

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Friday, April 25, 1975.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed this afternoon, I would like to draw attention of the honourable members to the gallery where we have 21 students of the General Byng School, Grade 9 standing, under the direction of Mrs. Wiens. This school is located in the constituency of the Honourable Member for Osborne.

We also have 28 students, Grade 5 standing, of the Riverview School, under the direction of Mr. Roch. This school is also located in the constituency of the Honourable Member for Osborne, the Minister of Consumer and Corporate Affairs. On behalf of all the honourable members, I bid you welcome this afternoon.

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Page 5, Education Research Project, Facilities and Equipment. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I believe we're still on Fees. We had not passed Fees at the time.

MR. CHAIRMAN: Oh, Fees.

MR. SPIVAK: And the questions, they would certainly seem to be inter-related in any case. The Honourable Member for Morris indicated that earlier on some. But I wonder, with respect to the Fee item, whether he can indicate the number of people who are on contract in that figure.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: I assume it's in the Education Research Project Fees, if you're asking that. Mr. Chairman, there are eight or ten on staff there at the present time in contract positions. As I explained earlier, some of these people are brought on for specific projects for a limited duration, and when that project is completed their services are terminated.

MR. SPIVAK: Well, I wonder then, with respect to the fees, can you indicate how many man-hours are involved in the fee of \$70,700?

MR. BOSTROM: Mr. Chairman, it would be difficult to give it in man-hours because some of the fees are related to the project, and it's a contract fee based on the completion of a particular project such as art work, design work and that sort of thing, and it would be impossible to break it down into man-hours in each case.

MR. SPIVAK: This is the second reference the Minister has made to art work and design work. Can I ask him, what is he intending to produce? We at least understood that there was research being undertaken with respect to co-operatives and particularly the examination of school books. Now, could he now indicate what art work and design work he's talking about?

MR. BOSTROM: Mr. Chairman, it's in relation to the breakdown which I gave earlier, and I don't believe the honourable member was here at the time. But, for example, in the social studies kit, it's a classroom resource package containing pupil handouts, sound slide production, several books, a classroom game, files of documents and articles for use in high school social studies courses, so that in some of these there is certain design work, layout work, etc.

MR. SPIVAK: Mr. Chairman, I'd like to deal with the fees by dealing with the next item, but only so I can understand it. Are these people who are on contract for a specific professional and technical people doing a specific job, doing a research job, who are working within the framework of the department, or are they working using their own facilities and their own offices in the work that they're undertaking?

MR. BOSTROM: Mr. Chairman, there is a combination of both, really. There are some people that work directly in the department and there are others who are on a project contract kind of basis in which they can work wherever they do their regular business.

MR. SPIVAK: Well, of necessity, I have to go into the Facilities and Equipment in the next section to be able to understand this.

MR. CHAIRMAN: Order please. One at a time. We're not jumping from one project to another.

MR. SPIVAK: Well, Mr. Chairman, the reason I alerted you to that was because I think

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(MR. SPIVAK cont'd) . . . . that's necessary and the only way I can get an explanation, or the only way in which I think the answers can be given. And I have to make reference to it to this extent: that in Facilities and Equipment, which is indicated in the explanatory notes to be real estate rentals, lands and buildings, purchases furniture and furnishings, office supplies and building maintenance, which would generally indicate rental property or office rent, office costs, there is an amount of \$69,000, and in view of the fact that the salaries are only \$6,500 it has to be related to the fees. Now, what I'm trying to now find out from the Minister is how many of the people involved are, in fact, employed with the department in which the facilities are provided for them, in which case the furnishings are provided for them, in which case basically the rental space is paid for out of the department's resources as opposed to the consultant paying for it himself.

MR. BOSTROM: Mr. Chairman, about three-quarters of the work is apparently done within the department. That would be approximately six of these people at one time or another would be using the facilities of the department.

MR. SPIVAK: Well, I wonder, then, if we could get a list of the names of the people who are in contract and the details in terms of the term of their contracts, and the amounts that they are paid.

MR. BOSTROM: I can take that question as notice, Mr. Chairman.

MR. CHAIRMAN: Fees, \$70,700-passed. Facilities and Equipment. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, again I say to the Minister, the problem we have here is that in Facilities and Equipment, this appears to be the highest amount indicated for his department in any classification, and I wonder if he can account for that. Is there a specific rental property that's used by the people involved in this program?

MR. BOSTROM: Mr. Chairman, the definition in this particular section perhaps is a little bit wider than that included in the back part of the book on Page 23, because in this section, as I had indicated when I was describing this particular proposal, there are certain composing and printing aspects to this project, and there is rental of the equipment necessary to carry out those tasks within the department rather than contracting that part out.

MR. SPIVAK: Well, what the Minister is indicating is that the government will be printing certain documents for the kits that he's been referring to, etc., and that's included in the figures themselves. Can he give us some idea of the quantities and describe the nature of what he's going to be producing? Can he give us some idea of the quantities that are intended to be produced and charged in these Estimates?

MR. BOSTROM: I can take the question as notice, Mr. Chairman. It would require a fairly detailed list of all aspects in here. I've already indicated five different areas, and it's in Hansard; I don't believe the honourable member was here this morning. I've already indicated those five areas that are being developed at the present time.

MR. CHAIRMAN: Facilities and equipment, \$69,000-passed. Specialized equipment, \$1,500-passed. Other operating costs, \$5,000-passed. Total for the item, \$152,700-passed. Manitoba Northland Agreement - Co-op Strategy. Salaries, wages and fringe benefits, \$10,700. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I wonder - I assume this is a . . . Well, I would have to ask the Minister. Is this a salary of a present person who is now in the department or who was in the department, chargeable to the Manitoba Northlands Agreement, and is this the extent of the province's participation with respect to co-op development in that agreement? And I wonder if, then, he could describe the objectives of the Manitoba Northlands Agreement with respect to co-operatives, or to his department.

MR. BOSTROM: Mr. Chairman, the Co-op Strategy Research Project, as the Honourable Leader of the Opposition has already assumed, is a research activity under the DREE Manitoba Northlands sub-agreement, pertaining to the role of co-operatives in Northern Manitoba and in northern development.

The objective is to determine the potential for co-operatives development in the North and recommend policies and programs for admission the government based upon the findings. So that, really, the person involved in here whose salary is listed there, is on a contract for this project.

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MR. SPIVAK: I've asked already and the Minister referred to the fact that there is a study by a Professor of the university, Deprez - I may have the wrong pronunciation of the name. Is that included in the salaries or is that included in the Fee schedule? Is that the person involved or . . . ?

MR. BOSTROM: Mr. Chairman, the Financial Institutions Study, which the Honourable Leader has referred to, funding was made available under the DREE Manitoba Northlands sub-agreement for study relating to the need for financial services in the North. The department participated on an inter-departmental committee related to this study. The committee is involved in a continued analysis and evaluation of available data pertaining to this study area.

And further to that, Mr. Chairman, in connection with a statement or a question the Honourable Leader of the Opposition raised yesterday with respect to the people involved in this study, I have some further information on the specifics of that. He mentioned two names to me, people who he understood were involved. Indeed they were. Norman E. Cameron was part of a study team headed by Dr. Paul Deprez of the University of Manitoba, working on a research project under the DREE Manitoba Northlands sub-agreement dealing with the need for financial services in the North. Professor Cameron was employed by Dr. Deprez, not by the department directly. This study was supervised by an inter-departmental committee consisting of representatives of the following departments: Resources and Economic Development secretariat. The Department of Co-operative Development. Communities Economic Development Fund. The Department of Northern Affairs. The Department of Finance. And, Mr. Chairman, the contract with Dr. Deprez was with this committee, not with the department. The funds were appropriated to and dispersed by the Department of Co-operative Development for administrative purposes. The total cost of the project was \$23,994.44. The duration of the project was June 24, 1974, to February 19, 1975. The study was terminated on February 19, 1975, due to reasons of health of the project director. Although the study was not completed in its entirety, much useful data has been collected and relevant analysis undertaken.

Work in this area of research is continuing, using the information gathered as an important and valuable data base for further analysis.

MR. SPIVAK: I assume then, the Department of Co-operative Development participated to the extent that part of the funding of this program was charged to them, and that would be in Manitoba Northlands Agreement, and would be contained within these Estimates then I assume, or have been paid out of estimates that would . . .

MR. BOSTROM: Mr. Chairman, I believe the honourable member is confused as to the time the study was undertaken. It was in the last fiscal year, '74-75, and it would not therefore be in these estimates.

MR. SPIVAK: But it dealt with the DREE Northlands Agreement, so I think this is probably the appropriate time to ask the questions of the Minister on it, if I can. I understand it's not included in the fee schedule now. I gather the Minister's indicating that the person who was undertaking the study, through ill health, prevented the study from being completed. Is that correct?

MR. BOSTROM: That is the information supplied to me, Mr. Chairman. I have not been involved directly with this, so that that's the extent of my information.

MR. SPIVAK: That information was furnished from people within your department, is that correct? Has the Minister had an opportunity to review that study? Has he seen the actual study? Or have his officials seen that study?

MR. BOSTROM: We have the documentation on it. I've had the opportunity to look through it briefly at one point, I have not studied it carefully and I do not have the documentation that has been collected so far with me today.

MR. SPIVAK: I wonder if the Minister would be prepared to review the study and to reveal the information supplied, or in the alternative, furnish the study for the consideration of the members of this committee.

MR. BOSTROM: Mr. Chairman, I believe that there would be no problem furnishing the study, and I would undertake to do so on completion of that study.

MR. SPIVAK: Mr. Chairman, the Minister has already indicated that the study was terminated on February the 19th and was because of the ill health of the person involved. I'm just asking the Minister at this point if the study has been terminated, whether he would be prepared to now table in this House the partial study that has been completed and forwarded to the government.

