

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, March 29, 1974
BUDGET DEBATE

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I'd like to continue in this debate. Mr. Speaker, I'd like to continue in this debate by dealing further with the affidavit of Ben Thompson and relating it to the letter of Mr. John Kregeris and certain information and documentation that is available to me, dealing with the essential question of the credibility of the statement, the credibility of the government as well.

Again I want to make reference to the technical point that I'm sure will be raised in this debate - on this matter in this particular - and on this matter in other areas or other occasions when this is debated and that has to do with the question of the Board of Directors' Meetings. Mr. Speaker, I tried to indicate - and I believe it's implied by Mr. Kregeris' letter, and I made reference to it - that in a technical sense the Board of Directors did not hold formal meetings in meetings that were convened to deal with the company's business in a general way, because it was a small company and they held it in February and they held it in November. But what happened insofar as he was concerned, is that the three directors of his company along with himself were in a position to become involved in matters that affected the daily operation. And to that extent in his opinion - and I believe this is the opinion that Mr. Allison has in his affidavit - those meetings were meetings of the directors dealing with the company's business, and day to day decisions were made. It may, Mr. Speaker, only appear to be a sort of technical kind of difference, or may not appear to be just a technical difference, it may be more substantial - I don't believe that to be the case. In my conversations with Mr. Kregeris and my conversations with Mr. Allison, it would lead me to believe--yes, it would lead me to believe that these meetings which dealt with the sort of day to day operation, were meetings in which the Board of Directors basically made decisions or gave direction or gave encouragement to the actions that ultimately were carried through both by Mr. Allison and by Mr. Kregeris.

Paragraph 7 of the affidavit of Ben Thompson. He states: "I did not at any time, nor did any person in my presence or to my knowledge ever instruct Mr. Allison that he was to take his instructions and to operate under the supervision and control of myself or me, Mr. McIvor or Mr. Trithart." That has to be considered in the light of Mr. Kregeris' letter, where he indicates regarding paragraph 5: Following the Wabowden meeting in late February, and he said that there was a meeting prior to March 2nd at which McIvor, Trithart, Thompson, Allison met in the company office in Wabowden. Regarding paragraph 4: Following the Wabowden meeting in late February, Mr. Trithart told me privately that I had better not make trouble with Ron Allison he will be in trouble with me. Mr. Trithart told me that Mr. Allison - who answered directly to Mr. Trithart - that Mr. Allison would also report to him on my activities. If anyone caused any trouble, Mr. Trithart said he was going to pull the plug on the whole thing. This is similar to Mr. Allison's affidavit, where he says that during the course of the meeting Trithart told Allison in McIvor and Thompson's presence that Allison was responsible to Trithart and to no one else.

Mr. Speaker, I now would like to deal with paragraph 8. This deals with the question of the supply of certain materials - which I believe were under the Winter Warmth Program - by R & M Construction, in which Mr. Thompson says the following: "R & M Construction Limited delivered excessive amounts of materials to the various locations in Wabowden, Cross Lake and Norway House in Manitoba as instructed by the Manitoba Metis Federation, and when this fact was discovered by the Federation, R & M Construction Limited was instructed to pick up from Wabowden, Cross Lake and Norway House and return to its offices in Wabowden, Manitoba, the excess of the amount shipped to the said locations."

To begin with, I'd like to indicate a document which would be made - which I'll make reference in a few moments - which is a document dated February 15th, 1973, which was to R & M Construction Limited to the Manitoba Metis Federation from John Kregeris dealing with \$22,000 worth of material to be purchased - which was accepted by the Manitoba Metis Federation through Ben Thompson, who was a director of R & M Construction Limited, a director of the Communities Economic Development Fund. Now, Mr. Speaker, now referring to Mr. Thompson's affidavit. The excess material - referring to the excess material delivered to Wabowden, Cross Lake and Norway House - was picked up by the Manitoba Metis Federation in the offices of R & M Construction Limited at Wabowden and removed from the offices of R & M Construction Limited.

BUDGET DEBATE

(MR. SPIVAK cont'd)

Now, Mr. Speaker, I want to if I may table a letter dated from the Manitoba Metis Federation; it's an unsigned letter but I believe this letter is accurate and is in the files and in the hands of the Committee . . .

MR. SPEAKER: Order please. On a matter of procedure. Unsigned letters are not for tabling purposes.

MR. SPIVAK: Well I will not table it, I'll make reference to it, Mr. Speaker.

MR. SPEAKER: Very well.

MR. SPIVAK: But I believe as a matter of fact - as a matter of fact, the letter is in the possession of the Communities Economic Development Fund. I believe that to be the case, and it's something that they will check, I'm sure. The letter is addressed - and it is relevant to a few things I'm going to say in a few moments on this portion of the affidavit - it's to R & M Construction, General Delivery, Wabowden, Manitoba: "Dear Ron" - dated May 28th. "Please find enclosed what I feel should be the final settlement regarding the overshipment of linoleum to Wabowden, Cross Lake and Norway House. The breakdown of the total overshipment is as follows: Norway House, 832 square yards; Cross Lake 704 square yards; Wabowden 512 square yards. The total square yards overshipped, 2,048 square yards; price per square yard--I'm sorry, 3,089 square yards; total dollar value in overshipment 2,048 square yards at \$3.89 - \$7,966.72. From the above dollar value, please deduct the following" - and I'm not going to deal with it, other than to indicate there's a Cross Lake overshipment - "add Cross Lake air service. The total amount to be reimbursed to the Manitoba Metis Federation Thompson Region, 4,719.59." And further to this, Mr. Speaker, there is a signature or a handwritten name Mike Hanley, who I believe is a member of the Communities Economic Development Fund; there is a reference to Bob - "just after I talked with you I called Hugh Jones, Communities Economic Development Fund, he will forward a cheque in this amount directly to you in Winnipeg."

Now, Mr. Speaker, the question here and the issue here at this point in dealing with this excess amount has to do with whether the Metis Federation received or did not receive the excess material that was overshipped back. So far as I know, based again on what I have found from Mr. Kregeris at this point, he claims that the amount was picked up as is suggested by Mr. Thompson in his affidavit. But, Mr. Speaker, one thing that an investigation would have to do would be determine whether the Metis Federation have on their books an amount of \$4,719 owing to them by R & M Construction for materials overshipped, overcharged to them which have not been returned. And, Mr. Speaker, that I believe is one of the many matters that should be determined by a judicial inquiry in order to determine the accuracy of the statements, both of the affidavit - if there is a variation, if there is, determination of where and how that material disappeared.

Mr. Speaker, I now deal with Paragraph 10 of Mr. Thompson's affidavit. "In answer to paragraph 20 of the affidavit of Ronald Lynn Allison sworn on the 28th day of February, Mr. Vaudry was at the relevant times a housing co-ordinator employed by the Manitoba Metis Federation. Mr. Vaudry's duties did not include ordering of materials or the designating of the delivery locations of materials purchased by the Manitoba Metis Federation."

I would like to, if I may, table in the House a signed letter to R & M Construction, Wabowden, Manitoba, to driver of truck delivering material to Norway House: "This is your written authority to unload these materials at one designated spot in Norway House as per your arrangement and our discussion with Mr. R. Vaudry of the Manitoba Metis Association." Signed by Mr. R. Vaudry. That is also at variation along with many other things, Mr. Speaker.

Mr. Speaker, "I in my capacity as the Vice President of the Manitoba Metis Federation for the Thompson Region" - I'm now referring to Mr. Thompson's affidavit - "was in charge of the ordering of materials for the Manitoba Metis Federation and the destination for the delivery of such materials. And in further answer to paragraph 20 of the said affidavit of Mr. Allison, I did not at any time advise Mr. Allison that he was under no circumstances to disclose to any person the prices which he had been paid for, the materials which were being distributed by the Metis Federation, nor the source from which such materials were purchased.

"Pursuant to the order all materials purchased by R & M Construction pursuant to the order received from the Manitoba Metis Federation and not delivered to the communities of Wabowden, Cross Lake and Norway House were picked up by the Manitoba Metis Federation

BUDGET DEBATE

(MR. SPIVAK cont'd) from the offices of R & M Construction. Mr. Donald McIvor is not an officer or director or employee of the Manitoba Metis Federation, and to the best of my knowledge did not deal with any materials purchased by the Manitoba Metis Federation from R & M Construction. "

Mr. Speaker, I have already filed or will have filed and made reference to the fact that there are orders from the Manitoba Metis Federation signed by Mr. Donald McIvor. So in effect, Mr. Speaker, the suggestion that he did not to the best of his knowledge deal with the materials, that may be true, but the fact is that Mr. McIvor did deal with the materials and Mr. McIvor in his letters, in his affidavit said that he didn't. So that we have a variation with respect to this.

Mr. Speaker, Mr. Thompson suggests that Mr. Allison raised no objection to me during that or any other period respecting the manner of distribution and allocation of materials purchased by the Manitoba Metis Federation. I believe that a judicial inquiry would determine that this is not the case. I believe (Applause) that a judicial inquiry would determine that that kind of objection was in fact raised.

I want to point out, Mr. Speaker, at this time because I think it's appropriate, that Mr. Kregeris said in his letter regarding the delivery - and I deal with it first of all by going back to paragraph 10, Mr. Speaker. Regarding what Mr. Kregeris said about Mr. Thompson's affidavit in paragraph 10: "When I was told by Mr. Ben Thompson to ignore the original orders for the Winter Warmth Program and to deliver in accordance with a handwritten list which he gave me; when I was given this handwritten list, I instructed Mr. Allison to deliver same."

In paragraph 15, Mr. Thompson says: "I did not at any time represent to Mr. Allison or R & M Construction that R & M Construction would receive contracts for local work in northern communities, nor was Mr. Allison or R & M Limited instructed by me to maintain supervisory and skilled and unskilled personnel on the payroll of R & M Construction Limited."

Well, Mr. Speaker, in the letter that Mr. Kregeris filed - and I may not be able to find the exact - oh yes. In paragraph 15, Mr. Thompson says that he did not represent to Mr. Allison or the company that we would be receiving contracts for local work in northern communities. This is untrue. He did represent to me that orders for materials would be placed with the company in addition to the Manitoba Metis Federation order. So we have another dispute with respect to the affidavit.

Now, Mr. Speaker, if I may, I'd like to deal with Mr. Trithart's statements. Mr. Trithart's statements deal with the fact that in his opinion - and it's a letter - that the letter setting out the terms of employment of Mr. Allison was not merely a direction of the Fund, but rather to document the approval of Mr. Kregeris and the Fund. I suggest to you then that in all practical respects - and I think this is the important thing - in all practical respects, it was at the insistence of the Fund who had essentially taken control of the company. Now I think that's very important and very basic to understanding the implications of what Mr. Kregeris has said in his letter. He said Mr. Trithart says that the statement is not clear insofar as it could mean that the Fund rather than the company was employing Mr. Allison, which of course was not the case. R & M Construction as a result of its loan had to pay \$417.00 a month for supervisory management service by the Fund. I have to assume that that \$417.00 that the company was asked to pay, was asked to pay for someone from the Fund to spend some time to cover both his expenses and his time in supervision and administration of the Fund. When Mr. Allison was hired, and he was hired and interviewed by Mr. Trithart on behalf of the Fund, and then when the Fund asked Mr. Kregeris to approve their decision the Fund then made the decision not to stop - or to stop requesting the payment for \$417.00 and to allow Mr. Allison to be paid directly by R & M Construction. So in effect what really happened was that the Fund gave up its supervision in one form through the supervision by Mr. Allison whom they basically controlled through the board of directors of the R & M Construction Communities Economic Development Fund. --(Interjection)--Sure it's true, Mr. Speaker, and there's no question about it. It's true. But the illusion that is maintained is that in effect - the illusion that is maintained in effect, that the company was not in the control of Mr. Thompson, Mr. McIvor, Mr. Jones or Mr. Trithart. The company was in the control. The company's day-to-day operation was controlled, the company was not viable in March. Why was the company able to be maintained through April? Why was Mr. Kregeris banished in May? And why was Mr. Kregeris to come back in June and why was no more money poured into the company after the end of

BUDGET DEBATE

(MR. SPIVAK cont'd) June? Mr. Speaker, there are a lot of questions that have to be asked in respect to this.

MR. ENNS: The election was over, no need to keep pumping.

MR. SPIVAK: Now, Mr. Trithart in his statement says on page 5 dealing with one of the matters of Mr. Allison's affidavit: "This is predominantly correct, except that the reason was that in our interviews with Mr. Allison, he intimated to the company and Mr. Trithart that he was capable of doing this work and in view of the company's close financial problems, it was not considered a necessary expenditure at that time." So the question at this point is, do you believe Mr. Trithart or do you believe Mr. Allison? Someone at this point has to make a decision who is really telling the truth because there are contradictions in it. --(Interjection)-- No, they don't say the same thing.

Because I want to now file for the House a document from Don Marion - attention - from Mr. A. O. Hawkins and it deals with a letter sent June 20th, 1973 with a statement, deals as well with a report with respect to R & M, and it's dated March 23rd. "On the week of March 11th, I received a phone call from Mrs. Pannebaker, former bookkeeper and Ron, new manager - Mr. Speaker, Ron, new manager, is Ron Allison - "Ron asked that I go down to Wabowden and I said I would in the following week. I then phoned on March 22nd to tell him I would be there on the 23rd; however he said he had to go to Winnipeg on the 23rd. When I suggested I could go to Wabowden that day he said that would be great. In Wabowden I balanced the synoptic for the month of January and February and reconciled the bank accounts, general and payroll, for those two months, as well as I spent some time discussing the accounting records, etc., with Ron. I suggested he get Trithart to give him a copy of the opening balancing sheet so that we could open up a general ledger. Ron mentioned that there was a little bit of confusion in the way things were being run presently. He said that they purchased a \$30,000 cement machine and it was partially paid directly from Winnipeg. Ron also mentioned (1) that the previous year's loss was due to estimates for jobs that were too low; (2) there is one house that they have been working on for 13 months and it's still not completed; (3) they lost the contract to pour cement for the Thompson Hospital addition because they couldn't perform the work, they may have had to pay the additional expenses that the work will cost; (4) that the transmission or rear end in one of the cement trucks had just gone on the bum - \$1,500 to fix; (5) that the government Workmen's Compensation for J. M. K. had been paid off, the other moneys collected by J. M. K. had gone to the bank, the Economic Development Fund and some other creditors; (6) he had just sent \$6,500 J. M. K. money to Winnipeg and that he would suggest to Gordon Trithart we get paid out of it; (7) materials and inventory belonging to J. M. K. was used by R & M to finish contracts started by J. M. K. to be finished by R & M; some of these J. M. K. never got compensated for; (8) that the workers used materials, poured cement, etc., and nobody knew or kept records of exactly how much.

