

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, March 15, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 95 students of Grade 9 standing, of the West St. Paul School. These students are under the direction of Mr. Kroeker, Mrs. Pauls and Miss Karlowski. This school is located in the constituency of the Honourable Member for Selkirk, the Attorney-General.

We also have 35 students of Grade 11 standing of the Joseph Wolinsky Collegiate. These students are under the direction of Mr. Shiel. This school is located in the constituency of the Honourable Member for Inkster, the Minister of Mines, Resources and Environmental Management.

On behalf of all the honourable members, I welcome you here.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; The Honourable Minister of Labour.

INTRODUCTION OF BILLS - Bill No. 33

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona) introduced Bill No. 33, The Power Engineers Act.

MR. PAULLEY: Mr. Speaker, His Honour the Lieutenant-Governor, having been informed of the subject matter of this bill, recommends it to the House.

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MR. SPEAKER: Questions. The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question really would be to the Minister of Co-operative Development but he's not here; I'll ask the First Minister. I wonder if it has been brought to his attention, Mr. Speaker, and whether he can confirm the fact that fishermen at Southern Indian Lake in many cases have not received even 10 cents per pound for their catch from the Co-operative.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, that has not been brought to my attention nor do I know that that is true. The manner in which fishermen are paid for their catch, if they are operating through the aegis of a co-operative, is that they receive so and so much per pound, and at the end of the season, if the co-operative has been operating on the positive side of the ledger, there would be a co-op dividend allocation. If it's been operating at a loss, then there would be no supplementary payment made subsequent to the harvest season. So, Mr. Speaker, that question is one that would require an inquiry for detailed information from the local co-operative.

MR. SPIVAK: To the Minister of Co-operative Development. Yesterday he clarified and amended one of the answers given to about 32 questions. I wonder if he is in a position now to clarify and amend one of the answers given by him in connection with the cost of the Southern Indian Lake Co-op?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I think that will be dealt with quite properly at the proper time.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question to the First Minister. I wonder if the First Minister can tell the House if the Province of Manitoba at the present time is negotiating itself or with the City of Winnipeg to purchase the Winnipeg Jets from the present owners.

MR. SCHREYER: Well, Mr. Speaker, there have been some discussions, Mr. Speaker, and the discussions have included on an informal basis representatives of the City of Winnipeg so I understand, and certain people in the community of Winnipeg and the leaders of the two Opposition parties. It would not be true to say, or correct to say, that it is a case of the province

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(MR. SCHREYER cont'd). . . and the city negotiating with the present owners, but rather a group that is, in an informal sense, representative of the community of Greater Winnipeg.

MR. PATRICK: A supplementary. Would the First Minister indicate, or have the proceedings gone that far, what percentage would the city and the province be involved of the ownership of the club?

MR. SCHREYER: It isn't at that point yet, Sir, whatever the percentage might be, if there is a percentage involvement by the city and the province, whatever that might be, and there is such a percentage which is too high beyond which I doubt that the city or the province would be prepared to go, nevertheless it's a case of proceeding on a one-to-one ratio perhaps with the city up to a certain point.

MR. PATRICK: A supplementary. Do the negotiations between the city and the government and the owners also include the contract of Bobby Hull, who is important to that club?

MR. SCHREYER: Well, Mr. Speaker, my honourable friend is more familiar than I am with the intricacies of contractual arrangements involving human bodies, but I suppose if that's acceptable in the world of professional sport I can only say to the Honourable Member for Assiniboia that it is not a case of the province and/or the city negotiating with the present owners, but rather a group of prospective and interested, prospective purchasers, interested persons in Greater Winnipeg, in the community of Greater Winnipeg, which negotiations may culminate in some involvement financially, perhaps, by the city and the province.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I'd like to address a question to the Minister responsible for MDC. Could the Minister tell this House exactly how much William Clare Limited has obtained from MDC in view of the different figures that were expressed by Mr. William Clare in the city yesterday. Is it 1.25 million, 1.3 or 1.35 million dollars, or how much?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources & Environmental Management) (Inkster): Mr. Speaker, any amount that has been advanced to William Clare would be public. It would be a matter of simple calculation of adding up the figures as they appear in the Manitoba Gazette. If that is a difficult problem for my honourable friend I'll get the figures but the figures are all matters of public information.

MR. AXWORTHY: I have a supplementary for the Minister. Could the Minister tell us how much money Mr. Clare himself has invested in this company?

MR. GREEN: Mr. Speaker, that would be obtainable on Tuesday, I believe.

MR. AXWORTHY: A supplementary, Mr. Speaker. Could the Minister inform the House whether the silent partner, the unknown silent partner, who originally invested in William Clare, is still a partner in the company and if so who that silent partner is?

MR. GREEN: Mr. Speaker, I'm not aware that the absence of that information this morning will be a great problem to the citizens of Manitoba. It will be available on Tuesday.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Labour. Has the Minister any discussions recently with the Building Trades and Associations (Winnipeg) in respect to shortage of workers?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I've had a few discussions with the construction industry and it hasn't been drawn to my precise attention in any particular category as to shortages.

MR. PATRICK: Mr. Speaker, had the Minister any appeals from the building trades for immigrant workers?

MR. SPEAKER: The Honourable Minister of Labour. The Honourable Minister of Tourism and Recreation.

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, some time ago I took two questions as notice from the Member for Fort Rouge, the first being: Is it the intention of the Parks Branch of the Department to develop new campsites in the Whiteshell? The answer: Since 1971 the department has undertaken the construction of new campsites at the following locations: 1) In Manitoba at the Ontario border 45 sites; Nutimik Lake 181 sites; Falcon Lake Overflow 120 sites. And the foregoing

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(MR. TOUPIN cont'd). . . are facilities which are intended to replace or permit redistribution of current use. There are other locations undergoing refurbishment, none of which will provide the further capacity at this time. It should be understood, Mr. Speaker, that the Whiteshell Provincial Park is more than 1,000 square miles in area with campsites distributed over 13 widely separated locations.

His other question was dealing with, "Has the government undertaken any study to determine the loading capacity of the lakes in the Whiteshell to see if no new campsites should be built?" I gave a part answer saying that there was co-ordination between the Department of Tourism, Recreation and Cultural Affairs and the Department of Mines, Natural Resources and Environmental Management. There's a more detailed answer here, Mr. Speaker, in regards to what's happening through the Department of Tourism, Recreation and Cultural Affairs. The department has under way a recreational planning study which is attempting to identify the variables that are necessary in designating human carrying capacity. The physical impact of man and his activities in the park itself may be stated in terms of water pollution, vegetation damage, wildlife disruption, erosion, noise, or any sign of man's alteration of the landscape. Only a few of these broad categories of impact have received any attention in recreational planning in North America. Our ongoing planning study will adapt with measures that have been developed to date to the Whiteshell to determine the land and water use proposal that will ensue.

MR. SPEAKER: Orders of the Day. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable the Minister responsible for MDC. Has the Minister or the government committed any further loans to the Simplot Fertilizer Plant in Brandon?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Not to my latest information, Mr. Speaker. If it were done within the last three months it would be in the Manitoba Gazette. I am sure it is not.

MR. PATRICK: A supplementary. Had the Minister had any discussions or negotiations with executives from the plant for a further loan?

MR. GREEN: Not I, Mr. Speaker. Mr. Speaker, I said within the last three months it would be in the Gazette. That of course is not correct. There would be a period ending some time ago which would appear in the Gazette, and then what is being done now would appear of course some date in the future in the Gazette.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister responsible for Mines and Resources. Does the Minister within his department think that the Water Resources Branch of his department have a study or studies that indicate the potential productive use of the Souris River Basin if added irrigation is developed in combination with the Province of Saskatchewan?

MR. GREEN: Mr. Speaker, there is a Souris River Basin study which is on the drawing boards, which has been negotiated for some period, I would say at least a year - again I'm relying on my memory - all parties agreeing what should be done, the amounts that should be invested. Urgent requests have been made to the Federal Government to participate in this study. I received a wire from the Minister of Environment - Canada yesterday refusing federal participation in the study. We sent another letter today indicating that the study is even more important because it may be necessary to supplement some of our information relative to Garrison Diversion problems. I spoke to the Minister of Environment Canada on Tuesday, again indicating the urgency of federal participation in this study. Thus far it is not forthcoming.