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MR. BOSTROM: Mr. Chairman, I explained further to that, if the honourable member can recall, and it certainly is in Hansard. I said as follows, that although the study was not completed in its entirety much useful data had been collected and relevant analysis undertaken. Work in this area of research is continuing, using the information gathered as an important and valuable data base for further analysis. So therefore, Mr. Chairman, the work on the study is continuing.

MR. SPIVAK: I wonder if the Minister can indicate whether the officials within his department discussed with him the contents of the study and the data that they at least had supplied up to that time.

MR. BOSTROM: Mr. Chairman, as I indicated, I have seen some of the data that was supplied, but the data that I saw was - I believe it was towards the end of February if I'm not mistaken, and it was after the project here was terminated.

MR. SPIVAK: So I assume then the Minister has had no contact directly with the people who were involved in the study, nor did he sit I guess as part of the Interdepartmental Committee. Was the Interdepartmental Committee made up of civil servants or was it made up of Ministers or members - well, of Ministers as well as civil servants?

MR. BOSTROM: I believe the representatives here are representatives of the departments at the civil service level, at least the representative from this department was a civil servant.

MR. SPIVAK: . . . that representative, was it a Deputy, or was it someone else?

MR. BOSTROM: It was a Director of Research, Mr. Chairman.

MR. SPIVAK: The information, even though the study was terminated because of the illness, was the information furnished to the Federal Government? Was that provided to the Federal Government?

MR. BOSTROM: Mr. Chairman, for reasons that I've already tried to indicate, it should be understood that this is in a rough draft form, and it's a data base. The study is continuing, and whatever information and data has already been collected must be refined and edited, and when this is done and when a final report is produced, then the Federal Government will have a copy and I can supply a copy to the House.

MR. SPIVAK: Yes, I wonder, is the Minister in a position to indicate the nature of the illness of the person who was responsible for the study?

MR. PAULLEY: Ah come on . . .

MR. BOSTROM: Mr. Chairman, I haven't inquired as to the nature of the illness, nor do I think it's pertinent to this matter.

MR. PAULLEY: Impertinent on his part.

MR. SPIVAK: Is the Minister in a position to indicate the amount of time spent by the person who was responsible for the study, the amount of time spent in Canada in the period of six months prior to February 19th?

MR. BOSTROM: Mr. Chairman, I believe the Honourable Leader of the Opposition's question was, how much time the study director spent in Canada during the six months previous to February 19th. I fail to see how that's relevant here. Could the honourable member at least give some reason for his question?

MR. SPIVAK: Well the Minister has indicated that it was the illness of the person who was the director that was responsible for the study not being completed, and I'd like the Minister to indicate to me how much time the person who was responsible for the study spent in Manitoba in the six months prior to February 19th.

MR. BOSTROM: Mr. Chairman, I still fail to see how that is relevant to this matter. If the honourable member has good reason to enquire as to the health of one of the employees in the department, then perhaps he could ask for an Order for Return.

MR. SPIVAK: If I was to suggest to the Minister that the reason the study was terminated had nothing to do with the illness of the director, but was rather because of the cause of embarrassment to the government, how would the Minister respond?

MR. BOSTROM: Mr. Chairman, I have really no idea what the member is talking about. I have had no direct dealing with this particular study. As I've already indicated, I never saw any of the data involved in fact until after this was terminated. So I'm prepared to accept the reasons given to me by way of explanation for why this was terminated.

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MR. SPIVAK: I appreciate that the Minister's not, you know, I mean I accept that he's a new Minister and the information was furnished to him, but someone from within his department was on the Interdepartmental Committee, and again he may not be in a position to have the answer immediately, his Deputy may be in a position to give it to him immediately, or he may require some additional time to determine it, but . . .--(Interjection)--Beg your pardon?

A MEMBER: They may not want to bother.

MR. SPIVAK: Well, they may not want to bother, but I think it's pretty important, because he doesn't have to, obviously he doesn't have to answer anything, he can just sit there. But the fact is that a study was undertaken by government departments dealing with Co-op Development, Communities Economic Development Fund and a number of other projects in the North. The Minister has indicated that the study was terminated because of the illness of the director. I'd like to determine whether in fact the termination did not come about as a result of the direction of the government as opposed to the illness of the director.--(Interjection)--Well, no, the Minister's not in a position, that's what's been represented to him, and I accept that that is what has been represented to him. But I'm now asking him, and I don't expect him to be in a position to confirm that today, but I'm now asking him to determine whether the information supplied to him is accurate, whether in fact the study was not terminated by the government, who found it rather embarrassing.

MR. PAULLEY: Order for Return.

MR. CHAIRMAN: Order please. The Honourable Minister of Co-operative Development.

MR. BOSTROM: I'm trying my best to be co-operative with the honourable member, and I do not really see the relevance of his questions in this respect. If he wants to pursue the matter further and if he wishes to have a detailed breakdown of where the employees were and what the state of their health was, he can provide an Order for Return.

MR. SPIVAK: Mr. Chairman, I wonder if the Minister is in a position to indicate to the extent of the study which was started on June 21st and completed by February 19th, how much federal money was involved in pay-out of that study during that period of time.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, if there's one thing that the Minister doesn't need, is the advice of the great prevaricator from Transcona, "Order for Return." We have an opportunity and we are supposed to be conducting an investigation under the Estimates that is intended to supply information to the House. When we ask for Orders for Return then the government says, well you can ask that on the Question Period, or you can ask that on the estimates, and when we ask for information during consideration of the estimates, then the Member for Transcona says, then you must ask for an Order for Return. We get that great run around from the great prevaricator from Transcona all the time. I wish he'd leave the Minister alone. Let him answer the questions. He's doing a pretty good job by himself.

MR. CHAIRMAN: I'm afraid a lot of members are prevaricators in this Chamber. The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Chairman, now I am in my proper seat, I don't have to listen to any admonitions from that fellow who happens to come from Morris. I doubt very much his expertise of any of the rules of this House or any other House that he may have very shortly been involved.--(Interjection)--Yes, I had a lunch, I had a lunch - Yes, Mr. Chairman, I did have a lunch. I do want to say to my honourable friend, because I know he is interested in what lunches members of the House participate in, I had a lunch which was comprised of Old Vienna sausages produced by Heinz and Company. I would recommend to my honourable friend the Member from Morris that he may from time to time take advantage of the production of Heinz and Company's Old Vienna sausages, because I am sure that if my honourable friend from Morris would become more amenable or involved in eating Old Vienna sausages that he wouldn't be producing the baloney that he is this afternoon.

I do suggest to my honourable friend, in all deference to his knowledgeability or to his lack of knowledgeability, that if a Minister of the Crown, or indeed anyone else . . .

A MEMBER: We're not sure.

MR. PAULLEY: No you're not sure. You're not even sure whether you're seated or standing, I can appreciate that.

A MEMBER: Are you?

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MR. PAULLEY: Yes I am. I would suggest to the Honourable Member for Morris that it is quite proper for a Minister of the Crown to indicate to any member of this House that if the Minister of the Crown wants to receive more detailed information or have an opportunity of looking in . . . You wouldn't know the difference. That if . . . Now look, Dief, we've heard enough of you. I would suggest, Mr. Chairman, that if the Minister concerned wants to find out more detailed information, or if the member who asked the question wants to find out more precise information, the rules of the House, our House, not the House of Morris or any other House, that if it is a request, surely to goodness there should be a request made for an Order for Return in order that more detailed information should be forthcoming. And I suggest, Mr. Chairman, that this is the order of conduct of this House. I realize that some of these young punks haven't been around here too long but one of these days they will learn.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, in order to facilitate matters and move the discussion along, I could undertake to table a letter of termination in the House, if that would be of any use to the honourable member. And further to that, I've just been passed a note from one of my staff who was involved with this study, at least knew the details about it, and apparently the illness in question here was a heart attack on the professor heading the study team.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister can indicate whether the contents of the study were ever referred to the Provincial Auditor.

MR. BOSTROM: The conduct of the study?

MR. SPIVAK: No the contents. The contents.

MR. BOSTROM: Well, Mr. Chairman, I'm not sure how he . . . You know, the funding as I've already indicated was a matter of \$23,994.44, and that matter certainly is available for scrutiny by the Provincial Auditor. But I don't believe it's within his purview to read every document prepared by government or by researchers employed by the government.

MR. SPIVAK: I accept what the Minister says; there's no obligation on his part to do that, but I wonder whether the department, having worked within either in the development or in the receipt of the partial document, determined that that should possibly be referred to the Provincial Auditor. And the Minister again may not be in a position to answer that and it would be a question of just obtaining that information.

MR. BOSTROM: Well, Mr. Chairman, in this case I can't possibly answer for the Provincial Auditor, and I suggest to the Honourable Leader of the Opposition that he will be - that is, the Provincial Auditor - will be appearing before Committee of the House and he can ask him at that time.

MR. SPIVAK: Now, Mr. Chairman, again I am not in any way talking about the Provincial Auditor's conduct nor am I talking about his operation. I'm concerned whether the people within the department, the people involved, referred any part of that study to the Provincial Auditor.

MR. BOSTROM: Mr. Chairman, I just simply cannot answer that question because I'm not aware of the details, and if the honourable member desires the information, as I have already indicated he could ask the Provincial Auditor personally.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I admit I did not come in at 2:30, I came in a few minutes late, so for the last almost half hour I've been trying to find out by listening to the debate just what item we're on. Could you, Mr. Chairman, point out the item which deals with the study which is being discussed between the Leader of the Opposition and the Minister? Which item does the study come under?

MR. CHAIRMAN: Manitoba Northlands Agreement - Co-op Strategy, salaries, wages and fringe benefits, \$10,700.