In conversation with Mrs. Pannebaker, Ron said that they were trying to give me a particular contract and Mr. Pannebaker said he was crazy if he thought that we would ever get it. In conversation with Mr. Pannebaker - and I guess they meant Mrs. Pannebaker - "Ron said they were trying to get a particular contract and Mr. Pannebaker said he was crazy if he thought we ever would get it. The above combined with the general disorganization which seemed to prevail in the yard leads me to believe the organization is not viable, especially with the additional costs of a new manager; as well they will need a new bookkeeper if the manager cannot perform this function." My understanding is that Mr. Allison asked that Hawkins and Company be maintained. They were not maintained and their services were terminated after that review which cost \$150.00.

I want to file a letter to Hawkins and Company, dated June 20, 1973 to Mr. Gordon Trithart, Communities Economic Development Fund, 382 Portage Avenue, Winnipeg, Manitoba, which says: "Dear Sir: Re J. M. K. Construction Ltd. and R & M Construction Ltd. Enclosed please find statement of account for J. M. K. Construction showing balance owing as \$581 and invoices of \$150 for work performed on behalf of R & M Construction Ltd. The two total \$731.00. We also enclose a report sent to us by our representative, Mr. D. Marion, C. A. You will note item 6. You worked on the R & M account after you advised us that you expected to be able to retire the J. M. K. Construction Ltd. account gradually as the R & M Construction progressed and also because we wished to co-operate with yourself and your government agency. Our account for R & M was prepared in March and delivery

BUDGET DEBATE

(MR. SPIVAK cont'd) of the same was held up pending some further instructions from yourself as discussed with you when you were in Thompson." Now let's talk about who was controlling the company, let's talk about the accuracy of Mr. Allison's statement, let's talk about who made the decision of whether Hawkins and Company were or were not to be maintained. "Our account for R & M was prepared in March, delivery of same was held up pending some further instructions from yourself as discussed with you when you were in Thompson." With Mr. Trithart for R & M, not with Ron Allison, not with Mr. Kregeris. "Will you please advise us as to where we stand in regard to the above matter."

Mr. Speaker, Mr. Trithart said something which I've tried to state before and I'd like to read what he said in paragraph 6 of his letter. "Inasmuch as two of the Fund's Directors who were also Directors of R & M Construction were in close proximity to the place of business, there were in fact times when informal discussions took place" - informal discussions, not meetings of board of directors but meetings of the directors of the board. Mr. Speaker, that's really what we're really talking about at this point. "But at no time while I had responsibility on behalf of the Fund for the account of R & M did a Board of Directors meeting for the construction company take place without the presence of Mr. Kregeris." As I understand it there was only one in February in 1973 and another one in November. "During this period there was only one board of directors meeting and Mr. Kregeris was in attendance for the complete meeting."

"The company at no time to my knowledge signed a contract with B. F. Klassen" Mr. Speaker, I suggest that the Klassen document that I've already read into the record was in fact a contract. ". . . although that company made an offer to R & M Construction to supply concrete for a contract in Thompson." Mr. Speaker, the general practice of the trade in spite of what the Minister of Mines and Natural Resources would like to say, with a smirk on his face, the general practice of the trade is that the letter giving the contract or the award in effect amounted by way of practice to mean a contract and there was no question that there was such a contract.

Mr. Speaker, dealing with his item on 13, 14 and 15, "The possibility of R & M Construction bidding on this contract was fully discussed with the Board of Directors of the Fund at a regular meeting and in view of the precarious position of the company and the fact of large additional cash requirements, it was decided not to support the company in this venture." Mr. Speaker, what he basically said is that the Fund made the decision, not Mr. Kregeris, that the company would not proceed and in effect the Fund basically through the directors exercised the control that we said right from the very beginning.

Mr. Speaker, Mr. Trithart said, "Originally" - now he said, I want you to understand what he's saying on paragraph 16. "Originally I was not aware that Mr. McIvor had anything to do with the ordering of these supplies as R & M Construction was dealing directly with the Manitoba Metis Federation." Now Mr. McIvor said that he had nothing to do with the Manitoba Metis Federation or its supplies. Mr. Trithart said "originally" which means if it was originally it wasn't obviously some subsequent information came to his attention. "I was not aware that Mr. McIvor had anything to do with the ordering of these supplies as R & M Construction was dealing directly with the Manitoba Metis Federation."

Referring, Mr. Speaker, and I would rather not deal in detail by reading Mr. Trithart's letter, but referring to what he said with respect to the contract for the Manitoba Metis Federation. "I do not know why Mr. Allison was particularly disturbed in this instance until the company was later notified that there was a misunderstanding between what was delivered to the communities and what the Federation thought had been ordered."

Mr. Speaker, "Mr. Allison, he says in his last paragraph," was never employed by the Fund as he states in this section. I admit there was a degree of control by the Fund but it was in this manner to protect the Fund's assets, to guide or assist Mr. Kregeris and Mr. Allison with the affairs of the company." So we really have at this point a question of degree, the degree of a control that was really exercised. Whether in fact, Mr. Speaker, Mr. Kregeris' statement about the fact of effective control taking over from him was correct or whether the illusion that has tried to be maintained through these affidavits rather than by the individuals themselves who were present for part of the hearings of the Standing Committee and not being able to come up and speak themselves, whether . . . Mr. Speaker, the impressions that they would try to create and the remarks in the letter to the Minister of Mines and Natural Resources

BUDGET DEBATE

(MR. SPIVAK cont'd) by Mr. Kregeris, who is correct as to what - in what control was exercised.

Now one of the things, Mr. Speaker, or two things I'd like to deal with at this point. Before I deal with that let me just deal with Mr. Trithart's second reply to affidavit No. 2. He said, "The proceeds of the sale of House No. 2 were to be pro-rated because of the fact that J. M. K. Construction and R & M Construction had both done work on the building." That becomes important when one understands that the cheque that Mr. McIvor says the Communities Economic Development Fund saw paid into R & M was really paid into the Communities Economic Development Fund.

The second thing he says, "The signing of the February 15th order by Mr. Thompson" - and I've already tabled that - "and Mr. Kregeris on behalf of the Manitoba Metis Federation and R & M respectively. At the time I was relieved of my responsibilities on the R & M Construction, some of the material had been returned and I cannot draw any conclusions on what happened thereafter. Again, Mr. Allison states that he was employed by the C. E. D. F. but he was receiving advice rather than instruction from myself and at all times, including evenings, Saturdays and Sundays, I made myself available for the consultation on matters pertaining to the company's business and never restricted my advice to various government programs."

Mr. Speaker, I'd like to now deal with what Mr. Kregeris said was his situation with respect to the company and to table a letter from Mr. Jones to Mr. Kregeris dated July 20, 1973. I want to read it in its complete form and I think it more or less admits and the deduction can be drawn, that what Mr. Kregeris has said is true: "Before we meet on Monday evening I thought you might like an opportunity to see the information received from Dunwoody and Company. Needless to say I want to go over all this information with you prior to further investigation. In the meantime, however, I hope that you understand the point that Mr. Goddard and I tried to make at our meeting in Winnipeg in regard to future commitments. All of us are very much aware of the many problems which you have experienced through misunderstanding, misleading advice and generally confusing lack of information to you as the principal of the company." Mr. Speaker, who gave the misleading advice, who created the misunderstanding and where was the general lack of information to you as principal of the company? It is nevertheless the case that the intent of the Fund's input was to insist in using the working capital available to the best advantage. Nevertheless the case of the intent of the Fund's input, which is almost an admission that it did not work out that way, Mr. Speaker, we know that this did not work out and to me it is very important that we all have an understanding of the use of the money placed at the company's disposal. "This does not however get away from the fact that the working capital provided on a debt basis does have a limit, and although I propose firstly, that Mr. Allison's services are dispensed with" - Mr. Allison who was employed by R & M, hired by the Fund, will now have his services dispensed with by the Communities Economic Development Fund . . .

A MEMBER: How's that possible?

MR. SPIVAK: "I propose firstly that Mr. Allison's services are dispensed with at the end of the month and that the Fund . . ."

A MEMBER: He worked for R & M.

MR. SPIVAK: "And that the Fund . . ."

A MEMBER: Who controls what?

MR. SPIVAK: "And that the Fund itself" - I want the Minister to hear this - "and that the Fund itself should leave you to make the business decisions. This does not however" - I want to repeat - "get away from the fact that working capital provided on a debt basis does have a limit and although I propose firstly that Mr. Allison's services are dispensed with as at the end of the month - and that the Fund itself should leave you to make the business decisions."

A MEMBER: I didn't think you fellows capable of that.

MR. SPIVAK: "It must be borne in mind that commitments can only be entered into when the company is sure that it has the money available. Looking at the accounts receivable in the past perhaps you can throw some light on when most of these moneys will be received. I know that for example Peter Braun, \$15,000 has come in, and that one or two others have also paid out the \$22,000 remaining in the Fund's guarantee commitment, will virtually be used in paying existing accounts payable. However, let us leave this until we meet and you by then

BUDGET DEBATE

(MR. SPIVAK cont'd) will have had some opportunity to give me your thoughts. We have to resolve to our mutual satisfaction the reasons for the loss incurred, this is as important to the Fund as it is to you, but let us also remember that we are concerned with the future operations and effective management of the company's affairs. "

The question arises, because there is a suggestion that blank cheques were sent in to be countersigned when necessary by the government, and I'd like to table if I may a letter from Mr. Jones to John Kregeris, dated June 5, 1973 and says, "Re R & M Construction Ltd." and it says, "Referring to our telephone conversation of this morning, I enclose Mr. Rebins (?) cheque as arranged, I also confirm that I have paid Gardewine and Sons Limited the sum of \$474.93 to completely clear their account. I now have no signed cheques in this office." I now have no signed cheques in this office.

A MEMBER: No blank signed cheques.

MR. SPIVAK: Mr. Speaker, there's no point of reading the other part of it, it's detail is unnecessary and not germane to this particular point, but the fact is that blank cheques signed by Mr. Kregeris were left with the company, with the Communities Economic Development Fund and they completed the "pay", and they in turn completed the amounts and they in turn basically countersigned it and then paid it out. --(Interjection)--Well the question about what's unusual is the degree of control. Now the members opposite can keep trying to create the illusion, the impression that what has happened is a normal kind of situation in which a bank or the Fund in this particular case has basically exercised from afar a certain degree of control so the financial affairs would be in a position of being operated. The fact is --(Interjection)--Well, Mr. Speaker, I really don't know what the Minister has said, I'm not even sure what he's going to say, but the impression from the remark are that it's nothing unusual. Well I suggest it is rather unusual, Mr. Speaker.

Now I'd like to deal, if I can, with one matter and this has to do with Dominion Lumber and a letter that was sent to me and copies to the Leader of the Liberal Party and to the Premier and to Mr. Jones, and it was attached in their presentation, in which he said and I quote, No. 3 "So far as we're aware we have never dealt with Mr. Allison and at all times our transactions were with Mr. Kregeris." I just want to show him a Dominion Lumber invoice, on Pacific Avenue, signed on March 26th, which has Mr. Allison's name on it, for purchase for material for Wabowden. Which all it does, Mr. Speaker is prove that he did deal with the company; he did, he did deal with the company, and that the information at this point is not as accurate as it first appears.

A MEMBER: Unbelievable.

MR. SPIVAK: And now, Mr. Speaker, I'd like to table and I'd like to read, if I may. . . .

A MEMBER: . . . of Watgate.

MR. SPEAKER: Order, please.

MR. SPIVAK: I'd like to be in a position to read a letter or a memo to Mr. H. J. Jones, General Manager, dated May 23, 1973. The subject: Confidential Report on the Community of Wabowden.

"On May 15th, 16th and 17th, Gordon Trithart and myself paid a visit to Wabowden on matters concerning R & M Construction. Since it has been assumed all along that the subject company's base of operations close related to construction work generally in this community, it was considered appropriate to single out and discuss separately a major but not widely known factor affecting the future of both the community and R & M Construction. As far as immediate prospects are concerned, there appears to be sufficient demand for construction work in Wabowden itself to assure the continued viability of a company like R & M over the next five years. This consideration applies irrespective of the uncertainty surrounding the mining industry and its plans for expansion in the area. In addition, the prospects indicated will be greatly enhanced, as soon as the town-planning scheme is accepted, which in turn will facilitate firm commitments of land, private as well as public projects, a good number of which have been delayed because of the uncertainty with regard to zoning. Apparently the acceptance of such a town development plan is imminent."

Headed: Economic Efficiency a Function of Social Organization. We have had an opportunity to review within a short period of time a considerable amount of information on R & M Construction and its operation within the community of Wabowden and surrounding. Although the facts and opinions examined are not nearly as complete as one would wish, they are

BUDGET DEBATE

(MR. SPIVAK cont'd) . . . nevertheless sufficiently variegated to permit cross-checks for overall consistencies. As a result, we have confidence in our analysis that despite the existing potential, the business climate in Wabowden is unfavourably affected by the community's present state of severe disorganization and can be redressed only through a strengthening of the community's present leadership.

"It would probably be fair to say that the community, through the person of the present Mayor, already has the best possible leadership under existing circumstance, and that the state of disorganization in which the community finds itself is not of its own making. Clearly the Mayor is an eminently acceptable leader to the overwhelming majority of the local population. " We're talking about Mr. McIvor. "It appears, however, that he is particularly effective in representing the aspirations of the people of native ancestry who are at this point in time in a state of acute political ferment. Based on the continuous furtherance of these aspirations, the Mayor has been able to create for himself a position of strong local support on practically any issue and cause he chooses to promote. " And I believe that the Mayor now is on a salary of \$16,000 with the government. Was at that time on a salary of \$13,000.