MR. AXWORTHY: I have a supplementary for the Minister. In the discussions with United States officials or with North Dakota officials concerning the question of a Garrison Diversion, was the issue of the potential added productive use of the Souris River Basin brought up with them and was that part of the discussion in terms of ultimate compensation or the loss of the potential new irrigation of the Souris River Basin if the Garrison Diversion goes ahead?

MR. GREEN: Mr. Speaker, in very very general terms, I want to make it clear to the member that in the discussions that we had with North Dakota, the concept of compensation was not only not advanced but it was specifically stayed away from, because we told the Governor of North Dakota that if the United States commitment, which was initiated by the Government of

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(MR. GREEN cont'd). . . Manitoba and obtained by federal note from the Government of Canada to the government at Washington which said that there will be no pollution in Manitoba waters, was fulfilled, then the question of compensation does not arise, and the Government of Manitoba is taking the position that the United States must fill its own undertaking not to pollute Manitoba waters.

MR. AXWORTHY: Thank you, Mr. Speaker. I have another supplementary to the Minister. Aside from the potential problems related to pollution, does the Garrison Diversion project pose a danger to the potential redevelopment of the Souris River Basin based upon the projected studies or Task Force reports that are now in existence? In other words, will we simply lose the added capacity to improve the productivity of that area if the diversion goes ahead?

MR. GREEN: Well, Mr. Speaker, that is a question that will be answered subjectively by different people. For instance, additional water in the Souris River would subjectively be considered by some to improve the Souris River, subjectively by others to not improve it, and one of the reasons for the request by the Government of Manitoba and what we thought was an ongoing commitment to participate in such agreements, if not specifically the Souris agreement, well that is the reason why we are pressing the Souris River basin agreement, which I think I referred to last year in the House in the Estimates, on Ottawa. We fully thought that they would participate. Their last answer has been no, but believing the Government of Canada to be sincerely interested in this problem, as it has been in other projects across Canada such as Great Lakes clean-up, projects, water projects in the west such as the Churchill project which they are now doing largely for the benefit of Saskatchewan, sincerely believing that the Government of Canada has that same interest in the Province of Manitoba, we rather expect that their negative answer should in all probability be transferred into a positive answer.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is to the Minister of Health and Social Development. I wonder if the Minister can advise the House the Dental Care Program that he announced yesterday, or the day before, the pilot project in Northern Manitoba, will that be implemented without legislation or will the Minister be bringing legislation into this House where it will be debated?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, I don't recall the article referred to by the honourable member. The question of the Dental Health Plan is still in the development stages. It may or may not require legislation; if it does, of course, it will be brought into the House.

MR. PATRICK: A supplementary. I wonder if the Minister can advise the House, will the program be limited only to educating and preventing disease, dental disease, or will it be . . . ?

MR. MILLER: Mr. Speaker, the honourable member has the report of the committee which studied this matter - it was distributed in the House - and the recommendations in that report are available to him in the copy that he possesses.

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker, I direct my question to the First Minister. Will the First Minister advise this House whether contents of the Commission of Inquiry into The Pas Forestry Complex have been released in whole or in part, verbally or written, to himself or the Attorney-General or any other Minister, or to the prosecutor or assistant prosecutor?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't know how a report could be released in whole or in part, written or verbal, I mean that covers quite a broad spectrum of probabilities or possibilities. I might just advise my honourable friend, the Member for St. Boniface, that we have been quite anxious to have this work completed and we are simply waiting for the commission to conclude its work and to write the report and have it available.

GOVERNMENT BILLS - Bill No. 7

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, I wonder if you would now call Bill No. 7.

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MR. SPEAKER: The proposed motion of the Honourable Minister of Labour and the amendment thereto by the Honourable Member for Gladstone. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Mr. Speaker, I adjourned the debate for my honourable leader, the Member from Silver Heights.

A MEMBER: River Heights.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I rise in this debate; I am sorry that the Premier and the Minister of Mines and Natural Resources have left.--(Interjection)--Ah, he's here. I am sorry that the Premier's left because much of what I say will be of interest to him today. --(Interjection)--Yes, I suspect it will be of interest to the honourable member opposite as well.

I am happy as well, Mr. Speaker, that the Minister of Northern Affairs is present and I'm sure that he'll listen with interest to some of the things that I am going to have to say on this bill.

Mr. Speaker, when I spoke in this debate two weeks ago I tried to suggest that a number of problems could arise when employees of the government were perceived by the people they dealt with to be playing a political as well as a public service role. Later in the debate, the Honourable Member for Morris rightly pointed out that there exists some extremely important differences between the relations of government and its employees and the employer-employee relations in the private sector. The honourable member and I attempted to point out serious and potentially dangerous confusion of roles involved in some of the provisions of the bill before us. At still an earlier stage in the proceedings of this House, Mr. Speaker, I asked a number of questions of the Minister of Northern Affairs relating to a number of contract employees in his department, because I was frankly concerned about the kind of political role that those employees might be playing. The honourable members opposite chose to ignore our questions and disregard our warnings. Perhaps that was because we were endeavouring to defend a general principle and perhaps for that reason the honourable gentlemen found it difficult to comprehend.

Accordingly, Mr. Speaker, this morning I propose to lay before the House a specific case whose importance among other things lies and strikes at the very heart of the principle embodied in the bill, and that, Mr. Speaker, is the politicization of the public service and the confusion of roles that has befallen a number of people paid out of the public purse by the present government. In so doing, Mr. Speaker, I think I will demonstrate the need for hoisting or radically amending this bill, and I do so, Mr. Speaker, and indicate at the beginning that the case I'm citing is illustrative of what can and has happened with this government, and Mr. Speaker, what can and will happen if the bill in its present form is passed.

I think, Mr. Speaker, that I will also demonstrate the need for the government to bring its activities out of the shadows and into the harsh light of public and judicial scrutiny. In placing this highly illustrative case before the House, I wish to table several documents to which I shall make further reference. Two of these are in the form of affidavits referred to as Affidavit I and Affidavit II of one Ronald Len Allison, a former employee of the Communities Economic Development Fund, and another, Mr. Speaker, being a report prepared by and for the Communities Economic Development Fund by, I believe, a person seconded to that fund from the Department of Industry and Commerce.

Together, Mr. Speaker, they represent the preliminary documentation of the case that will, I am satisfied, demonstrate a violation that will represent, Mr. Speaker, a violation of public trust by people paid out of the public purse, which I say lies at the heart of this bill. I may add, incidentally, that I think that this case will demonstrate why this government is so gun-shy about judicial inquiries into its conduct, and why, with the case before us, the need for such inquiries becomes ever more urgent. The chronology of the events to which these documents refer is a lengthy one. The facts are many and complicated, the implications serious and far-reaching, and Mr. Speaker, I shall therefore only present a précis today.

The case involves two companies which received loans from the Communities Economic Development Fund, J. M. K. Construction Limited and R & M Construction, and if one was to examine the Communities Economic Development Fund report, you will see both companies mentioned and loans to be granted or granted to them referred to. It's my understanding that

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(MR. SPIVAK cont'd). . . both companies are or were owned by John Kregeris. The first company apparently was granted a loan by the Communities Economic Development Fund in the amount of \$50,000.00. The Company found itself in difficulty, in financial difficulties, and as a result of a meeting with the Fund and its solicitors, a second company, R & M Construction, was incorporated to acquire the assets of the first. To this company the Communities Economic Development Fund is reported to have loaned \$40,000 and guaranteed an additional \$32,000 as of March 31st, 1973 in the annual report. It appears that as a result of this transaction, the Communities Economic Development Fund then appointed to the Board of Directors of this Company, Mr. Ben Thompson who is now under contract with the Department of Northern Affairs; Mr. Don McIvor who was Mayor of Wabowden and on contract with the Department of Northern Affairs at that time and is on contract with the Department of Northern Affairs now, and on the Communities Economic Development Fund's Board of Directors; and Mr. Gordon Tritheart, who is a loan officer of the Communities Economic Development Fund. It would appear from the records that effective control of the company very quickly passed from the hands of Mr. Kregeris to the hands of several men who were directly or indirectly in receipt of provincial moneys, and in some measure in a position to dispense provincial moneys.