MR. CHERNIACK: Is that where the study comes in?

MR. SPIVAK: . . . Mr. Chairman, not a point of order.

MR. CHERNIACK: It's not a point of order. I just have the right to find out where this study . . .

MR. CHAIRMAN: That is the item that we are on.

MR. SPIVAK: Well, just so that there . . .

MR. CHAIRMAN: Order please. There's no point of order. I was asked a question.

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(MR. CHAIRMAN cont'd) . . . . We are on Salaries, wages and fringe benefits \$10,700. Pass?

MR. SPIVAK: I wonder if the Minister can indicate, with respect to the Manitoba Northlands Agreement, the extent of the Co-operative Development; is the extent only \$22,000? That's the extent of the agreement for this year? Does that represent 40 percent of the total cost which would represent a cost of about \$50,000?

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Well, Mr. Chairman, this, I understand, represents our section of the cost.

MR. SPIVAK: . . . that would be in respect of the portion of the Northlands Agreement that would deal with the co-ops. Possibly the Northland Agreement would deal with transportation, deal with other matters in terms of the co-op. Now, for the \$22,000 - and I know we're on salaries but it's important with respect to the total agreement because the others are all related to the intent of this portion. What is intended, this money along with the federal money, what is intended to be accomplished by the department with respect to the Northlands Agreement?

MR. BOSTROM: Well, Mr. Chairman, I did indicate what was intended by this particular section in my opening remarks, in the particular planning going on here. The section my honourable friend has indicated or questioned on for about the last half hour, is with respect to a project which took place in the last fiscal year. The item that's before us, the Co-op Strategy Research Project, is with respect to the coming fiscal year, the fiscal year that we're in right now, and I've already indicated the objectives of this particular study.

MR. SPIVAK: As I understand it, Mr. Chairman, what really happened last year was that a study, an environmental study was undertaken, dealing with co-ops and a number of other northern matters in which the Federal Government participated with the Provincial Government for the establishment of data and for the purpose of arriving at some particular direction. Now again, is this for the continuation of the obtaining of information, or is this for the actual establishment of policy, or is this a particular study with some clearly defined objectives that are to be undertaken?

MR. BOSTROM: Mr. Chairman, I've already indicated that the objective is to determine the potential for co-operative development in the north, and to recommend policies and programs for submission to government based upon the findings.

MR. CHAIRMAN: Fees \$10,300-passed. Specialized equipment \$400-passed. Other operating costs \$1,000-passed. The item \$22,400-passed.

Rural Areas Agreements - Co-op Agricultural Development - Salaries, wages and fringe benefits \$62,100. The Honourable Member for Morris.

MR. JORGENSEN: I wonder if the Minister of Co-op Development, I wonder if the Minister could give us a little bit more information on this particular item. Just what are its intentions, its purposes and its hopes, its ambitions, its frustrations and its failures?

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: I wonder, just before the Honourable Minister proceeds, if I could draw the attention of the honourable members to the Speaker's Gallery where we have 38 members of the Civil Air Patrol Cadets from Fargo-Moorhead, under the direction of Lt. Anderson. This group are here as guests of Mr. Speaker. On behalf of all honourable members, I bid you welcome to our Chamber.

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MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Well, Mr. Chairman, I can only predict the outcome of this since we are in the Estimates and we're looking forward to the new fiscal year. The particular item that's listed under Co-op Agriculture Development refers to a research and extension activity under the DREE-AGRO Manitoba sub-agreement. The research component involves economic analysis to determine a situation in which economic benefits can be maximized through multi-unit production. An analysis of institutional changes which may be necessary, laws, regulations and so forth. And recommendations of appropriate programs and policies. Now the

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(MR. BOSTROM cont'd) . . . . extension portion of this project, Mr. Chairman, although shown in the administrative appropriation of the department, is administered by the Co-operative Branch, southern section, which we are coming to shortly in the Estimates.

Now the first sector of agriculture to be studied is the dairy sector. Research will then turn to livestock and crop areas to look at such options as co-operative feed lots, machinery co-operatives, agri pools and co-operative farms in general.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: I notice, in contrast to the item under Educational Research Project, the salaries, wages and fringe benefits amount to \$62,100 as opposed to only \$6,500, yet the Fees item is in again sharp contrast, \$13,000 as compared to 70,000, and Facilities and Equipment, \$2,000 as compared to \$69,000. Do I take it that the emphasis in this particular item, then, is on salaries of paid employees, and if it is, then just what do they do? How are they dispersed? How are they asked to conduct the kind of program that the Minister has just outlined? And how many people are involved?

MR. CHAIRMAN: The Honourable Minister for Co-operative Development.

MR. BOSTROM: Mr. Chairman, there's two people from our Agriculture Branch. As I indicated, the extension portion of it, in other words that section that will be doing field work and so on in this particular research project, is administered by the Co-operative Branch, Southern Section, so that there are the salaries of contract employees involved here (three people, I am corrected, that are involved here) and the reason that there would be a smaller allocation for fees and so on is that there is not the extensive design, layout, art work and other kinds of things that I mentioned, that are peculiar to the Education Research Project, and that more of the existing facilities and structures of the department are being used in this particular research project; no additional printing and so on is required.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: I wonder if the Minister could outline any precise areas in which this kind of a program is being conducted, or just how it is being conducted. I'm still a little bit at a loss as to determine just what is involved and how it is being carried on.

MR. BOSTROM: Well, Mr. Chairman, I mentioned the sectors of agriculture which are being examined and analyzed and researched, and the first sector that I mentioned is the dairy sector. The others are related to livestock and crop areas and look at such options as co-operative feed lots, machinery co-operatives, agri-pools and co-operative farms, and I'm not aware of the specific details of how the individual data is being collected, but these are the areas that are being studied.

MR. JORGENSON: The Minister mentioned that the first area that's being investigated is the dairy industry and this is the one that throws me, because I don't know of any particular aspect of the agricultural industry that is more controlled than the dairy industry. I don't know of any aspect of the agricultural industry that has been studied more than the dairy industry, and I am at a loss to understand just what more they can do in the way of examination, study, research or what have you, what is being done here that has not already been done at least a thousand times.

MR. BOSTROM: Mr. Chairman, by way of clarification here, I could just merely indicate that with respect to the dairy sector, as my honourable friend is probably well aware, there are many people in the dairy industry that are tied down almost 24 hours a day, seven days a week. It's a very tough business to be in from that point of view, and the one part of that industry that is being examined as a potential for co-operation, is particularly with respect to the manpower requirements in the dairy industry, and how in fact small operators could perhaps pool their efforts, their human resources, so as not to be tied down seven days a week, 24 hours a day.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Chairman, I'd just like to say a word on this particular subject, and I realize what the Minister explained, what's involved in this. But there's a couple of things here. He mentioned in his opening remarks that the members on this side of the House were not very good friends of the co-operative movement. Now I don't know where you've been living, or how old you are, but I'd like just to remind you that nearly every member on this side of the House either belongs to the Manitoba Pool Elevators or they belong to the United Grain Growers, which are both co-operative, and . . . Are you going to interrupt me?



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MR. CHAIRMAN: The Honourable Minister of Co-operative Development state his point of privilege.

MR. BOSTROM: The remarks I made in my opening remarks on the department were not reflecting on any particular individual member of the House. I merely indicated that previous governments in Manitoba showed a very real reluctance to assist the co-operative movement. I was talking about governments, Mr. Chairman, in the collective sense. I was not casting any aspersion on individual members. I agree with the honourable member that there are individual members here who support the co-operative movement, and the honourable member who just referred to that fact is completely right in that fact; and I believe that honourable members, to the extent that they have been of assistance to co-operatives and are members of co-operatives and working with them, that is to their credit.

MR. McKELLAR: I'm always amazed, you know, when a man gets up on a point of privilege, that he just can't be content to sit there while I finish my speech, because that's what I'm going to give you. I'm going to give you a speech. And I have listened here for two or three days on the fact that I am non-cooperative, that, ah, the Conservatives, those damned Liberals, that we just couldn't care. There's only one heaven and earth and that's the NDP Party who . . . (Applause) Mr. Chairman, I want to say to the honourable member that I realize he's not very old and he's been only in the Ministry a short time and he's only been in the Legislature a short time, but I'd be very humble before I'd get up and make a statement that the Liberals and the Conservatives never did anything for co-operatives. And I want to explain now to you why, and I've been waiting quite a few days because I know that I was a former chairman of the committees here, a Deputy Speaker, and I know where I should get up and when I should sit down for that reason, and I know that Mr. Chairman won't have to sit me down right now.

But I want to go back and I want to say to the honourable members, the Manitoba Pool Elevators are celebrating their 50th Anniversary this year in the Province of Manitoba, a company that was established by farmers, is still operated and controlled by farmers, and in one instance back in early 1930s, which I can remember so well, they had trouble too. And who came to the rescue? Who came to the rescue? I wish you'd go back to the library and study this, because this is important. It wasn't the New Democratic Party that came to the rescue because they weren't in existence at that time. It was the Honourable Mr. Bracken, the Premier of the Province of Manitoba, and his government of the day, the Liberal Progressives that came to the rescue of the Manitoba Pool Elevators. And I tell you, they can be thankful for him, Mr. Bracken, because he was the farmer's friend, and everybody knows his past history and what he did for rural Manitoba and for agriculture. This is a man that I tell you we can be grateful today that the Manitoba Pool Elevators are celebrating their 50th Anniversary and holding meetings and dinner meetings in celebration of this anniversary all over the province, in every local, and they're going on right today.

