's just a whole lot to be said for it. I see the minister wants to interject a comment, and I'd be happy to have it.

**HON. MR. McLEOD:** — Okay, I would like to interject just a comment. As I indicated to you, that policy of dealing with the local governments out there for spaces that are not used on a full-time basis is a good one. I guess I would just reiterate what my colleague said in that night of budget, and he said something like, "We committed to keep what needs keeping," And that's one of them, and "We committed to change what needs changing," and we've done some of that as well.

**HON. MR. BLAKENEY:** — . . . (inaudible) . . . deal with some of this other stuff. Mr. Chairman, and Mr. Minister,, I want to talk a little bit about other space in Regina. Would you explain to the committee what arrangement you have with Crown corporations for the procurement of office space in Regina? Do you operate as a . . . do you do the procurement, and then do you negotiate with the landlords and then sublease it to the Crown corporations? Or do they do the leasing, and I'm speaking of the smaller crowns, not particularly power and telephones and insurance, but the housing and Saskoil and other crowns whose office space needs are less than the three large consumers of office space here in Regina?

**HON. MR. McLEOD:** — Okay, the policy is that the crowns deal with their own office space requirements, but we have implemented what we call the space co-ordination committee which is chaired by the deputy of Supply and Services, and that is to incorporate the crowns to address what we see as a problem. And you know, when you take the size of the crowns and the size of all of government and its office space requirements, it's important to co-ordinate that. We've addressed that problem with this committee, and we'll be making some changes, I suppose, in the near future, but we want to get a good handle on just where we're going with that before we implement any kind of sweeping changes.

**MR. THOMPSON:** — Thank you, Mr. Chairman. I have a few questions I want to ask the minister regarding buildings in the northern Saskatchewan. Could you indicate whether your department has taken over the responsibility of all the public buildings in the North that was formerly under DNS, and maintenance of these buildings?

**HON. MR. McLEOD:** — All of the buildings that fall under "government" by the definition that it is throughout the province, like all government buildings, we have now that were formerly under DNS. Schools and so on fall under the Northern Light School, so we don't have jurisdiction there, but we do for all government buildings, yes.

**MR. THOMPSON:** — That would include the maintenance also of these buildings, would it not?

**HON. MR. McLEOD:** — It includes the management of the building, which includes maintenance.

**MR. THOMPSON:** — To ask a few questions about . . . in Uranium City where . . . I was up there this winter and I noticed that you were taking a lot of the equipment out of that office up there. Could you indicate how much of that material that you have taken out, and what your plans are for the building in Uranium city – the Uranium City office building?

**HON. MR. McLEOD:** — I can't really give the member a definitive plan for what to do with what the hon. member knows very well is a beautiful office building in the community of Uranium City which is – through circumstances beyond the control of your government and of

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our government – Uranium City is now down to a mere shadow of its former self. That very large and very beautiful office building is certainly a problem that the government is faced with, but we don't have a definitive plan for that particular building.

As far as it relates to the equipment that's been taken out of it – and that's the reasonable thing to do, and I think you'll agree with that – that equipment comes out and we deal with it as we do other equipment within government. The good materials are distributed out to the various client departments that have need of it, and if anything is surplus to government, well then, of course, it's dealt with in the way in which we deal with surplus, through sales or whatever.

**MR. THOMPSON:** — Your department's plan then would be to close that office building down in Uranium City, I would assume. And could you indicate whether the Sask Tel building, if the same would apply to that? I know there's a large Sask Tel building up that supplies the services for that area. Could you indicate what the plans are also for that building?

**HON. MR. McLEOD:** — As I say, I can't give you a definitive plan for the provincial office building or the Sask Tel building or for the liquor board building or any of those kinds of buildings. But certainly, as you know, and Uranium City is . . . When we announced that it would be the regional service centre for the immediate future (and I believe that was the words that we used at that time) that was contingent upon just what happens in Uranium City – what happens with the falling population, and at what point does the population stabilize, or if it does stabilize at any given number, and just how small will the population be.

So all of those things are still being looked at very carefully. I think the hon. member will agree with me that the population has fallen perhaps even more than what our expectations were at the time. It's hard to say whether they're going to fall much more. We haven't got a definitive decision on the buildings at this point, but certainly we'll have to come up with one, and I know you are aware of the problem.