Mr. Speaker, all of this, I may say, came at a time occurring in an agency presided over from the fall of 1972 by Mr. Wilson Parasiuk, a dedicated New Democratic Party partisan in the Civil Service and a man who ultimately ran against the Honourable Member for Riel in the election of June of last year. Mr. Allison, whose affidavits are before the House, was apparently hired by the Communities Economic Development Fund to become the manager of R & M Construction. According to his affidavit he discovered soon after his appointment that the financial statements were in a great disorder. He endeavoured to have independent auditors attempt to put the books in order but he alleges that the auditors were dismissed by Mr. Tritheart with the work not done. At a meeting of the Directors from which he claims that Mr. Kregeris was excluded, he asserts in his affidavit, Mr. Speaker, that Messrs. Thompson, McIvor and Tritheart were given complete and exclusive control over Mr. Allison's activities. His statements, if true, suggest that by the spring of 1973 an apparently privately-owned company had in fact been taken over by three persons appointed by a government agency, that the affairs which were in disorder were completely in their control, and that while he was the manager he was later to be told that he should ask no question nor in any other way interfere with the operations of the company.

Mr. Speaker, I would like to, if I may, quote from Affidavit No. 1, and the Affidavits are lengthy and I have indicated I have only given a precis. We'll have much time later on in this House to debate the contents. But I want to quote from Affidavit 1 in the conclusion when he says, "During the period of time while I was employed by the Communities Economic Development Fund and was engaged in action as a manager of R & M Construction Limited, the affairs of that company were entirely under the control of officers or employees of the Communities Economic Development Fund, and neither I nor the president of R & M Construction Mr. John Kregeris, were in a position at any time to exercise control of any kind whatsoever over the activities of R & M Construction Limited."

From Affidavit No. II I would like to quote the following: "During the term of my employment by the Communities Economic Development Fund as general manager of R & M Construction Limited, I was in constant receipt of direction and instructions from Messrs. Gordon Tritheart, Mr. Donald McIvor and Mr. Benjamin Thompson. In addition, the instructions received from time to time from officers of the Communities Economic Development Fund respecting such matters as the purchase and distribution of building supplies and materials, the retention of labour in its employment, the placing of contracts with the company and subsequent failure to receive such contracts and other like matters. I could not obtain assistance or direction concerning the affairs of this company except only with respect to matters involving various government programs, which were of little or no benefit to the company. I was unable to exercise any of the responsibilities which were imposed upon me by the Communities Economic Development Fund, my employers, and in particular could not exercise any control whatsoever over the finances of the company, including its receivables and payables. Cheques were prepared by me for payment of accounts payable by the company to its suppliers and J. M. K. Construction Limited, but since all such cheques had to be forwarded to the Communities Economic Development Fund or to one of its officers for signatures and subsequent forwarding

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(MR. SPIVAK cont'd). . . to such suppliers, I had no control over whether or not such cheques were in fact ever sent. Many of the cheques and vouchers which were prepared and delivered to the Fund were not subsequently forwarded to suppliers and others upon instructions of the Community Economic Development Fund officers were forwarded with the amount or payee blank, and other cheques which were completed and forwarded were mutilated before their return to me for inclusion in the company's accounting records."

Those are the end of the two quotations that I referred to, Mr. Speaker, when I talked about the affidavits.

In the spring of 1973 - incidentally a period immediately preceeding a general election - the company now controlled by people on the public purse and with access to the public purse, appears to have lost its original purpose as a contracting company and became in the main a clearing house of building materials under a number of federal and provincial programs for native people and people in the remote communities. These materials appear to have been distributed in the main by the Mayor of Wabowden, who was on contract with the Department of Northern Affairs and who was, in the fullest sense, Mr. Speaker, the political head of the community of Wabowden. I say that in the knowledge that in the spring of 1973 the community of Wabowden was in a state of considerable political ferment, and I think it must be remarked on that in such a situation we find Mr. McIvor, a member of the Communities Economic Development Fund, on contract with Northern Affairs, Mayor of the Community, and a director of R & M Construction which was inevitably a key company in the town. By virtue of the combination of positions and resources open to him, it would appear, Mr. Speaker, prima facie that Mr. McIvor was boss of Wabowden and that the status was reinforced by his relationship with the Communities Economic Development Fund, Northern Affairs and R & M Construction.

I would suggest, Sir, that here was a confusion of roles because in Mr. McIvor the government had a person who could on the one hand perform the happy and legitimate task of welding the community together, but who could at the same time see that in the distribution of government programs - and I want to refer to that again, Mr. Speaker - in the distribution of government programs the government would get and take the political advantages that would occur.

Mr. Speaker, the documents that I have filed can be read by all members, and I suggest that they should. The inquiry that must follow will beyond question produce other questions, but let me for the purpose of exposing the dangers in Bill 7 briefly indicate the nature of the possibilities spelled out in these documents as to the dangers of blurring the lines between political and public service, between behaviour that is acceptable and that which is not. These affidavits, Mr. Speaker, raise the possibility of conflict of interests. They raise the possibility of financial irresponsibility on the part of agents of the government. They allude to the possibilities of loss, theft and pilferage of materials purchased with moneys derived from public sources; the failure to keep proper financial records, and a deliberate and conscious decision to prevent the manager from rectifying that situation. Mr. Speaker, they raise profound and basic questions as to whether persons in position of great public trust did knowingly and wilfully abuse and misuse such authority as was vested in them.

Mr. Speaker, the affidavits suggest the possibility that building materials were distributed on the eve of the general election without regard to the financial implications for the company and with minimal, if any, attempts to correct or control what was happening. These are serious questions to be posed of people on the public payroll with access to materials from public funds, and until these questions are answered satisfactorily, Mr. Speaker, by an independent external inquiry, they will leave unanswered another question: Did the New Democratic Party win the north or did they buy the north? Until these questions are disposed of, the suspicion will remain that agents of the government were more concerned with the distribution of largesse on the eve of an election than they were in protecting the independence of the public service, the public interest, and public funds.

This House must therefore, with Bill 7 before it, wonder how a person who was under contract to Northern Affairs had the time and the ability to give so much of himself to this particular company. One wonders about the rationale, the process and the authority on which he became able to sign for, control and distribute the goods. One is asked and is obliged, Mr. Speaker, to ask questions as to what meetings took place between the Mayor, the New Democratic Party officials and the Vice President of the Manitoba Metis Federation.

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(MR. SPIVAK cont'd). . Mr. Speaker, the list of questions raised by the affidavit alone is enormous.

But I want to now consider as well some comments on a document within the Department of the Communities Economic Development that I have filed, and I will refer to this as the CEDF Report, the Communities Economic Development Report. It's a report on Wabowden, Mr. Speaker, and it relates to Bill 7--and I may say that that report was completed in May of 1973, and I want to quote if I can from that document on Page 10, and I quote:

"Another case which illustrates a rather serious kind of deterioration of personnel as well as community relations, involved the company foreman. This foreman seemed to realize that as a result of the increased dependency on the funding agency, that is on the Communities Economic Development Fund, much of the decision-making power had been transferred to individuals connected with the Communities Economic Development Fund. The foreman apparently hoped to gain personal advantage from the situation. Among other things he began to defy the owner's instructions to the extent that he would demand payment of wages for jobs not done, not even attempted."

Well, Mr. Speaker, let's consider the implications of that quotation. The power and influence of government agents so great that an employee would in effect attempt to extort money from his employer. Now is this the power that this charter of liberty known as Bill 7 seeks to enlarge?

On page 11 we find the following, and this is in the CEDF Report. "Mr. Kregeris gives the impression of being a man of great courage, commitment to a task, capable of performing high quality construction work as proven, and emotion resilience coupled with an amazing capacity for hard work. In fact if he appears to have failed at all, that it is probably in letting himself be persuaded by influential Wabowden residents to set up his company prematurely in a community which has real and almost . . . potential for development."

Well, Mr. Speaker, who were the influential Wabowden residents who persuaded Mr. Kregeris? Well we know the answer to that question, but how did they persuade him? Apparently through their access to public money. Why did they persuade him? Apparently and ultimately to control his company and that, apparently, for the purpose of providing a conduit for goods into an area that would help the government.