Now, another farmers' club, United Grain Growers, of which I am also a member, it started in 1907 - 1907 - by the farmers of Western Canada, and the man passed away the other day, his funeral was in Winnipeg, the creator of the United Grain Growers, one of the founders of the United Grain Growers, Senator Crerar, a man who had a long history in the co-operative movement and established one of the great grain companies in Western Canada; and I tell you, his name will go down in history too. His name will go down in history for what he did as a service to Western Canada and the farmers. And I tell you, they didn't go around asking the government for everything. The farmers went out and did it on their own. And they'll still continue to do it on their own regardless of whether your government's in power or we're in power or who's in power. And this is the thing that I think you've got to remember, that if the farmer's asking for advice or asking you to do something, that's one thing; but 99 percent of the time the farmers will solve their own problems, and they've always done that and will continue to do it.

Now there are a couple of other co-op movements in the Province of Manitoba; in fact, there's three, and I want to identify them, too. They were established as a co-operative, and the one in which I guess I'm more closely involved was established in 1884 by farmers who wanted to do something for themselves - one of the greatest co-op movements in history, where they wanted to insure their own threshing machines, and they established the company, Portage Mutual. They did it on their own and they've never come to the government for help.

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(MR. McKELLAR cont'd) . . . . Most of the directors yet, a good majority of the directors, are farmers on that board, of which I am one, and I tell you this is the kind of co-operative movement that I admire.

Another one, Wawanesa Mutual, established in 1896 by a group of farmers in the area in which I live. What did they do? They didn't go after the government to start an insurance company. They established their own insurance company, Mr. Kepron(?) being the first General Manager of that company. And I tell you, those are the people I admire because that is one of the greatest co-op movements in the history of Manitoba, is the Wawanesa Mutual Insurance, and some will argue it isn't a co-op. It is a co-op, controlled and owned by the policy holders of the day. And you can talk all you like, and the Minister of Mines and Natural Resources, we've got the people's insurance company now. We've got the people's insurance company. Well, I tell you, we've got one of the greatest insurance companies controlled by people in Wawanesa, by people, the very heart of Manitoba.

Another great company, a mutual company, a co-operative company, Red River Mutual, and that general manager you all know so well. He's not on the board of Autopac any more - he's not on the board. Mr. Keller, Floyd Keller, general manager of that good company. And I hope you look at their record, Mr. Minister of Autopac, because they had an underwriting profit this year. And now I think maybe you should have replaced your general manager and hired Floyd Keller to be the manager and you'd have done something, because his record is second to none. Head office in Altona, established there by a group of farmers. There's a co-operative movement trying to do what they could for the industry and for the people, to protect people's property. And they didn't ask, those Mennonites down there didn't go ask the government to do something for them. They did it on their own at Altona, and I don't have to tell the people of Altona what they should do. But I say when the Minister gets up and makes a speech, and I forget what day because this week seems to have gone so fast, but saying that those bad fellows over on this side, the west side, of the House here, that all we do is look at the money barons down here on Portage Avenue and Main Street and Toronto and Montreal - that's not the case, Mr. Minister, and I tell you, I would advise you - just giving you a little advice - don't make any more speeches like you made in that opening speech, because I tell you, you'll wish you hadn't. You'll wish you hadn't. You got to be humble in this House, you've got to be sincere, and I tell you, the best way to do is to learn it the hard way and you learnt the hard way because you're a lot more humble and a lot more sincere than you were the first day, and I admire you for taking a new change of life.

Mr. Chairman, I just want to close by saying the co-op movements in the Province of Manitoba have been the heart and foundation of our communities, and one of the things that always bothered me, when you get a successful industry going, no matter what it is, some governments think they can run it better than the people themselves. And I only wish that you'd let this co-op movement alone. The Minister for Autopac, he says he's going to mess it up a little more on July 1st. Well, I would hope that he would admire the co-op movement enough in the Province of Manitoba, not destroy it like you're doing, not destroy it, leave it alone. Let the people who are members of the co-op movement handle their own affairs and I think the Province of Manitoba would be better off because of it.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Well, Mr. Chairman, all I want to say is I agree with the honourable member when he says that there are many admirable men who as individuals have worked with co-operative movements and promoted their development, and I say that is to their credit. And, Mr. Chairman, he merely substantiates to a certain degree what I said about the collective action of government and the philosophy of former governments that have had the philosophy of "Leave the co-operative movement alone. Let it develop on its own." And when I said that co-operatives in Northern Manitoba developed, not because of government assistance, but in spite of it, in spite of it, Mr. Chairman, what the honourable member has said just substantiates the statements that I made.

Now, in respect to Northern co-operatives; as I've already indicated, there were communities like Grand Rapids, for example, that could have used some assistance in forming a co-operative, possibly could have formed a co-operative much sooner if they had been given some advice and assistance by a branch of government. Mr. Chairman, the particular community of Grand Rapids, which I referred to in my opening remarks, when they asked the

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(MR. BOSTROM cont'd) . . . . government for assistance, the Conservative government of the day, they didn't get an answer. Mr. Chairman, I realize the philosophy of the day was, leave them on their own; let them develop by themselves. But I'll tell you, Mr. Chairman, that in some of these communities where co-operation and co-operatives had never been introduced, how do you expect the concept of co-operatives to become introduced? And, Mr. Chairman, the kinds of things I'm introducing in my Estimates here, and particularly this section of research where I'm proposing a research education project to develop a curriculum which can be introduced into the schools, I'm hoping that in the long run this kind of effort will in fact provide the means by which these communities can have the co-operative concept, can have it introduced, have the knowledge of how a co-operative works, and will mean that there will necessitate less government involvement, not more but less government involvement.

But, Mr. Chairman, in a development of co-operatives in remote location where there is high unemployment and poverty and where there is no other alternative to employment, Mr. Chairman, I don't apologize for a minute for our government assisting in those areas to develop co-operatives, to provide opportunities for those people to be employed.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, having listened to my colleague from Souris-Killarney and the Member for Morris, and I did speak on this matter before lunch, but you know, Mr. Chairman, I again relate to, when we talk about agriculture in the northern areas insofar as this whole co-op movement is concerned, and the member--(Interjection)--Well, all right, then I pose a question to the Minister. When the Member for Morris was asking about the research done in our dairy industry, where in that area, in the northern part, is there going to be a viable dairy industry that's going to be operating?

MR. BOSTROM: Mr. Chairman, as I indicated in my remarks, the extension portion of this project is administered by the Co-operative Branch, southern section, and if honourable members wish to wait until we get to that particular section of the department . . . You see, one of the problems has been because of the kind of debate we had last session on this particular department, the focus and attention was on the northern co-operatives, the focus and attention of the media, the members, everybody, was on the northern co-operatives, and somehow the Department of Co-operative Development became confused with the development of northern co-operatives. Somehow the two could not seem to be differentiated in the minds of members. And, Mr. Chairman, it has to be made very clear that the northern co-operatives are simply that. They are co-operatives that are developed in northern communities and they are governed by local boards of directors that are elected from their membership, Mr. Chairman, and that is a separate entity, it is a private enterprise, it's separate from Government. The Department of Co-operative Development whose estimates are before the House at this time is made up of a number of sections. The credit union's branch is in here yet that we haven't come to, Mr. Chairman, and there's the section on assistance of the department towards co-operative housing, co-operative agriculture and so on. These are sections that are coming up and I would hope honourable members would hold their comments on these particular sections until we get to them.

. . . . continued on next page

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MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Then, Mr. Chairman, just to clarify this, then we talk about agriculture in this area, then agriculture does not pertain to any of the co-operatives in the northern area then, is that . . . that's okay.

MR. BOSTROM: Mr. Chairman, the only co-operatives that are operating in the north at this time are those involved with marketing, that is producing and marketing fish products and consumer co-operatives, in a few places there's consumer co-operatives operating stores which supply their members with goods and services, and thirdly, Mr. Chairman, in a couple of locations there's housing co-operatives; and fourthly in some locations there is just the simple kind of buying club type co-operative. All of these co-operatives have at one time or another received assistance from the department in their development and incorporation. Mr. Chairman, separate from that, there's co-operatives developing in the south, many of which I will come to further on in the estimates and list them in detail.

MR. EINARSON: Thank you very much.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a couple of questions for the Honourable Minister. The one under this item - he mentioned a machinery co-op. I wonder if he'd explain to me what he means by a machinery co-op. I've never heard of it, but I have a couple more questions.

Also under this item we're talking about co-op feedlots. I wonder if the Honourable Minister could advise me if the \$40,000 from the Crane River Feedlot has been wrote off or how they have handled this matter.

I also wonder if the Honourable Minister could advise the House what happened to all the accounts that were owing by that Co-op, Crane River Feedlot. I had a bill here the other day for \$3,000 or something from a feed company in Dauphin that was unpaid. I guess they've likely wrote to the Minister and others. I understand there's other unpaid bills around the country for that Co-op at Crane River. I wonder if the Honourable Minister could fill me in on that.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, the machinery co-op to my understanding is an arrangement where an association or a group of farmers can get together and form a co-operative which would collectively own and operate machinery. It's to facilitate the economics of farming so that one farmer with a small piece of land may not necessarily have the financial resources, the wherewithal to buy all the equipment necessary to farm his small section of land, but he and a number of neighbouring farmers wish to get together and form a co-operative through which they would collectively buy, own and operate machinery. That is the particular section that's referred to there.

The second part of the question, Mr. Chairman, with respect to Crane River Co-operative. This particular co-operative is in the process of liquidation at the present time and if there are creditors I assume that these creditors will be either paid off or at least a portion of the indebtedness will be paid off through the liquidation process. I might point out that this particular co-operative is still under investigation by the Auditor and the Attorney-General's department with respect to some missing cattle. To this point in time, to clarify the situation, the Auditor has informed me that as far as the Department of Co-operative Development is concerned there are no indications that anyone in the department has been involved in any wrongdoing.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the Minister could indicate who audited the Crane River Feedlot?

