

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, April 26, 1974

COMMITTEE OF SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. CHAIRMAN: The Department of Co-operative Development. Resolution 44. The Leader of the Official Opposition has 25 minutes remaining.

MR. SPIVAK: Mr. Chairman, how many?

MR. CHAIRMAN: Twenty-five.

MR. SPIVAK: Mr. Chairman, when we concluded at the lunch hour I was indicating in response to the statements or the comments of the Attorney-General that what has been involved in the questions that have been asked, the information furnished which contained certain allegations, the requests for information from the government and in the debate that has ensued, is an investigation of some serious charges with respect to possible criminal aspects with respect to the matter; and further as equally serious charges of whether mismanagement occurred to the point that there was in fact waste of either fishermen's money or ultimately taxpayers' money.

Mr. Chairman, this is going to be a very difficult thing for the government to acknowledge or even be in a position to investigate and this, Mr. Chairman, I believe is clearly demonstrated, clearly demonstrated.--(Interjection)--Well, Mr. Chairman, I've indicated that I think there are two issues involved. The one issue of fraud which the government would like to at this point say is the only issue, when I say, Mr. Chairman, that the issues that were raised involve not just the question of fraud but they also involve the question of mismanagement. I think the mismanagement is a factor because if there was mismanagement and there was excessive costs borne by the co-operative which puts it now in the position of bankruptcy, which puts it now in the position of financially not being able to handle its affairs, then I think it will (a) have to be borne by someone. In some situations when these things happen it's the people who guarantee, but I think here there is more than just the normal commercial responsibility, there is a moral responsibility on the part of the Department of Co-operative Development. Because in effect, Mr. Chairman, the degree of supervision exercised by the department for all intents and purposes provided what was realistically almost complete management. And that degree of supervision was not just the advice and guidance given to people who are unsophisticated and unable to cope or understand what was happening. It involved the financial matters; it involved the maintenance and the supervision of the accounting records; it involved the arrangement with the Freshwater Fish Marketing Corporation, involved the whole range of financial matters. And if, Mr. Chairman, as a result of the mismanagement of the department officials a loss was assumed by one of the co-operatives, because of their error and mismanagement, I wonder if it's now the position of the government that the fishermen should have to pay that. Is it the position of the government that if in fact there is a loss that was caused by mismanagement it's the fishermen's responsibility to pay it? Because that's what we're finally coming down to in this particular matter. They would like to sort of hang their hat on a fraudulent aspect of it; they would like to ignore the fact that someone is going to have to pay, someone is going to have to lose.

I think we can illustrate this very well by dealing with the Ilford Co-op and the meeting that was held yesterday - and the Honourable Member from Birtle-Russell who was in attendance there at that meeting is going to be in a better position to deal with it than I am - to deal with the way in which the government and how the government is approaching this particular matter at the present time.

The Ilford Co-op as I understand it is in debt to \$170,000. Of this, \$100,000 has been guaranteed by the Department of Co-operative Development, although the records will show that as at the end of the last fiscal year the amount was \$65,000 and the government saw fit to increase that amount to \$100,000. There is some \$41,000 owing to the Manitoba Agricultural Credit Corporation. In addition I believe there are loans from the Manitoba Agricultural Corporation to the fishermen involved. There are moneys that were supposedly to be held in trust owing by the co-operative to governments, to the Federal Government. And further, there are the creditors involved who have not been paid and who are in the position of any normal creditor when an operation is bankrupt.

But the problem here, Mr. Chairman, is who should be paying? Should the fishermen who placed themselves in the hands of the Department, who are the unsophisticated people that

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(MR. SPIVAK cont'd) the Honourable Minister has referred to before, who rely entirely on the Department and the direction and supervision given to them, should they now have to pay for some of the liabilities that have been incurred, which at this time I believe in the confusing role of the Department can be alleged to have been charged to the Department's mismanagement and therefore are really the ministerial and government responsibility. And if the fishermen are asked to pay for that then surely the government at this point is then going to be stealing from the fishermen. Because, Mr. Chairman, the problem that we have not addressed ourselves to is who is going to take this financial bath in this one co-operative, which I suggest will be the forerunner of how the government intends to approach the financial baths that have to be taken in the others and the big one in Southern Indian Lake.

Now there were proposal brought forward which was not accepted by the fishermen, the few who were there, because, Mr. Chairman, the enthusiasm with which the government dealt with this first co-operative has now vanished and the expectation is not there and there really is a question I think at this point whether any fishing will even come about and who is at fault at this point. Well the argument could be advanced, and I know that the Honourable Member for Birtle-Russell will discuss this more fully, that is the Freshwater Fish Marketing Corporation's involved. The argument can be advanced that it's the fishermen's fault. But I think there is a very strong argument to be presented that it really is the fault of the members of the Department of Co-operative Development.--(Interjection)--Mine, ours, yes. Well, Mr. Chairman, I wonder.

In a bulletin that was published in 1971 dealing with the Thunderbird Quill, dealing with the statements issued by the Department of Co-operative Development, dealing with the statements of the Minister who now is under control of this particular situation, he said, "The Ilford Co-operative" - this is the formation of the fishing co-operative announced by the Manitoba Agriculture Minister Sam Uskiw - "The Ilford Co-operative is expected to produce between 800,000 to 1,150,000 pounds of fish yearly with annual sales in excess of \$250,000. It is expected that 50 Indian fishermen from Split Lake, York Factory and Oxford House reserves and Metis from Gillam and the surrounding communities will participate in the co-op." Well that was the expectation. This was three years ago. I gather there were only ten people who were present at the meeting yesterday and the meeting was well publicized from what I understand about it because we heard about it.

I would suggest, Mr. Speaker, that what we were talking about at that time or they were talking was 300,000 pounds of fish not 800,000, that in effect what they are really talking about is the possibility there may be 25 fishermen fishing this season and in effect the expectations of the Minister and the announcements have not been met and he has the, you know, the audacity to say it's our fault. Why is it our fault? Who advised the fishermen how to handle their situation? Who advised the fishermen? Who is advising the fishermen now that they have the legal obligation along with the moral obligation to pay the Manitoba Agricultural Credit Corporation off their catches in the future because they have an indebtedness when he and the government are not prepared to allow an independent accounting to be made. Not by an external auditor but a judicial inquiry to be able to determine the degree of mismanagement and the degree that has to be charged of the expenses borne in a co-operative by the fishermen and which I believe should offset the amounts that the fishermen owe. Now no one on this side is suggesting that obligations do not have to be borne by people who undertake them. I would agree and I accept that the people in the north who are dealing in this matter are unsophisticated, but I do not believe that they can at this point place their trust in the government and believe that that indebtedness is still owing because against that I am quite confident that any court of law would determine that the degree of mismanagement on the part of the government prevents them in all conscience from claiming the amounts of money.--(Interjection)--Oh yes, the unsophisticated people whom you were trying to protect can now sue - yes - can now sue us. Oh yes, and we will have them dragged from the courts. Mr. Chairman, the government is going to write off the \$100,000. The Member from the Department of Co-operative Development admitted that. So we have \$100,000 written off. The \$40,000 . . .

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

MR. USKIW: I did not say at any time that we are writing off anything.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I'll repeat, the Member from the Department of

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(MR. SPIVAK cont'd) Co-operative Development admitted, as I understand it, that the government will write off \$100,000 on its guarantee. It's pretty obvious they're not going to be able to secure it against anything.

Now the matter of the Agricultural Credit Corporation is a different situation; because the Manitoba Agricultural Credit Corporation deals with farmers. There are tremendous moneys that have been loaned by the Corporation to farmers and the government is in an impossible position at this particular time. They are going to try and claim against fishermen; they are going to try and claim against fishermen; they are going to try and proposition the fishermen that somehow or other they must bear this liability. I suggest to you that there is a moral question that has to be put as to whether the government has any right to ask the fishermen to pay that when in effect they have mismanaged their affairs to such a point that the fishermen are in no way in a position to judge really what they would have been entitled to had their affairs been handled properly and what moneys would have been forthcoming which would have put them into a position to have paid off or at least paid off part of the liability that is being asked by them. And for that reason, Mr. Chairman, the fishermen are going to walk away from this proposition; they are not going to accept it. And I would tell you, Mr. Chairman, if I was in their position or they asked me for advice I would say, you know, Mr. Fisherman, you are the unsophisticated person, you are the person with whom the provincial government has said we will take risks, you have not had a proper accounting, you've put yourself in the hands of the department officials, they have messed this matter up so badly that there is no way that you can be sure as to what amounts you are entitled to. And for that reason, Mr. Chairman, until there is some proper way in which that accounting can be established, until there is some proper way, until the records can be dealt with, until there is some independence and objectivity in examining the facts and figures, you should not put yourself in the position of incurring or of trying to pay off an obligation that you may realistically not be legally liable, at least in total, may be legally liable in part. And the problem here is that it's not as if this is a direct grant from the government. It went through the Agricultural Corporation, it has other ramifications and spin-offs for that Department, and has also spin-offs for the problem of the management of the Minister of his own Department.

This is Ilford, Mr. Chairman, there is much more to be said and there will be much more that will be said in connection with this matter. Mr. Chairman, I yesterday referred to the fact that, you know, this was sort of anticipated, this is not something that I'm saying that really is known to the government for the first time. The government produced its own documentation yesterday. It produced it in its record of an extension program, of the Department of Extension Service of the Department of Mines and Natural Resources when it dealt with on site fishery extension programs in Northern Manitoba in 1973. And it put the questions and put the answers to the questions. It said what appears to be the problem causes with respect to the organizational problems among fishermen with respect to the co-ops? And it said, "Some co-ops seem to have been formed overnight after the disappearance of the fish companies. As a result fishermen don't understand how they work. Secondly, most fishermen and on site workers as well don't understand the ins and outs of the co-op loan and loan guarantee board or about the consequences a co-op faces when they fail to repay loans."