On Page 16 of that report we find the following: "Apparently in Wabowden there are five community development workers who are permanently stationed there and whose role appears to be a nebulous one. Most community development workers are required to possess a background in sociology, social worker related experience, which make it difficult to understand why so little coordination of community requirements is being done by these workers since the idea of coordination is a notion basic to the sociological concept of community."

Now that's the end of a quotation, and for the benefit of the Minister of Northern Affairs, that is a document prepared by his government, by officials of his government. That is not an extraneous statement made by someone from the outside. The author of this report, Mr. Speaker, seems genuinely puzzled at the role of five community development officers permanently stationed in Wabowden. Well, Mr. Speaker, he might be. But in the light of the Minister of Northern Affairs' comments in his Estimates, in the light of the affidavits of Mr. Allison, there cannot be a person in this Chamber who hasn't at least a suspicion of what those development officers' nebulous roles actually were.

Mr. Speaker, let us not be naive about one thing. The case which, as the media may say, I have broken in the House, has many ramifications and will, like the co-ops, Mr. Speaker, and Hydro be with us for some time unless of course there is an inquiry, but its implications for Bill 7 are clear and immediate. We have a prima facie case of one or more men on contract with the Department of Northern Affairs, associated with the Communities Economic Development Fund, on the board of R & M Construction and wielding inordinate political influence in Wabowden, in the constituency of Thompson, perhaps in this building as well. And for the benefit of those who may not know, Thompson was won by the New Democratic Party with 200 votes majority. Can anyone opposite in conscience seriously suggest that there may not have been a serious and costly confusion of roles here? Can anyone opposite seriously suggest that this is not the sort of thing we should be trying to prevent rather than to legitimize? From what I have said about this case, Mr. Speaker - and I've said very little compared with what could and should and will be said - from what I have said it should

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(MR SPIVAK cont'd). . .and will be said - from what I have said it should be clearly unnecessary for me to have to ask yet for another judicial inquiry. But surely it's to be obvious to those opposite that with or without the knowledge of the backbenchers and with or without the knowledge of at least some members of the Cabinet, some very unusual things are happening in the internal administration of the affairs of this province, especially in the north.

The bill before us therefore is not a charter of liberty, as some opposite have claimed; rather, Mr. Speaker, it is a license for the untrammelled and unrestricted exercise of political power and power not to be exercised necessarily by the Cabinet, many of whom I believe to be both ignorant and innocent of what is going on, but exercised by an inner ring of political civil servants appointed by the present government. Mr. Speaker, these are men who I suggest are so dedicated to the New Democratic Party, so dedicated to preserving the NDP in office, that they are prepared to by-pass morality, prepared to by-pass law, and prepared to by-pass even those Ministers whom they nominally serve. With Bill 7 before us, which would confer new powers on Ministers in several areas, there is a further question to be asked. Who placed these men in the positions of trust and power? Was it the Minister of Northern Affairs, or the Minister of Mines and Natural Resources or Mr. Parasuik, or was it the Premier? I understand that Mr. Tritheart has been moved from the jurisdiction of the Minister of Mines to that of the Minister of Northern Affairs, and that shift may well reflect on the Minister of Mines and Resources. But who placed Ben Thompson on contract and who placed Don McIvor on contract? The place in question, Mr. Speaker, involves an agency of government that falls within the jurisdiction of the Minister of Mines and Natural Resources. Mr. Speaker, I've known the Minister too long and respect his integrity too much to believe readily that he had knowledge of the activities I describe. But if persons on the public payroll prove to have betrayed the trust of this Minister, would not a Minister who was less able and less honest - and we have him, Mr. Speaker - be even more vulnerable?

The case I have cited is not now going to go away what ever happens to Bill 7, but I think the honourable members opposite and the public at large will now have a better appreciation of why we will not support the bill in its present form and why, in our view, Mr. Speaker, it must be amended, postponed or withdrawn.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, there has developed a custom which I believe is, I guess, legitimate form of attack if it succeeds because I happen to believe that there is a basic intelligence on the public and that regardless of my own particular subjectivity, if something makes an impression even though I may think it's unfair, that probably the public in judging that impression is making a judgment which is better than any individual judgment that either the Leader of the Opposition or I could make. And there has been an attack chosen by the Leader of the Opposition - and I say that I will wait to see whether it is really legitimate or not - of raising a question as an inquiry, not really from the point of view of getting an inquiry but from the point of view of making a charge, knowing that whatever answers later on are made that these would not stretch, and that really the impact of the initial reaction is what it is thought, and what happens after that is really not important. And, you know, the Leader of the Opposition almost revealed that as being his position, because, Mr. Speaker, the Leader of the Opposition today tried to write his own headline, and that was really the most significant part of his speech. He said, "when it is reported, as it undoubtedly will be," and I suppose he sees them in red and about three inches high. "The case that he broke in the House today," that when that is reported that it will not go away very quickly. Perhaps in the last part I'm not paraphrasing him properly and if so I apologize. But what he said, that when it is reported that the case that he broke in the House today--and what followed is really unimportant. He really indicated, he really indicated, Mr. Speaker, what he's tried to do, and over the past couple of years I want to remind him that he has done this before.

Mr. Speaker, I made a speech in the Province of Quebec which happened to be reported badly in the English newspapers - I spoke in French. The Leader of the Opposition did not get up and say "Did the Minister say these things?" Mr. Speaker, he didn't even ask me why I said those things. Let him remember that he said to the First Minister - he didn't want to ask the Minister of Mines a question - "I want to ask the First Minister whether the remarks that were made by his Minister in Quebec were government policy?" You know why he did that, Mr. Speaker? Because he did not want any response as to whether these things did

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(MR. GREEN cont'd). . . happen or did not happen. He wanted to accept the fact that they happened and he did not want to give an explanation, and he's done that, Mr. Speaker, on numerous occasions in this House and he did that in a rather elaborate and sophisticated way today. And I'm going to tell him, I'm going to tell him that I appreciate his remarks with regard to my honesty and my integrity even though, you know, that comes as sort of a backhanded compliment when he says that "the removal of Tritheart from the Mines and Resources Branch to the Northern Affairs Branch may reflect on the Minister of Mines." That, coupled with his what I have to accept as sincere remarks to my integrity, really puzzles me. I want to tell the Leader of the Opposition that I had never heard the name Tritheart, at least in the context to which he is referring, in any government context or any ministerial context. If I heard it, I heard it like Ritter, Thelma Ritter or something, until yesterday when I was called out of the House and I believe it was by Mr. Ron Campbell, I believe he's sitting here, and he said, "Is there a fellow named Tritheart working for or did he work for the Communities Economic Development Fund?" And I said, "I don't know the name. Why don't you phone the Communities Economic Development Fund?" and he said, "Well I do, but Mr. Jones says that only you and Mr. Parasiuk can answer." And I guess that Mr. Jones is really reflecting a position that only the Chairman speaks for the Fund or the Minister. But I can tell the honourable member that the name "Tritter" means absolutely nothing to me.

A MEMBER: I'm sure glad to hear that.

MR. GREEN: Well you're glad to hear that. I'm sure that you are not glad to hear that. Because I am sure that the Minister, that the way in which the Leader of the Opposition introduced his speech today - and I thank him again, you know, for his kindness to me - that he did not want an answer, he did not want to know what occurred; he wanted a two-inch red headline. And by the way, I say to him that if that is legitimate and you get them and it makes a public impact, that you are right to do so. I question and I ask you to seriously question whether it does have that impact and whether not having that impact you are right to do so. Because the Leader of the Opposition in his entire remarks, which were not related to Bill 7, attempted to relate to Bill 7 in terms of somehow obscurely saying that there is a politicization of the Civil Service. It has, Mr. Speaker, the implied statement as follows: that the people are ignorant, that the people can be intimidated, that the people can be bought. Can they? I ask the members of the Leader of the Opposition to really, really cogitate that. Because, Mr. Speaker, it's my impression that the pulp mill that we built, the Churchill Forest Industries pulpmill, should never have gone in The Pas, that there were better locations for it, but that The Pas and the pulp mill were a very, very big fuss for the former member in The Pas, and that spending \$92 million in The Pas, Manitoba was going to ensure that seat for The Pas.