**MR. THOMPSON:** — I want to now turn to the maintenance of some of your public buildings in the North. Could you indicate . . . they built a new fence around the hospital in Buffalo Narrows last summer. Could you indicate who built that fence, and if that contract was tendered out?

**HON. MR. McLEOD:** — We'll get the information for you. One of the officials is getting the exact details on it. We'll give it to you and I'll provide it to you just within a few minutes.

**MR. THOMPSON:** — Okay. I also want to ask about the new liquor store outlet in Buffalo Narrows, and I want to ask about the landscaping of that new liquor store, and the planting of the trees that were involved in that landscaping. Could you indicate who did that landscaping, and if that contract was also tendered out?

**HON. MR. McLEOD:** — Well, that is not under the Department of Supply and Services, so we wouldn't have that detailed information here, because it doesn't come under this department.

**MR. THOMPSON:** — Liquor board stores are not the responsibility of government services? Do you have the answer on the hospital . . . Okay, well, I'll get back in, Mr. Chairman, when that answer is forthcoming.

**MR. LUSNEY:** — Thank you, Mr. Chairman. Mr. Minister, getting back to the court space in Yorkton, when did that agreement take effect that you signed for the space in Yorkton, the court house space in Yorkton?

**HON. MR. McLEOD:** — The space is under renovation at the present time. We have had some extensive discussions with the Department of Justice, judges, and various people in the Department of Justice, in terms of what the requirements are for a court-house, and you and I who aren't lawyers may have a hard time to understand this, and well, I continue to have a little



bit of a hard time to understand it, but in any case, March 1 of '84 is when the lease began to take effect.

**MR. LUSNEY:** — Are you at this point — well, I would assume since the lease took effect March 1, that you're paying rent. Are you utilizing that space at this time? Is the court-house, in effect, being used in that space?

**HON. MR. McLEOD:** — Yes, we're paying the lease now, and it's, as I pointed out to you, it's under renovation, and finally I understand with the approval of the various judges and people in the Department of Justice who have their specifications for what a court-house requires, and so apparently they're happy and we're under way with the renovations, and they're taking place now.

**MR. LUSNEY:** — Well, Mr. Minister, is it usual practice of the department to lease space, start paying rent on it and not have that space available? Do you usually have space that is being built or renovated during the period for which you are paying for it?

**HON. MR. McLEOD:** — Well it is to the sense that it's not the tenant's fault that we were unable to take occupancy of the client department. In this case, Justice were unable to take occupancy because of the wrangling over what they needed. So it's not the tenant's fault in that case. It's our own . . . I'm sorry, not the landlord's fault. I said tenant but I meant to say it's not the landlord's fault in that case. So we've got that resolved and we're under way with those renovations as quickly as possible.

**MR. LUSNEY:** — When you were looking for space, Mr. Minister, was that through a tender or through a proposal?

**HON. MR. McLEOD:** — It was through a proposal. I went over this ground with your leader here just a few minutes ago.

**MR. LUSNEY:** — It being a proposal, did you not indicate to the owner of that building at the time that you'd be requiring space for a court-house and that there would be certain specifications that you would require within that space? Did you not indicate on that proposal at that time what kind of space you would need and what would be required and when it should be completed? Was there no deadline date as to when it should be completed?

**HON. MR. McLEOD:** — Yes. In the preliminary lease we gave an estimated date of when we wanted it completed and so on. As I indicated to you, the hold-up on this — and we'll take full responsibility for that — the hold-up on it has been between the Department of Justice and basically the judges and the architect in our department trying to pull this piece together, and we've finally done that. But in the preliminary lease, yes, we had an approximate date upon which we wanted to occupy it, and we gave that date. We are not into it yet, but we will be soon.

**MR. LUSNEY:** — Mr. Minister, somehow this lease is also becoming something like your Department of Highways' contract, and I'm finding some difficulty in trying to understand just how you are leasing some of these buildings, and how you are giving some of these contracts.

What was the period of this lease that you have on the court-house in Yorkton?