It basically indicates, Mr. Chairman . . . Problem No. 2. When the fish companies were replaced by the Freshwater Fish Marketing Corporation fishermen were given the entire responsibility of fishing equipment purchase, licence, organization of co-ops, transportation arrangements, etc. Many now feel overwhelmed by the new responsibility and are prepared to give it up. What appears to be the problem causes? In the past fishermen just had to worry about setting and lifting nets. Now only overnight they have had to handle the whole business of fishing. They were placed in the ball game without being made ready to play the game. Who placed them in the ball game? Who gave them the instructions on how to play the game? Who was supposed to assist them on how to play the game? Who was supposed to be auditing them on the way they were playing the game? Who was supposed to be supervising them in the way they were playing the game? The Minister and his officials. That's why, Mr. Chairman, when a question is raised as it was yesterday that the fishermen are obligated to pay off the Manitoba Agricultural Credit Corporation, when the question is put by the department people that you must now on a poundage pay two cents and one cent and then the suggestion made to them that somehow or other they'll pay it off in ten years. Well I don't know, Mr. Chairman,

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(MR. SPIVAK cont'd) with interest rates at 10 percent I'm not sure how they can pay it off in ten years. Maybe 20 years. I just wonder whether, you know, the unsophisticated person that we're trying to protect should be burdened in this way.

Now the other point mentioned here in the Minister's own departmental report is the fishermen do not appear to be aware of the alternatives to the co-ops which might relieve them of some of their responsibilities. Mr. Chairman, yesterday at Ilford we saw the first example of the new approach and the new re-organization by the Department with respect to the matters that plague them. The issue of the northern co-ops has been a nightmare to the Minister and to his officials. The loss will be tremendous, Mr. Chairman, the loss will be tremendous. The loss has been accumulated over the years. The only time that the action was really forthcoming was in fact when the charges were made by the department. The truth is, Mr. Chairman, the truth is, Mr. Chairman, that the intensity with which the department has now began its activity only comes as a result of the fact that information was supplied in this House by the Opposition, and I again point out that had we not been in that position the Minister would have stopped us with his answers, which were not candid with this House, which were not completely accurate and would have stopped us from pursuing it further. And, Mr. Chairman, if the Honourable Attorney-General wants this side to give him the kind of indication of when some inquiry other than the normal kind of inquiry should be undertaken, I would suggest that the grounds for that kind of independent inquiry separate from his department would come under that situation, and I think I indicated that to him in my conversation with him. Because in effect if information is given incorrectly and that information is produced in the House and is incorrect then there has to be a reason for it, and at that point then I think it becomes very serious and germane to try and determine why that information was produced and why it was incorrect. And I suggest to you that there is no way that the government on the opposite side, in all fairness, dealing with the unsophisticated people whom the Minister seems to suggest I am not concerned about, can ask them to bear an obligation which does not take into account the waste in mismanagement of the fishermen's money handled by the department people, audited by them, supervised by them and managed by them. And, Mr. Chairman, if the Minister intends to take the position that somehow we are to blame for the actions of his department in the last few years, since 1971, if he's taking the position that somehow or other the fishermen are obligated to pay that amount, then I say without question, let him resign now. Let him get out of this business now because he has no moral right to in any way, a moral right to in any way impose on the few fishermen there that obligation. And further, Mr. Chairman, I must say, and I think this point has to be said again, that by asking the fishermen to bear a burden at this point which they are incapable of bearing, you are now imposing a burden on them which--(Interjection)--the members of the Department of Co-operative Development who presented the proposal to them and who indicated that this had to be paid off because the MACC were preferred creditors, and who gave them the impression that their obligation was to pay this off. The reaction of the fishermen, they won't fish. Now, Mr. Chairman, if they don't fish the Freshwater Fish Marketing Corporation does not get the fish.

I want to make one point and then I'll close. Anyone of us can go to any of the supermarkets in this city or any of the stores in the city and walk in and try and buy fish from the Manitoba Lakes. You won't find it. It's not here. It's being sold for export. And what fish is being sold here is fairly expensive. Our Minister of Consumer Affairs laughed yesterday when we talked about a prices review board, but I wonder if there's any obligation on his part to see why the price of fish is so high in Manitoba and why we can't get Manitoba fish? The Minister announced that the proposals in 1971 were that there was to be 800,000 pounds of fish taken out of the lakes which now are taking out only 300,000. That's 500,000 pounds of fish in this one co-operative, less than what was projected; and if we go to his maximum of 1,150,000 that's 850,000 pounds. Mr. Chairman, I wonder what the price of fish would be in this province and I wonder about its availability had the fishermen been able to fish the amount of fish proposed by the Minister and had been in a position to supply the Freshwater Fish Marketing Corporation? Is it possible, Mr. Chairman, you know, is it possible that the consumers in this province would have been better off? Is it possible, Mr. Chairman, that they would have been in a better position to purchase fish at a lower price as a result of this and the quantity.

But, Mr. Chairman, the problems here are not the problems of the fishermen, they are the problems of the Department of Co-operative Development who until just recently were not

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(MR. SPIVAK cont'd) prepared to deal with the problem and the problems of the government who are not prepared to deal with it because it would have been an admission on their part, it would have been an admission on their part that somehow or other they had handled the affairs of the Department in an improper way.

The Honourable Member from Birtle-Russell was present at the meeting. I think he can bring to debate some very important observations and comments that have been made and I think maybe he can give some leadership as to what should happen in this matter, which is very different than the kind of leadership that has been demonstrated by the government so far.

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

MR. USKIW: Mr. Chairman, the Leader of the Opposition obviously finds himself in a very peculiar position of having to withdraw from his original position, and that is that there was in fact a fraudulent practice within the department. He is now trying to . . .

MR. SPIVAK: Mr. Chairman, on a point of privilege, and we'll go over this again and again and again.

MR. CHAIRMAN: The Honourable Leader of the Opposition on a point of privilege.

MR. SPIVAK: The allegations with respect to fraudulent matters were contained in a written statement or written documentation prepared by the department, summarizing conversations made between the Freshwater Fish Marketing Corporation and the Department. Those are what we produced and as a matter of honesty the Honourable Minister has to indicate that that documentation is what has been alleged and what has been referred to. Now, if he suggests and he will go around us that the statements were not made, then he might as well suggest as well that his own people in writing the summary of what took place essentially misunderstood what the chairman was alleged to have said. If he admits that, then at least we will be dealing with the true facts of the situation, but he continually, and I rise on this privilege, continually refers to the allegations made by myself. Those allegations are contained in the documentation prepared by his own department people.

MR. CHAIRMAN: Order please. Order please. I wonder if members before they interrupt on a point of privilege would ascertain to themselves that they do in fact have a point of privilege and not just a difference of opinion. The Honourable Minister of Co-operative Development.

MR. USKIW: Mr. Chairman, it's incredible to witness the performance of the Leader of the Opposition on this issue, because the document that he alleges contains the various charges of fraudulent activity on the part of staff members of the department, in itself exonerates those individuals who are being charged, the same document, Mr. Chairman. And I want to read into the record, Mr. Chairman, one or two lines from the conclusions of this particular paper which was filed by the Leader of the Opposition as his evidence that there is something wrong, that there are fraudulent activities going on. I now want to read from that document dated September 1, 1973 and reproduced by the Leader of the Opposition for the benefit of the members of the House.

I quote, Mr. Chairman: "Since the concerns were not presented in any sequence L . . . R . . . started to explain why the plant was located at Leaf Rapids since a statement was made that it was in the wrong location. The explanation was cut short by Peter Moss by saying he is not accusing anyone of anything or wants Mr. H . . . to defend himself, but is only trying to help out and to make the plant work." That is a conclusive statement and this is not an official departmental document, Mr. Chairman, but a personal minute, an accounting of the individual involved as to what he thought was the conversation of that particular meeting. It was not a document or an official minute of that particular meeting. So that my honourable friend the Leader of the Opposition should recognize the importance of that distinction. When people are engaged in discussion and debate there are times when they may be misinterpreting each other's comments and it's obvious that the Chairman of the Freshwater Fish Marketing Corporation wanted to make sure that there were no misimpressions left in the minds of those at that meeting and therefore concluded his remarks by saying that he was not accusing anyone of anything.

The Leader of the Opposition has the audacity, Mr. Chairman, to present that as some kind of a meaningful document on which we should launch into a massive interdepartmental witch hunt, Mr. Chairman. Obviously we know what the game of the Leader of the Opposition is, Mr. Chairman.

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(MR. USKIW cont'd) Mr. Chairman, we have asked, because, because of the allegations of my honourable friend we have asked that all of these things be checked into, and I have asked my department from Day One to make sure that whatever information we are giving is accurate; and if we're not sure of the accuracy then we should engage whatever expertise is necessary to verify it. That is not a problem for the department. --(Interjection)--What's the point of order?

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: . . . Mr. Minister would want to be accurate. Based on the information supplied to Public Accounts by the Provincial Auditor, the request to audit the books of the Southern Indian Lake Co-op has been undertaken by the Provincial Auditor at the request of the Provincial Auditor. The request that the department made was to audit the department's records. He has made a further request to audit the Southern Indian Lake Co-op, at his request, because the records were not sufficient for him to be satisfied that the information at this point was accurate enough.