"This fact in turn inadvertently has created a situation where R & M Construction at times has been persuaded to substitute good business practice with faith in the Mayor's ability to secure assistance for the company in some form or other by virtue of its unassailable position in the political arena. Although the Mayor has a similarly strong influence on other local businesses, his position with regard to R & M Construction is a particularly complex one as he is a member of the board of directors of both R & M Construction and the Communities Economic Development Fund. " And Mr. Speaker, what was not said is that he was on contract and being paid as a civil servant, not as a civil servant but a civil servant's salary, by the Department of Northern Affairs.

A MEMBER: Unbelievable. Unbelievable.

MR. SPIVAK: "Specifically, R & M Construction has incurred, unnecessarily, financial losses due to incorrect information about government programs provided to the company by the Mayor. "

A MEMBER: Director of R & M?

MR. SPIVAK: "For example: After the inception of the Special ARDA Program in 1971, J.M.K. Construction was advised to keep several men on the company's payroll for a prolonged period of time after completion of a certain project in order to help the company qualify for a larger assistance grant. This grant ultimately did not materialize as only new employees could be considered under the program's terms of reference. Apparently there were several other ventures that were proceeded with under similar circumstances and before proper funding was arranged. " This is a company, by the way, Mr. Speaker, that Mr. Kregeris was running, not the Mayor. "The most recent case occurred in early May of 1973, " and I want to point out that in May of 1973 Mr. Kregeris says that he was banished from the company. "The most recent case occurred in early May of 1973 when the Mayor requested that a prototype house be built under some government housing program before financing was properly secured. "

It's very important, Mr. Speaker, to point out that it was the Mayor and not Mr. Kregeris or Mr. Allison who this gentleman suggests was responsible.

"Evidently the risk involved in such a haphazard procedure is too great and unjustified, and there must be feelings of profound uneasiness about the Mayor's conduct in these instances. It's difficult to believe in this context that the cases mentioned above constitute isolated instances. On the contrary, there is further evidence of a disconcerting confusion of administrative details in the community's handling of government programs. Apparently again earlier this month the Department of Northern Affairs' auditor found the Community's book in such disarray that he was unable to proceed with an audit. "

MR. ENNS: No accounting. No accounting.

MR. SPIVAK: "Without question this is a most disquieting state of affairs, which would again indicate the need for proper operational administrative vehicles through which the awakening aspirations of northern communities can be given concrete expression. It would appear that first and foremost local political leaders who so effectively maintained a heightened community spirit and political awareness, need to be provided with suitable back-up assistance in order to help them cope successfully with the innumerable details of program formulation and implementation. "

BUDGET DEBATE

(MR. SPIVAK cont'd)

Now, Mr. Speaker, this memo was signed by M. Keil, whose report has already been tabled in this House, who was I believe an employee of the Department of Industry and Commerce, seconded to investigate this matter by the Communities Economic Development and who, if I'm correct and I'm paraphrasing his remarks, who if I'm correct, when Mr. Parasiuk who is the chairman was asked about this, said that it was not really supported. Mr. Speaker, if Mr. Parasiuk had spent just a bit of time, the kind of time that I've spent, he would have known that this basic thesis is supported.

MR. ENNS: Right.

MR. SPIVAK: And I now say, Mr. Speaker, that I do not believe that Mr. Parasiuk's statement, made to the House, made to the Committee at least, made to the Committee itself, did tell or deal with this matter with the degree of accuracy that it should have. Now, Mr. Speaker, . . .

MR. ENNS: Cook County in northern Manitoba. Cook County all over again.

MR. SPIVAK: When I introduced this matter in the House on March 15th, my statement was immediately followed by a grand rhetorical flourish on the part of the Minister of Mines and Natural Resources. And I don't say that altogether disparagingly, for the Minister is a sophisticated rhetorician and even the objects of his attacks are sometimes so entertaining that one misses the intent of his display.

Mr. Speaker, when he rose after this matter was introduced to the House, he presented a dazzling speech, but in many ways, Mr. Speaker, it was a foolish one. The Minister is a lawyer . . .

A MEMBER: He jumped the gun.

MR. SPIVAK: . . . and he broke what I would have thought was a cardinal rule of the profession. Frankly, he broke a cardinal rule of common sense. He attacked and dismissed the contents of the two affidavits he had not read. I tried to warn him off that course. I suggested to him that I was not questioning his integrity and I and other members would have been satisfied and reassured if he had said that he regarded the issue as potentially serious and that he would withhold comment until he had read the affidavit. Instead, Mr. Speaker, he denounced the Opposition. He denounced me and he denounced Mr. Allison as a disaffected manager, and indeed, Mr. Speaker, sought to ridicule Mr. Allison by lumping his name with a great catalogue of what he called disaffected managers. His attack on me and on this party matters little. Indeed, I'm obliged to say to the Minister that his conduct on this matter is rapidly reaching a point where words of praise or blame for him are going to carry as much weight as those of the Minister of Industry and Commerce or the Minister of Consumer Affairs or the Minister of Co-operative Development.

In short, Mr. Speaker, the Minister can rant and he can castigate, he can damn and he can condemn, and he can subject us to as much verbal histrionics as his lungs are capable of, but when he at last falls quiet and the dust settles, this particular fuse will continue to burn towards the government and will continue to burn until the Minister takes effective action to stop it. By attacking Mr. Allison in the way he did, the Minister boxed himself in, and instead of admitting the possibility that he was too hasty he has dug himself in more and more deeply each day since. It's a strange behaviour for a proud and haughty man, Mr. Speaker, that he should choose on such insubstantial evidence as has been produced, to essentially risk his career on the credibility of Messrs. Trithart, Thompson and McIvor. The Minister is not I trust, prepared to dismiss Mr. Kregeris in the way that he dismissed Allison, or - and this question has to be asked - will Mr. Kregeris be dismissed as a disaffected person too? And if so, how many more people will be dismissed as disaffected before the Minister realizes that under this government there are larger and larger numbers of Manitobans who are disaffected?

The Minister says he undertook a thorough examination. Why did he not contact Mr. Kregeris? Why did he not seek to ascertain whether Mr. Kregeris had documentation that might shed light on Mr. Allison's allegations? Has he grounds, or had he grounds for doubting Mr. Kregeris' credibility or his integrity? Would not both common sense and, Mr. Speaker, natural justice - and I want to stress that - have led the Minister to consider the importance of what Mr. Kregeris had to say in a controversy involving two companies of which he was president? Why for that matter, if he was so seriously interested in getting at the

BUDGET DEBATE

(MR. SPIVAK cont'd) truth, did he not speak to Mr. Allison? Disaffected or not, surely the Minister must have considered that Mr. Allison might have documents relevant to his charge. Disaffected or not, surely the Minister ought to have considered whether it would be worth his while to interview Allison to form his own impression of Mr. Allison's veracity. Well did he do this, Mr. Speaker? No, he did not. Rather, the Minister chose not to undertake an investigation but to cast himself in an adversary role with Allison and to become the champion of those who Mr. Allison had criticized. Trithart and McIvor and Thompson certainly deserve their day in court, but for the Minister to become their champion, to allow their testimony to form the core of the Communities Economic Development Fund's defence, meant that the Minister was not hearing or consulting with any person likely to have views unsympathetic to Trithart, McIvor and Thompson.

In the Committee earlier this week, the Minister said it suggested that . . . the mere bringing in of allegations, and that the answers constitute grounds for inquiry and, further nobody will be silenced. Mr. Kregeris can say what he wishes to, but in fact, Mr. Speaker, what is the point of Mr. Kregeris or anyone else speaking if the government can gag the committee and stands resolute and immobile? What is the point if the government is content, as it apparently is, to rest its case on the denials of those whose conduct is in question? Mr. Speaker, by this chalk logic, when Dr. Kasser said he was innocent, the government should have ceased and desisted. Mr. Speaker, in fact the Roblin government appointed three judicial inquiries on charges no more serious, and in each case the Roblin Government was exonerated, but the critical thing was that the government was not reluctant to have its conduct investigated because it recognized that public confidence in a government can only be sustained when a government shows itself to be unafraid of such investigations. In the past month this House has faced allegations of wrong-doing, not primarily against civil servants - and I make this very clear - but allegations against agents of the government, people in that twilight zone. . .

MR. ENNS: Contract employees.

MR. SPIVAK: . . . not being part of the Civil Service but nonetheless drawing salaries from the treasury and having access to public funds. And how has the government responded? In each case it has asked for the views of the person criticized, and that is eminently fair as a first step. But both with the fishing co-ops and now with this affair in Wabowden, the government would if it had its way go no further. Mr. Speaker, their approach is nothing short of bizarre. In the case of the Minister of Co-operative Development it has meant that over the past three weeks he has been obliged at regular intervals to add to, alter, otherwise amend the answers he originally gave to this House. If you could get new answers to the original questions I suggest that the Minister would answer them differently now; not I hope because the Minister was consciously or deliberately wanting to mislead this House, because he relied exclusively on the words of others including the words of persons whose conduct was itself in question.

SOME MEMBERS: Hear, hear.

MR. SPIVAK: Mr. Speaker, the Minister of Mines and Natural Resources was in the House; he had heard the answers and the statements of the Minister of Co-operative Development. He should know and should have understood in the light of the Minister of Co-operative Development's experience - and this is why I cannot understand in the light of that experience why he had the pigheaded determination to follow exactly the same course, because this is really puzzling and disturbing, Mr. Speaker. I respect the desire of any Minister to protect his officials and to rely on their word, but McIvor, Thompson and Trithart are not the Minister's officials.

A MEMBER: No way.

MR. SPIVAK: In any case the responsibility of the Minister to his officials is subject to one very important limitation. The Minister must protect the public interest first. If a prima facie case is made that an official or an agent of the government has acted against the public interest, a Minister is faced with a cruel choice. But when all is said and done the public interest transcends the interest of any official, any agent, any Minister, or for that matter any Leader of a political party. Our responsibility - and it should be the Minister's as well, for God knows when he was in opposition he was rather zealous - our responsibility is to see that a matter of this kind is investigated to the point where all reasonable doubt about wrongdoing is removed. To achieve this the resources open to the Opposition are necessarily limited.

BUDGET DEBATE

(MR. SPIVAK cont'd) We can continue our researches; we can continue to contact and interview persons with information, to pursue leads which are given to us. We can look to the media to make its own judgment as to how much of what we say is substantive and how much simply partisan and to report and comment accordingly. And finally, Mr. Speaker, we can use this House and the rules open to us to insure that the maximum public attention is focused on our proceedings. I have no hesitation, Mr. Speaker, in saying that the Standing Committee on Economic Development, that at the meeting this week the Minister made little pretense about the Committee being under the control of the Chair. The transcripts show that it was the Minister who repeatedly ruled on points of order, that it was the Minister and not the Chairman who decided when the committee would be adjourned.

Mr. Speaker, this is fine, because I believe the people are watching and listening and can draw their own conclusions. So if the government enjoys self-administered black eyes I'm not going to complain. But having said all that, the opposition can advise and caution and scrutinize and warn, the opposition cannot by itself insure that justice is done. The Minister suggested the other day in the committee that we stage a Bertram Russell style tribunal. Does the Minister suggest that the Russell tribunal was a fair substitute for due process? Does he suggest that the Russell style tribunal would ensure protection of all persons in dispute and insure that all points of view and all relevant data would be produced? The Minister was I think suggesting that the Russell tribunal was a sham, a piece of theatrics, and it probably was. Is the Minister really suggesting this as a substitute for due process in this province? If not, he has the power to insure an orderly, independent investigation takes place, and I challenge him to use that power. (Applause)

Mr. Speaker, the government takes another view. It believes either the public has no right to examine its conduct, in which case it is absolutely unbelievably arrogant, or else, Mr. Speaker, it is fearful - and if this is the case I assume that it would only be fearful if it has something to hide. The Minister of Mines is in many ways a very able man with many qualities. But, Mr. Speaker, modesty and humility are not among them. He is fond of taking credit for what he regards as accomplishments, especially those won over on the focus of reaction and tyranny and darkness. He delights in displaying his knowledge or in assuring us that he has it. Mr. Speaker, I can understand therefore that this Minister's pride is a barrier to his admitting either a personal mistake in his handling of this matter and still less in his admitting to an error, or worse to an error in an agency for which he was responsible. Mr. Speaker, the issue here is bigger even than the Minister's pride. The issue is whether this government will ever be prepared to admit that its own conduct is legitimately open to independent investigation. The issue fundamentally is whether the Opposition, though in a minority in this House, has a right and a public responsibility to insist that the truth be told.

Mr. Speaker, with respect to the co-op matter the Government and the Premier have been less than candid with this House. Now I ask you, Mr. Speaker, where do we go from here? What will the government do? Who will the government believe? Mr. Speaker, does it really make any difference to them? Does anyone care about the damage that has been done and continues to be done to the parliamentary process by the course of action that's being undertaken? Is there a backbencher on the other side, Mr. Speaker, who cares about the truth?

MR. J. R. (Bud) BOYCE (Winnipeg Centre): Yes. We haven't heard it today yet.

MR. ENNS: Well you make that judgment.

MR. SPIVAK: Mr. Speaker, who protects the minority rights of individuals and groups? Mr. Speaker, in the case of the fishermen the minutes of a meeting prepared by the Department of Co-operative Development summarizing the discussions that took place between the Freshwater Fish Marketing Corporation and the minutes prepared by the department summarizing the discussion that took place between the Freshwater Fish Marketing Corporation and the government, basically said that the co-operatives under the administration and services of the government had been stealing from the fishermen. (Applause) Mr. Speaker, I have checked with the Chairman of the Freshwater Fish Marketing Corporation and he made that statement. Now who protects the rights of the fishermen? Who protects the rights of the fishermen? Who protects the rights of the fishermen? The government with its power and ability to conduct an inquiry to determine without question that there would be a proper audit and to see to it that if the fishermen did lose money belonging to them that there would be res-titution guaranteed.