**HON. MR. McLEOD:** — Well I just . . . Like I said, we've gone over this ground with the Leader of the Opposition. It was 10 years, and I had given that just a few minutes ago as well.

**MR. LUSNEY:** — Mr. Minister, in a 10-year lease . . . At this point what facilities are you using for court-house space? Are you still using the old facilities? I understand the old facilities were supposed to start renovations last winter. What space are you using at this point?

**HON. MR. McLEOD:** — No, we're still in the old court-house. And the plans are for . . . The reason for this lease space was to . . . one of the reasons was . . . and because we wanted to do a major renovation in the old court-house. And as soon as we're moved in and all these other problems are solved, we'll be undertaking the renovation in the old court-house. But at the present time courts are in the old court-house.

**MR. LUSNEY:** — What was the date that you accepted the proposal for this new space, and from what company did you accept that?

**HON. MR. McLEOD:** — One of my officials has just gone out to . . . He'll phone and get the exact date, and I'll give that to you just in a matter of a couple minutes.

**MR. LUSNEY:** — Before I ask the next question, maybe I could just remind you also of the figures you were supposed to get me on the lease of the exhibition grounds in Saskatoon.

Mr. Minister, how much square footage or square metres of space do you have in that court-house, and was it only for the provincial courts, or is it going to accommodate both the federal and provincial courts?

**HON. MR. McLEOD:** — Eventually all of the provincial courts will be together, and that's what's the idea of the small claims courts, all of these . . . And as far as whether or not the federal court is over there in this lease — that's what you're asking? — I'm not even sure of that. I don't know that.

**AN HON. MEMBER:** — Only during renovations. It's a temporary thing.

**HON. MR. McLEOD:** — But if it is, it will be on a very temporary basis while the renovations are going on in the major court-house in Yorkton.

Mr. Chairman, I could give the answer as it relates to the former question regarding the rental of the exhibition grounds in Saskatoon for the purposes of the auction sale. It was \$5,000, and it was \$1 per week per unit — \$1 per unit per week — while the equipment is on the exhibition grounds site. So that's the cost.

**MR. LUSNEY:** — Did you say how much space you had leased in this Broadcast Place in Yorkton for the provincial court?

**HON. MR. McLEOD:** — I gave that answer before. The fellow is out getting the answer, but I believe it to be 3,000. I gave that answer before about the . . .

**MR. LUSNEY:** — Mr. Minister, you also, in questioning prior to now, stated that you couldn't divulge the cost of that space, because somehow it might influence the market in Yorkton. Now, Mr. Minister, since you say you got it cheaper than some of the other bids for space, would it be that terrible to divulge how much you got it for?

Surely it wouldn't increase the space that the government might be requiring in Yorkton, this being some specific space with specific recommendations and types of accommodation for the judges. Why would this influence other space in Yorkton, and why wouldn't you divulge what it cost you to lease this space?

**HON. MR. McLEOD:** — Well, Mr. Chairman, you know, he's asking me . . . I've been through this once again with the Leader of the Opposition. The reason we won't give the dollar value of the lease in terms of the space is because it can affect the cost of lease space in that community, and it's the same thing that's been done before and it's the same thing that's done now, and it's accepted practice. I wish you had been in here to listen to all this when we went over it before.

I have an answer here now for the member from Athabasca. Buffalo Narrows health centre fence: the fence was built; it was under \$1,000. The contract was negotiated with a person by the name of Murray Clarke – I believe that's what it says – Murray Clarke.

**MR. THOMPSON:** — Thank you, Mr. Chairman. The contract was tendered out to one Murray Clarke of Buffalo Narrows to construct that fence around the hospital?

**HON. MR. McLEOD:** — The price of putting up that fence was under \$1,000. It wasn't a contract. In a sense it was a tender because of being under 1,000. A person by the name of Murray Clarke built the fence.

**MR. THOMPSON:** — Could you indicate, Mr. Minister, is the same is applying to other government buildings such as the public housing units that you have in Buffalo Narrows, for the landscaping of them buildings?

**HON. MR. McLEOD:** — If they're small jobs of under \$1,000 we either do it with our own people who may be on the site or may be around there. Or we negotiate it with someone who is on the site, if it's under \$1,000. That's been the standard practice for a long time.