MR. USKIW: Mr. Chairman, I'm not quarreling with that, if that is the way in which it was developed. But I am saying, and I said this before, that the department is endeavouring to make sure that all of the facts are presented as they are, as they were, and as accurately as they can be presented. I don't think that anyone is trying to indicate that there's any need to do otherwise. And if the Auditor discovers that there is some credibility to the accusations of the Leader of the Opposition with respect to fraudulent activity, I'm sure that he will as part of his duty refer that particular discovery to the Attorney-General's Department for proper follow-up.

I rather suspect, Mr. Chairman, that that will not happen, because I don't believe at this point in time that there was any evidence to suggest that any member of our staff had acted in a fraudulent manner. Now that doesn't mean that that isn't a possibility, but until the Leader of the Opposition furnishes us with some concrete evidence that that is in fact the case, then obviously I'm not prepared to launch an interdepartmental or departmental witch hunt, as the Leader of the Opposition would want us to do.

I think it should be noted, Mr. Chairman, that that kind of thing can only result in a loss of morale within the department, if people without any evidence whatever go about the department pointing the finger at every individual whether or not there is any reason for doing so or not. I think that is important to keep in mind.

I want to remind the Leader of the Opposition, and you know he wants to escape from this historic fact, Mr. Chairman, and that is that the procedures of accounting that the department was involved in with respect to the northern co-operatives have not changed until 1973, they were proceeded with in exactly the same way as they were carried out during the time that the previous government was responsible, Mr. Chairman, all of the auditing and accounting procedures were exactly identical to what they were when we inherited the system.

The Leader of the Opposition wants to challenge me. I want him to check the record, and he will find out, Mr. Chairman, that the same people that were looking at the books in the northern co-operatives from the early 1960s on were also performing the audit functions at the central level. I should like to point out to the Leader of the Opposition that we did not like that approach either and last year we hired another individual that had nothing to do with the northern co-operatives, had no personal contact or connection with them on site having to do with their own bookkeeping, who was charged with the responsibility of performing the audits for these co-operatives. And that is the first time in the history of the northern co-operatives that an independent approach was taken with respect to the auditing of their books. Now the Leader of the Opposition can say that it is still not independent and still within the department; and that is true, Mr. Chairman, it is a service we are providing for the co-operatives. They don't have to by law come to the department for that service. They can choose to go anywhere to get their auditing done, they can go to any independent auditor they may choose. In the fledgling co-operatives that we have in Northern Manitoba it is reasonable to offer those kinds of services as a service of the department, but we have separated the auditing function or the people that are responsible for the auditing function from the day-to-day business operations and advisory services that we provide for the northern co-ops. That is an important separation and I want to say again happened only last year and that the system that we had carried on with up until last year was the same system that was in effect for many many years if not for a couple of decades or more.

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(MR. USKIW cont'd)

Now the Leader for the Opposition suggests that the fishermen are going to have to pay for whatever losses occur with respect to the co-operatives, and I simply want to point out to him that by law that is impossible. And he knows, Mr. Chairman, that by law that is impossible. Who the devil is he trying to kid, Mr. Chairman? He knows that legally you cannot have these fishermen pick up the debts of a bankrupt co-operative if they are bankrupt. So let not the Honourable Leader of the Opposition try to mislead the people of Manitoba. The only way in which the co-operatives are going to be viable, Mr. Chairman, is if they are successful in getting a better arrangement, vis-a-vis their handling fees from the Fresh Water Fish Marketing Corporation, and that particular arrangement has been under some degree of negotiation for some time and it is our hope that that is one of the answers in solving the financial problems of these co-operatives. It may not be the only answer, but one of the answers. The handling fees are obviously not sufficient to cover their costs.

Now there are other factors involved that the Leader of the Opposition wouldn't appreciate because, Mr. Chairman, he is too comfortable back here in Winnipeg, he cannot begin to appreciate the problems of Northern Manitoba. He can only imagine, he can only dream about what they might be like, Mr. Chairman, but could not really appreciate what they are like. And I don't believe that he will ever be an authority on the problems of Northern Manitoba with respect to the remote communities and the fisheries contained within those communities.

I should like to point out, Mr. Chairman, that the department has tried to assist a number of these co-operatives in finding capable management. We have advertised Canada-wide for people to take positions in that part of Manitoba, and we have had failures in trying to bring people into that area. People with any expertise, people that would be valued very highly in the fisheries, which would require very substantial salaries, have taken a look at that area and decided that that is not the place in which they would want to make their home. We've had them as far away as Prince Edward Island, Mr. Chairman. No amount of dollars was able to entice some of the applicants for those job positions, to manage those facilities. That is one of the problems that we have to deal with. It is not only a matter of managing the plant and equipment, Mr. Chairman, it's a matter of trying to bring into play all the various linkages, including the people, the individuals, the personalities who are not accustomed to these kinds of responsibilities, who don't quite know the way in which to proceed in terms of conducting their board meetings and things of that nature; the decision-making process, the implications of decisions. It is very difficult to find those kinds of people and if we do find them it's going to require a pretty hefty salary to induce someone to locate in that part of this province. Notwithstanding that, Mr. Chairman, members of the department have been asked to assist in whatever way they can, even if it was in a limited capacity, to help in the management of these co-operatives by whatever advice they were able to give. I'm the first one to admit, Mr. Chairman, that we do not have sufficient expertise in the department to do that kind of a job. And that is not a secret, that has been true from the very first day that a co-operative was ever established in Northern Manitoba.

I want to reflect again on the posture of the previous government with respect to Northern Manitoba, Mr. Chairman, and in the development of co-operatives, where they provided a \$100,000 loan fund, a very meager amount to say the least, but no people to help in the organization, in business management advice or whatever. And I want to say that with the best of intentions, with the best of intentions. and I challenge the Leader of the Opposition to place himself at South Indian Lake and to run the co-operative in South Indian Lake or at Ilford or any other place in Northern Manitoba, I challenge him, Mr. Chairman, to go out there and live in that environment and to produce a cash flow that's going to show him in the black. I challenge him, Mr. Chairman, to make sure that the fishermen that fished last year will fish next year. I challenge him to do that.

MR. SPIVAK: Mr. Chairman, do you want me to respond to the challenge? I will say to the Honourable Minister, you give us the government, we accept the challenge.

MR. USKIW: Mr. Chairman, that has to be the greatest laugh of the century. They had the government up until 1969, and we wrote off, Mr. Chairman, \$82,000 of their co-operatives - \$82,000 when they had a very limited, a limited loan fund of \$100,000, Mr. Chairman. That \$100,000 didn't go anywhere, Mr. Chairman. Mr. Chairman, I'm not condemning them for having tried, I'm only pointing out that their efforts were very meager. A \$100,000 with zero

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(MR. USKIW:cont'd) staff, zero staff in Northern Manitoba, until about 1963, then they hired one - 17 co-operatives and they hired one; and if you just count the miles and the travel days between one co-operative and the other, you would wonder how one staff person in charge of Northern Co-op Development is able to cope with the problems that he had to deal with at that time, Mr. Chairman. One. That same individual, Mr. Chairman, was in charge of the program right up until late last year, the same individual . . .

MR. GRAHAM: And look at the record.

MR. USKIW: And look at the record, that's right. The same individual, Mr. Chairman, and I'm not knocking the individual, I'm sure he tried his best, we're not knocking the individual my friends opposite are knocking the individual, who they hired, Mr. Chairman. Mr. Chairman, let me relate to that. He says, why did we demote the individual. Mr. Chairman, we first promoted the individual, we first promoted the individual and it was found that he was incapable of handling the additional responsibilities. Mr. Chairman, there was an agreement that he slip back to his original position, there was an agreement between himself and the department that he should be brought down to his original position for which he was qualified.

MR. SPIVAK: Why did he appeal to the Civil Service?

MR. USKIW: Mr. Chairman, the Leader of the Opposition says, why did he appeal to the Civil Service? I don't know why, because it's obvious to me that he must have changed his mind. But I know that the Civil Service Commission upheld the position of the department based on the fact that it was a mutual agreement in the first place.

Now, Mr. Chairman, let us not dwell, let us not dwell, Mr. Chairman, on personalities, but let us appreciate the fact that there has been so little input, so little input into Northern Manitoba and the Northern fisheries by the previous government, and such a lot of catching up to do, and the lack of expertise is one of the biggest problems that we had to cope with. Mr. Chairman, we are not afraid of taking those risks, because we know that that is the only way, that is the only way that we are going to involve those people in Northern Manitoba in their own economic development.

MR. GRAHAM: You're going to push them further down every year.

MR. USKIW: The Member for Birtle-Russell says, you will push them down further. I should like to point out that if the Member for Birtle-Russell was in the House the other day he would have realized that notwithstanding all of those problems, we do have a lot of successful fishery co-operatives in Northern Manitoba. Let's not zero in on the one or two that fail, Mr. Chairman, let's also recognize the two or three dozen that are successful, and that is important to recognize. Let's not tar them all with the same brush as does the Leader of the Opposition, when he says all of those people are somewhat stupid, Mr. Chairman; where he says that some . . .

MR. SPIVAK: On a point of privilege, you know . . .

MR. CHAIRMAN: The Honourable Leader of the Opposition on a point of privilege.

MR. SPIVAK: I would ask that the Minister withdraw that statement. He knows that not to be true.