Well, Mr. Speaker, the Honourable Leader of the Opposition knows that Mr. Carroll was not elected in The Pas and that the people of the Province of Manitoba are not intimidated, not bought, not stupid in the way that he would suggest, and that that kind of thing that he says that we are engaging in - and by the way, if we are and I suggest to you that we are not, but I'm not able--(Interjection)--If we are, Mr. Speaker, it would not have bought us the seat of Thompson, it would not have bought us Wabowden, it would not have --(Interjection)--Pardon? Well, Mr. Speaker, I am suggesting to the honourable member that I am not going to be -- he is in exactly a secure position with regard to his charges. He knows that not having asked the Minister does he know anything about these, does he know the name Tritter, does he know the company, does he know the circumstances, he knows that it's not going to be possible for me to get up and answer what he presents in a rather dramatic way, but which I really saw nothing in as he concluded his remarks.

Now let's Mr. Speaker, deal with some of these things, and I have to tell the Honourable the Leader of the Opposition, who asked me to stay around so that I could hear his speech and now he's not listening to mine but that's his privilege, that's his privilege - I want to ask--(Interjection)--Mr. Speaker, the Leader of the Opposition, I want to tell him that despite the name of the company, despite the report of the committee, despite the charges of a managerial disaffected manager, or maybe not a disaffected manager, that I am not able to deal with many of the things that he has listed by getting up and answering his remarks today. However, I have not really seen the seriousness of what he has said. He says that Don McIvor is a Director

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(MR. GREEN cont'd). . . of the Communities Economic Development Fund. It would be very unusual if Don McIvor was not a Director of the Communities Economic Development Fund. Don McIvor was the President or one of the main people in the Northern Association of Community Councils. We got names from those people as to who should sit on these Development Funds. Don McIvor is one of the successful people in a successful community in Northern Manitoba, he knows the isolated areas, and if that excludes him from being a member of the Communities Economic Development Fund, then we would have difficulty choosing the director. But the Fund is operated in much the same way, in much the same way as the Manitoba Development Corporation, Mr. Chairman. The Lieutenant-Governor-in-Council is responsible for appointing the directors. The directors include Mr. McIvor; they include Mr. Sterikoff that I know of, they include Wilf Hudson of Thompson, they included Ben Thompson until apparently he left the Fund because he was going to be or was applying for funds from the Fund. It includes people in Northern Manitoba, and I would suspect, Mr. Speaker, that some of these people would be friendly to the New Democratic Party, that we do not regard it as a disqualification from a board that we appoint that he is a New Democrat. When that comes up it does not rule us out of choosing this person.

A MEMBER: On the contrary.

MR. GREEN: Well, you know, you say "on the contrary" and I say that I have never said differently. And the Member for Morris likes to read a remark of mine and I like to hear it read back, that when we are in government we will appoint what we consider competent people to boards that we have jurisdiction over, but it is likely, very likely that he will find many of those competent people amongst friends of the New Democratic Party. Now, you people would behave differently? Really? I mean when you get into power you're not going to appoint Conservatives, you're going to appoint New Democrats. If the New Democrats thought that, they would elect you not us. Because why not? If the power, once it is obtained, is going to be given to the opposite party, then it seems to me it's like the Chicago story I told you.

But let's get down to what was listed, and this is really what I want to deal with because those are apparently considered as very serious things. The first thing that is listed is that a corporation or a company obtains money from the Communities Economic Development Corporation, that one loan was not paid and then they received an additional loan. Is that not what was said? That there was one loan and then there was another loan? And on the advent of the second loan--well if I'm incorrect, then I would please wish to be corrected.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: The Honourable Minister has not read the affidavits and I think that before he asks the recitation be . . .

A MEMBER: No.

MR. GREEN: I'll continue, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: I know, I know that that is what the Honourable Member would like because he doesn't want the case that he broke in the House to be in any way answered until I have time to read those affidavits, which I cannot read while I am standing here on my feet and answering. --(Interjection)--

MR. SPEAKER: Order, please.

MR. GREEN: No. Then I will deal with it, Mr. Speaker. I'll deal with it. What we are - and I want to be correct; we are at least if I'm not correct the way I analyzed it, we are talking about moneys that came from the Communities Economic Development Corporation and that, following that, members of the board of the corporation actually took control of the company and started to supervise its affairs to the extent that the manager felt that he was not in control.

Now, Mr. Speaker, I have acted as mortgagee, I have acted as mortgagor, I have acted as a person who is entitled to a debt and has received on same; I have acted the other way. And everybody here who knows anything about private enterprise, knows that when you advance moneys on a loan and for some reason the security of that loan is in doubt, that you have the right, that the people who advanced the money have the right to go in and say that these are the things that should be done. These are the debts that should be paid. These are the accounts that should be paid. These are the orders. This is how the money should go. And isn't, isn't

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(MR. GREEN cont'd) that exactly, to turn about what happened a week ago, what the Honourable the Leader of the Opposition complained about when he said that the Department of Co-operative Affairs which was advancing money to co-operatives was not supervising how that money was spent? The Honourable Member for Minnedosa knows damn well that I'm right because he's a banker. And, Mr. Speaker, if a banker advanced money and the money was still to be up, and the loan was not secure, and that payments were in default, and that they were dissatisfied with management, they would put somebody that they wanted in there and that person would be responsible to the bank. And if that is a great - how did he put it? case that was broken in the House, what was the case that was broken in the House? That the Communities Economic Development Fund, when they advanced money on a loan and when they were dissatisfied with how that loan was being handled, they put in the people who were responsible for the money to see to it that it was supervised. That's the case that this man broke today in the Legislative Assembly. What else did he say, Mr. Speaker? He said that he has an affidavit from a disaffected manager -- maybe that isn't it. I did not read the affidavit, he is correct.

Mr. Speaker, would it be difficult for any member in this House to go to a place that is into receivership like Prairie -- do you want the affidavit of a disaffected Manager? Go speak to the Manager of Prairie Foundry who was let go because Prairie Foundry went in and put in a receiver. Do you want the case of a disaffected Manager? Go to the people who were foreclosed in Cowl Equipment. You want the case of a disaffected Manager, go to Alex Chasser. You want another case of a disaffected Manager, go to Auby Galpern. You want another case of a disaffected Manager, go to anybody who has - go to the people at Unicity Steel. You want the case of a disaffected Manager go to anybody who has been . . . --(Interjection)-- Pardon me?

A MEMBER: What do all of these fellows . . . win an election.

MR. GREEN: Well, Mr. Speaker, the honourable member says what do all of these fellows - you know, one of the sideways references that is made is that lumber was delivered during an election campaign. Mr. Speaker, I suppose deliveries of lumber should stop during an election campaign. I mean, what have we come to? What have we come to? We have come to this type of people on the board of directors. I am glad that the Communities Economic Development Fund put people on the board of directors of this subsidiary or this company that had money loaned to it, if they were worried as to how that company was operating. That's what the Communities Economic Development Fund is supposed to do. And in spite of that, Mr. Speaker, in spite of that, I have to tell honourable members that the Communities Economic Development Fund will lose money, because the Communities Economic Development Fund was set up to inspire entrepreneurial leadership in the most difficult commercial communities in the Province of Manitoba. And that being the case, it is expected that there will be placed when it will not succeed, and frankly, I am quite surprised with some of the successes that they have been able to show. Pleasantly surprised. But there will be problems. But if you say that the case of a disaffected manager putting his grievances into an affidavit against the people from whom he is loaning money, then I ask the Member for Minnedosa to say whether this is very credible information, whether this is in fact something that deserves what the Honourable Leader of the Opposition really feels he is entitled to, that is some sort of headlines that he broke a case in the House.

So we've got the fact that the CEDF went in and supervised, and I'm going to find out why, and I have to tell the honourable member that. But that's what it amounts to, that they went in and supervised details of operation, details of construction. They have the facts that a foreman that I don't even know tried to use some intimidation. I won't even be able to say that that did not happen, but I do not know that that makes out a case against permitting civil servants. This guy wasn't a civil servant, he worked for a company. The CEDF, the people who work for CEDF companies and CEDF gets a loan . . . are not civil servants. So maybe that man should be prohibited from participating in politics. Well would the honourable member extend that, that anybody who works for a company who has received public funds cannot participate in an election campaign? Because that's the principle of the bill. That's what you're here discussing.