MR. BOSTROM: Mr. Chairman, I realize that you've been giving me, and all of us, significant latitude here and perhaps we could discuss that one when we get to the item in the estimates where it would most naturally fit in, and that would be under the next page under Co-operative Development (Southern).

MR. CHAIRMAN: Salaries, wages and fringe benefits - \$62,100. . .

MR. SPIVAK: I'm prepared to do that except that I want to understand from the Minister so that it will be clear. The director or the official of the department who would have been involved in the supervision, I'll put that in a general way, of the Crane River Feed Lot, his salary would be included in the item that he's referred to or would it be included in this item?

MR. BOSTROM: No.

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MR. SPIVAK: Okay.

MR. BOSTROM: Mr. Chairman, it would be included in the other item I indicated.

MR. CHAIRMAN: Pass. Fees \$13,000--pass; Facilities and equipment \$2,200--pass; Specialized equipment \$6,100--pass; Other operating costs \$11,300--pass; Citizens and other employee assistance and services \$600-- pass; The item \$95,300--pass. That completes Administration with the exception of the Minister's salary which we will return to at the end of the department.

I refer honourable members to pages 6 and 7 of their Estimate Books, the Standard Accounts Classification, Director, Salaries, wages and fringe benefits \$26,200. The Honourable Leader of the Opposition.

MR. SPIVAK: I want to understand from the Minister. This is the Director of the Department of Co-operative Development. This is his salary and he's the one who basically would supervise the development officers whose responsibility it would be to look after the various co-ops, both in the north and south. Is that correct?

MR. BOSTROM: Mr. Chairman, the Director in this case is in charge of the entire section here which includes Co-operative Development (Northern) in which there are development officers; Co-operative Development (Southern) which perhaps is not a very good name because some of these people are involved in different regions really but it relates to departmental responsibilities other than those with reference to Northern Fishing Co-operatives and so on. There is a section Finance and Control, Housing, Information Organization, the entire section would be under his direction.

MR. SPIVAK: May I ask whether the Director acted as an auditor for any of the co-ops that were supervised by the department?

MR. BOSTROM: The existing Director, Mr. Chairman, Jack Reid has been in his position since March of 1974 and he personally has not been involved in audits and I was indicating under the Administration section that there has been certain reorganizations taking place and one of them is the audit function with a qualified Auditor to do the audits for all co-operatives requiring such.

MR. CHAIRMAN: Pass. Facilities and equipment \$800--pass; Specialized equipment \$1,500--pass; Other operating costs \$5,600--pass; Citizens and other employee assistance and services \$300--pass. The item \$34,400--pass.

Co-operative Development (Northern). Salaries, wages and fringe benefits \$125,500. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I guess this is the appropriate time to deal with the so-called supervision of the Department of Co-operative Development of the Northern Co-ops. To a certain extent we've had a discussion and debate on portions of both the Provincial Auditor's report and on parts of the responsibility with respect to the department. And the Minister, in anticipating I guess the weakness of the position that he had to defend with respect to what has happened in the past, commenced on Tuesday night with his presentation by attacking the Opposition for the efforts that they put forward and for allegations of, I believe he said muckraking and a variety of other matters.

Mr. Chairman, I want to indicate, I want to indicate very directly to the Minister so that it would be very clear, because I hope he would not be put in the same position that the former Minister, who's the Minister of Agriculture, was put in, that much of what the Minister said last year has proved to be incorrect. He stood up here and said that the co-operatives were not in a bankrupt position, the Northern Fishing Co-ops. And he recited a number of them.

He indicated that with respect to the Co-operative Loan and Loans Guarantee Board, the obligations were such that there was no call on the province for any money owing. To a certain extent and in a technical way part of the information was correct but it was very misleading, because he knew differently. He and his officials knew at the time that there was serious problems up north and the problem that they face which is the problem the Minister faces at the present time is, do you admit some failures, do you admit some mismanagement, do you admit certain inadequacies, do you acknowledge that and take the consequences and provide accurate information, or do you attempt to essentially work around the matters, cover them up, hope that the Opposition do not have sufficient information to be able to counter the statements that are made, hope that in some way or other a few days will pass and the matter will not come to your attention again?

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(MR. SPIVAK cont'd)

Now unfortunately the former Minister did not see his responsibility as being one of true ministerial responsibility, because the point that was made to him, and was made to him both in the House publicly and privately, as it was to the Attorney-General, was that information was coming into this House that was inaccurate and was proved to be inaccurate. Then there must have been reasons for that information to have been given to the Minister in the first place to be inaccurate. Either he knew it was when he stood up and gave that information or, believing it to be the case, believing the information to be correct, he expressed it and once it was proved to him that it was not as he represented, and even acknowledged to him by his own people that it wasn't that way, surely there's an obligation on his part to understand the reasons why. Of course the reasons why are very obvious. The government should never have allowed the kind of things to develop that have developed. There should have been no position in which a director involved in supervising and in many cases managing a co-op, because the power of attorney gave them the power to manage, should at the same time have been for all intents and purposes the auditor of the co-op itself, and to have furnished the information on the assumption that the person who was doing it was a qualified person who understood accounting procedures well enough to be able to do what he had to do. That should never have happened, but that was one problem area.

The other problem area has to do with the people who in fact are the members who make up the co-op. They had reason to believe that their affairs would be managed in a proper way. They did not have the sophistication that many of the people in the south do have, they understood their particular profession, fishing, but they did not have the managerial capacity to do it themselves and they relied on the department to place their affairs in such order that in effect they would be provided for and taken care of.

The difficulty of course is that the failure wasn't the failure of the concept of the co-op for the fishermen; the failure was the failure of the department officials who undertook responsibilities beyond their capacity, who were not organized in the proper way, whose accounting procedures were incorrect and whose state of affairs, even today, is you know, notwithstanding the very, I think, polite language of the Provincial Auditor, is still in a fair state of disarray. --(Interjection)-- Well the Honourable Minister of Finance says it's not true. Where are the cash books of Southern Indian Lake? --(Interjection)-- Oh, where they're gone, they're gone. Who had responsibility for the cash books? Well who had the responsibility of the cash books of Southern Indian Lake Co-op, and how do the fishermen know that the accounting given to them is correct? --(Interjection)-- Yes, Mr. Chairman, I said today. Well, what the honourable members opposite would like to say is that somehow or other they've reformed everything and everything is still correct. But one of the real serious problems of what has happened, and this has been a problem that is going to have to be highlighted again and again as we deal with the government's frontier and northern developments, is that many innocent people in addition to those people involved in the co-ops have lost considerable sums of money because of the representations made by the government officials who represented that there was government support for the programs involved and the assumption by these people that they could give the institution, in this case the co-ops, credit, and now they are stuck, they have to claim against an organization that has no money in this case, in other cases against companies that have no money, and they are going to lose their money and their entry into the contracts, the obligations that they assumed, and the credit that was given was based on the false misrepresentation that the government was supporting the activity, the government was involved, government funding would be available and on this basis credit was extended.

Mr. Chairman, literally in Northern Manitoba there are hundreds of creditors owed hundreds of thousands of dollars, and I would daresay it amounts to millions, who are stuck, who are going to lose the credit that they extended because of their inability to collect against, in this case the co-operatives, in the other cases, many of the businesses financed through the Communities Economic Fund and many of the other activities in which the department has been involved. And none of this was necessary, because a great deal of this came as a result of the lack of organization, the lack of direction of the government, and all the department of co-ops are, are one example, or is one example of the failure on the part of government to organize itself. You know, the whole problem with the whole concept of the development officers managing and developing and assisting the co-ops is that they couldn't

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(MR. SPIVAK cont'd) . . . manage and develop themselves, so that the learning process has been for the development officers not for the members of the co-ops who lack the sophistication and the ability to be able to handle their affairs but for the very people who are supposed to be helping them. And it's been a very costly education, costly in terms of the public loss in the millions, that the government is responsible for, and I suggest the millions that are lost of private people who provided credit on the assumption that government support would take place. This I guess is probably the worst condemnation to be made of the government with respect to its so-called frontier development and social development, its failure to recognize its own responsibility in seeing to it that these kind of activities were taken in an organized way, and when these matters were brought to their attention to act to protect both the public interest and the private interest.

Now it's an interesting situation when we talked about Southern Indian Lake Co-op last year, and we asked at the time what the cost was, the Minister indicated that he didn't know, then he obtained information and said it was about \$800 million. And I'm not going over the exact figures at this point. --(Interjection)-- 80,000, and we said it was a million, over a million. When we asked whether there had been some studies, and we asked about the latest report of Southern Indian Lake, that is the co-op itself, we asked who the accountants were and we were given a list of the names of accountants that were supposed to have audited. You know, the information supplied was inaccurate. First of all, the accountants involved would not audit the Southern Indian Lake Co-op; they couldn't do it. All they did was try to reconstruct as best they could the figures, and then the department officials audited and added the additional months where they had stopped, and produced a record. And we were then told, and the Minister was then told, we've completed it.

Now we know from the Provincial Auditor's report that the information contained indicates you know, a number of features that we questioned last year. We asked why it had to cost a million dollars. We asked, and we still ask, was it blown up in such a proportion to be able to draw out more federal money, so that in effect they could get a maximum of federal money, and why was this necessary? Is this what the fishermen really wanted? Why do you have buildings that are not being used now? Why do you have a Cadillac operation in the North which was really not required?

What did the Provincial Auditor say with respect to this? "Planning and construction of the plant under the direction of the Department of Co-operative Development by way of Power of Attorney was not carried out in a sound businesslike manner. There was no construction budget and no feasibility study for the facilities constructed. The original contract was approved for the main plant building including refrigeration equipment and an unheated warehouse. Thereafter the project was expanded by way of change orders to the contract as the requirements became apparent to ultimately include a food storage warehouse, a garage and service building and a dining hall."