MR. USKIW: Mr. Chairman, I know that to be true because I can quote the Leader of the Opposition verbatim when he suggested they are completely unsophisticated and they would sign anything put under their nose, Mr. Chairman. That's what he said in this House.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, you know, I think that the question is one of fact as to whether they did sign anything or not. The words used by the Honourable Minister were that I said they were stupid. I didn't say they were stupid, I said they put their faith in the department officials, and there's a very big difference, and they therefore signed anything handed to them. They were mistaken in that faith and they know it now, but at the time they had faith in the department people, and it's very different than the suggestion I said they're stupid. If the Honourable Minister says it is his interpretation that's what I'm saying, we'll argue about that, I've never said they're stupid. They're unsophisticated, but I'll tell you something, they're smart enough to know when they've been had, and they've been had by the Minister.

MR. USKIW: I appreciate the fact that they were smart enough to know that they should get rid of the previous government in 1969, and again, and again not to endorse any one of their candidates in 1973. That I know they are intelligent enough to do. And if the Honourable Leader of the Opposition persists to berate those people as he has in this House, Mr. Chairman,

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(MR. USKIW cont'd) he will not succeed in electing anyone in that area of the province for a long time to come, if ever.

Mr. Chairman, the Leader of the Opposition is now suggesting that he's not really pushing the fraud charge. You know, maybe, maybe not. You know, he's come a long way from his original position. He is now saying that there is another problem, there's a problem of management, and that's really where we should be looking. I want to advise him that we have been aware of the problem of management of northern co-operatives from Day One, from Day One, Mr. Chairman, and have been trying to cope with it, have been trying to cope with it, and there are no easy solutions to those problems. I want to advise the Leader of the Opposition that we are going to have many management problems in northern Manitoba for many years ahead, for many years ahead, because of the lack of social economic development in that part of the province over the last hundred years, and because they are so far behind the rest of Manitoba that they are in their early pioneer stage, and members opposite should try to remember where we were in this part of the province about a 100 years ago in our economic development.

I should like to relate an experience, Mr. Chairman, when I visited one of the reserves in northern - well I visited quite a few, but I want to relate to this particular one. Where this particular reserve decided that they want to run their own affairs, they entered into an agreement, an arrangement with Indian Affairs, that Indian Affairs would step aside and let them run their own show, run their own affairs on the reserve, but that Indian Affairs would always be available to rise to the occasion whenever there was help required. Mr. Chairman, these people were doing a beautiful job, it was one of the neatest reserves that I have ever seen; a beautiful area, clean, well kept, neat housing, they were installing sewer and water, they were making progress, Mr. Chairman. And in talking to the officials of that reserve, they related to me one overriding concern and that is, yes we are involved in some fishing and some lumbering and related activities, but you know they said to me no matter how we look at it we can only employ 25 percent of our employables, there is just nothing else here. We can never see the day when we will employ all of our people that are employable; and while we are taking on bold responsibilities and trying to run our own affairs, and while we are trying to get off the welfare list by creating jobs in one form or another, we don't quite see how we are ever going to reach that day when we can fully employ the employables on this reserve.

Mr. Chairman, members opposite should appreciate that; that the opportunities in these areas are very limited and to the extent that we put money in to innovate or to help those people innovate for themselves, to the extent that we are successful, and even if it's 25 percent successful, Mr. Chairman, we will relieve the welfare load on the taxpayers of this country. But that is the least important, Mr. Chairman. We will raise the dignity of those people, and that is the most important thing. We will give them new challenges and new heights to look up to. That is really what has to be done, Mr. Chairman, to restore confidence in themselves and into the future, and it's not measured in dollars and cents. The Leader of the Opposition knows that he can to some degree succeed in causing a southern backlash over money spent in the north. He knows that the people in southern Manitoba may not appreciate that he is still smarting from the last election, Mr. Chairman. That is his problem, and he is not prepared to have public funds, not prepared, Mr. Chairman, to have public funds go into Northern Manitoba in order to raise the sight of those people, so they can fully participate in the development of this province.

Mr. Chairman, I have worked, Mr. Chairman, I have worked with native people personally, they have worked for me. I know them very well, I went to school with them. I know their ways of living and I know you are not going to bridge the gap that my honourable friend seems to think can be done overnight, their habits are different than ours. And nor should we completely try to integrate them into our way of living, Mr. Chairman, but rather we should explore ways and means of developing their culture, their values in such a way that they will develop economically but retain their identity. And that is the important thing, Mr. Chairman.

There are many things to be done in Northern Manitoba, and in the doing of those things, Mr. Chairman, we are going to make many mistakes, but doing we are going to do. And if you look at the budget, Mr. Chairman, if you look at the budget, you know we have one million dollars in loan funds for all of the co-operatives in this province, one million dollars. Mr. Chairman that's a very insignificant amount of money relative to the total budget, relative to

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(MR. USKIW cont'd) what we are doing in a whole host of other programs, Mr. Chairman.

The Leader of the Opposition alluded to the fact that we were stingy with respect to \$300,000 for the Jets. I don't know what kind of a businessman he is, Mr. Chairman, but I interpreted that request not to be a loan but to really be a gift. I didn't see daylight on the other side of the horizon, Mr. Chairman, with respect to the Jets. I could see a write-off of \$300,000 plus everything else between now and when we wrote it off. The Honourable Leader of the Opposition would say that is okay, but don't you dare waste any money or lose any public money in the development of Northern Manitoba. That's what he's saying, Mr. Chairman.

MR. CHAIRMAN: Order please. The Honourable Minister's time has expired. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Chairman. Mr. Chairman, I have listened for the last half hour to the words of a Minister who is either not listening to his own department, or within his own department the message is not getting to him, because what the Minister is saying and what the Minister's Department are saying is two different things. Mr. Chairman, I had the privilege last night to talk to some fishermen in Northern Manitoba, to listen to the officials of this Minister, to listen to officials of the Freshwater Fish Marketing Corporation and to listen to the agent appointed by that Freshwater Fish Marketing Corporation, and when the Minister stands up here and says that he offers a challenge to us on this side of the House to operate the northern co-ops, I can tell you this, that unless the Minister changes the policy that is presently in operation, that no one, absolutely no one can operate the northern co-ops at a profit under the present set-up.

At the present time, Mr. Chairman, this government has done nothing that we are aware of to try and influence the Freshwater Fish Marketing Corporation to change their pricing policies. He has told us nothing, he has shown us nothing; the price to the fishermen of Manitoba has not changed since this government took office.

Mr. Chairman, in 1968-69 in the Province of Manitoba on the winter fishing operations there were 654 fishermen. There were 884 fishermen in the summer fishing period, for a total of 1,538. Some of them were the same but they had summer licenses and winter licenses. In 1969 that figure had dropped to 474 in the winter and 831 in the summer. 1970-71 it had dropped to 360 in the winter and 744 in the summer. 1971-72 it had dropped to 358 in the winter and had gone up for the summer to 875. 1972-73 winter licenses had dropped to 291, summer licenses had dropped to 705. Winter licenses in the five year period have dropped 55-1/2 percent; annual licenses total are down 25-3/4 percent. Mr. Chairman, during that same period the price to the fishermen in Northern Manitoba has not increased. On some particular items, on some particular lakes it might have gone up a cent or two, but on the total picture, the price to the fishermen on the lake has not increased at all. The price to the consumer has tripled. Where is that money going?

Mr. Chairman we have had much discussion in this House about the operation of the various co-ops. Under the present set-up those co-ops cannot possibly make money. There were four that lost money last year. Mr. Chairman if things do not change, there will be four more this coming year, there will be four more the next year; but until things are changed it's impossible for those co-ops to make a profit as long as they are an agent for the Freshwater Fish Marketing Corporation. This year the fee, the agent's fees have increased supposedly one cent, for a total of eight cents. That co-operative if they're acting as an agent, or someone else who is acting as an agent, has the responsibility for collecting the fish, ice harvest, the packaging and the loading either on rail or truck for shipment to the Freshwater Fish Marketing Corporation. The cost of ice, the cost of ice harvest in this past winter is going to be very close to three cents per pound of fish harvested. The agent is going to have to pay at least a cent for lakeside collecting stations. It's going to take probably two cents for the operation of the fish packaging station - 2-1/2 maybe. Salary will be another cent. When you add on insurance, operating costs, the agent in all probability will be operating at a deficit of anywhere from less than a cent to up to 2-1/2 cents loss. They can't make money but they're locked into a contract, a contract set by the Freshwater Fish Marketing Corporation which is a sole monopoly, they cannot sell anywhere else. That Freshwater Fish Marketing Corporation has the sole authority over those lakes, so they can write any terms that they want, any terms they want.

Mr. Speaker, the Freshwater Fish Marketing Corporation was set up by the Province of

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(MR. GRAHAM cont'd) Manitoba, the Province of Saskatchewan, the Province of Alberta and Ontario . . .

A MEMBER: You supported it.

MR. GRAHAM: So did your party . . . at a time and for a reason, because at that time some people said that the small fishing companies were gouging the fishermen. The small fishing companies were saying that they were being played off one against another on the international market and they couldn't get a fair price for the fish. So, Mr. Chairman, the Freshwater Fish Marketing Corporation was set up. And I suggest to you, Mr. Chairman, that the Freshwater Fish Marketing Corporation today is a far greater giant that is squeezing the very life blood out of the fishermen of Northern Manitoba, Saskatchewan and Alberta, because they are a monopoly, they are in complete control, and I suggest to you, Sir, that they are literally wringing every last drop that they can get out of the fishermen, and I suggest that the situation today is far worse than it was in '68 or '69. In 1968, Mr. Chairman, the price of medium whites on God's Lake to the fishermen at that time was 18 cents. This past year the average price to fishermen on God's Lake was 19 cents, one cent increase. His costs have tripled, the price to the consumer has tripled. --(Interjection)--Freshwater Fish? - I don't know what the Freshwater Fish Marketing Corporation is charging for those fish when they go out their door. I don't think the Minister knows. If he does know, I would hope that he would tell me right now what it is. And yet why shouldn't we know? Why shouldn't the fishermen know?--(Interjection)--Pardon. Well tell us then what the price is.