Now I don't know whether a foreman did that and I don't know whether a foreman did not do that. All I'm saying is that it's --(Interjection)-- Well, Mr. Speaker, the fact is I know

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(MR. GREEN cont'd) what the honourable member said, and I know that what he said is that there was bad supervision, or that there was supervision, not bad supervision --(Interjection)-- Well, Mr. Speaker, I say that control means the power to supervise, and I say that when the Communities Economic Development Fund, the instructions to the Fund, let's not have any misunderstanding, that the Communities Economic Development Fund, if they feel their loan is insecure and they have a debenture which says that they can go in, foreclose, and secure that loan, and take control and govern, I say that they should do it when they think they should do it. That's what they're there for.

A MEMBER: Amen.

MR. GREEN: And that is not unusual. That there was a disaffected manager, the honourable member has only one, I want to give him 30 more. Go get some more affidavits and try to make some more case-breaking in the House. Because there are lots of them. And I'll tell you something. There are disaffected civil servants and there are disaffected people everywhere. The honourable members should know that some people get disaffected. You know, some of the things that happened in the '69 campaign towards the end of the campaign would indicate to the honourable member that there were disaffected civil servants under the Conservative regime. And if that becomes an indication that the regime is in difficulty, then let me tell the honourable friend that if a civil servant thought that he could get his way by leaking a story to the opposition hoping it would then come up in the House, hoping to embarrass the Minister, thereby having to have the Minister approve in the budgetary estimates something that was taken out relative to his particular problem, if they thought that was a method of achieving success, you people would never have anything to do but interview disaffected civil servants. Because they're after us all the time to get things in the estimates. And if they feel that they can get 'em better through you than through us, they will get them through you. But the public will not buy it. The public will not buy, and this is where I say that the honourable member is wrong, that the public will not buy that supervision by the loaning agency over an organization which it has loaned money to, and you know how that supervision can be undone? Do you want to know how they don't have to get control? I'll tell you. The honourable member maybe he doesn't know this. They pay the loan. No supervisions. No control. Ask the Member for Minnedosa? Once they give him the \$42,000, no control, no civil servants, no Northern Affairs co-ordinator, nothing! --(Interjection)-- Pay! But as long as the public is responsible for the advancement of the loan the public has a right to supervise. That there are people on the board, Mr. Speaker, on the Communities Economic Development Fund, Mr. McIvor, that these people were - Mr. Tritter - Tritter? That's it. These people that some of them were friendly to the New Democratic Party. I have already indicated that we will not disqualify people from being in public service or being appointed to the boards because they are members of the New Democratic Party. We do not intend to effect that discrimination, and we will not ask the Leader of the Opposition, if he ever held the seats of power, to say that only New Democrats should sit on his Board; that that is part of the administration of government. Lumber was delivered during an election campaign, Mr. Speaker, I would think that if the lumber should have been delivered that delivery should not stop during an election campaign. However, because the honourable member has put down affidavits which he says contain terrible . . . I will look at them.

Now we come up to the greatest inconsistency of all. There is a report - I imagine, he says it's a departmental report, I tell the honourable member I have not seen the report. The report probably would have been seen by the Communities Economic Development Fund and that they would have been dealing with it. But the very fact that a report is commissioned by the fund, that the person who has commissioned it is entitled to write what he thinks and that an evaluation of these things are taking place within the Civil Service itself, should indicate to the honourable member that the Civil Service is not being asked to okay or to create a picture which is favourable to the government. The report he reads, which criticizes community development officers and indicates that there is some responsibility. Does he say that that is a reflection on the government? That's an indication that what he says is not true. And does the honourable member say that it doesn't happen in other governments?

Does the honourable member say that the officials of the Department of Agriculture think highly and are always complimentary to the officials of the Department of Industry and Commerce? The honourable member was the minister. Does he say that the officials of the Department of Industry and Commerce are always complimentary about the officials of

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(MR. GREEN cont'd) the Department of Agriculture? Or does he say that the Northern Affairs people, and it used to be different you know, it used to be - Community Development used to be under Health and Northern Affairs used to be under the Commissioner of Northern Affairs, under his government. I changed it. Does he say that the people in Northern Affairs under John MacDonald, does he say that they thought that the Community Development officers were the greatest thing in the world? Mr. Speaker, let us be realistic. He knows that one group couldn't stand the other group, and one group would say that these people could all be eliminated and we'd be saving money, and the other group would say why are you sending those Community Development people in - they're just a waste of money. Well I'm telling you that's happened before; it is happening now and it will happen in the future. And I don't care who's in government, there will be people who say that the other department do not know what they're doing, or the officials in the other department don't know what they are doing, and when they are in a room by themselves, they will say the Minister in the other Department doesn't know what he is doing, and the Minister in their own Department doesn't know what they are doing. They will not say that in a memo to the Minister, at least, rarely. But they will say that. And what is there here that the Leader of the Opposition really feels entitles him to think that there will be a story of a case broken in the House. Well I suppose there will be a story, and if I am incorrect about the inherent intelligence of the electorate, then I would think that the Leader of the Opposition will make some miles.

So far, I happen to think that the contrary has been shown. We will deal with any of the specifics which I haven't dealt with yet and I will admit that I have not been able to answer, and I thank the Leader of the Opposition for at least giving me the benefit of the doubt that probably I did not know about these terrible things. I mean, Mr. Tritheart, the name I first heard yesterday. The fact that the fund supervises and takes control I do know about that. So if that is a great - if it's a sin, the Minister of Labour says then I have to plead guilty to that because I do know that when we have a loan and it's not going rightly, money belongs to the people of Manitoba, that ultimately we have to take control and make sure that we do it as best we can. And even that I do not guarantee. I do not guarantee that Mr. Thompson or Mr. Tritheart or Mr. - who is the other one? McIvor, that they will exercise a proper control, but somewhere or other you have to try to rely on doing the best you can. And they may lose this loan, I don't know. Just as we have lost other loans with the best of intention. But that I did know. That there were New Democrats on some boards, not only did I know it, but I am responsible for some of them, and of course, the Lieutenant-Governor-in-Council is responsible for all the boards. That there is a report evaluating what has happened in a certain place. I did not know of the report - I am happy that the Communities Economic Development Fund evaluates things and finds that something has not gone right and reports it to the Community. I hope that they did something about it if there is something wrong. But the fact that they do evaluations, I suspected that they did, I am happy that the Honourable Member has confirmed it. That lumber was delivered during election. I'll have to find out whether lumber was delivered during election. I did not see all business enterprise in Manitoba stop during the week before the election. I think that International Nickel delivered concentrate during the election. The International Inn continued to rent rooms during the election. --(Interjection)--

Well, you know, I have to reach pretty far to get to the position that the Leader of the Opposition has taken me to, that is right, that is right, that's right, and Mr. Speaker, Mr. Speaker I have indicated . . .

MR. SPEAKER: Order please.

MR. GREEN: . . . that this speech really wasn't a speech on Bill 7. That Bill 7 is a speech which in principle says one thing, and we've all had misgivings about some of the problems, so that the honourable member shouldn't reserve that to himself. I say that I don't know at which level it becomes reasonable for policy makers to go out and campaign and go out and participate in partisan electoral politics during a campaign, and that's something that the Minister of Labour says that we can talk about and that there can be amendments. I'm not satisfied that that is a perfect system, but what I do know is wrong, is that clerk typists in the Water Resources Branch on Taylor Avenue who has no effect on the political direction of the government in one way or the other, should have an impediment which says that she can't exercise a role in a democratic process which everybody else can. And I gather, Mr. Speaker,

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(MR. GREEN cont'd) that despite the revelation, despite this bombshell, despite the torpedo that has been launched in the Chamber today, that almost everybody says that that is unacceptable; and the Minister of Labour says okay, we agree that that is unacceptable, let's get a bill to committee and at committee we will start arguing about where the dangers lie, where the problems lie and what changes have to be made. Because I want to tell the Leader of the Opposition that not only him, not only the Liberal Party, but the Minister of Labour, the members on this side, all realize that this change involves some degree of caution.