BUDGET DEBATE

(MR. SPIVAK cont'd)

Mr. Speaker, who protects the right of the small businessman struggling without question, struggling to try and keep his head above water, keep his head above water, financially strapped, basically putting all his life savings in a situation which to a large extent was not of his own doing, out of control and completely misunderstood by him. You know, Mr. Speaker, it would be different you know if I stood up here and I made this statement, and I made this representation without any ability on my part to be able to present an independent position that would justify that kind of conclusion that I just made. But, Mr. Speaker, the government paid for and had one of their own civil servants, on his own, go down, examine, review the situation and that person came to the conclusion that I have, independent. So my support, Mr. Speaker, comes from the government's own investigation. (Applause)

But who protects the rights of one person who is in the minority? The Minister of Mines and Natural Resources? The Minister of Finance? The Attorney-General? The Premier? This is just a dispute, you know this is a dispute that's going to go away, I really have nothing to do with it. It's sort of below my dignity. Mr. Speaker, I must say that had the Minister of Mines followed the procedures that he has - and would have followed procedures that I suggested, he would have realized as one who I think is concerned about civil liberties and rights, that there was a necessity for an action on his part that was not forthcoming. But, Mr. Speaker, as I've said several times in this House, he takes the adversary position because it's the opposition who are talking.

Mr. Speaker, acknowledging that some people on the opposite side did not know about all the facts, and acknowledging as well that some of you may be a bit surprised by some of the documentation that's been filed, you care enough to show some responsibilities as compassionate people and as people concerned with the rights of the few.

Mr. Speaker, I wonder, do the other side care if statements made by the Minister are not accurate and are not true, do they question why those statements are made? Mr. Speaker, I say if statements made by the Minister are not true, do they care? If statements made by the Minister aren't true, do they care? Do they question. Mr. Speaker, they do care, and I wonder why when the Minister of Co-operative Development stood up and said that there was an audit by Burch and McFarlane completed--(Interjections)--Well, Mr. Speaker, all right . . .

MR. SPEAKER: Order please.

MR. SPIVAK: All right, now we have it. The Minister indicates that he thought it was not true. --(Interjection)--He thought it was true. Why did he think it was true? Because that information was supplied to him. And who supplied that information? The very people whose actions were questioned. And Mr. Speaker, what he did is, he allowed an investigation to be conducted by the people who were being investigated. And Mr. Speaker, do I have to repeat a very well known situation in the United States in which we have the same kind of situation developing, is it necessary? Who were the people being investigated, who was doing the investigation of those people, until it was taken from that arena?

Well, Mr. Speaker, who's responsibility is it to act like a government? The members opposite or ourselves? There is a very curious thing that developed here. In the earlier presentation, the Minister of Mines and Natural Resources from his seat made a remark when I asked him, why did he not talk to Mr. Kregeris, and he said to me, why did I not talk to Mr. McIvor or to Mr. Trithart or to Mr. Thompson? And, Mr. Speaker, I simply say to him, who is the government? - Mr. Speaker, the accuser was Mr. Allison. But in order to try and determine the allegations that were made, to understand effectively, to understand what happened, who was to do that - the opposition or the government? You see Mr. Speaker, we have a situation where the government basically says to anything the opposition presents, "so what"; or "hogwash". So what? Why? Because we are in here for four years, because we've been elected and there is no way legally that we can be thrown out, we've got the numbers. So what? But, Mr. Speaker, surely the democratic process which we talk about would indicate that at particular times there is a necessity on their part to take action when wrongdoing is alleged and that they have to be put in a position that the way in which they are dealing with this matter is fair and honest.

The government's refusal to investigate the allegations of impropriety concerning the Communities Economic Development Fund demonstrates a number of particular concerns. We have contradictory evidence and testimony contained in affidavits presented in the

BUDGET DEBATE

(MR. SPIVAK cont'd) Legislature and produced by the Communities Economic Development Fund. I have not heard anything from the Attorney-General to indicate that a judicial inquiry or an action will be taken by him. One has to wonder how many inquiries he can make. He's already investigating the Manitoba Housing and Renewal Corporation, he's investigating the Fishing Co-ops and I wonder whether he's in a position to say whether that's been turned over to the RCMP as the Premier suggested.

A MEMBER: No way, no way.

MR. SPIVAK: Mr. Speaker, he says that he'll not deal with this matter you know - he continues to look more and more like John Mitchell. Well I want to say to the honourable member opposite, I want to say to him without any questions and without - so that we'll have it directly. I put in evidence here, I produce statements here, that the Honourable Member knew nothing about; but do you know what he's capable of doing and what his concern is? The only thing that you're concerned about at this point is the image of the New Democratic Party. The only thing you're concerned about.

I want to explain to the honourable member opposite that I'm glad he says that he has a couple that I haven't seen - I want to assure him so there will be no question.

MR. SPEAKER: Order please.

MR. SPIVAK: I want to show the honourable member opposite, I'm not going to throw on the floor - I'm just going to indicate to him that in the last . . . hour, the Honourable Minister of Mines and Natural Resources has primed him to make a response, but I would hope that he would not be duped as some of the other members obviously were in signing affidavits about information they didn't know anything about. --(Interjection)--

Well as a matter of fact, Mr. Speaker, I must tell you - I would be interested in, and will be interested in hearing the honourable member's contribution very shortly and I'm sure that it will come as a result of an extensive investigation, consultation with all the principals involved in examination of the affidavits, the ability to be able to determine the contradictions and the ability to be able to produce whatever he has been handed with respect to this matter.

Mr. Speaker, the issues involved refer to the Fund officials, refer to the manipulation of R & M Construction. The issues involved are the deployment of building materials prior to and during an election campaign into several remote settlements, through very strange circumstances.

Mr. Speaker, one has to wonder why the company was primed and maintained during the period of time of May and June. Mr. Speaker, one can only lead to the belief in a strange set of circumstances that at least imply vote-buying in northern Manitoba. (Applause)

. continued on next page

BUDGET DEBATE

MR. SPEAKER: The Honourable Member for Winnipeg Centre. (Applause) Order please.

MR. BOYCE: No, Mr. Speaker, I promise not to take off my shoe this afternoon. But before I begin I wonder, Mr. Speaker, if the Clerk could bring me the papers that the Leader of the Opposition tabled. You know, so I'll have things handed to me. I think I should start at the back and work back to the front and when I get to the front perhaps I can put two documents - one document that the Leader of the Opposition put into the record and one that I shall, perhaps we can put things in a proper perspective.

One of the last remarks that the Leader of the Opposition made was why did this continue, why did construction continue in a locality during the election. Well by this token, they should have stopped building a nursing residence in my own constituency. His argument, I'm not going to pretend to be an authority on all the details, that I have seen all the documentation on this, but I would hope in this particular instance, the press does some analysis in depth as to what is going on in this place. And I hope that the press will put this in its proper perspective. That they get the sequence of events and when the Leader of the Opposition jumps back and forth from one date to another that they see what he is making is really a very, very weak case, and by repeating it and repeating it and repeating it - you know I, John Dean, told Haldeman that Ehrlichman said that Mitchell told me, sort of thing, that he thinks by a muddied brush that he can make a case. For about four hours I sat here without interjection into the leader's . . . I'm sorry, at the end of it, at the end of it, at the end of it.

If we but address ourselves to some of his arguments, he makes the case that when the Minister of Mines was making an address that he totally ignored the events that he was laying before us. That the minister chose to attack him, and by this technique he suggested this is a terrible thing. But then what does he do? Then he proceeds to attack the Minister. You know this type of attack by the Conservative Party - I'm finally beginning to understand what Conservative political philosophy means. The Member for Lakeside brought it out a little bit the other night when he took the Minister of Mines' words in another debate and confused the two terms of people and government, because they really don't understand what is involved in trying to give people the power over their own affairs. You know, Mr. Speaker, doubtless there have been errors made in this particular case. Nobody I don't think would be foolish enough to say that errors weren't made. Perhaps better judgments could have been exercised, I would suggest that this whole situation could have been avoided by following their standard practices. Bentall Engineering, or Bentall Construction could have been hired and superimposed in the community of Wabowden. But what was attempted, what was attempted? There was an attempt of this government to try and help a small businessman. Let's put that into sequence, that J.M.K. Construction Company was in difficulty. --(Interjection)-- Mr. Speaker, please, Mr. Speaker, please, I'm addressing myself to the argument made by this gentleman in the House and that is all. I have not spoken to the principals, I barely know Mr. McIvor or Mr. Thompson. I am addressing myself to . . .

MR. SPEAKER: Order please.

MR. BOYCE: Lots of small businessmen I've talked to. I've talked to lots of them. I'm addressing myself to the ludicrous five hour presentation that you have made in this House. --(Interjection)-- It may have been . . . But, Mr. Speaker this J.M.K. Construction Company, J.M.K. Construction Company was in difficulty and the judgment was made that the company perhaps could survive in this community if it was given some help, support, by having somebody work in the Company. I will get to this point in a moment. But perhaps we should have taken a page from the people opposite when they were in government, and I know some people say that this is a lousy argument that you did it, but with Damascus Steel the people over there when they were in government they put this company into Receivership and took it away from them for \$30,000. They turned around and lent \$65,000 to a new group of principals to do the same thing that the prior principals were doing. Now perhaps it would have been sounder judgment in this particular case, to have proceeded in the same way, I don't know. But, the people on the Board of Directors of the Economic Development Fund decided as the first lender, the person that had the most money involved in this, that they would continue to support this instrumentality of the government in trying to help develop a community and a community based small business. I wonder just exactly what Mr. - how do you pronounce the gentleman's name? I can't even pronounce it, Mr. Speaker, without checking it out again - Mr. Kregeris - I wonder what he would have to say?

BUDGET DEBATE

(MR. BOYCE Cont'd)

Mr. Speaker, I have seen the members opposite - let me digress and make my point perhaps in a different way. When the matter of the control of Lake Winnipeg was before this House, before the committees of this House, the members opposite went out and brought into this Assembly, into a committee down here, the property owners around Lake Winnipeg, telling these people that the place to have control over the government's flooding of them in some instances and draining the lakes in the other instances, was by coming in and raising Cain down here at a committee meeting. Perhaps some of the members remember this. The type of attitude that the people opposite have in this regard is that the troops are expendable, the little people are expendable. Let me share something with you from a business standpoint.

In 1962 when I was having some financial difficulties, I would have blamed anybody. The year after I would have blamed anybody. It took me about three years to realize that most of my difficulties were involved with my own mismanagement. If some leader opposite had of come to me and got me all excited and said, Bud you know the government's the one that's at fault, and I could have made a darn good case for it, because I had gone to the Industrial Development Bank at that particular time and I had thought that I would need \$125,000 to get through the recession that was coming and I couldn't raise that kind of capital, so I could have, you know, signed affidavits the Industrial Development Bank had treated me badly, but nevertheless what I would like to infer by this is that who started all this? Who started all of this ruction? Was it the Manitoba Metis Federation of which Mr. McIvor at that particular time was the vice-president? Was it Mr. Kregeris - I'm sorry, I hope Hansard can spell that name right - was it Mr. Allison in the first instance, I don't know, but from past experience with members opposite, I would suggest that perhaps word got around that this particular individual was disgruntled.

Now I would like to put something else in . . . a very interesting letter. This particular letter is dated, not last March, not last April, May, June, July, August, September, October, November, December, it's dated in January of this year, and it's a letter to the Communities Economic Development Fund from a solicitor of the particular individual that we're referring to as the principal of R & M Construction Ltd., and I would like to read this letter into the record, that errors were made as you will see in the opinion of this particular solicitor. It's a letter addressed to the Communities Economic Development Fund, dated January 11, 1974, re John M. Kregeris and re J.M.K. Construction Ltd. et al, our file so and so. I'll table the letter. This one here. Yes, this is in the committee, you're right, dated January 11th, but in case anybody wants another copy I'll be glad to furnish them with it, as many as you want, "During Mr. Jones' absence from the city, your Mr. Hanly was kind enough" - you better sit down for awhile, this is quite a long letter. "During Mr. Jones' absence from the City your Mr. Hanly was kind enough to call upon the writer to discuss matters relating to R & M Construction Ltd., J.M.K. Construction Ltd., John Kregeris and Communities Economic Development Fund.

"We indicated at the time of that most valuable meeting that we would be writing to the fund on behalf of Mr. Kregeris in the new year, and wish by this letter to satisfy that undertaking.

"We have had an opportunity now to consider and study at some length the material and correspondence provided to us by Mr. Kregeris and by Mr. Al Goddard, who has acted for him in this matter up to this time. It seemed clear from our examination of this material and from our various interviews with Mr. Kregeris that the fund has made an honest and sincere effort to assist him and the Companies which are involved, and that a number of the proposals made and implemented have been conceptually sound. We would not endeavour to suggest that Mr. Kregeris is equipped with every skill and attribute necessary for the successful operation of a contracting and building supply business in Northern Manitoba or elsewhere. He does however, have a satisfactory background and experience in the business and if our interviews and reports can be relied upon . . ." - Isn't that strange, Mr. Speaker, that even the solicitor for Mr. Kregeris would say that if our interviews and reports can be relied upon - "enjoys a particular advantage in his satisfactory working relationships with the native populations and others in Northern communities. It does however seem very clear to us that in endeavouring to assist Mr. Kregeris and his company, your fund has been less than well served, and Mr. Kregeris has been less than well served by some of

BUDGET DEBATE

(MR. BOYCE Cont'd) the persons charged with the responsibility of assisting, guiding and in some substantial number of instances, managing these affairs. Whether or not such matters have been done with the express authority of the Fund, the actions of Mr. Trithart and later of Mr. Allison in their control and administration of the affairs of the Kregeris Company seems to have been characterized by bad management, bad judgment, carelessness and in some instances . . ." --(Interjection)-- In this person's opinion, it's both Mr. Trithart and Mr. Allison --(Interjection)-- Well he says that . . . I'm sorry . . . You fellows want to leave me alone for a minute please. It's nice and quiet, it's Friday afternoon, everybody has gone to sleep. Well I don't know, maybe - you know they like to holler about the truth and all the rest of the stuff and then they take off after they've made their big noise. --(Interjection)--

MR. SPEAKER: Order please.

MR. BOYCE: Well by gosh you're right. Mr. Speaker, if I may continue: You've hurt me now Jim, you've done it now.