A MEMBER: Know what hogs cost in Japan, Harry?

MR. GRAHAM: No. It is my belief, Mr. Chairman, that when the fishermen in Manitoba pay for the harvesting of the ice in the wintertime, when they pay for the fishing of those lakes, when they pay for the collection of those fish at the fishing station, and again they pay for the transportation to the Freshwater Fish Marketing Corporation's door, I would suggest that the total cost of the fish at that time is probably what - 20, 25, 30 cents? That fish goes in one door of the Freshwater Fish Marketing Corporation. In all probability it is already packed in ice and is never touched by the Freshwater Fish Marketing Corporation and goes out the other and, and I would suggest that the price when it goes out the other side is more than double, is more than double. And what did they do? - they just moved it in one door and out the other. --(Interjection)--That's what I want to know. That is what I want to know.

Mr. Chairman, surely when all of the major work has already been done before it ever gets there, that is where the major portion of the money should go. But where is our Minister, what is he doing? Has he increased the price, has he been successful in negotiating a better price for the fishermen in Manitoba? I don't believe he has. The fishermen don't think so, because the fishermen, Mr. Chairman, are now refusing to fish; only 55 percent were willing to fish in the past year, of those that were fishing five years ago. And I don't blame them. Mr. Chairman, every man that goes out and takes risks as they do is entitled to a fair return for his day's work. And they are not getting it.

A MEMBER: At least they know the price before they go out on the lake, which wasn't the case . . .

MR. GRAHAM: Do they know the price before they go out on the lake? Mr. Chairman, I listened to price quotations last night given by the man who has been appointed an agent and he told me he didn't know the price. A member of the Freshwater Fish Marketing Corporation was there and he was asked what the price for fish would be this year. He said he didn't know, although, Mr. Chairman, I honestly believe that he does know but he wasn't authorized to tell us.

Mr. Chairman, we are less than five weeks away from the fishing season. The fishermen do not know what price they're going to get for their fish. Mr. Chairman, the first three weeks of the fishing season is the most important. That is when the pickerel run, which is the most lucrative, is at its peak. If the fishermen don't get out the first three weeks of the season they have lost half of their market. But today the fisherman does not know what he's going to get for his fish. At the meeting they held in Ilford last night it was regrettable that they could not announce how much they were going to get for their fish. The agent did give some idea of what the fishermen would get if the price was the same as last year and the return that the fishermen could expect.

I'm going to refer you to one of the lakes, Silsby Lake, which has a limit of 40,000 pounds. The agent admitted at the meeting that the figures that he used for air miles or for air freight

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(MR. GRAHAM cont'd) when he prepared this are now obsolete. The figure that he used was \$1.35 per air mile and since that time he has learnt that it will be \$1.60. But these figures are based on a price of \$1.35 per air mile. Silsby Lake is 88 air miles. On 2,000 pound loads that is \$5.94 per hundredweight. The express from Ilford to Winnipeg is \$5.71. The Manitoba Agricultural Credit Corporation which has money lent out want a dollar for the fishing station on the lake. The Freshwater Fish Marketing Corporation on their loan for the ice harvest is \$3.00. The total cost on Silsby Lake on the basis of \$1.35 air miles is \$15.65. On whitefish at \$22.00 which was the price last year that would leave the fishermen with \$6.35. On pickerel at \$14.00 that would mean that the fisherman would lose \$1.65 if he shipped any pickerel out of that lake. He would have to pay for the privilege of shipping it out of that lake.

We know that the price of air freight has gone up from \$1.35 to \$1.60. We know that the Department of Co-operative Development has made loans and it was suggested at that meeting last night that any loans for equipment would be deducted at source on the basis of 25 percent of the return to the fisherman, if the fisherman is getting \$6.35 for his fish; if that's all he's going to get. And the loan - they take 25 percent of that too to reimburse his loan. The fisherman is going to be operating at four, four and a half, four and three-quarters . . . less than five cents a pound. That's just one lake.

Let's take a look at another one. This is - I can't pronounce the name of it but there's a limit of 15,000. It's 160 air miles. On a 2,000 pound load, which is an Otter or a Norseman, the air freight would be \$10.80 on the basis of \$1.35. At \$1.60 it would be considerably more. Express to Winnipeg is \$5.71. MACC station one dollar. Freshwater Fish Marketing for ice harvest \$3.00. Total cost of \$20.51. And this is export standard whitefish. The price is \$26.00 - last year's, 1973 prices. You deduct \$20.51 for the lake cost, it doesn't leave the fisherman with too much money. The price for pike is \$14.00, the Lakehead costs are \$20.51. If he decides to catch pike he is going to lose \$6.51 for every hundred pounds.

I just quote these few examples, Mr. Chairman, to point out to the Minister again that it is impossible for them to make money unless something is done and something is changed. Mr. Chairman, I don't know, I don't know what we should do, but I think there's one thing that should be done; that we should sit down and have either a full scale judicial inquiry or even a legislative inquiry. Let us all sit down and discuss it. There are several possibilities that could be . . . --(Interjection)--Your friend. Mr. Chairman, the Member for Thompson was at that meeting last night and I can tell you, Mr. Chairman, that the Member for Thompson is far more reasonable than the Minister is, because the Member for Thompson agreed with me wholeheartedly that we have to sit down right away and devise a policy so that the Indian will know.

MR. USKIW: You're too late. We have been doing this for a long long time.

MR. GRAHAM: Well where is your policy then? Tell us your policy. The Indian doesn't know what it is. He's expected to go fishing in five weeks time, he doesn't know what the policy is, he doesn't know what his price is going to be so he throws up his hands, wanders off back through the bush and says I'm not going to fish anymore. Mr. Chairman, this is the Minister who is standing up in this House and telling us, he is showing us the leadership, he is showing the Indian the leadership, and the Indian is saying to the Minister, Sir, I haven't heard anything from you, I don't know what your policy is, I am fed up, I'm losing. Who is going to help me? I can't fish at that price. Are you doing anything to help me?--(Interjection)--Certainly.

MR. USKIW: What is the honourable member's view with respect to the Freshwater Fish Marketing Corporation? Should it continue or should it be abolished?

MR. CHAIRMAN: The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I have never seen a report on the operation of the Freshwater Fish Marketing Corporation. I don't know what price they're selling the product for. The Minister hasn't told us what the price is. He says he knows but he hasn't told us. Surely, Mr. Speaker, when we're dealing with something of this nature . . .

MR. CHAIRMAN: Point of order? Order please.

MR. PAWLEY: Mr. Chairman, on a point of order. I think that certainly reasonable latitude is acceptable but it seems to me that the Honourable Member for Birtle-Russell throughout the entire address that he's given us is really dealing with a matter that more properly should be dealt with under the Estimates of the Department of Mines and Natural Resources.

A MEMBER: Or the House of Commons.

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MR. CHAIRMAN: The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, there is a man who aspires to continue to hold office. If he told the Indians in northern Manitoba that this thing should be pushed aside now and wait till the Minister of Mines and Natural Resources comes before this Legislature, if that is the attitude of that man, he doesn't deserve one single supporting vote in the Province of Manitoba.

MR. USKIW: Mr. Chairman, one a point of order.

MR. CHAIRMAN: The Minister of Co-operative Development on a point of order.

MR. USKIW: The Member for Birtle-Russell has belaboured the point that the province is doing nothing about the price of fish and I simply want to raise the point, Sir, that that is a debate properly put before the House of Commons because the Freshwater Fish Marketing Corporation is controlled by the Government of Canada.

MR. CHAIRMAN: The Member for Birtle-Russell has five minutes.

MR. GRAHAM: Mr. Chairman, the Minister is absolutely correct, that I have heard nothing where the Minister has made any representation to the House of Commons to improve the price to the fishermen of Manitoba. Now surely if he is taking the responsibility for the operation of the northern co-ops and he is the Minister who is going to report to this Legislature, surely he can tell us what he is doing to try and improve the price of fish at the Freshwater Fish Marketing. . .

Mr. Chairman, I have listened to this Minister so long that he'll stand up and he'll use words like "incredible". Mr. Chairman, there are some other things that could be done if the Minister fails in his efforts to improve the price of fish to the fishermen of Manitoba. I'm going to put some suggestions forward to the Minister. Mr. Chairman, in the last few weeks we have seen action taken by the Federal authorities in the field of agricultural assistance; we've seen subsidies paid to beef producers; we've seen subsidies proposed both federally and provincially to hog producers. We do know that for years government has subsidized the cost of grain transportation for the last 70, 80, 90 years in this country. If the costs of air transportation to the fishing station become exorbitant, is it inconsistent with policy, both Federal and Provincial, which recognizes the need for subsidy in other fields, is it inconsistent to ask that a subsidy be paid for those fishermen north of the 53rd parallel?

I suggest to you, Mr. Chairman, that if all other means fail, if this Minister is unsuccessful in persuading the Freshwater Fish Marketing Corporation to pay more money to the fishermen in northern Manitoba, then I think we, the citizens of Manitoba, have to come forward and offer our assistance in some way or another. I think it was pointed out very dramatically, Mr. Chairman, that assistance is paid in other parts of this country to people that are involved in the fishing industry, it was pointed out last night to some of the fishermen at Ilford that on the Saskatchewan River there are fishermen fishing on the Saskatchewan River very close to the Manitoba boundary and their average price last year for their fish was 44 cents. Less than 40 miles away, fishing on the same water, but in the Province of Manitoba the average price paid to the Manitoba fisherman for the same type of fish on the same river system was 12 cents.