But we look at the City of Winnipeg, they are all civil servants for the City, to the same extent as our civil servants are for the Province. Somehow the City has not become - I'll have to check with the Member for St. James - that the City has not become corrupt politically and a political, sort of a conspiracy as between the controlling groups in the city, the ICEC and the people who work for the City, that that has not occurred. The Member for Fort Garry says that the City is a conspiracy between the ICEC and the members who work for the City.

--(Interjection)-- Well I am not kidding. I do not believe that the conspiracy exists between the ICEC and all of the City civil servants by virtue of the fact that those civil servants can participate in an election campaign or can run for election or can be - well pardon me?

A MEMBER: Nor does the parallel exist.

MR. GREEN: Nor does the parallel exist. That the parallel in the province, we have a rule, which the City doesn't have, we have a prohibition, and what the Minister of Labour is saying, despite all of the attempts to find something sinister, that he wants to eliminate the prohibition, and he wants to do it in such a way as to try to gauge against the suggested problems that have been mentioned not only by the other side but people on this side. He wants the Bill to go to committee so that can be done.

Mr. Speaker, I have an inherent faith in the democratic system, I believe that the democratic system is capable of responding and adjusting and gleaning the relevant from the irrelevant. And I am satisfied that the democratic system will say to the Leader of the Opposition, that the methods that you are using in a hysterical attempt to obtain power do not justify any confidence in you.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. In rising to speak to this debate I was prompted primarily by one of the remarks made by the last speaker, the Minister of Mines and Natural Resources when he said that the issue raised this morning by the Leader of the Opposition had nothing to do with Bill 7. I'm afraid he's wrong, because I think it has a great deal to do with Bill 7 and has a great deal to do with the debate that has been going on in this House for the past five or six weeks. I don't intend to get into the specifics or the details and the merits, because I haven't had the opportunity, as the Minister hasn't, to read the affidavits and find out all the fine points. But, it does raise this question and it was a question that first arose I think in this House on the debate on the Estimates of the Department of Northern Affairs, and it is this.

This government has decided that it is going to take an interventionist activist role in the community. It is not a passive government, it is an activist interventionist government, particularly in the north. They have decided that by strategy to aid, abet the development of northern Manitoba, is to undertake a number of public ventures into stimulating the organizing and the development of various communities in various ways. Now we can argue about whether that strategy is right or wrong but the fact of the matter they must recognize, that by the choice of that strategy they are placing a number of people who are on the public purse, who are public officials, into the community with the opportunity, and in many cases the potential of becoming highly politically visible and politically involved. That it is no longer simply a matter of operating an old, sort of law and order type government or caretaker type government, it is an interventionist government; and the mere fact that the Minister of Northern Affairs has on his payroll a number of people involved in community organizing which is an activity which directly rubs against and gives the opportunity for people to mobilize, to organize, to sort of affect communities in a very direct way, poses on the other hand a very important obligation on this government, and that obligation is to insure with no question of doubt, that those people involved in those activities are totally and completely independent and immune from any kind of political influence by the Cabinet or by the political people running the government. I think that is the issue that's been raised in this House, that if you

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(MR. AXWORTHY cont'd) want to provide the Civil Service with certain political rights, then you have at the same time an obligation to insure that those rights are not abused. And the fact of the matter is that the Minister of Labour has not yet conceded, as we in this group have asked and I think members on that group have asked, that if you are going to pass Bill 7 then the first thing you've got to do is assure members on this side that it is not the Management Committee of Cabinet who is choosing which civil servants work at which job and who gets preference over doing what. And that's the way it works right now.

In other words, I tend to agree in large part, and I don't think anyone on this side of the House doesn't agree, that things have to happen in northern Manitoba, that it is an area that has been neglected too long. We can also disagree in some cases about strategy, and I suggested in the first debate we had on northern estimates that the Department of Northern Affairs was doing it the wrong way, that I didn't think Community Development officers had any business working for government. If you want to have community development then do it through a third agency which is not directly tied in with government organization or which can be hanged - have a political reign or license on then.

Now the point is - well if you know anything about Community Development, and I suggest the Member for Thompson start learning something about it, because it sure as hell is going on in his constituency, you realize that there are a number of techniques that can be utilized to have community development, community organization done by third party or intermediate groups which are not politically controlled. But the point of the matter is this, the point we are trying to raise is this, that the kind of activity, that if a government, and I'm saying that if their strategy is to be the right one, to be interventionist, then they have an equal obligation to make sure that there is a suspicious independent layer, board, commission or control, to make sure that those civil servants who are given their political right are not in any way able to be affected by political people in the operation of their duties, so that there is no preference, there is no privilege, there is no advantage on that particular basis. And the fact of the matter is that at the present moment, because the way that over a period of the last three or four years, the direction of the government has not given any confidence to people on this side of the House, that they are now prepared to abuse their privilege - in fact have increasingly gathered in to Management Committee and in to the hands of individual Cabinet Ministers the right to choose who does what job, and if he does it well, he gets appointed, if he doesn't do well, he doesn't get appointed. So the fact of the matter is that if you want this Bill to pass

MR. CHERNIACK: . . . permit a question?

MR. AXWORTHY: Yes, sure.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): I now have two questions Mr. Speaker. (1) The boards that would be appointed to control these operations in the north - who should appoint them? (2) How do you decide as between two civil servants as between the one who does a good job and doesn't - who should decide and who can judge whether the job is good or bad?

MR. AXWORTHY: Mr. Speaker, in answer to the first question, if the Minister had been listening carefully, I was not talking about boards. I was talking about civil servant, okay? I said that we need a board - pardon me, may I complete my answer? All right, I am saying that what is required in the operation of government is an insulation layer, an independent board that has the control over civil servants to maintain its independence. Now at least it is recognizable and it is able to maintain, and I would point out the - I would point out for the Minister who's having a slight case of apoplexy, the Minister of Labour, that he would be well advised to look at the operation of the Public Service Commission in Ottawa which has made the protection, which has been taken away from the Civil Service Commission in Manitoba. And that we denuded and eviscerated the power of that commission --(Interjection)-- I know just about as much as you do --(Interjection)-- Well I know that you don't know very much and that's the point, we're trying to tell you something. We're trying to tell you something. We're trying to pass a little information across to you, that if you're prepared to listen you might learn something. You've been in this House long enough, it's about time you started learning a few things. All right.

What we're trying to say, and we're trying to say in the best way possible is that if this

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(MR. AXWORTHY cont'd) government is going to do the things it wants to do, and I am not arguing against that, I'm saying it has an equal obligation to ensure that it doesn't abuse the rights of the civil servants who are involved or the public servants - and that means that they have got to amend the present arrangement of Civil Service to remove the discretionary control away from Management Committee and away from individual Cabinet Ministers in the choice of those who are going to do those jobs, and put it into the hands, back into the hands of the Civil Service Commission which at least has a higher degree of independence and a higher degree of visibility and is able to set certain ethics and controls and stands and measures for performance which are unrelated to their political activity.

If that kind of amendment is made, then I think this group is prepared to seriously support the kind of principles to give civil servants the right to politically engage in activity. But you can't have it both ways, and what we're simply saying is that if you want to be an activist government, fine. If you want to have activist public servants doing interventionist activities, fine - but to do that, provided with all the maximum possible, some independence and immunity from any kind of political influence from a Cabinet Minister or from the kind of people that work in those offices that you have. That's what we're asking for, and that's the basis of the issue I believe that we as the opposition was trying to raise, and that's what we in this House have been trying to say to you for four or five weeks.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Thank you, Mr. Chairman, maybe I could deal first in relation to this Act with some of the matters raised by the Member from Fort Rouge. And he has a theory that somehow the setting up of a hiring of a private agency to deliver government services is a better manner of operating; and in terms of this bill it would then somehow affect the working of this bill if the government, I believe he implied, could go ahead with this bill - if we set up independent agencies and hired them to carry out the services of the Province of Manitoba.

MR. SPEAKER: Order please. The Honourable Member for Fort Rouge.

MR. AXWORTHY: A point of order, that is not what I said. Again I would only --(interjection)-- Well that is not what I said.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Well, Mr. Chairman, I think the honourable member will probably have to find another occasion to speak again because I think that was the general interpretation of the remarks that were made by the member, so he would have to clarify that further at some other time when he has an opportunity to do that.