"Whether or not such matters have been done with the express authority of the Fund, the actions of Mr. Trithart and later of Mr. Allison in their control and administration of the affairs of the Kregeris Company seems to have been characterized by bad management, bad judgment, carelessness, and in some instances at least an apparent disregard for the objectives of the Fund and of Mr. Kregeris and his Company.

"It also seems apparent that in discussions with Mr. Kregeris, he has been led to believe that he will enjoy a certain assistance from the Fund, which subsequently has not proven to be the case. It is impossible in such instances to attribute blame to either party, but such misunderstandings or inadequate communication have only served to heighten and aggravate an already serious situation.

"Lastly the Board of Directors appointed by the Fund, ostensibly for the purpose of assisting and guiding Mr. Kregeris appears to have contributed little or nothing to the day to day management of the Company." Isn't that interesting, isn't it? "Appears to have contributed little or nothing to the day to day management of the Company or to the supervision and control which apparently it was felt should be exercised.

"The cumulative result of these various problems seems to have been disastrous and the principal sufferer from the various problems would seem to be Mr. and Mrs. Kregeris.

"It seems clear that Mr. Kregeris' skills and abilities lie in the construction field and that the efforts of the Fund to assist him should be directed primarily in this regard." In other words, the fellow was a good contractor but apparently lacked some managerial skill. Why did Mr. Kregeris go into business, I don't know why he went into business. We didn't hire him, this is a gentleman that went into business. He isn't listening, see - why did we hire him? Oh my gosh - you know . . .

"Mr. Kregeris is presently making a very serious effort to collect the receivables of the Company from the preceding years business, and to satisfy so far as humanly possible, outstanding current obligations.

"To the extent that he is successful in so doing, the Company's deck should be sufficiently cleared, that given the right kind of assistance and guidance and some reasonable financial support, Mr. Kregeris could proceed to make R & M Construction Ltd. a useful contributor to the economic life of the Community of Wabowden.

"Rather than dwell" - now Mr. Speaker, this is very interesting - an opinion expressed in January of this year, as a solicitor for Mr. Kregeris - "Rather than dwell upon the problems of the past, unnecessarily, or to enumerate at length on the deficiencies of officers, directors, employees, etc. of either the Company or the Fund, we would prefer that the Fund direct its attention to minimizing the impact of past problems and to ensuring future capacity for Mr. Kregeris to carry on his business effectively in the North. With this in mind, we would suggest that the Fund give serious consideration to a specific proposal respecting R & M Construction Ltd., which will" - oh it's a mis . . . well anyway it says, "which will . . . it with the basic assured financing . . ." which probably means they give it some assurance "for a worthwhile program in the construction field in the coming building season." And reference was made to this in the Affidavits filed and the evidence given by Mr. Jones at the committee meeting. "In this way we believe that the objectives of the Fund can be realized."

And Mr. Speaker, may I digress on this just a moment. What are the objectives of the Fund in the north? - Community Economic Development, to help these organizations develop

BUDGET DEBATE

(MR. BOYCE Cont'd) the capacity to look after their own affairs, economically, socially, and really this is what it's all about. And I'm sorry that the Conservative group doesn't believe in this sort of a development but this is where their attack stems from - as mentioned by the Member for Lakeside, when he thinks that the government is something and people are something different. They refuse to accept that people in consortium, by getting together in a community can manage their own affairs, can develop the ability to manage their own affairs, and in so doing, Mr. Speaker, will doubtless make mistakes. Oh no, I know - the member from his seat says "it has nothing to do with this," This is what it's all about. This is what it's all about. These people over here, Mr. Speaker, haven't got a leg to stand on politically. I've only been in this Legislature five years and this is the lousiest session I have seen. They have literally nothing to offer, they have nothing to offer. Let me come back just a minute - let me come back just a minute to the . . .

MR. SPEAKER: Order please.

MR. BOYCE: . . . that now forms the government in this House. I sat in the gallery and listened to them, they attack you on your weaknesses but, Mr. Speaker, they came up with alternatives. They said this we doubt will work, why cannot we do this and this and this? But is that what they're doing? Is that what they're doing? No. They come up with a big mud brush, and this is only the first, this is only the first . . .

MR. SPEAKER: Order please.

MR. BOYCE: If anybody asks me specifically for a piece of information, I'm sure the Minister of Mines, the Minister responsible will be only too happy to give it to you. I'm not trying to hide anything. But I digress, I go back. You know the Member for Thompson I mentioned, oh this is very interesting. You know while all this was going on, all these terrible things were going on in the north, as the Member for Rupertsland mentioned in his speech, they think that the people up there are stupid. --(Interjection)-- Well you said it, sign anything that you put in front of you and everything else. You know, I'm sorry Mr. Speaker, I don't know if anybody has noticed it, but I find it very difficult to sit in the House this year because there's really nothing going on. Except for the debate the other night between the Minister and Member for Lakeside, there's very little going on of any depth - of any depth whatsoever. --(Interjection)-- Oh no, no, no, no, that's the difficulty in the Throne Speech, it just leaves you people powerless, you have nothing to attack. You're trying to make us look incompetent in the north, because you've written off the north. You're after two or three percent of the city votes, with the help of some of the people in the press that really don't want to sit down and try and understand what the hell's involved in this particular game; some of the press who don't understand what the parliamentary system is all about; some of the press who don't even want to take the effort to sit down and find out what the parliamentary process is all about. That in a committee as the Leader of the Opposition started to make the case here just a moment ago, that the Minister of Mines and Natural Resources, who happens to be responsible for the Development Fund that we're talking about, who happens to be a member of that committee and has rights as a member of that Committee, when somebody is out of order raises a point of order, that the man is more intelligent than I - you know that's my problem not his; and that he's probably more intelligent than anybody else on the other side, that's their problem. But when he sees something remiss, he draws it to the jury's attention in terms that they can't refute except by hollering, and somebody in the press says that he is being arrogant. --(Interjection)--

MR. SPEAKER: Order please.

MR. BOYCE: And "ach" to you people up here too.

"In this way we believe the objectives of the Fund can be realized . . . We would appreciate an opportunity of considering these matters with the representatives of your fund at your early convenience, and of obtaining from them some sort of forward commitment for the funding which will be sufficient to ensure that Mr. Kregeris is able to function in the fields in which he has confidence in the coming season."

Well as a solicitor I suppose he wanted the Fund to acquiesce to that last paragraph. But Mr. Speaker, it's interesting that the solicitor . . . that signed this letter, is one G.T. Haig, Q.C. - G.T. Haig, Q.C. Now I certainly don't want to cast any aspersions with parliamentary immunity or anything else on Mr. Graeme Haig who happens to be a personal friend of mine, and in certain other fields where we don't disagree in the political philosophy

BUDGET DEBATE

(MR. BOYCE cont'd) we have worked together over the years. But I would draw to the attention of the Assembly that the gentleman was the President of the Conservative Party, you know. This is supposed to, you know, have some big nuance, you know, some deep, dark, diabolical plot, somebody happens to like the NDP is terrible. So therefore if that is true, then we should be able to take this inference further. Anytime that somebody's name comes into an argument who has been associated with some other political group, this should you know discredit their opinion. The President of the Fish Marketing something, I think he was a Liberal candidate or something, Mr. Peter Moss, he was a Liberal candidate or something.

Mr. Speaker, as I mentioned when I started, I don't know Mr. McIvor that well, but you know, the main argument of the Leader of the Opposition and his group is that - well, I wouldn't be that strong - it's a legitimate ploy and, but I'm sorry it's going to fail, the people of Manitoba are not that stupid.

If you can, through the various mechanics that are available to you, help to confuse fact and fiction to the point that you get people confused then perhaps you can have your opinion prevail. If you can confuse misjudgment with felony, if you can confuse mismanagement with theft, if you can confuse the normal course of events, in having products delivered for one program related to another program at a particular time that an election is going on, and by so making the case that people say, well gee there must have been some political chicanery going on.

You know that we have a construction company, who I understand from the cases that the Member for River Heights, the Leader of the Opposition, he took affidavits and he slams them on the desk, one two, three, four, five, six, seven. What were they? They were nothing to do with the Manitoba Metis Federation contracts in which R & M Construction was involved with, they were repair programs for particular individuals, approved by the Job Office under the Home Improvement Program. The stuff was purchased from R & M Construction Co., the stuff was subsequently delivered. On some occasions there was over shipment of goods, which is a normal - you know it happens. It happens.

Mr. Speaker, when I was in business I ordered a coffee pot. I took it out of the catalogue and I ordered an aluminum . . . one of these 32 cup coffee pots, I ordered an aluminum one. When the invoice came my invoice read one aluminum coffee pot so many dollars, and it was a stainless steel one. So I phoned the shipping clerk up and I told him, I said "You goofed, you picked the wrong one". Well, you know, I'm sorry, I could have kept that stainless steel coffee pot. I'm not saying this to infer any purpose other than lots of shipping mistakes are made.

And this is why, if the press is going to be responsible in this particular case, rather than editorializing on the front page of the newspapers, those people who up to this point in time have shown some integrity in reporting, I hope that they do sit down and draw things together in a time sequence. Let's look at the time sequence prior to March 3, 1972, and this letter was read by the Leader of the Opposition. It was a letter that was tabled, from Mr. Jones, as the General Manager of R & M Construction Ltd. to Mr. Kregeris - attention Mr. Kregeris. It said: "At your Board meeting," now he reads that quickly . . . you see, but it says "At your Board meeting, your Board of Governors, your Board of Directors, your group said." Now what did they say? "It was decided to replace the incumbent bookkeeper with an employee who had considerable additional talent such as pricing, merchandising, and estimating."

Mr. Speaker, perhaps an error was made, doubtless there was an error, because subsequent events would say that that was an error. Mr. Allison apparently was not as competent as people thought. But I was noticing the Member from Minnedosa when the Member for River Heights gets in "who was running R & M Construction Company." You know, who had the money? Whose money was it? It was the people of the province of Manitoba through the instrumentality of an Economic Development Fund, and the Member from Minnedosa who is an officer of the Royal Bank would have proceeded absolutely no differently when he is administering the funds of the depositors in the Royal Bank of Canada.

If a company borrows money from an institution and there is difficulty, any company at all will insist that somebody goes in there mutually satisfactory to the two groups to administer the weak components of their operation, and this is what occurred. This, Mr. Speaker, is what - and what does he want to do? Who's running the company? And, he goes on to even say in this letter. Table - table - table - where is it? Boy oh boy, you know - you see the

BUDGET DEBATE

(MR. BOYCE cont'd) regrettable part of it is, Mr. Speaker, the only person that can rebut his argument on this side in the same length of time--(Interjection)--no, after I finish. I haven't got that kind of time. You can talk all day. I've got 40 minutes. But what does it say in this letter, Mr. Speaker. It says "we enclose a list of duties which we expect him to perform." For whom? For whom? For the taxpayers of the province of Manitoba. To see that our funds were protected, through the instrumentality of the economic development fund. They erred in judgment in selecting this particular individual. He didn't have the expertise apparently because when a further analysis was made the person was removed.

Now, prior to this - this letter was dated as pointed out by the Leader of the Opposition was March 2nd, 1973. And doubtless that the decision to have this method proceeded with was made at the board meeting of the Economic Development Fund on March 9th. Prior to that time the Economic Development Fund had been managing the affairs of R & M Construction Company. I assume, because the paragraph says "at our forthcoming board meeting on March 9th we are recommending that the management fee of \$417.00 per month be discontinued for the time being." Why? Because they had been assessing this \$417.00 against R & M Construction as a management fee, which is a standard business practice. But why did they discontinue it? And Mr. Speaker, let me emphasize this. "That it be discontinued for the time being to enable your company to meet the cost of hiring Mr. Allison." So when somebody says you know, that Mr. Allison was working for R & M Construction Company, that is true in fact that - I wouldn't use that term I'm not a lush. But it's true in fact that he was working for R & M Construction Company.

Now, Mr. Speaker, for somebody to stand up in this House and say that there's something the matter this way and that things are done differently, you know, it's just ludicrous. Let me just share another example. I happen to have the privilege on this side of the House to wear many hats. One of those hats is the Legislative Assistant to the Minister of Health and Social Development. One of those hats is Chairman of the Board of Governors of the Alcoholism Foundation, and one of them is Member of the Legislature for Winnipeg Centre. On one particular occasion, as Chairman of the Board of Governors of the Alcoholism Foundation I wrote a letter to the Minister reflecting the views of the Alcoholism Foundation of Manitoba. The Minister of Health sent it to me for comment as legislative assistant and I'm sorry I had to refute it. Now if somebody thinks that's ludicrous, I'm sorry that's the way it goes about. As Chairman of the Board it's incumbent upon me to reflect the opinion of that Board, but as an individual member or the Assistant to the Minister, then it becomes incumbent upon me to give them my best advice. And for saying that there is something different or wrong about this is just absolutely asinine, Mr. Speaker. In this book, if they want to look at conflict of interest and all the rest of it, I suggest that they look up what the senators . . . in Ottawa, the directorates and the inter-relationships of all of these things.

Now in the town of Thompson or Wabowden or anywhere else, who do we have to draw on to help this province or to help the people in the north? We have to help - and as the member read the letter himself, Mr. McIvor. Once again I barely met the man but apparently he is respected by the people in the community, and if on occasion he has to wear three hats, let him wear them. And I expect him to behave responsibly; if he does not it becomes incumbent upon the people in a community to tell us, not the Member from River Heights.

Mr. Speaker, one of the big to-do's in an affidavit - I wished I had five hours to refute every silly little thing he says. You know, Mr. Speaker, Shakespeare was a wise man, and when he wanted to say something on occasion he would use a fool. He had Polonius who was a fool, say, "It follows as the night the day you can't be false to any man." Well perhaps on this particular occasion by being the fool on this, even a fool can refute it. But in his argument he's - on an affidavit - what is an affidavit? I, J. R. Boyce, coming forth and being duly sworn, do hereby allege in the best of my knowledge and belief, I do allege.

Mr. Speaker, I'm sorry but I was at a meeting one time when I went up to this gentleman and said "I don't think we've met" and he said "Yes, we have, four times." For somebody to say, I don't think I have met that man, lot of times I see people I get correspondence from and I don't pin a name and a face together, but for him to stand up and say that that makes a case of perjury, that's just ludicrous, just ludicrous. For the Leader of the Opposition to say that this - you know, he wants to bring in legalities and legal procedures and court proceedings into this Legislature, as does the Leader of the Liberal Party. I would suggest that he uses

BUDGET DEBATE

(MR. BOYCE cont'd) his own criteria of credibility of evidence, ponderance of evidence.