MR. USKIW: Mr. Chairman, on a point of order. I was wondering whether or not we should continue the debate in this manner when the subject matter is totally the responsibility of the Government of Canada. I don't know how, I don't know how we can debate the Freshwater Fish Marketing Corporation's activities in my Estimates.

MR. CHAIRMAN: The Member for Birtle-Russell on the point of order.

MR. GRAHAM: Mr. Chairman, I must beg to differ with the Minister. It is typical of this Minister when he has no answers to say that it is the responsibility of somebody else. It is the responsibility of this Legislature, we were the ones that passed the legislation that authorized the operation of the Freshwater Fish Marketing Corporation, and we are the ones that have the authority to rescind it.

MR. CHAIRMAN: Order please. The Honourable House Leader.

MR. GREEN: Mr. Chairman, there's no doubt that legislation was passed by several provinces whereby it was enabled that the Federal Government present a statute and create a corporation known as the Freshwater Fish Marketing Corporation, but in discussing departmental estimates relative to that corporation they would have to be discussed under the Minister of Environment and Fisheries in Ottawa. He is the Minister to whom the Freshwater Fish Marketing Corporation reports in the same way as the Manitoba Development

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(MR. GREEN cont'd). . . . Corporation reports to myself as Minister here. So the Estimates of this Minister, of the Minister of Co-operatives have nothing to do, except as they relate, if the honourable member relates what is happening between the Freshwater Fish Marketing Corporation and the Co-operatives and wishes to deal with the Minister that's fine, but not as to whether that corporation operates properly or not because the Minister is not responsible for that corporation.

MR. CHAIRMAN: The Honourable Member for Morris to the point of order.

MR. JORGENSON: Mr. Chairman, on that point of order. I don't know how one can divorce the operations of the Fish Marketing Co-ops from the general picture of the situation the fishermen find themselves in in northern Manitoba. And there's no question that the operations of the Freshwater Fish Marketing Corporation are involved. I just don't know how you can cut that fine line and separate the operations of one from the other. What my honourable friend is doing is point out the problems of those fishermen as they relate to the Freshwater Fish Marketing Corporation but also as they've related to the operations of the Co-ops, and I don't know how you can separate the two.

MR. CHAIRMAN: The Honourable House Leader, to the point of order.

MR. GREEN: Well, Mr. Speaker, all I'm asking the honourable member to do is to try. If he's talking about the prices that are paid for fish by the Freshwater Fish Marketing Corporation that has nothing to do with the Minister in charge of Co-operatives. If he's talking about the co-operatives and how they are managed and whether therefore the fisherman who is marketing his fish through the co-operative to the Freshwater Fish Marketing Corporation of course that's an entirely different proposition. And all I would ask the honourable member to do is to try, but not to indicate that this Minister is responsible for the internal operation, price setting mechanism of the Freshwater Fish Marketing Corporation.

MR. CHAIRMAN: The Leader of the Opposition to the point of order.

MR. SPIVAK: On the point of order. I think it should be clear because the remarks were made earlier and the House Leader was out of the House at the time. And I think the Honourable Member for Birtle-Russell is referring to it. That what it involved realistically comes directly from a meeting held yesterday in which the Department of Co-operative Development were asking the fishermen to pay a portion of what their catch would be with respect to --(Interjection)-- Mr. Chairman, I'd like to be able . . . Well, Mr. Chairman, I'd like to be in a position to finish my remarks then the Honourable Minister can stand up. The department officials were asking the fishermen to pay an amount that they claim would be owed by the co-operatives to the Manitoba Agricultural Credit Corporation and I think the point that the Honourable Member for Birtle-Russell has indicated is that the price that is being paid by the Freshwater Fish Marketing Corporation is involved in the determination of any ability on their part to be able to pay such amount, and therefore the foundation for this debate has in fact been undertaken and the basis on which he can proceed is without question within the purview of this departmental estimate.

MR. CHAIRMAN: Order please. Order please. I have allowed the honourable member a certain amount of latitude but I would ask any future speakers to bear in mind that we do have under discussion the Department of Co-operative Development. The Honourable Member for Birtle-Russell's time has expired.

MR. GRAHAM: Mr. Chairman, may I ask you, was the last ten minutes that was taken up, was that charged to my time?

MR. CHAIRMAN: No it was not. Your time had expired at ten minutes to four. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Thank you, Mr. Chairman. It's not usual circumstances that the Estimates of the Minister of Co-operative Development would encourage me to join the debate but really, Mr. Chairman, it's the kind of charges that are being levelled against the department and the Minister and the manner in which he is replying to them that encourages me to rise at this time.

I, too, feel that no opportunity should ever be lost when the Minister of Co-operative Development is engaged in debate to stand up and reply because I'm still smarting a little bit from the previous experience where the Minister made a political speech and I was charged a dollar to get in and I didn't have the opportunity to reply. So, Mr. Chairman, I got in free this afternoon and I'm certainly not going to miss this opportunity.

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(MR. MCGILL cont'd)

But really the charges that are levelled at the Minister and his department of mismanagement and of incompetence on the part of the Minister in carrying out his duties are ones that I think would illicit some different reply to those charges and it is the very predictable way in which the Minister has replied to these charges that, Mr. Chairman, I must comment on. I think in a previous debate I mentioned that it seemed to me sitting in my chair that the pattern of the way in which the government replied to charges of mismanagement incompetence and failure to carry out their duties as a government, the way and the patter in which they have replied has been very predictable. They're really only too plays in the government's book. No. 1 play is to say, well we didn't say it, or we didn't do it, or we were misquoted in the press or I was taken out of context. That's play No. 1 from the government side in reply.

Play No. 2, Mr. Chairman, is becoming more popular on the other side, and that is the one where they say, oh yes, but what about the previous jurisdiction. And then to trot out a list of alleged failures on the part of another jurisdiction; or if they're not available in the history of the previous administration in Manitoba it's no problem we'll go to Alberta or some other jurisdiction. But really to use this as justification for some failure to carry out their duties is becoming the habit of the other side and they are not dealing specifically with those charges which are brought to them.

Now I said, Mr. Chairman, that there are really only two basic plays. I shouldn't cut it off there, there is one other play that they use but it's used so occasionally that really it doesn't deserve a number in the book and we could call it play 2A -- and I'm sorry that the Minister of Finance is not here this afternoon cause for lack of a better name I'd call this the St. John's shift. And the way the St. John's shift works is to make the other side think that they were carrying the ball at the time the play went through. And the Minister of Finance uses this occasionally when he has a very difficult situation to face. If he has introduced some bill into the House that has subsequently been exposed to having serious defects the Minister of Finance says, well, Mr. Chairman, really the opposition is to blame because at that time they were carrying the ball. And so under those circumstances - now this play as I say really shouldn't be given too much prominence because it's seldom used and some Ministers would never use it, but I notice that the Minister of Co-operative Development at one time from his seat shouted across that it's our fault over here that what is happening to the development corporations is happening. So, Mr. Chairman, perhaps there is more than one Minister on the other side who would like to say when something goes wrong in government policy that really it's the opposition that's to blame.

It's a play that I don't think will ever get very popular even with the NDP Government of Manitoba. It's a little like the bomberooski that they used to use occasionally in the football field. --(Interjection)-- That's right. It seldom works but it's worth a try when all other things fail. And I hope the Minister of Co-operative Development will not resort to that play.

But let me, Mr. Chairman, go back to the kind of defense that the Minister is throwing up under Play No. 2. He immediately went to a listing of our participation, that is the previous administration's participation in co-operatives in northern Manitoba and brought out a list of money which had been extended to those co-operatives in the form of loans. But then, Mr. Chairman, he was not content with the kind of small sum that was involved in that area so he began to look for other serious, what he would consider acts of poor judgment on the part of previous administrations in Manitoba. And he said about CFI, he chose that as the major one and said "What are we doing to the co-operatives? Only a few thousand dollars involved and you have CFI in the north, Mr. Chairman, where, and I quote from his remarks of yesterday afternoon: "CFI alone was in the hundred million dollar bracket, the biggest white elephant we've ever built in this province." And then he repeated that. "The biggest white elephant we've ever built in this province."

Well, Mr. Chairman, that's rather interesting, isn't it? Because he's a member of the front bench in the Government of Manitoba today and he calls this operation in northern Manitoba the biggest white elephant we've ever built. Let me read to the Minister some of the recent statements of his own government about this biggest white elephant in Northern Manitoba. Since paper sales produced a gross revenue of \$14,323,000, that's in one six-month period, and they got \$5,238,000 out of lumber sales in the same. That made a total of \$19,561,000 from this white elephant. And then they said the net cash profit - this is your

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(MR. MCGILL cont'd) statement not mine over here -(before interest and depreciation)- those words in brackets, for the six months period amounts to \$3,463,000. Mr. Chairman, some white elephant. I think that the Minister and his government would have a great deal of difficulty in finding any of the Crown corporations that they have established in their five years of government that even has a net cash profit for six months. So, Mr. Chairman, what does the Minister really, what is he really asking here, that this kind of opportunity in Northern Manitoba . . .

MR. USKIW: What is the net . . . after you take principle and interest or interest alone, Mr. Chairman, what is the net profit position of CFI after you deduct the interest?

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman, that question comes from a member of government and I can answer the member of government by quoting what his government says the net profit is. And it says here the net cash profit for the six-month period comes to \$3,463,000.