MR. CHERNIACK: Mr. Chairman, on a point of order.

MR. CHAIRMAN: The Honourable Member for St. Johns on a point of order.

MR. CHERNIACK: Could I ask the Honourable Leader of the Opposition to indicate the document he's reading and the date of the document?

MR. SPIVAK: The document I'm reading is the Provincial Auditor's report for the fiscal year ended March 31, 1974, Page 22. I'm afraid that I'm not in a position to indicate when the report was finished, but I am in a position to indicate that it is the Provincial Auditor's report for the fiscal year ending March 31, 1974. I'm also in a position I think to indicate that this came about as a result of the charges that were made last year.

MR. CHERNIACK: Is that in the report?

MR. SPIVAK: No, but I think we can acknowledge that, because I think the Provincial Auditor indicated that pretty directly at the Public Accounts Committee. I can also indicate that if you reread what I've just said, and I could reread it in the record, and I won't do the embarrassment of the Minister or the former Minister of Finance, you'll find that it pretty well supports everything that was alleged by ourselves. I want to quote, if I may, from the report. --(Interjection)-- Mr. Chairman, the . . .

MR. CHAIRMAN: Order please. The Honourable Minister state his point of privilege please.

MR. BOSTROM: Mr. Chairman, on numerous occasions last year in the Legislature, the

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(MR. BOSTROM cont'd) . . . Honourable Leader of the Opposition referred to theft, cheating robbing . . .

MR. SPIVAK: That's not a point of order.

MR. BOSTROM: . . . and on this occasion he's saying that the Auditor's report substantiates his charges. I would like him to be careful in making his statements because they're not exactly true.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, it's not a point of privilege but I want to tell the Honourable Minister something. You know in many respects the way in which the government handles itself is pretty reprehensible, but it's fair ball in the sense that, you know, you can use whatever tactics you want. Let's sort of get the record straight so the Honourable Minister will at least try and keep within the bounds of reasonableness in the way in which he makes his presentation. Last year we filed in this House minutes of a meeting that took place between the Freshwater Fish Marketing Corporation and officials of the Department of Co-operative Development, in which allegations which would border on criminality were made. Now, Mr. Chairman --(Interjection)--

MR. CHAIRMAN: The Honourable . . .

MR. BOSTROM: Those same minutes, Mr. Chairman, were pointed out to the Honourable Leader of the Opposition to be untrue; that the allegations made in those minutes were cleared up by the person who allegedly made those comments, and that was the President of the Freshwater Fish Marketing Corporation who said that he did not say the things that were in those minutes.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, you know, I guess the tactic will be, and we're going to have this continually, but the Minister can stand up on any grounds whatsoever and say it's a point of privilege and try and get his debating point through. I must tell the Honourable Minister so that it will be clear, one of the reasons for a formal inquiry that's been asked for would be for the purpose of having people swear under oath as to the information that was given. And that would be very important, Mr. Chairman. --(Interjection)-- Yes, the Auditor can do that and so can the Chairman of the Freshwater Fish Marketing Corporation and so can others.

But I want to assure the Honourable Minister that before that document was tabled in this House, I attempted to try and determine what had taken place, because I realized the responsibility that I took when I filed that document. But I must . . . --(Interjection)-- I'm sorry, what did the honourable member say? I'll tell him something that he should know so that it will be very clear. You know, he can stand up and try and suggest that somehow or other we made aspersions with respect to his own department. We filed copies of the minutes, the minutes were prepared by someone within his own department. And the reality of it is that minutes suggested certain things which in our opinion warranted an investigation which the Provincial Auditor undertook. But our feeling, and our feeling is borne out by some of the other reference by the Provincial Auditor, made about something that happened a year ago, not something that he investigated a year ago, or completed a year ago, that there still is a very serious requirement for the kind of investigation that would take this out of just this Legislature and provide an opportunity for the facts and truth to be known. And I must say if the members on the opposite side have nothing to hide they'll allow that to happen. But the fact is, Mr. Chairman, that the Southern Indian Lake Co-op managed by the government is a classic example of a disaster, an absolute disaster on the part of the government and its officials. --(Interjection)--

MR. CHAIRMAN: The Honourable Minister on a point of privilege.

MR. BOSTROM: Mr. Chairman, the South Indian Lake Co-operative was managed by a manager hired by the board of directors of that co-operative. Was not managed by the government.

MR. SPIVAK: Mr. Chairman, I guess you're going to continue.

MR. CHAIRMAN: Order please. That was not a point of privilege, it's a point that the Honourable Minister can raise when he gets up in debate. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, planning and construction of the plant, says the Provincial Auditor, under the direction of the Department of Co-operative Development by way of a power



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(MR. SPIVAK cont'd) . . . of attorney, managed and controlled by his department. And this is not the only one that was managed and controlled by his department. I'm saying to you, Mr. Chairman, it's a disaster. The Provincial Auditor says "there also appears to be inadequate control and custody over cash and records. Some records pertaining to cash receipts and payments are not available." Whose responsibility was that? Is that the responsibility of the fishermen in the co-op? Was that the responsibility of the department officer who had the power of attorney and who in fact was managing it? You see the difficulty with all that's happened in connection with these projects, and we're going to have to go over them one by one, the difficulty, Mr. Chairman, is that the government is not going to be prepared to admit the mistakes that were made, that were serious mistakes. Administrative mistakes made by their own people. Made because there was no direction. Made because there was no supervision. Made because in many cases when it was brought to their attention they did not ask. And they only acted, and this is, you know, the usual thing, the Minister stands up and says we acted in October of '73. Well, they acted for another good reason and we're going to come back to Southern Indian Lake to determine why they acted.

You know, Mr. Chairman, I'm going to ask the Honourable Minister and I expect that he'll give us an half an hour speech and there's not very much I can do about that. But I wonder if he would indicate to the members of the House who are in this committee now, that in the Co-operative Loan and Loan Board, he would indicate when Southern Indian Lake Co-op received the \$1 million addition guarantee after March 31st, 1973, that shows up in the statement for 73-74 of the Co-operative Loan and Loan Guarantee Board, I wonder if he would indicate the date upon which the Loan and Co-operative Loan Board issued the \$1 million guarantee.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: The date I have here, Mr. Chairman, on the \$800,000 guarantee that the honourable member refers to is the 25th, the sixth month, 1973. Is that what my honourable friend is asking?

MR. SPIVAK: Yes. That, Mr. Chairman would indicate June 25th, I believe of 1973. Mr. Chairman, I now ask you, when was the election held in 1973? Was it June 28th? Well, there was an \$800,000 loan that was approved by the Co-operative Loan and Loan Guarantee Board three days before the election, and I wonder is the Minister in a position to indicate why that loan was approved only three days before the election? And at the time it was approved was the Premier and the Cabinet made aware of that loan, that the loan was going to be approved? --(Interjection)-- Yes.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, the Co-operative Loan and Loan Guarantee Board is made up of two people from the department, the Chairman and the Secretary and there are three additional members. The department does not have a majority on that board.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I'm asking the Minister at what point the Premier and members of his Cabinet, the former Minister of Finance, were made aware that there was going to be an \$800,000 loan by the Co-operative Loan and Loan Guarantee Board for the Southern Indian Lake Co-op. It was made three days before the election, and I would like the Minister to indicate what time there was communication that this loan was going to be made by that board.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, I don't have the exact date other than this one here and I don't have the details of the decision taken. But my understanding, from the Deputy's memory, is that the application for the loan came in some time in the beginning of June.

MR. SPIVAK: I wonder if the Minister can indicate who the guarantee was given to, what financial institution?

MR. BOSTROM: The Co-operative Credit Society of Manitoba, Mr. Chairman.

MR. SPIVAK: I wonder if he can indicate whether the Co-operative Credit Society or Association indicated to the government that they intended to call that loan unless they received the guarantee by the government prior to June 28th.

MR. BOSTROM: Mr. Chairman, there was, I understand, a submission from the CCSM, as it's abbreviated, for a guarantee. They requested a guarantee on this but I'm not sure of the details of that.

MR. SPIVAK: Mr. Chairman, I suggest that the information the Minister is giving, while

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(MR. SPIVAK cont'd) . . . . at this point it may be accurate, is not the complete and whole story, and I again put myself in his position; he's not in position to know all the details.

It seems to me, Mr. Chairman, that it's very strange that three days before the election, Southern Indian Lake Co-op receives an \$800,000 guarantee for the activities that had been undertaken by the department. I guess a guarantee such as that prior to an election may not seem strange to the members opposite, but I think at one point, Mr. Chairman, - what I think it really represented was notice to the government, if they hadn't at that time, that somehow or other approximately a million dollars had been spent in Southern Indian Lake for a project which, it faced, would not be able to pay for itself, and that the government was going to have to put the guarantee notwithstanding the fact that the money would not be in a position to be paid for afterwards. And I'm suggesting to you, Mr. Chairman. . .

MR. BOSTROM: Mr. Chairman, I have a further answer to the member's question. My understanding of this South Indian Lake situation, and this is with discussion with the Provincial Auditor, that when the original project was envisioned, there was discussion between the Co-op Development officers from the Department, Indian Affairs people who were working in the employ of the Department of Indian Affairs from the regional officer here, who were working with the community to develop this project. Now as it originally was envisioned, the project was to be funded by a special ARDA program.

Mr. Chairman, when it was first initiated, it was understood, and I believe it was a sincere understanding on the part of the development officers involved, both those in the employ of the Co-operative Development Department of Manitoba and the field people from the Department of Indian Affairs, that in fact this particular project, this plant at South Indian Lake, was to be funded to the extent of 80 percent through the special ARDA program, which is of course mainly a Federal Government grant basis.