He tries to slough off the fact that the basis of his case is an affidavit, and all the rest of it are confusing details, that if they aren't put in the proper perspective by the people that are trying to see what is happening in this particular case, yes, it is confusing, and I don't think anybody from this side says that mistakes haven't been made, errors in judgment haven't been made. I will point it out to you once again, that an error in judgment is obvious, that on March 2nd . . . here's an admission by the government that there was in fact an error in judgment. When did this become evident? Not when the decision was made. These people aren't irresponsible. They said on March 2nd, 1973, that the Board - who decided? - not just the Economic Development Fund but the Board of Directors of R & M Construction and the Board mutually agreed that Mr. Allison would be able to help them through their difficulties. He wasn't able to. In fact, there are some people who have laterly alleged--uh huh, that's a cute one, I like that - it's a fact that they . . . allege. These darn lawyers, I got to get out of here. This person may have compounded it, and on January 11th the attorney for these people said that the Economic Development Fund had done everything humanly possible to assist this small businessman to stay in business even after he had demonstrated some inability to do so with J.M.K. Construction. (Applause)

MR. SPEAKER: The honourable member's time is up.

MR. SPIVAK: Mr. Speaker, I wonder, by leave, if the honourable member could answer a question?

MR. SPEAKER: It would have to be by leave of the House. The honourable member's time is up. Agreed? The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the honourable member can inform the House whether other than the document that he has just read, he has seen any of the other documents relating to this matter?

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, when I first started - you see this just shows how the Leader of the Opposition does not listen. I said that I hadn't seen all the documentation, I didn't pretend to. What I was addressing myself to was the fallaciousness of his argument as presented in this House. Now, if he would like me to take his case as he presented it, as it appears in Hansard, and gives me the time that it took him to prepare that five hour presentation he . . . I'll even punch more holes in it.

A MEMBER: Hear, hear.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, the honourable member has made certain allegations against Mr. Allison. I wonder . . .

MR. SPEAKER: Order please.

MR. SPIVAK: I wonder if the honourable member is in a position to indicate where he obtained the information for the allegations he made against Mr. Allison?

MR. BOYCE: I'm sorry, maybe I misunderstood the question. The allegations I made against Mr. Allison?

MR. SPIVAK: The honourable member has made certain allegations about Mr. Allison, he's indicated he hasn't seen the documentation. Where did he obtain the information against Mr. Allison?

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: No, no, no, please don't do it with me please. That isn't what I said. When I was speaking about the apparent error in judgment that I would assume that from the date of March 2nd until that letter was written on January 11th, that the error - let me put it this way, as I recall - I would rather read Hansard but I guess I'll have to wait.

On March 2nd a letter was written saying that the Board of R & M Construction Company and the Economic Development Company had agreed on an individual going to work for R & M Construction Company, hopefully this person would have been instrumental in seeing that the affairs of the company were dealt with in a more businesslike manner because apparently there was a weakness in Mr. Kregeris' ability to do office work. Apparently he had good construction expertise, he had good relationships with the native people but what he had a weakness in was in his pricing practices and his handling of materials and the rest of it. So it was agreed by the Fund and by R & M Construction that Mr. Allison from his reputation and

BUDGET DEBATE

(MR. BOYCE cont'd) everything else apparently was the person to do the work to get them through this, that he had the expertise to take care of the weaknesses that Mr. Kregeris did not have. Now, apparently that was an error in judgment because he did not do that.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the honourable member is in a position to inform the House whether he has any evidence other than a feeling that Mr. Allison was not capable of doing that?

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Well, Mr. Speaker, I don't know what the Member for River Heights would accept as evidence.

MR. SPEAKER: Order please. Order please.

MR. DILLEN: Mr. Speaker, on a point of order.

MR. SPEAKER: The Honourable Member for Thompson state his point of order.

MR. DILLEN: Mr. Speaker, I'm a little unfamiliar with the procedure of the House but on every occasion that a person gets up to make a speech that refutes information that has been given to this House by the Opposition parties, are we going to allow a system of cross-examination to continue? I would like you to rule on that, because it appears that what we are experiencing here is in a sense a cross-examination of the remarks made by the Honourable Member for . . .

MR. BOYCE: To the point of order, Mr. Speaker, to the point of order.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Just before you rule, Mr. Speaker, I would point out to the Member for Thompson that we are proceeding by leave, that under ordinary rules this would not be the case. So I would just answer the . . .

MR. SPEAKER: Well there's validity to both points of order. Actually questions in respect to the debate are for clarification, not to open up further argument, and I am sure all the honourable gentlemen are aware of that. Order please. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I would just like the member to inform me and inform this House on what evidence he based his conclusion that, and if he wants to, on what evidence he based his conclusions that there was something wrong with Mr. Allison's handling of the company's affairs?

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Speaker, the evidence - you know, I don't like the word "evidence" as used by the member in this context, you know, if he's speaking about evidence in a legal sense or evidence in a parliamentary sense. At the committee meeting, you know, well I have a bias on this and the bias was formed . . . the bias was formed at the committee meeting where it was alleged by Mr. Jones, I believe, that an assessment by Industry and Commerce was such that Mr. Allison's relationship was terminated. I'll have to check back. But there was some reference to his - well, the member is shaking his head. I don't want to be rude. You see this is why I was reluctant to answer the question and his understanding of the term "evidence". I would answer his question in this way then. By the seat of my pants, Mr. Chairman.

MR. CHERNIACK: . . . on a matter of order.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Unfortunately the Honourable House Leader is away momentarily. He told me this morning that there was an indication of the possibility that members present would be prepared to deal with and complete the third reading of Interim Supply towards the end of this afternoon, this being the last day of the month. I haven't had an opportunity to ask him about it but the fact is that we only have one hour left, so I am asking now whether that is the case or not?

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, the House Leader approached me last night and asked if we would be prepared to go into Interim Supply this morning and that we would be given the right to deal with Interim Supply as long as the Opposition or the House felt that they wanted to deal with it. I gave at that time a tentative commitment that we would be prepared, and he asked me if I could let him know in the morning. He never called me, but we were prepared to deal with Interim Supply this morning, but not on a limited basis as the Honourable Minister now suggests. When we deal with Interim Supply, Sir, we will deal with Interim Supply as long

BUDGET DEBATE

(MR. JORGENSEN cont'd) as the Opposition wants to deal with it. If he wants to go in on Monday, we'll go in on Monday, but the Minister better not go to the press, as he has done, and try to blame the Opposition for not dealing with Interim Supply.

MR. SPEAKER: Order please.

MR. JORGENSEN: It's his own stupid management of the House that has prevented the Interim Supply to go through, and we will not take the responsibility for that stupid management. They can't manage the affairs of the House, let alone the affairs of this country.

MR. SPEAKER: Order. Order please. Since there's no unanimity we're still on Order. The Honourable Minister of Finance.

MR. CHERNIACK: On the matter of order, Mr. Speaker, listening to the screaming and yelling that obscured the Member for Morris' speech, which is now going on again, I thought I heard something said about limitations or expectations, but I did think I heard the Honourable Member for Morris in his screaming say something about they are prepared to go ahead without a limitation. I don't know what he meant by limitation. Nevertheless, Mr. Speaker, any one member can stop, can prevent us going ahead and all they had to say was no, instead of screaming. However, if he wants to scream that's his ability in or out of the House.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: The reason I raised the subject is because the Minister had gone to the press in his own sneaky fashion and told them it is our responsibility that we didn't deal with Interim Supply this morning. That's farcical and characteristic of the Minister, the way he's dealt with mineral acreage and the way he deals with everything else.

MR. SPEAKER: Order please. Order please. Order. Order. May I suggest to all those who want to exercise their lungs, would they kindly step outside. They may get a better echo out there. The Honourable Minister of Labour have a point of order?

MR. PAULLEY: Yes, Mr. Speaker. It appears as though there is not a unanimous decision to go into Interim Supply and I suggest then we proceed with the debate on the Budget without any further theatrical approaches.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, the tenor of the Chamber and the tenor of the people of this province and the serious, very, very serious allegations that have been laid in this Chamber for the last three weeks, I say, Mr. Speaker, I will likely not get to the Budget this afternoon until I deal with these matters that are before us.

Mr. Speaker, I'm going to direct basically all my speech this afternoon to the Attorney-General of this province in the hope that he will listen and provide us with the kind of leadership and the type of Attorney-Generalship for law and order and for the human rights of the individual citizen of this province. And I suspect, Mr. Speaker, that I'm not going to get it, because he's something like the Minister of Health and Welfare who, when an allegation was made the other day about Leaf Rapids, threw up his hands and said, "No investigation". We've had it from the Minister of Northern Affairs and all these serious, serious allegations, most of it factual, have been made, he throws up his hands, "No investigation". Nor will the Attorney-General let us know what he's prepared to do, if in fact do anything. The Co-ops in the Minister of Agriculture's Department, the allegations and the serious charges that have been made about the mishandling of funds in that department, and again, nothing is going to happen; it's going to be an under-the-carpet snow job, Watergate, I don't know--there's many ways you can describe it. I'm sure, Mr. Speaker, that the Attorney-General is not going to do nothing, because we know his past performance in this Legislature and how credible he was on Autopac, so that proves that he's scared to move because of the ghost that's walking along behind him in Autopac.

But, Mr. Speaker, let's take a look, Mr. Speaker, let's take a look at the very very serious allegations that were documented in this Chamber this afternoon. Documented. Facts. And the Attorney-General turns his chair around and he turns his back to me as much as he says, "I'm not going to do nothing, I'm not even going to listen to the Member for Roblin this afternoon," which, Mr. Speaker, is likely what most of us expected on this side. But I hope, Mr. Speaker, by the time that I'm through speaking this afternoon, that he will at least have his chair turned around and he'll listen to what I have to say, because what I have to say is very, very important, not only to this government but to the people of this province, and in fact I'm ready to go to the people on this issue tomorrow morning. I just ask you to go get

BUDGET DEBATE

(MR. McKENZIE cont'd) hold of the First Minister and let's go to the people. Let's go to the people and get it settled once and for all, because if the Attorney-General, Mr. Speaker, is not going to do anything about these serious allegations that have been made and if he's not going to do nothing, who else can solve it? The people of the province. So let's go to the people and let them solve it.

Mr. Speaker, how many allegations of the serious nature that we've had in the Legislature this session can be documented here day after day after day, and the Attorney-General sits over and says he's not going to do nothing, absolutely nothing. Now Mr. Speaker, I just look back at some of the past performances of governments in this province . . .

MR. SPEAKER: Order please. The Attorney-General state his matter of privilege.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, on absolutely no occasion, either in this House or outside of this House, have I said that absolutely nothing would ever be done.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Well Mr. Speaker, his interpretation of nothing and mine is two different worlds. I know what he's going to do - he's going to sweep it all under the carpet if he can, but I don't think the carpet's big enough, because with the amount of documentation we've already heaped on the table and the amount of documentation my leader still has to heap on the table, I don't think the Attorney-General will find a carpet big enough to sweep all that stuff under it, no way.

Well, Mr. Speaker, just let's take a look at some of the past performances of government over the years in this province. I remember the allegations made about the Grand Rapids thing. And you know that there was not even any documentation of that Grand Rapids allegation - it was about water. There never was any papers or testimony put on the table, but the government of the day, they called a judicial inquiry right away. Let's show the people that the government's clean and we've got no problems. Our books are open, our records are there, our credibility is on the line - and a judicial inquiry was held.

Mr. Speaker, let's look at the allegations that were made of the late Maitland Steinkopf. Again allegations were made in this Chamber about a certain member - something about money. And what happened, Mr. Speaker? The member resigned and the inquiry was held. And then he ran again and he was re-elected.

That is, in my opinion, Mr. Speaker, credible government - credible that will stand up and back up their records, back up their civil servants and back up their performance. We're not going to get it in this government, not from that Attorney-General, Mr. Speaker. He's scared stiff because he knows he can't even stand on a witness stand and justify Autopac, so how can you justify his being the Attorney-General of this province? You can't justify the 15 million bucks you threw down the drain, nor can you justify the no-fault principle that you rammed down the people of this province - no-fault principle, which is not true. And yet that man today, Mr. Speaker, sits over the Attorney-General of this province and got away with all that junk that he sold to the people of this province, the no-fault principle.

No-fault principle. Remember how he used to stand up here, Mr. Speaker, and tell us about the . . . and by the way, Mr. Speaker, I hear that the Member for Flin Flon is now down in Nova Scotia, down in Nova Scotia . . .

MR. SPEAKER: Order please.

MR. McKENZIE: . . . and I don't know whether he's on the payroll of the government or the NDP, but he's down there telling the people of Nova Scotia the same thing, because I happened to see a Nova Scotia paper this morning. He has dragged all this stuff that the Attorney-General used to spout in this House, and he's trying to sell the people of Nova Scotia, and I would hope that somebody would tell the people of Flin Flon where their member is, because I've been wondering for days where he was, but I found out this morning he's in Nova Scotia. He's in Nova Scotia. Now I just wonder how he can accept his salary when he comes back--has to be an honest MLA to his own people and to the people of this province when he's campaigning in Nova Scotia, campaigning in Nova Scotia. So Mr. Speaker, let's take a look at the allegations and the charges. The Minister of Northern Affairs said something . . .

MR. SPEAKER: Order please.