--(Interjection)-- Well they put that in brackets. They said "before interest and depreciation." But you said the net cash profit was \$3 million and you call it a white elephant.

A MEMBER: It is a white elephant.

MR. MCGILL: Have you got any more white elephants around that produce this kind of a net cash profit of \$3, 463,000 in six months? Have you got any more white elephants in Northern Manitoba that produce 1,100 jobs, full time jobs? And jobs that are being held - there is the lowest turnover in the north in jobs relating to the CFI operation. This from your own administrator in the north. A one percent turnover on those jobs in the north which compared to the mines and other operations in the north is the lowest on record.

Now Mr. Chairman, if this is the kind of evidence that the Minister of Co-operative Development can dig up in order to justify the losses that he is producing in his co-operative development activities in the north, I think it pretty well indicates that there is very little truth in any of the kind of evidence that he's providing for this House. Because certainly if this is a white elephant we need more of them in the north. Thank you.

. . . . continued next page

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

MR. USKIW: Mr. Chairman, it's indeed fantastic to even imagine the kind of accounting that the Member for Brandon West would indulge in. The idea of an operating profit of \$3 million on a plant as being interpreted . . .

MR. MCGILL: On a point of order. This is not my accounting. This is his accounting.

MR. USKIW: Mr. Chairman, the member suggested that notwithstanding the fact that principle payments were not accounted for in those figures, that that plant was a viable operation. And there's no question in my mind that that particular plant, Mr. Chairman, will never be a viable operation if we have to write off the capital debt that's against it.

MR. MCGILL: Mr. Chairman, I wonder if the Minister would accept a question? Does the Minister know that they are presently considering, his government is considering, doubling the capacity of that plant in the north?

MR. USKIW: Mr. Chairman, if we are going to double the capacity of that plant in the north I will assure you that we will built it at true costs and we will not be ripped off like we were ripped off at CFI. That has no bearing on the question whatever.

A MEMBER: You paid the money out.

MR. USKIW: You paid the money out. Don't hide behind that deal, Mr. Chairman. Don't hide behind that deal. --(Interjection)--

MR. CHAIRMAN: Order please. Order please.

MR. USKIW: Mr. Chairman, the Member for Birtle-Russell, who is not here, who does not want to hear the rebuttal perhaps, talked about a meeting that he attended - well he's here now, Mr. Chairman, - talked about the meeting that he attended at Ilford, and he talked about the fact that there were less fishermen last year than the year before, and the year before than the previous year, and so on. And I want to give him a lesson in progress, Mr. Chairman. A lesson in progress which he would not appreciate because his balance sheet is dollars and cents, Mr. Chairman. He said you've loaned so much money to the fishery, there are so many fishermen they've got to return so much profit to pay off the debts and so on. And that sounds reasonable, that sounds reasonable, Mr. Chairman, that sounds reasonable if you're doing an accounting of any given business and you want to end up with a profit and loss position.

But, Mr. Chairman, we have with respect to South Indian Lake a new development that that particular individual may not appreciate the significance of. And that is that we have lost a whole host of fishermen to Manitoba Hydro on their project, and to Ruttan Lake Mine in the mining development in that area. People have left the fishery in search of greater prosperity, greater rewards, and a better standard of living. Mr. Chairman, that is not bad and if all of them did that because they improved their position, and South Indian Lake Co-op had to close down because of it, that is progress, Mr. Chairman. Notwithstanding the fact that we may lose money on the plant itself, the fact of the matter is we are pleased, we are pleased to know that people of the north are now looking at alternate opportunities.

MR. GRAHAM: Will the Minister permit a question? Would the Minister consider licensing other fishermen other than those that live on South Indian Lake if they wanted to fish in there when there is nobody on the South Indian that wants to fish?

MR. USKIW: Well, Mr. Chairman, I am not involved in the licensing of fishermen. That question would be properly put to the Minister of Mines. But I want to repeat again, Mr. Chairman, that with the opening up of the north the kind of new opportunities that we have extended to northern people. We are somewhat working counter-producted to other projects that have been launched previously. There's no question about that.

And to the extent that that happens but which improves the life-style and the quality of life for our northern citizens, I call that progress, even if in the end we have to write-off some of the loans that have been advanced for the earlier projects. That is part of our social, economic development of the north. So we should not be apologetic about that.

You know the members opposite often stand up in this House and condemn people for not wanting to restrain themselves, for not wanting to seize on new opportunities that are provided for them, for wanting to sustain themselves on the welfare system. Every opportunity we have to get people away from that, Mr. Chairman, we should be doing it, and in Northern Manitoba a great deal of progress has been made in that direction. In many areas, in many areas, including this area - Churchill is a good example, one of the best examples of northern

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(MR. USKIW Cont'd). . development, how we have taken people away from the welfare system and put them into productive work activity, with very reasonable rewards for their labours, and we should not be embarrassed about that.

The Member for Birtle-Russell talked about the price of fish and again he doesn't want to even imply that this particular responsibility lies within another area of jurisdiction, namely the Government of Canada, and the Freshwater Fish Marketing Corporation has been charged with the responsibility of trying to get the most from the marketplace for the fishermen, and I believe that that's what they are trying to do, sincerely, earnestly. I don't think, I don't think, Mr. Chairman, that they are not cognizant of their responsibilities.

The honourable member also indicated that last night it was most unfortunate that the fishermen in Ilford were not able to know the price that they were going to receive for next year's fish, or the fishing season. Mr. Chairman, if the member really wants to relate facts to this House he would have also related, Mr. Chairman, that prices are always posted in advance of the fishing season and that fishermen know exactly what they are going to get before they go out on the lakes, they can choose not to go if the prices that are posted are not adequate. There is no secret with respect to fish pricing at all. The Freshwater Fish Marketing Corporation is now in the midst of developing a new price for this coming year, and will be announcing their prices very soon, Mr. Chairman. The Member for Birtle-Russell I'm sure knows that, Mr. Chairman, but he cannot score debating points if he alludes to that aspect of it. That is what he is trying to do to the members of this House, Mr. Chairman, he is trying to leave the impression that nothing is moving, that we shall talk about last year's prices, not about this year's prices yet to be announced, and he bases his whole attack, Mr. Chairman, on the price of fish on what was rather than what is yet to come, which neither he nor I know. And he knows that we don't know yet what is to come, and I think it's reasonable to say, Mr. Chairman, that we do hope, we do hope and I'm sure members opposite would hope, that the Freshwater Fish Marketing Corporation will make the necessary price adjustments as is necessary, and as they can achieve in the marketplace, and that these prices will reflect themselves as a means of improving the standard of living, the incomes of our fishermen in Northern Manitoba. We will know that fairly soon.

I want to tell my honourable friend that my departmental officials have had longstanding negotiations with the Freshwater Fish Marketing Corporation, ongoing at the present time. In fact we are involving people higher than that interprovincially and the Federal Government, with respect to the handling fees for the agencies in Northern Manitoba, the Freshwater Fish Marketing Corporation agents. We know that there's a problem of viability unless there's an improvement in the handling fees for fish at the dockside. That has been one of the dilemmas of these four companies that are in trouble, Mr. Chairman, is that they were not able to get what we would consider a reasonable handling charge.

There is one other aspect that the Freshwater Fish Marketing Corporation has not responded to, and we think they should, and that is to differentiate between prices paid to fishermen who have to deliver to a single station versus to fishermen that have to deliver to multi-stations, or where there are a number of lakes involved and there are very long hauls, and where the handling costs are much greater. That is an argument that we have been pursuing with the Freshwater Fish Marketing Corporation for some length of time now, Mr. Chairman, but in the end they have to make that decision. So the Member for Birtle-Russell should not suggest that we have not been involved in any way whatever, Mr. Chairman, in trying to improve the position of the fisheries in Northern Manitoba.

Now I want to say that the price that is announced initially is not the final price for fish. As members opposite will know there's usually an initial price announcement, after the season there's usually a back payment, depending on the success of the Freshwater Fish Marketing Corporation and the total volume handled, and so on. So I think that members opposite should appreciate that the fishermen are getting everything they can out of the system.

I should like to tell the Leader of the Opposition when he alleges that because moneys may be lost that that must imply mismanagement. I should like to point out that you can lose money with the best of management, and he should know that as a businessman. He should also remember that the Federal Government wrote off \$3½ million of debts for the Freshwater Fish Marketing Corporation. That also has had its problems, Mr. Chairman, very big problems that have to be dealt with. And we expected that, Mr. Chairman, when that

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(MR. USKIW Cont'd) corporation was set up in co-operation with the Government of Canada, the provinces, the Northwest Territories, and so on. All of these things were foreseen, it's not that they weren't foreseen. We didn't know the size of the problem obviously; we didn't know the amount of public input that would have to be made to restructure the fishing industry within this region of Canada, and that stretches from Ontario right across to British Columbia, including the Northwest Territories.

The Member for Brandon did not make a significant contribution on this subject. He talked about the shifty position of the Minister in charge of Finance, and he alluded to the fact that I was pursuing the same course of action, and I simply would respond to him that to avoid a shaft you sometimes have to shift, and the shaft usually comes from the Leader of the Opposition, and it's always based on the most incredible performance witnessed in this Chamber.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I would like to, if I may, add a few more comments to what has already been said and then possibly introduce something else which I think would possibly justify the reconsideration or the necessity of a judicial inquiry into this matter.