Mr. Chairman, that is a major factor, it was a major factor in deciding to go ahead with this project, because if in fact there was 80 percent grant funding, it would make this project much more viable than if it were to be a strictly loan basis. And, Mr. Chairman, some of this money was put out on loan, was still with the understanding that with the assistance of the Department of Indian Affairs and the Department of Regional Economic Expansion the cost to the province would be minimal, Mr. Chairman. And in fact the subsequent costs therefore by way of loan to the fishermen at South Indian Lake would be minimal as well and would put the project on a viable basis.

MR. SPIVAK: Mr. Chairman, the information by the Minister is not accurate. It's a nice story but it's not the whole truth. And this is the problem we face with all this. The fact is that they knew very well that the special ARDA money was not going to be available and, Mr. Chairman, the initial --(Interjection)-- I've listened to him; he'll listen to me, I would hope. Well, I mean this whole question of his --(Interjection)-- Well I know but the --(Interjection)--

MR. CHAIRMAN: Order please. Is the Honourable Minister rising on a point of privilege?

MR. SPIVAK: Mr. Chairman, I filed last year in this House - and the Honourable Minister may not have seen it and if it's necessary we'll refile the same document - the whole sequence of what took place with respect to Southern Indian Lake in terms of the Co-op, and the information that the Minister is giving, it's true that there was some hope and anticipation that there would be that money available, but they knew very well at the time that the contracts were being undertaken that it wasn't going to be available. And the fact is, Mr. Chairman, that they proceeded, the fact is that they tried to maximize the amount of DREE money that was available and they received some \$343,000, but the reality is, Mr. Chairman, that the costs escalated because there was the lack of administrative control which the Provincial Auditor has indicated.

But I am saying Mr. Chairman, that the government did not find out about that until three days before the election, and at that time the guarantee was undertaken and at that time they recognized that they had a mess. So the kind of procedures that took place in October, you know, the kind of effort that came about as a result of the Provincial Auditor going in and starting to work towards it, came about as a result of the recognition by the government that there were problem areas. And the difficulty we had last year when we started to make these representations, from the members on the opposite side we got the impression that there was

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MR. SPIVAK cont'd) . . . nothing wrong; we got the impression that there was nothing to be concerned about; we got the impression that what we were talking about was, you know, something that didn't exist and it was a matter that we were against northern fishing co-ops, we were against the co-operative movement, what have you. And basically, Mr. Chairman, if the government would have had their way and the Minister would have had their way and the department officials would have had their way, everything should have ended after the answer to the 32 questions, because once that was finished, then that was over; they had nothing more to worry about.

But the situation was much more serious, Mr. Chairman, and still is more serious, because notwithstanding the fact that the Minister has suggested that somehow or other reform has taken place, I suggest to you that the whole story of what has taken place with respect to the sequences of the loans that were made, guaranteed, to the amounts that are involved, to the full liability or to the inability to collect the moneys under this program, under the MACC program, to the amount of the PEP grants that have been given in the million dollars, whose audited statement I don't know whether they've completed yet or not and whether the government has it in their possession, to the amount of federal money given through the Department of Indian Affairs and through other federal programs, but the whole story is not known and the whole story will never be known, not in the way we're dealing with it now and not in the way the Minister has answered.

Our problem, Mr. Chairman, is, you know, what's our responsibility at this point? We are supposed to have made ridiculous charges. And I remember when the Minister laughed at, you know, the thought that there could even be a million dollars lost. Well, you know, the Provincial Auditor has already indicated a substantial portion of \$1.6 million appears to be in a position requiring payments. Well that's a million dollars lost. And honourable members can say that \$800,000 is secured, but secured by what? Secured by those assets up there? You know, the cattle that are lost in Crane River probably have better security than the security of the buildings that they have up in the northern area now.

Now our problem, Mr. Chairman, is, you know, at what point are we going to have the government face up to what has taken place? This matter, from the period of time of June, of the election, has been handled in a political way by the members opposite, and had they not been prodded by ourselves, very little would have been accomplished and very little would have been done.

Now we have to, Mr. Chairman, in the time that's allotted, go through the various co-operatives. We have to understand exactly the nature of what is going to take place, we have to understand the nature of the obligations that the government is prepared to assume, we have to understand the nature of the obligations that the fisherman has to undertake, and we have to understand very clearly what direction the government proposes to take. The Premier indicated that there would be a write-off with respect to Southern Indian Lake, and it may very well be that a write-off has taken place - I don't know. And if a write-off has not taken place, we have to understand from the Minister, when will the write-off take place. The Premier talked about \$400,000, but so what's \$400,000 if \$800,000 is going to have to be written off, because nobody's capable of paying it back. So let's get that \$800,000 settled with, then we'll start to deal with the fishermen.

Last year, Mr. Chairman, the Honourable Minister kept saying the reason the fishermen weren't fishing was because there were other job opportunities for them. But the reason they weren't fishing, Mr. Chairman, wasn't that. The reason they weren't fishing was there was no point on their part assuming obligations which really were not their responsibilities, which simply took away from the income that they could receive, and put them into the impossible position of being able to collect their money.

Now I have here a letter, Mr. Chairman, and I want to read it into the record; and I gather the amount involved is about \$3,000. But it's typical of the kind of thing that I've suggested. This is a letter written by the Chief Co-operative Development Officer to the Credit Manager of Intercontinental Packers Limited in Saskatoon, Saskatchewan. It says: "Re your account with Southern Indian Lake Co-op. Your letter of March 12th, addressed to Mr. Gauthier, Deputy Minister, has been passed on to me for reply. For your information, the above co-operative is not closed nor is our department handling its affairs."

Nor is our department handling its affairs. --(Interjection)-- Well, what does a power

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(MR. SPIVAK cont'd) . . . of attorney really give? That's the question. Who determines whether the department is really handling the affairs? Statements by the Minister saying that we don't manage it? Or someone who would basically examine this and then make the determination whether in fact the department people were handling the affairs.

"There is no winter fishery. However, preparations are now under way for the next summer season commencing June 1, 1974. During the period of no fishing, the co-operative does not have any revenues and may not be in a position to retire your account at this time. We are, however, bringing this matter to the attention of Mr. Gordon Demery (?) Manager of the Co-operative at Leaf Rapids, and we suggest that you also communicate with him direct."

Well, Mr. Chairman, I think that to the extent that the legality of the position, with the exception of a power of attorney - and I'll come back to that in a moment - is stated by the Chief Co-operative Development Officer, the liability is that of the co-operative. The co-operative received a credit. The fishermen are responsible as members of that co-operative. But there are two questions that come into play: (1) Is the liability to be assumed by the fishermen in this particular case even though there was a power of attorney exercised by the Development Officer over the co-operative? And (2) Was there any representation by the government that in effect government funding would be available? Now, if there was, did that induce the credit that was given, and if not a legal obligation - and I'm not suggesting that a legal obligation can be set aside, but if not a legal obligation, isn't there a moral obligation with respect to this particular issue? And, Mr. Chairman, that matter has not been settled. And that matter, realistically, is not a matter that the Provincial Auditor would normally deal with. And that matter, Mr. Chairman, is a matter that should be undertaken by a formal inquiry.

As I've said before and I will repeat again, Mr. Chairman, to members opposite, this is the problem with the NDP government's actions in Northern Manitoba. It's a problem that's severe, it's a problem that we'll discuss this afternoon, and we're going to be able to discuss it in the days that lie ahead, and document it, the problem of the fact that many innocent people, many people who are not large - Intercontinental Packers Limited, I believe, is a larger firm, probably in a better position to absorb a loss - many people who are not in that position have in fact believed, rightfully or wrongly, and I again put that question that maybe in many cases that they have no right to believe, but I suggest that in some cases they do, believe that the government involvement in funding, in funneling money, not just funding, but in funneling money that was available from other government sources, would undertake to see that liabilities would be undertaken and that the credit given would be met with payment.

Now the difficulty at this point is that, you know, the creditors are all over, and who's responsible? Are the department people responsible? Is the government responsible? I guess they can accept the legal position, we have no responsibility; it was really the co-operatives; they were managing it. But let's talk about the fishermen involved. Did they understand the nature of the obligations they were assuming? Let's talk about Southern Indian Lake Co-op. Did the fishermen really understand that they were spending \$327,000 on a main plant including refrigeration equipment? Did they understand that warehouse service shops and dining halls were going to cost \$104,000? Did they understand that fish boats were going to cost \$66,000? Did they understand that the docks and the conveyor system was going to cost \$62,000? And we know, for many months they never used the conveyor because nobody there knew that they had to put in a . . . No, no, it wasn't that; they just didn't have the electrical connection completed, that's all. No, it was not a switch, it was just --(Interjection)-- No, it wasn't a transformer. Something that would cost 35 cents. --(Interjection)-- A fuse, that's right. I thank you very much.

A MEMBER: We were all aiming too high.

MR. SPIVAK: You were all aiming too high. They didn't know that they had to put a fuse in, and the officials who were supervising it, who were responsible for the expenditure, allowed the fishermen, while they had them there, just to haul back and forth as they did before.

Site preparation was \$50,000. Did the fishermen know that? Manager's residence was \$37,000 with a fence around it. Did the fishermen know that? Assorted equipment, power line, communication, trucks, design engineering, fuel complex; oh, the fence as indicated here was \$10,463; manager's boat \$4,744.


What I am saying to you, Mr. Chairman, is that the concept that the fishermen in

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(MR. SPIVAK cont'd) . . . Southern Indian Lake knew that this project was going to be a million dollars and in effect their interest was being protected by the power of attorney that they gave to the departmental people who were protecting them and who were going to loan on their behalf money from a lending institution, which money would be paid back as a result of the earnings of the co-operative, these people themselves did not know. They did not have that degree of sophistication, Mr. Chairman, and what really happened is that the government essentially misled them, not with necessarily bad intentions, but with the incompetence that obviously is part of the malaise that existed within the department in dealing with issues and with funds and sums of money, and organizing itself to do it in a way that would be in the protection of the public interest as well as the people with whom they were dealing and managing.