MR. McKENZIE: Mr. Speaker, the Minister of Northern Affairs said something about hot dogs up in one of the last election campaigns in the north. Now I checked out today,

BUDGET DEBATE

(MR. McKENZIE cont'd) Mr. Speaker, the hot dogs were paid for but all this building material and carpet and stuff that's been dragged into that Wabowden campaign, who paid for that? The taxpayers. The taxpayers paid for that stuff. Taxpayers paid for that stuff that was burned, all those windows frames and that material, and the Attorney-General sits there rubbing his hands and he says he's not going to do nothing about that kind of an allegation and that kind of a charge. I tell him that certainly some in our campaign there was some hot dogs up there, but the taxpayers didn't pay for them. No bloody way. They weren't paid for by the taxpayers, such as the experience that we have in the allegations that my leader laid on the table today. And so the Attorney-General looks at me now with one eye. He's turned around finally, Mr. Speaker, and he's starting to listen. Mr. Speaker, if for no other reason, that itself is the rights for a judicial inquiry. That itself - the allegation that's made that the taxpayer's dollar was used in an election campaign in Wabowden, then the Attorney-General should call for a judicial inquiry immediately, not listen to the hog wash that we got from the Minister of Northern Affairs who talked about hot dogs. By gosh, the hot dogs we sent out that we paid for 'em but it wasn't taxpayers' dollars. No it wasn't taxpayers' dollars. He laughs and that shows you how serious, Mr. Speaker, that shows you how serious the Attorney-General of this province is.

And Mr. Speaker, I've been wondering and a lot of people have been wondering about the credibility of this government, and man, we're sure getting it in large doses this session. Doses of who can trust who, money, taxpayers' money going down the drain, all kinds of allegations, documents laid on the table here day after day, and the Attorney-General says he's not going to do anything and in fact he's leaving the Chamber, Mr. Speaker. He can't take it. He can't take it. Of course, he never got one of those hot dogs that we gave out in the north. I suspect he got one of those rubber ones that the NDP were giving out.

Mr. Speaker, again hours were spent in this Chamber today by my leader, documents, proof beyond a shadow of a doubt of the need for a judicial inquiry. Oh, the Minister of Highways he can sit back and chuckle, but his former Minister made some allegations and what did they do? They brought the cops in. They brought the RCMP in, and there was not even one document put on the table but they brought the RCMP and they checked it out. Of course, unfortunately the allegations against . . .

MR. SPEAKER: Order please.

MR. McKENZIE: . . . the Dauphin Highways scandal was not them - we were the ones that were to blame, but did we quarrel about you getting the RCMP? We patted you on the back and said, "Go get 'em. Check it out." So they checked it out, they checked out the Dauphin fiasco, and what did you find? There was a seat off a snowmobile was missing. It was and you found out about it, and certainly, was there any quarrel about a judicial inquiry over--you never heard us quarrel about it, never. And the judicial inquiry was held. But my gosh, Mr. Speaker, the allegations of that Dauphin Highway thing compared to this is two different worlds, two different worlds altogether, and Mr. . . .

MR. SPEAKER: Order please. Order please. Order please. Do the gentlemen want to have an orderly debate or do they want to have a private session of their own? If that's what they're interested in, I can adjourn and leave. It is not necessary for me to be abused in this Chair which you elected me to. Now, either I'll get co-operation or I shall adjourn the House. I just will not tolerate this kind of abuse. I don't think it's fair to any one member to be abused by the others, and that is what the members are doing at the present time in respect to the decorum of this House. Now I appeal to all members to assist the Chair, and if it doesn't occur, then I shall certainly have to remove myself from the Chair.

. . . . continued on next page

BUDGET DEBATE

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: I thank you, Mr. Speaker, and Mr. Speaker, I feel, I wondered for several days why the Member for Flin Flon had absented himself from the House but now it's starting to show. He can't even stand to see these documents laid on the table so he gets out. He takes off and he goes down to Nova Scotia to get away from the heat from the north and all these allegations and charges that have been made up, so he quietly bows out, takes his Autopac book and goes down and makes a bunch of statements in Nova Scotia, trying to save the election down there for the New Democratic Party.

But I wonder, Mr. Speaker, when he went, if they had their New Democratic posters printed in Regina like they did for the last election, or did they have them printed in this province? Or in fact did they have them printed in Nova Scotia? Because I understand, Mr. Speaker, the last election the Minister of Finance had all that stuff under his desk hid and it was all printed in sunny Saskatchewan, not here, for the election.

A MEMBER: So what?

MR. McKENZIE: So what? Is there anything wrong with that? I say there is. Is there anything wrong with having election material printed in Manitoba like we did? No, Mr. Speaker, no. They just can't afford it. They can't afford the luxury of dealing with anything that belongs to the people of this province - they can't even use the printing presses of this province in an election campaign. So is there any way that we're going to get a judicial inquiry, to in fact get the co-ops checked out, get the Leaf Rapids thing checked out, get the Wabowden thing checked out, and all the other things, the allegations that are made in this Chamber, Mr. Speaker? No, the Minister of Labour nods his head sideways, we are not going to have no judicial inquiry. In fact they're not going to do nothing about it. They are going to try to sweep it under the carpet and they are going to go around this province and tell the people that they've got open government, they're going to tell the people that they are credible, they're honest and that they... yeah, and the Minister of Highways--you know, it's an interesting thing, Mr. Speaker, when you see one NDP do one thing, they all--and they were both nodding in unison there. Nodding in unison is typical of the NDP because none of them very seldom can think for themselves. But I guess, Mr. Speaker, I'm sure you can sympathize with me today, Mr. Speaker, in my remarks and I'm sure the Minister of Mines and Natural Resources got a lesson in the art of credibility this afternoon and what it means to be a Minister of the Crown. And what about the oaths that you guys took as Ministers of Government and your oath of Cabinet? Well, take a look and read it, and I wish the Attorney-General would go back and read the oath that he took of office when he became Attorney-General of this province.

Well, Mr. Speaker, I don't know what more proof that we--and if we have to put more, we will put it on the table in this argument and this debate until it's a fact that you guys, we won't need your judgment at all. We'll let the people from outside this building make the judgment as to who in fact is telling the truth and who's putting the cases on the table and who's presenting some of the problems before the government of the day.

But, Mr. Speaker--beg your pardon?--(Interjections)--Mr. Speaker, I was reading the Minister of Public Works' comments just before I rose to my feet and it's - yes, it's the one about the bed tax. I sure like that one. I happen to sleep in a hotel four or five months of the year at the old St. Regis and here the Minister of Public Works has come up with a new dream about how he's going to save this city from disaster, which they caused by the Nicity. He said let's tax the beds. Let's tax the beds. A buck a bed a night. Now isn't that fantastic. Why don't you go and tax your urinal thing across the way over here, it would be more sensible to the people of this province. Taxes to go to bed at night, Mr. Speaker. I know that Trudeau and Lewis are going to bed night after night in Ottawa, and they should be taxed, they definitely should be taxed. But for the Minister of Public Works of this province. . . to do very quietly in his remarks, spell out to the Mayor, you know you got real problems down there Mr. Mayor and you'd better start hitting them a buck a bed a night. Now read it, there it is. It's a buck a bed as I understand it. And it shows you the sincerity of this government and the type of Ministers that they got to help us guide us out of some of the problems we have. If I remember the Honourable Minister correctly he also told the Mayor he could put on some more sales tax, but yet they're not prepared to take any off. But he says Mayor you can put on some more sales tax. Isn't that a wonderful thing for a government who have the - the city has joined their centennial year, and we know where the problems are with dollars, the convention centre

BUDGET DEBATE

(MR. McKENZIE cont'd). . . and some of the other financial problems they got. But that's the best they can come up with, a bed tax and a sales tax, to help save the City of Winnipeg in their centennial year.

Well, Mr. Speaker, let's look at the problems of the W.I. Who over there ever heard of the Women's Institute until we drew it to your attention. Because the Minister of Finance and now the Minister of Agriculture uses the same tactics as the Minister. He said you never raised it, you didn't raise it in my Estimates. Just like the Minister of Finance was using later this afternoon. But my gosh the Minister of Agriculture went here for days in his estimates. Does he announce policy in this Chamber or do we the opposition have to announce policy or policy changes? But luckily we heard from the Deputy Minister, he went out and tried to whip these gals, some of them out in Brandon, that he's going to take over, which this government is well known for. We're going to take over the W.I. and we're going to run the show for you gals from now on. We're going to call the shot for who's going to be your Executive Assistant, because they don't like the present Executive Assistant cause she's not an NDP. So they're going to dump her. Now if they'd had an NDP Executive Assistant then likely there'd been no quarrel, but unfortunately they can't go with that. So they're trying to put the heat on her to get rid of her, but in the meantime to shift her they're going to have to change a whole lot of economists, and man, Mr. Speaker, have they got some of the women of rural Manitoba mad. And they don't even know it. You know we've raised the question here. The Member for Souris-Killarney raised it three weeks ago and they look with dumb eyes across wondering what we're talking about. But I tell you the gals are mad and well they should be mad. And I'm going to help them to get madder still. Not only on the issue that they're talking about but the issues that we're talking about as well, because they have the same problem as I have to get through to this government. To let them know that there are people that's honest and credible in this province that are trying to make Manitoba a better place. I don't want corruption going all over this province. I don't want allegations going around this province. I don't want testaments coming on the table of people swearing their life and saying that they're telling the truth and the government hasn't got the guts to stand up and say we'll have a public inquiry. That's not the kind of a government that I want nor the people of this province want that kind of a government. We want a government that's credible we want a government that's honest, and we want a government that will listen to the people, Mr. Speaker. And we're not getting it from this government. We're not getting it.

What about the fishermen, the little guys? You say you're the only guys that talk about the little guys. What about those fishermen up there? Are you gonna pay them? The Minister of Public Works doesn't say a thing but he's talking put a buck on the beds. Why don't you help the little guys out, the fishermen? Mr. Speaker, that shows some of the problems.

Mr. Speaker, I have a letter on my desk right now that to show you the number of concerns that exist around this province with this government and their arrogance and their narrow-minded approach to the affairs of people, asking for another judicial inquiry. And I'm not gonna read it into the record this afternoon because they'll come at a later date. But to think that it's only my Leader and our Party that's laying these documents on our table day after day to tell you that needs for a government that's got the guts and is willing to be credible and honest. We'll table this one another day to show you that we're not the only groups of people that are concerned in this province, and are asking for honest, down to earth sincere government. We're not gonna get it, Mr. Speaker, from these guys. We're not going to get it from that Attorney-General, I know that, Mr. Speaker, because he don't care. He's not interested in the people. All he was interested is ram that Autopac thing down the people of this province's throats, now give them the fire insurance treatment and give them some of this land appraisal stuff or the things that is typical NDP. But to listen to an opposition that's credible, that's honest on matters that are very very serious, Mr. Speaker, they are not going to get involved.

Mr. Speaker, in the Budget, I wonder is Manitoba a have-not province or is it a have-province? Do you know, Mr. Speaker - because I don't. On the one hand, Mr. Speaker, you hear the Minister of Finance in all his buoyancy, in all his glowing language and all his beautiful terminology telling us that Manitoba has never had it better. Boom days, things are booming in Manitoba. So I ask him, are we still accepting equalization payments or are we not? And especially now when the energy crisis is facing us, because is Manitoba a have-province or is it a have-not? I suggest, Mr. Speaker, this afternoon in this debate that Manitoba is a have-not province. We lost Saskatchewan, who was a have-not province. Saskatchewan no longer will

BUDGET DEBATE

(MR. McKENZIE cont'd). . . be considered a have-not province because of their surplus of grain and their surplus of oil. So likely Saskatchewan, their equalization payments will phase out, so Manitoba is still one of the have-not provinces of Canada.

But I wonder, Mr. Speaker, in the whole argument of hydro and some of the resources and the energy that we have in this province, is it a game that you're playing with the Federal Government. Are you being honest with the people? And, Mr. Speaker, the have-not provinces of Canada in my books today are Quebec, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, and Manitoba. Those are the have-not provinces.

I suspect, Mr. Speaker, in this debate and the things that have happened in this country in the past twelve months, the position of the Province of Ontario has been greatly weakened. With their vast industrial base and the number of people that they have in that province, that unfortunately some of the resources that's so important in our society today Ontario has not got. And Canada, Mr. Speaker, has two resources that are very demanding and very important as we look around us and look at the other part of the world in which we live today. And of course the one is the energy that we have in this great country of ours and the other is the food that we're able to produce. And have both these resources now been phased out of our economy in this province. I think at one time, Mr. Speaker, before we got ourselves mixed up in this hydro fiasco that we were considered a have-province, at least as far as our energy was concerned because we were able at one time to say that we had the cheapest hydro and the most hydro of any province in Canada. And also that we were able to grow our share of the food products. So we were a formidable force in the west, Mr. Speaker. But what has happened that the shift has gone the other way. That Manitoba today, while the Minister of Finance in his budget remarks talks about the boom days that we're enjoying in this province, I suggest to him that we're still a have-not province but our neighbor to the west in Saskatchewan has moved on its way and now it's considered as a have-province.

I suppose, Mr. Speaker, that doesn't concern a socialist government or an NDP government because how are you going to control the people unless you keep them poor. You can't control the people once they get a few bucks in their pocket, so they very skillfully use this mass approach to the problems of our people and they're not concerned very much because while the Minister of Finance in his remarks talking about the boom days, on the other hand he's chuckling away cause he knows once people can't hack it by themselves then this massive big government spending program, which I'll deal with later on in my remarks, gives him the control of the masses which is again part of the socialist philosophy and gives them an easy way to regulate people and control them and not do anything about the serious matters that we laid on the table this afternoon.

Mr. Speaker, I questioned the Honourable the First Minister in the House this afternoon and I was very disappointed with some of the answers - this morning rather - that I got on his plans for the people of this province as we face a 10 percent - I understood the price was supposed to be a seven or eight cent but the paper, as I read it today we're talking about a 10 cent a gallon increase in price. And I asked the First Minister, Mr. Speaker what kind of reserves that we had in this province in my questioning this morning and he didn't know. Do you mean to tell me that the First Minister or the government of this province has no idea of what kind of reserves we have today, our storage of oil and heating oil and gasoline, or has it never been across his desk. But I suspect it hasn't. Then I asked him what's he going to do about the people that's on the fixed income that this government's not interested in, that can't afford that kind of a luxury of 10 percent increase in the price of their heating oil or their gasoline. And again I got a negative answer, Mr. Speaker. Mr. Speaker, how can you stand up as being a government of compassion or a government for the little people, or a government who I'm from, my constituency in Roblin the poor are still there like they were five years ago. They're just as many of them as they were and they're still the same people. And yet you're spending the kind of money that the Minister of Finance is budgeting for in this document that's before us and saying that they're looking after the people. Mr. Speaker that's a joke.