--(Interjection)-- Well, Mr. Speaker, you know the inquiry into the conduct of the Leader of the Opposition will be undertaken by the people of Manitoba when we go to an election, and they already did so, and I want to indicate to the Honourable Minister that 170,000 still saw fit in this province to support the party, and that's a substantial amount, Mr. Speaker. I would indicate to the honourable member opposite that with the exception of the vote recorded to the government in this election, that is the second highest vote ever recorded in the province for any political party in numbers. So therefore when I stand here, Mr. Speaker, as the Leader of the Opposition, and the leader of a party of 21 seats, I also represent at this particular time 170,000 people who were prepared to support our party. So I have no hesitation, and I stand here with a great deal of confidence in indicating to the Honourable Minister that I am prepared to go back to the public and let them judge my performance and my conduct. But we are now trying at this point to judge the conduct of the Minister, you know, and that's an interesting evaluation.

The Deputy Minister is in front of him and is available to give him information, and we have a small department really under serious scrutiny at this time. And I go back to the Honourable Member or the Attorney-General's statements earlier as to how and what way we deal with this matter. I think that the government's handled this matter atrociously, and I think it continues to do this. I think that --(Interjection)-- Well, yes, the Minister makes statements from his seat always, you know, he just belches them out at every different point. But the fact is that the Deputy Minister and his department at least should have had the opportunity, and should have been in the position to have at least been clear of the kind of debate that has taken place back and forth in this House, and that's why a judicial inquiry would have been important. Because a judicial inquiry would have indicated, I believe, and I'm going to talk about Southern Indian Lake, the following things.

I believe a judicial inquiry would determine and find as a matter of fact that the Minister and the government did not set clear objectives for the department to execute with respect to the handling and the responsibility of their supervision of the co-operatives encouraged and set up by them. I believe a judicial inquiry would indicate because those objectives were not set forth and were not established, and the criteria were not established, that as a result of that, and because no direction was given, there has been confusion, tremendous increased costs, and a frustration that has resulted in the reluctance of the fisherman to take an active part in their co-operative. Now I think this is an important feature, Mr. Chairman, and the Honourable Member from Birtle-Russell referred to this when he talked about Ilford, and I know this to be the case with respect to Southern Indian Lake. I acknowledge that what the Minister says has some validity, There are new activities, and there are new options open to the people of the north that did not exist before, and no one is questioning that. But those options would not have been taken by some, and particularly by some of the better fishermen in the Southern Indian Lake area if it wasn't for the fact that there was a complete frustration in dealing with the co-operative, supervised by the department, handled so badly because the clear objectives had not been set and the leadership had not been given by the Minister. And that, Mr. Chairman is a direct and frontal attack on the Minister, and on his capabilities. And the judicial inquiry would at least have determined that and have put the

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(MR. SPIVAK Cont'd) civil servants out of the position that they are now put in of having to appear to be the culprits. Because I think in this particular area that it is all right for the government to talk about laudable aims and purposes, aims and purposes that would be agreed on this side, would be agreed by any rational person understanding what is happening in this province at this time and . . .

MR. USKIW: I think the record should be corrected before the Leader of the Opposition bases his whole assumption and argument on what he has just stated and that is, that the Co-operative Department managed South Indian Lake Co-op. That is not correct, Mr. Chairman.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I will go over and over this again. For all intents and purposes the co-op was managed and supervised by the Department of Co-operative Development.

MR. USKIW: On a point of privilege . . .

MR. SPIVAK: Mr. Chairman, that . . .

MR. USKIW: Mr. Chairman, on a point of privilege . . .

MR. CHAIRMAN: The Honourable Minister of Co-operative Development on a point of privilege.

MR. SPIVAK: There's no privilege, Mr. Chairman.

MR. USKIW: Yes, there is a point of privilege, Mr. Chairman, because the Leader of the Opposition is stating an untruth. The fact of the matter is that one of our staff members was hired by South Indian Lake Co-operative. We were not providing him as a supervisor from the department, he was hired full-time by that co-operative. So let not the Leader of the Opposition suggest that the department was running that co-op.

MR. SPIVAK: Mr. Chairman, I've already filed in this House a memo, an inter-departmental memo of the Department of Co-operative Development, which basically sets up the supervisory requirements of the department over each one of the co-operatives. And while I don't have the document in front of me, it has already been tabled and is with the Clerk, and will indicate very clearly that the relationship that existed between the Department and the Co-operative is not what the Minister would suggest and that, Mr. Chairman, is what a judicial inquiry would determine. And if my accusation is correct, and it is an accusation, about the degree of control, and if the representations of the Minister are incorrect, then I think that is a serious matter to be determined by judicial inquiry because it goes to the heart of the liability of the fishermen to the Manitoba Agricultural Credit Corporation, to the loans that have been given by the government and to any liability that the fishermen would owe individually to the Agricultural Credit Corporation. And there's no way we're going to determine it because he wants to, and must take that position. He has to take that position because if he --(Interjection)-- Well, you know, we're talking in terms of a myth, Mr. Chairman. The legal entity, the structure may have existed in such a way, in such a way, Mr. Chairman, in such a way that in effect there was a separate board of directors. But you know no one is kidding anybody about what really happened. The individuals were asked to sign. As an example, Mr. Chairman, and even for the Ilford meeting, what happened? The departmental people went out - here it is, here are minutes of the board of directors' meeting, March 26, 1974, dealing with the meeting that was held last night, signed by the Ilford Co-operative, solicited and directly prepared by the Department of Co-operative Development, and basically saying to the fishermen there, here is an offer you can't refuse. And that's all they have been doing all throughout this whole matter. So if he wants to, you know, perpetuate it, that's fine. But I must tell the Honourable Minister that if a judge determining this, independently of this House, was to come to the conclusion he would say, regardless of the legal structure, the department did have control. They were carrying out, they were in fact in the words of the CEGF matter in Wabowden, the Godfather to the co-operative. And that becomes important because one of the problems with the fishermen has been their frustration and their reluctance to participate under these conditions. And that's why the fishermen have turned to the other alternatives. It's not because the other alternatives were so much better, it's simply because they were not prepared to deal with the matter. And the fact is that the Honourable Minister who keeps talking about that I don't understand the North, may not even understand this. You know he may not realize, he may believe this to be the case, as he explained, but I don't

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(MR. SPIVAK Cont'd) think he realizes that the reluctance has been on the basis of what I've suggested.

But I, Mr. Chairman, before I conclude in the few moments left to me must say that I have here in front of me certain bills of the Department of Co-operative Development, I think they amount to about \$3,000 for air bills, for a two month period. You know a two month period in July, August of last year. Mr. Chairman, you know, people have paid for this money, paid these expenses, money has been spent on this. What for? You see one of the problems and one of the necessities of a judicial inquiry is to determine now in fact the government spent even the limited budget that it was given, and for what purpose? Because I think questions would have to be asked as to what each --(Interjection)-- Well, Management Committee is made up of the government; Management Committee is the government supervising itself. I say that there is a question to be asked as to how the money was spent, allocated by this House with respect to the Department of Co-operative Development, and it has to be measured against the success that has been achieved. It has also to question how the money of the co-operatives was spent, supervised, and for all intents and purposes managed by the department, then one can get the global picture, Mr. Chairman, of the total loss and the total waste. And that's why that is important equally in the determination of any allegation or wrongdoing, which may or may not have occurred, which have been made by others, and which we've referred to before. --(Interjection)-- Well, Mr. Chairman, the fact of the matter is that the Minister isn't running the department. --(Interjection)-- Yes, you know the fact is that nobody is running the department as far as we can see. The fact is that, you know, Mr. Chairman, the Provincial Auditor, if the Minister had been a proper Minister, should have been involved in following through on the other co-operatives almost immediately. He should have recognized that there was a need to be sure in his own mind that there were no problem areas. He knew the financial position of the co-operatives; he knew that their continued viability was in question, but he had hoped for, and what the government had hoped for and had planned on this session, was that somehow or other they would get through without this matter being brought up, that they would - they started negotiations Mr. Chairman, --(Interjection)-- Mr. Chairman, I would like to continue.

MR. USKIW: On a point of privilege.

MR. CHAIRMAN: Order please.

MR. SPIVAK: You'll be able to debate just as long as you want.

MR. CHAIRMAN: Order please. The Honourable Minister.

MR. USKIW: My point of privilege, Mr. Chairman, is that we purposely delayed the introduction of the departmental estimates, as I outlined the other day, for two reasons, but the last one, Mr. Chairman, was because of the absence of the Leader of the Opposition who requested that we wait till he gets back.

MR. SPIVAK: Mr. Chairman, I am going back to the period of time many many many months ago when the government recognized that there were problem areas, when they should have brought the Provincial Auditor in, when they should have made some assessment as to what really happened, when the Minister should have protected the fisherman's interest and the public's interest but was hoping that somehow or other we would get through the session in a way which this could be avoided so that the department would be able, either as a result of a sale of the assets or leasing the assets, to make a rearrangement and then to basically say, the matter should be forgotten.

Mr. Chairman, this matter will not be settled unless there's a judicial inquiry.

MR. CHAIRMAN: Order please. The hour of 4:30 and Private Members' Hour has arrived. Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain resolutions, has directed me to report same and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The first item, Private Members. The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, in the absence of the House Leader, it's my understanding that there has been discussions and an agreement, I believe, arrived at for a 4:30 adjournment this afternoon. And secondly, I would like to just mention, a reminder to members of the House that on Tuesday morning, I believe the further discussion in respect to Autopac will continue in committee. Tuesday morning. So if that's the agreement of the House, then we would adjourn right now.

MR. SPEAKER: Very well. The hour of adjournment having been agreed upon, the House not stands adjourned and stands adjourned until 2:30 Monday afternoon.