**MR. THOMPSON:** — I'm just wondering if there has been any mistake in your staff in indicating the first name of the individual who did the hospital fence.

**HON. MR. McLEOD:** — That's, I'm told, that's the best information we have. The fellow's name is Murray Clarke. Now I don't know, I don't know what . . . I must say, I don't know Murray Clarke, and I don't know if you know him or . . .

**MR. THOMPSON:** — I'm just wondering . . . Another question, Mr. Minister. Could you indicate whether one Murray Clarke is a contractor in Buffalo Narrows and has the capabilities of carrying out these functions of landscaping, and any of these jobs that you indicate are less than \$1,000?

**HON. MR. McLEOD:** — Well like I say, the best information I have is that one Murray Clarke built the fence. Apparently the fence is built, and he's the guy who built it, so I guess maybe you could indicate to us whether or not he has the capabilities. It was negotiated and he's built the fence.

**MR. THOMPSON:** — So all the landscaping that's done for the . . . Just assume that you have four or five houses to do in Buffalo Narrows, and I'm sure the price would cost more than \$1,000 to landscape all these homes: do you give them out in one contract at a time so that they all remain under \$1,000; or if you have five houses to do, do you tender out the landscaping for the five houses?

**HON. MR. McLEOD:** — I should get a clarification, because our people say, to our best of our knowledge and belief, we haven't done the landscaping in this department – landscaping, if you're referring to landscaping of houses. Now, is there a possibility you're speaking of Sask Housing houses? If they're houses that are built by Sask Housing, we would, in this department, have no knowledge of what goes on. So just a point of clarification, I mean . . .

We'll certainly get to the bottom of it and give you the information that our department has been doing in terms of any landscaping. If we have . . . We did as far as the fence at the hospital is concerned. Yes, we did. And that, I don't believe, included landscaping. It was the construction of a fence; it was under \$1,000. And that was negotiated with this . . . The name that I'm given and it's the best belief of the people that are giving it to me that the man's name was Murray Clarke.

**MR. THOMPSON:** — I'm not talking about Saskatchewan Housing Corporation homes. What I'm asking is, houses that are owned by the government, and I would refer to houses that house

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social service workers or municipal people that you take into that community.

**HON. MR. McLEOD:** — Could you give me an indication of the length of time ago that this happened? Because if it happened under the . . . Did it happen while the jurisdiction of DNS was still there, or has it been more recently?

**MR. THOMPSON:** — No, the question I was asking you, Mr. Minister, was regarding the landscaping of public houses in Buffalo Narrows. And I use Buffalo Narrows as an examples, because you have houses in many communities. You not only landscape them, but they are maintained.

My concern is, and I've indicated this before, that the government policy has always been to go in and landscape and do all the work for houses that are owned by the government, yet individuals who are living in section 40 housing, they don't receive the same type of work. And I've always indicated that if we're going to do it for civil servants who are going into the North, we're going to look after their lots and we're going to maintain them, we should be doing the same thing – not maintain them, but putting the landscaping in place for them. A lot of people get section 40 housing and there's just no way that they can haul the turf in as governments have been doing in the past from Shellbrook, or wherever it may be, and they've got an instant lawn.

You have a government house with a beautiful lawn and right besides it is a section 40 house and there's just no grass growing in there. And I think it's just not fair and I would ask you to maybe comment on that and look into changing that policy around.

**HON. MR. McLEOD:** — Well, first of all, the houses that you speak of that are under the jurisdiction of this department are government houses that are there for, because of the, in many cases, lack of accommodation when (let's say a health nurse or a social worker or whatever) a government employee is moving into some of the northern communities.

So yes, it's a continuing policy that in some communities the government will own houses. And if we own them, we certainly wouldn't want it to be the case that these are houses that are owned by the government and the landscaping isn't up to snuff, let's say. And so we look after that. And that's not something that's changed since . . . That's an ongoing policy as well.