A MEMBER: And you remember writing a letter. . . the Premier holding up the letter

. . .

MR. McKENZIE: Mr. Speaker, - right. I asked, Mr. Speaker, what did they do about inflation? And the Minister of Consumer and Corporate Affairs, unfortunately he's not in his chair and I'd like to speak with him some time about that, he said it's not a problem, inflation

BUDGET DEBATE

(MR. McKENZIE cont'd). . . is not a problem, and if it was a problem we couldn't do anything about it. I may be paraphrasing his remarks, not exactly the way he said it, Mr. Speaker, but that's the way it came across to me.

Mr. Speaker, I suggest to the Minister of Consumer Affairs and to this government that inflation is the worst problem that we have in this province today. By far the worst. The next problem we got and the one that's just as serious is the cost of living; the cost for the guy that's on a fixed income to survive in this society. Yet the Minister of Consumer Affairs stands up in this Chamber, Mr. Speaker, and he said, well he knows a little about inflation but he says there's nothing that we can do about it and it's not a problem. It's a serious problem, Mr. Speaker, when government spending at the federal level and the provincial level is such as we have in this budget that's before us today that it eats up all our money and that we're facing a 10 to 11 percent cost of living inflationary factor. If that isn't serious, Mr. Speaker, then I don't know what is. When this government came to office, Mr. Speaker, some five years ago what was the inflationary factor? Three percent? - it was no more than four. It was no more than four percent and for the Minister of Consumer Affairs to say that a threefold increase in the cost of living index, the inflationary factor that's increased our cost of living, that's now between 10 and 11 percent, is not a serious matter, then, Mr. Speaker, I treat him in the same slot as I treat the Attorney-General. They don't deserve to govern because they don't know what's going on, and if they did know what's going on they wouldn't care and they wouldn't do anything about it.

A MEMBER: Right.

MR. McKENZIE: Wouldn't do anything about it. Mr. Speaker, I went back through some of the figures of the past and I looked at 1963 where the government of that day brought a budget in 121 million. Next year, 1964, it was 136 million. Now just think, and I just ask the honourable members opposite, think of those days and think of the number of poor that were in Stonewall, or the number of poor that were in Roblin in those days, and if there's less today or if there's more, when you're spending 869 or close to 900 million dollars. And Mr. Speaker, let's look at the federal government, the spending programs of the federal government. I well recall the last year of the war which was a crisis in this country, where the spending programs of the Federal Government in the biggest year of a crucial war was \$4.5 billion. And Mr. Speaker, where is it today? - 23, 24, 25, and now they come with these supplementary estimates, you're never sure where governments are going today. It's like the Minister of Finance here he's got three bills before us all at one time. He brings in one and he goofed on that one so he has to bring a supplementary in, then he's got to ask for more money. But nevertheless let's accept that the Federal Government is going to spend \$25 billion. And when I see a Federal Government, Mr. Speaker, spending that kind of money and I see this government spending 869 plus borrowing another 140 thousand, when I go back to the people in my constituency, Mr. Speaker, and find that the poor are still there, you think shouldn't be concerned. --(Interjection)--

MR. SPEAKER: Order, please.

MR. McKENZIE: Mr. Speaker, I doubt very much if this government understands inflation. If they do they're not going to do anything about it. Well they're not going to do anything about it, cause the Minister of Finance is walking around with - he's got money bags all over him. He's just loaded with money. Because it doesn't matter what tax he puts on he's drawing three times as much from that same tax as you did four years ago. Look up the figures. Look up the sales tax, \$135 million. It used to be 39. He's getting a hundred million bucks more a zip. Do you think he's going to do anything about that when he can walk around with all these purses and this money in his pocket, and all these various programs, and start giving it back to the people like they did in Wabowden, so they can burn the carpets at election time? And he's got an Attorney-General that's not going to do anything about it and is not going to even look at the problem, he's going to try and sweep it under the carpet. The Minister of Finance never had it so good. But, Mr. Speaker, he forgot one thing. We're here. There's an opposition. There's an opposition in this province, Mr. Speaker, there's an opposition of Liberals and Conservative people over here that are not going to let this government get away with all this bungling and terrible management of the taxpayer's dollars in this province. And, Mr. Speaker, maybe we're going to have to go out and start launching a tirade door to door in this province, but we offered the government a chance, Mr. Speaker, to do it by themselves. To

BUDGET DEBATE

(MR. MCKENZIE cont'd). . . call a judicial inquiry immediately, immediately. Again I appeal to the Attorney-General to call a judicial inquiry immediately over the Wabowden allegations that are made in this Chamber this afternoon. If you don't, Mr. Attorney-General, then I have no choice but to ask your resignation. I have no choice. Whether it's true or false, it's up to the Attorney-General of this province, it's up to the Attorney-General to prove that those allegations are not correct. And if you don't do that as a service to the people of this province you shouldn't be the Attorney-General of this province. No way, Mr. Speaker, No, Mr. Speaker.

Of course, Mr. Speaker, it's something like the lady said to me the other day when she was talking about all these ramblers. I didn't know what she meant about these ramblers, I thought it was a new type of something that's going around. Apparently it's these little government cars that they're starting to see now in farm people's yards, and there's about ten times as many as there used to be.

One lady said, you know, I had seven civil servants in my yard one day. - seven. They were working on education, they're working on health and they're playing politics on the side. Mr. Speaker, the veil that we've drawn --(Interjection)-- Well, I don't know about the purple gas, but the veil that we've drawn back from the Wabowden thing, Mr. Speaker, is only part of the government programs that's going on in this province with this government. Mr. Speaker--yes I will document some more evidence at a later date, there's a lot of chances to make speeches in this House. And of course one of the important things about the NDP, Mr. Speaker, they think they're smarter than we are, that we don't know what's going on out in the country, that the people are not going to tell us, Mr. Speaker, but I suspect that this government - that northern co-op thing - we've got as many friends up there as you have. Or the Wabowden thing, or the Leaf Rapids. We have. We've got a lot of friends out in that country and they're going to bring more documentation and we are going to put more documents on the table, Mr. Speaker, and we are going to finally - I think, Mr. Speaker if we don't convince the Attorney-General we'll convince the First Minister of this province. At least there's somebody that's got to be credible over there. If it's not going to be the Attorney-General, if it's not going to be the Minister of Finance, if it's not going to be the Minister of Mines and Natural Resources, if it's not going to be the Minister of Northern Affairs, if it's not going to be the Minister of Agriculture - and Mr. Speaker, everyone of those Cabinet Ministers took an oath of office in this province. I again remind you go and read the oath that you took. That you would look after the taxpayers' dollars of this province and you would cherish and withhold and make sure everybody got fair play.

Mr. Speaker, as I quietly sit down, I tried again this afternoon to appeal to the Attorney-General of this province to do something, and if he's not going to do it I'll make another speech in this Chamber at a later date and I'll appeal to the First Minister, and insist, Mr. Speaker, on a judicial inquiry to clean up once and for all these allegations and these charges and the documents that have been laid on the table of the Chamber today.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. As a rural member I listened intently when the Budget was presented to the Legislature. I listened and I listened to millions of dollars of expenditures over last year's budget but I could find very little in the tremendous expenditure by the government of Manitoba that would benefit Rhineland, or for that matter any rural constituency in Manitoba.

It seems that the government is bent on milking Manitoba dry through high taxation and spending this money on various goodies in other areas designed as vote catchers where the money is spent. Where, for instance, was the Minister of Highways when the budget was on the drawing board? He is either incapable of speaking up for his department or he doesn't care about the atrocious roads in many areas of the province, or if he is capable of speaking up for his department then it is the Minister of Finance who doesn't care about providing decent roads for the people of the province. I am certain that the condition of the roads is the measure more than anything else that will determine the popularity or the unpopularity of this government in the rural areas. Some departmental estimates of expenditure have doubled in the last few years but the Department of Highways estimates have increased by 10 percent only this year. As a matter of fact, Mr. Speaker, due to the increase in the price in road building the province is now building fewer miles of roads than it did at one time, and this indeed is a step backward and an insult of the people in rural Manitoba.

BUDGET DEBATE

(MR. BROWN cont'd)

The programs of water and drainage have suffered the same fate. It is rather hard to explain to somebody who has trouble getting his produce to market due to poor roads that can cost him hundreds of dollars of damage and repairs, it is hard to explain to somebody who has suffered thousands of dollars of flood damage to home and property that a pharmacare program or a dental care program is going to be more beneficial to him. I am not opposed to these programs, but not at the expense of other programs. (Hear, Hear) I am sure that it must be hard to explain to northern communities why they cannot have roads so that fresh produce can be trucked in on a year-round basis.

Mr. Speaker, it was with considerable reluctance that the rural population approved the flood diversion around the City of Winnipeg, and if the rural people would have known what was in store for them as a result of this diversion, you would have heard a hue and cry to this day. Prior to the diversion, rural and city people were treated alike. The government provided much needed assistance to municipalities to avert flood waters where possible and paid part of the damage claims that resulted from flooding. Now the floodway is completed and government could care less about the difficulties still experienced by the rural people. The Minister of Mines and Natural Resources indicated the other day that they would provide assistance only when an emergency arrived and municipalities could no longer cope with the situation. Now, Mr. Speaker, what is an emergency where floods are concerned - is it three feet of water in your home or is it five feet of water? Assistance is needed now so that dikes could be built and flood waters diverted wherever possible so that damage by flooding could be kept at a minimum.

Gretna needs a dike to protect the town. The cost of such is that it is quite a hardship on the community. Now surely some assistance could be given in a case like this. The government should let these communities affected by flooding know that the people of Manitoba care and are willing to provide assistance. Let's never forget that the rural people help pay for the flood protection for Winnipeg.

Co-ordinators are needed in the constituencies affected by flooding. These co-ordinators should have the authority to place dikes on provincial drains which municipalities are forbidden to touch. These co-ordinators should be the liaison between municipalities so that one municipality would know what the other was doing and work on an over-all plan to keep flood damage at a minimum. Mr. Speaker, I hope that the government will have some compassion and will implement some of these suggestions. This is urgent. The season is late and mild weather could bring on flooding conditions very quickly.

Now what about the Pembilier Dam, Mr. Speaker. This would eliminate a lot of flooding in our area, but for some reason the government is not prepared to seriously consider this matter. Where, Mr. Speaker, are the priorities? The government gropes around trying to find little insignificant but expensive things to force upon the people of the province and forget all about the everyday important things they should be doing to improve the lifestyle of all the people, both urban and rural. The government is trying to create the impression that the only thing left to do is the unimportant little frills they are providing. They are trying to create the impression that these are the important issues. Mr. Speaker, the government is completely out of touch with the real problems of the towns and the cities of the province and the problems of the merchants, the farmers, the teachers, the doctors, the manufacturers and the problems of the labourer who contributes so heavily through taxes to pay for these frills. If the government is concerned about the labourer or the various people I just mentioned, they would allow these people more income tax deductions so that their take home pay would at least offset the higher prices of their daily bread. I am not opposed to frills but priorities have to be set in their proper perspectives.

The government is conducting a three year guaranteed annual income program that is going to cost 70 million dollars. The way these experiments are set up leads one to believe that what the government is attempting to accomplish is to delay any serious attempt at a guaranteed annual income for at least three years. Similar experiments have been conducted in the United States and if we really wanted to move quickly and to a guaranteed annual income program, we need only look to our neighbours to the south and evaluate the success or the failures of this experiment. To me, a guaranteed income seems to be the answer to many problems encountered by Canadians. We should eliminate all other welfare programs and save

BUDGET DEBATE

(MR. BROWN cont'd). . . a fortune in administration costs. We should always bear in mind that we have a responsibility towards our incapacitated citizens and a decent living for them must be assured. But, Mr. Speaker, we should also bear in mind that we have a responsibility to the people of Manitoba that we make sure that every able-bodied person capable of working be allowed to do so, and not provide an escape hatch which some people could take advantage of and thereby shirk the responsibility to society. A guaranteed annual income program should not be planned and administered by civil servants alone, but careful consultation is essential with local authorities to see that everybody's interests would be best served throughout the province.

This however, Mr. Speaker, is not the most urgent problem in the Health and Social Development Department. I would have hoped that by now the Minister responsible would have restructured the whole department to eliminate the confusion providers of health care are faced with. I have said before that we should have one single planning authority in charge as stated in a brief presented by the Manitoba Hospital Organization and which I tabled a few weeks ago. This brief was an amazing parallel to the letter of resignation of Dr. McPhail and requests of the Manitoba Medical Association.

Mr. Speaker, I would like to refresh the memory of members opposite of some of the concerns expressed in this brief, and I would like to quote from the brief. And I quote, "We can relate many instances where significant problems have been and are being created because there was a lack of an over-all master plan of co-operative development with implementation of related policies, and because of a multiplicity of government authorities involved in health planning and related research. These authorities and their policies are often changed or amended without the providers' prior knowledge, even though interim commitments have been made by providers on the advice of one or more governmental representative. Thus rather than an organized co-operation between government and providers, we have confusion and growing confrontation created through a tense environment and a lack of consistency in planning policies and procedures.

"We had thought that the responsibility for implementing the government's White Paper on health policy on which we submitted a well received position statement, would have been assigned to a single authority group representing both government and providers, the object being to arrive at a mutually understood and accepted plan of action for integration of all types and levels of health and related social service facilities and organization programs."

Now, Mr. Speaker, they continue to say, "However the crux of the situation appears to be that there are no less than three governmental agencies who have an apparent responsibility for overall health planning aspects: The Manitoba Health Services Commission, the Department of Health and Social Development and the Secretariat for Health Education and Social Planning Committee of Cabinet. Now, each of these agencies have varying expertise and influence and each must be approached by the health provider organizations wishing to implement the intent of the integrated health and related social services. These conditions are both confusing and frustrating to us and our members and have been further complicated by . . ." and he goes on to say in another paragraph, "that under the circumstances there is a growing feeling that health care providers are tended to be completely overlooked and ignored while power struggles and unilateral and arbitrary decisions are taking place internally at the various levels of the Department of Health and Social Development, the Commission and the Health Education and Social Planning Secretariat. We cannot . . ."

MR. SPEAKER: Order please. The hour being 5:30, the House is now adjourned and stands adjourned until 2:30 Monday afternoon.