The problem, Mr. Chairman, right from the very beginning, has been the government has not been prepared to acknowledge it. So what really is the write-off? We don't know. Is it \$4 million? Is it \$5 million? Is it \$6 million? Those figures sound pretty high. And I wonder what that write-off will be. And when we take the Agricultural Credit Corporation loans to the fishermen, when we take the loans from the Co-operative Loan and Development Board, when we take the amount the creditors are going to have to wipe out with respect to this, when we take as well, Mr. Chairman, the loss of income to the fishermen, and how do we know, Mr. Chairman, that the fishermen received what they were entitled to receive? How can you in effect reconstruct when there are no cash books and they're missing? And, Mr. Chairman, Southern Indian Lake Co-op stands as an example of the kind of things that have happened in other areas. It's true that in one particular case there was a capital item. We asked before, Mr. Chairman, with respect to the thrust money used on the PEP grants. Here is a problem area that, as far as I know, has not been solved and if the Minister has any information where I'm asking for it, he might as well tell us now because we'll ask for it on the next occasion.

. . . continued on next page.



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(MR. SPIVAK cont'd)

The Provincial Auditor is in the process of examining some million dollars in PEP grants. Those PEP grants were transferred into separate trust accounts on behalf of each co-op. The Development Officer became a countersigner of the cheques involved with respect to these matters. What were these matters used for? You know, money was spent. For a million dollars, what did they buy? How did it assist and help the various co-operatives? How did it help them in carrying out their responsibilities? Who made the decision that the PEP grants should be applied in this way? How many occasions were cheques signed in blank by the co-operative officials allowing the countersigning by the department officials? You know, we're going to go on and on and on because these answers--(Interjection)--Well not necessarily now, but these answers are going to have to be given.

As these answers unfold, they're going to show a story of not mismanagement but of real failure. Real failure. And the government's response is, "We're taking corrective action." The government's response, "It's not that way now." The government's response is, "Well, there were some reprimands and that's all that's required." The government's response is, "Well, you charged something which you haven't proved, therefore everything else is all right."

And I come back to something very fundamental. The charges with respect to the issue of wrongdoing came about as a document produced by his own officials. And whether it was subsequently denied by some people or not - and I really believe that the best evidence would be the evidence before a formal inquiry as to what really took place, and I say that because --(Interjection)--I must say to the honourable member, I've had an opportunity of interviewing a number of people.--(Interjection)--Yes, and I have also had an opportunity of interviewing Peter Moss, and I'm also in a position to quote Peter Moss. I'm also in the position to quote Peter Moss. And I don't think that what you say that Peter Moss said or what I said about Peter Moss really makes any difference. I think that the best evidence would be the evidence in an inquiry, and I say this to you because I think the evidence--(Interjection)--Let's have the inquiry. I think the inquiry would be very important. I think the inquiry would substantiate, not just the information that's obviously been given by the Provincial Auditor, but I think it would substantiate as well a number of other factors, and I think it would indicate accurately that there is need for much more investigation than the government is prepared to undertake.

Now, the government says that the Attorney-General has this matter. Well what does that mean? How quickly does the Attorney-General act? What does he do?--(Interjection)--I can wait till Monday. What kind of response does he give? You know, we've had evidences of wrongdoing in the last period of time, and what kind of activity has he undertaken? What kind of investigations?

The Manitoba Metis Federation requested that an investigation be undertaken with respect to the fishing co-ops. It was given to the Attorney-General. What was the response of the Attorney-General? Did he do anything? No, Mr. Chairman, he did not.

Now, Mr. Chairman, there are a few minutes left. There is going to be an opportunity for many answers to be given. In the few minutes that are left I wonder if the Minister - he can answer whatever questions he wants and he may not want to answer this one directly at this point - I wonder if he can indicate whether the Provincial Auditor has completed the audit of the trust accounts, the PEP money. I wonder if that report had been given to him. I wonder if he's indicated whether he has any particular comments on that matter. I wonder if he's indicated whether there were in fact trust cheques signed in blank by the co-ops, that were in the possession of the development officers and held by them pending the actual payment to a supplier or to a person who may have contributed with respect to a particular co-op itself.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, frankly, I did speak up more quickly than the Minister did because I wasn't sure that the Leader of the Opposition really ought to have control of who follows him when he speaks, and I did want to comment somewhat briefly on some of the statements made by the Leader of the Opposition. Of course, he is dealing with a report of the Auditor as of March 31, 1974, but we know, we all know that the report was of course written and submitted later than that. I really thought, and I still think, that there's a date in that report, but regardless of that, my impression is that the date would be some time last fall, and my recollection - I haven't looked at the report for quite awhile - is that the Auditor does say that there are corrective measures being taken about the bad administrative practices which he discusses.

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(MR. CHERNIACK cont'd)

Now the Honourable Leader of the Opposition has mixed fact with fiction and has suggested that the Auditor's report suggests or implies that there are administrative practices that are continuing that are faulty. And that's simply not true. And no matter how many times he repeats it, it's just not true. He's carrying on a Perry Mason case. The only difference is that in Perry Mason there's a guarantee that he will always get his man, because Perry Mason or his writer has control over the net result, but the Leader of the Opposition cannot control the net result and cannot write his own fiction story with its own ending.

Mr. Chairman, there are a number of points he raised which I think are valid and important to discuss. When he discussed whether the government has a legal or a moral liability to certain people, I think there is a validity in that discussion. When he discusses the report of the Auditor, then of course that's another matter. The Auditor is, has been, and if ever the Opposition would proceed with the review of the Auditor's report, will be able to discuss these matters, these particular matters, as they are referred in the Auditor's report.

Now the Leader of the Opposition of course over a year ago announced that he was going to rag this matter to the bitter end. To the bitter end means for another couple of years, so we all have to reconcile ourselves to hearing him repeat himself again and again and again. Meanwhile, I am sorry, I really am sorry that the Provincial Auditor has not been able to give him his final report. I'm indeed sorry that the R.C.M.P. report has not been completed, that the matter isn't all before us, because as far as I'm concerned I would say again, as I said before, if the Leader of the Opposition - I'm talking in general reports that have not yet been completed, and I'd tell the Leader of the Opposition I would be only too happy if these reports were in, completed; people charged if they ought to be charged; people discharged if they ought to be discharged; people reprimanded if they ought to be; but in the main, the cloud be cleared and people be relieved of a burden which has been placed on them by the Leader of the Opposition, some justifiably and others in an exaggerated sense and unfairly.

Mr. Chairman, there is a Provincial Auditor who, a year ago, I believe, his credibility was challenged by the Opposition, I think they no longer challenge his credibility. There is the availability of the Ombudsman for individuals who may have been adversely affected by actions such as described by the Leader of the Opposition. I don't think his credibility has been challenged - I don't know the extent to which he has been involved. There are people who are appointed by this Legislature in an impartial, independent manner, who could be doing and are doing investigative procedures.

Now the Leader of the Opposition has asked certain questions of the Minister to which I think the Minister should make an effort to reply, but he should not allow himself to be confused into attempting or even feeling obligated, morally, to answer certain of the questions that clearly are beyond the purview of this committee at this date. Well, I think the Leader of the Opposition, he can always find his opportunities in this committee and on other occasions to continue to debate this matter, which, as he admits, is contained in a report as at March 31, 1974. He can continue to do it, and will do it as long as people listen. But, you know, until we get the reports to conclude this, we must conclude that his talk will continue and will be heard to the extent that one hand clapping is heard by the people who are within hearing of that one hand clapping.

Mr. Chairman, I just see no sense in the Minister responding to the extent he has been attempting to respond. He started out in a hard manner and now is attempting, I think, to overcompensate, to respond to everything that's being asked, question by question by question. I hope there'll come a time when he decides to discriminate in the manner he responds to the Leader of the Opposition. And that discrimination has to do with the fact that there are matters still not reported and there are matters that have been clearly admitted, and what has been admitted is bad administrative practices and the statement that there have been corrective measures taken have to be accepted as made by the Auditor, or the Auditor has to be challenged, not the Minister.

MR. CHAIRMAN: Order please. The hour being 4:30, Private Members' Hour. Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered certain resolutions, reports progress and begs leave to sit again.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Private Members' Resolution, Resolution No. - oh, I'm sorry. The Honourable House Leader.

MR. GREEN: Yes. Mr. Speaker, I gather that there is a disposition to conclude at this time. I just want to indicate that my impression is that next week, all of the time, with the exception perhaps of some time on Monday, would be on the Budget, and the next department that we will be coming to in the House will be the Department of Health and Social Development. Tuesday, the Minister responsible for the administration of the Public Automobile Insurance Corporation will be available at the Committee on Public Utilities for presentation of the report of that Corporation.--(Interjection)--Pardon me. I am now indicating that, calling Public Utilities for Tuesday to hear that report. If there are no questions, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: I'm one of the delegates going to Quebec on Monday and I would certainly like to be here when that Minister comes before the Utility Committee.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Well the honourable member is the critic, I gather, for the Insurance Corporation. Is he going to be here on Thursday? Well, Mr. Speaker, we are not trying to finesse anybody. We'll see to it that there is another committee meeting on Tuesday, but then I would ask honourable members on the opposite side to co-operate and facilitate another meeting.

I move, Mr. Speaker, seconded by the Honourable the Minister of Tourism and Recreation, that the House be adjourned.

MOTION presented and carried, and the House was adjourned until 2:30 Monday afternoon.