As far as the section 40 housing is concerned, those are policies of Sask Housing. My understanding of that is – just to give you a comment on it – my understanding of it is that the people will have their opportunity to own the house and they pay their mortgage on it. I believe that to be the case. And it's not much different than anyone's house. If you buy a house, the landscaping is not done. It's up to the individual to do their own landscaping. And if you're paying a mortgage on a house, landscaping is part of that, unless it's already there. In the section 40 houses, they're new. Landscaping is something that needs to be done, and people should be really doing their own. I believe that to be the case, not only in the North, but everywhere.

**MR. THOMPSON:** — Well, correct me if I'm wrong, Mr. Minister, but I believe that's not the case because I know that there's a lot of low rental housing units that are built in other communities and the landscaping is done. I think you can take a look at the low rent housing units, for instance, in Big River, and you will see that they're all landscaped. This is something that I feel it should be done and it can be added to their mortgage if that may be. But . . . (inaudible interjection) . . . Pardon? Yes. I strongly feel that it is a section 40 housing. It's owned by the government I know that we do it with . . . another good example is senior citizens' low rental housing units. They're all landscaped and put into place for the residents, and I feel it should be done to section 40 housing also.

**HON. MR. McLEOD:** — The only comment I can make further to what I made before is that it certainly isn't under the Department of Supply and Services. I would ask you to, and I think it is, it's probably a reasonable discussion for you to get into with my colleague, the Minister of Sask

Housing, and you can get into that. And I'm certainly not up on what's happening within Sask Housing, nor should I be expected to be.

But, Mr. Chairman, while I'm on my feet, one of the members, I believe the hon. member from Pelly just asked awhile ago for some dates as it relates to the Yorkton provincial court buildings. The date of the proposal call was July 30, '83. The date of closing was September 8th of '83. The date of the preliminary agreement was November 14th of '83. The date of the lease taking effect was March 1st of '84, and the length of the lease is 10 years.

**MR. LUSNEY:** — Mr. Minister, you stated before that you couldn't divulge this information as to what the cost of it was, and you said somehow it would influence the market in Yorkton. Now you've got some specific, very specific requirements for a court-house for space, how it's set up to accommodate the lawyers and the judges. How many other court-houses are going to be leased in Yorkton? The thing is this is one space that's being leased by the government, and it has specific requirements . . . or to the government . . . has specific requirements which will not be found in too many office buildings. How can this possibly influence the cost of office buildings or other space that the government or the private sector might require in Yorkton? And why will you not divulge this information?

**HON. MR. McLEOD:** — Mr. Chairman, the member, and I'm quite sincere about this, clearly doesn't understand what's happening. When we lease space for a court-house, we're leasing raw office space — so much a square foot and so on. And you say, how many court-houses will be built or leased in Yorkton? It's not a matter of leasing a specific court-house; it's a matter of leasing raw office space which could be renovated for the purposes of a court-house, and that's what happening in Yorkton now.

So when I say that we can't divulge the price, and we won't, because it will affect the price of raw office space in the city of Yorkton, and can do that, and I think you'll have to admit that that's true, and that's why we don't do that. And we won't, and for the very same reasons that your colleague, Mr. Snyder, when he was here, and other ministers of similar departments all across this country don't do that. I know that the hon. member has been here for a number of years, and I know that he really knows that.

**MR. LUSNEY:** — Mr. Minister, being raw office space that you're leasing, and the cost then will be to your department, I would imagine, to renovate it to the requirements of the Department of Justice, I believe, who is going to be using that space: is that your only concern, Mr. Minister, or is your main concern the fact that you leased that space from an employee of the Minister of Labour for the Government of Saskatchewan? Would that be the reason why you don't want to give out some of this information?

**HON. MR. McLEOD:** — I told the House before, Mr. Chairman, the reasons. It's the same reason as it is in the city of Regina; it's the same reason in the city of Yorkton or in Saskatoon. We went through that with your leader when you were out, or maybe you were in here and not listening, I'm not sure. But in any case, we've been over that ground. That's the reason. It's a very good and valid reason, and that's why the price isn't there. But I've given you all of the other pertinent information, as it was the practice, as I say, of your former colleagues.

**MR. CHAIRMAN:** — Being 5 o'clock, this House is recessed till 7 p.m.

The Assembly recessed until 7 p.m.