In relation to the bill in front of us, there is opportunity - as the Minister had said - for amendment, but he wants to get it to committee where amendments could be discussed. I'm not maybe as optimistic as him that changes in the bill, improvements to the bill could be discussed in a reasonable and rational manner in light of the type of political activity we are presently witnessing as the strategy of the Conservative Opposition. However the Minister has pointed out that that is something that he would certainly like to consider and look into further and I think that to the extent that the Member for Fort Rouge in his discussion of the bill referred to the extension services functions or what used to be called the Community Development Functions of the Department of Northern Affairs. I'm afraid that I would have to agree with him on the matter that that particular - oh, that particular function, I would have no wish to see those persons involved in political activity, I think it would prevent them from carrying out their jobs in a full and appropriate manner if they were involved in political activity in the communities that they professionally related to. However I would certainly, and when we're looking at amendments, have no objection to them taking part in political activities somewhere outside of the communities that they relate to in their professional responsibility. But I think in terms of their role in the communities affected that full political rights under this bill would probably not be worthwhile. As a matter of fact as I pointed out during my Estimate debates that I believe and I think the opposition must have agreed that the civil servants in the Province of Manitoba could be involved in political activity at their own community, city politics or municipal politics level, and I don't think there has ever been a restriction on the ability of people to get involved at that level. However, our advice and advice of staff in the Extension Services of the Department of Northern Affairs is for people working as professional community development workers, not to get involved in

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(MR. McBRYDE cont'd) politics in the communities they're working at at that particular level. So in effect their freedom is probably more restricted than the freedom of other civil servants although, you know, I don't know what would happen if they made the decision to do so - but we have advised and asked them, recommended to them that they not run for mayor and council, that they not run for Band Council because it then removes them from an advisory role, of a community development role to a local political role in those communities.

So that is the advice that goes out to members in the Department of Northern Affairs. But the point that the Member for Fort Rouge makes and, you know, I would be hopeful that he would have learned something in this House since he started here - that as a matter of fact what he said during the estimate debates that relates to this bill, Mr. Speaker, was that if in fact we had an independent body carrying out a role such as the community development role then the Opposition wouldn't raise the criticism that they're raising. Well, nothing could be more absurd than that, Mr. Speaker, nothing could be more absurd than that. The Opposition is going to raise criticisms no matter how the matter is done. And the other absurd point that he makes is that somehow the agency, a private agency can be more independent of government, can not have to worry about political matters. Now, you know, I think that the best example is probably the institute which the member does head or did head or whatever it was; that's an independent organization, receives funding from the federal, I believe at occasional times from the Provincial Government for some programs. And yet that that does not remove it from the allegation that many people make, that in fact it's a front for the Liberal Party and that the member's being paid off by his friends in Ottawa and that he can use that as his base for developing a political organization to run against Stanley Knowles or to run in Fort Rouge or wherever he wishes to deal.

There is no way I think - as a matter of fact, Mr. Chairman, I would like to point out an example that shows that perhaps within the Government Civil Service that it's much easier, much easier to avoid the kind of political fighting that goes on in private organizations that the government does work with, and we have used both approaches in the Department of Northern Affairs for certain types of services. But I'll give you an example. The Northern Manpower Corps of the Department of Northern Affairs had a contract with the Manitoba Metis Federation to provide a service in the communities of The Pas and Leaf Rapids. At the same time we had a contract to provide certain Manpower Corps services with the Manitoba Metis Federation at Thompson, Manitoba. It was done to see if in fact they could deliver the service in a manner that we thought was appropriate. In the one case it operated out of The Pas region of the Manitoba Metis Federation; the workers they hired to provide the service came to my staff and said: Look we can't provide this service, there is so much internal politics in this organization that we're expected to be involved in these internal politics of the Metis Federation in this region, that we don't have the time to deliver the service that you're paying for. So in that case the contract was not renewed, the staff was hired directly by the Department of Northern Affairs.

In the other case, in that kind of an arrangement, our staff was satisfied that the service was being delivered; the people working for the thing said they were able to deliver the service, and so the contract was renewed. But there's no guarantee, there's no black and white situation like the Member for Fort Rouge would have us believe; that in fact, if a private agency carries out a duty, that that in fact they're somehow more independent of the political process. I believe that within the Civil Service of Manitoba there is more independence from that kind of interference with delivery of a specific job than in any other manner.

I think this relates too with the comments of the Leader of the Opposition in regards to this particular bill or in subjects that he thought was relevant to this particular bill. Because I suppose since the Opposition does not raise policy matters, does not propose alternative policies, we can only interpret their remarks to in fact -- I'm sorry, Mr. Chairman, I was referring mainly to the Conservative Opposition - on occasion, that policy alternatives have been proposed by members of the Liberal Party, but the members of the Conservative Party being unwilling to state what they would do, how they would do it, makes it hard for us to judge what their policy might be, so we can only interpret from their general remarks.

So I would have to imply from the remarks of the Leader of the Opposition to date that in fact he would like to see written into this bill something that prevents the civil servants in the Province of Manitoba being involved in their local politics, because I can't interpret his

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(MR. McBRYDE cont'd) discussion in any other way. And I would also believe that he would say that members of the Civil Service cannot be involved in private organizations in their community. I would have to interpret from his remarks of the day before yesterday and earlier this week that in fact the person who is a civil servant in the Province of Manitoba cannot run for President of the Lion's Club in Thompson; cannot run for President of The Kiwanis Club in Winnipeg; cannot, Mr. Speaker, cannot be involved in activities of the Manitoba Metis Federation; cannot be involved in activities of the Manitoba Indian Brotherhood; cannot be involved in the activities of the Northern Association of Communities Councils - because that is what the honourable member said the other day. He said somehow the Minister's staff had influenced the election of the Manitoba Metis Federation and that somehow this was an illegal or improper act, that in fact that somebody who's a civil servant in the Province of Manitoba should in fact be active in his own local organization. Mr. Chairman, there is no way that a Minister of the Crown can instruct a civil servant not to run for the President of the Lion's Club or vote for a President of the Lion's Club; not to run for or vote for a president of the Metis Federation; not to run for or be involved in the activities of the Manitoba Indian Brotherhood. This is not possible - the staff of any government department, having some regards for what liberties they have as a citizen of the province, would not accept that, it would just not be acceptable. And it's preposterous for the Leader of the Opposition to suggest - as I have to interpret what his policy would be, because he won't say what his policies are, his policy would be that no civil servant in the Province of Manitoba could participate in local organizations. And that's the way I would interpret his remarks.

The other matters that were raised by the Leader of the Opposition in his discussion, in his torpedo and his bombshell that he threw on the floor here today, and not much happened with it. Unlike the Minister of Mines and Resources who spoke before me, I did have a chance to run through very quickly while trying to pay attention to the proceedings, the affidavits that the honourable member has tabled - and the affidavits are what the Minister of Mines and Resources had said they are. They are people who disagreed with management decisions that were made and they've stated from what I can read in these their disagreement. And the fact that delivery of materials and stuff started far before any election and happened to go through an election campaign - and this is a matter for criticism - is as silly as the Minister of Mines and Resources pointed out in his discussion with the members of the House.

So the matters that were raised by the Leader of the Conservative Party - and let us not forget, let us never forget, Mr. Speaker, that these are not the first accusations made by the Leader of the Conservative Party. He has failed --(Interjection)-- Nor the last, as a colleague points out - and he has failed to substantiate those accusations. I don't know if he thinks that this substantiates the kind of accusations he was making when the session first opened, but the fact of the matter is that he makes wild allegations, as the Minister of Mines and Resources pointed out, for the publicity thereof and for his bid for political power and not necessarily based on fair or factual information that he wishes to present. As a matter of fact when replies are given, then he's quite disinterested in those replies - and as a matter of fact has left the House at this time because he is not interested in the replies that come from members on this side of the House; he is interested in making his accusation, and running out to buy a newspaper to see if it got good coverage, the coverage he had hoped for, the three-inch headlines in red that he had hoped for this morning - as his assistant sits in the Press Gallery distributing the releases that go along with his statements.

I suppose the other evidence that the member raised and that would have to substantiate my opinion, that in fact their policy would be that civil servants not get involved in local politics of course is the fact that the named McIvor is the mayor of the Community of Wabowden; the named Mr. Thompson at the time of these allegations was in fact I believe the President of the Thompson Local of the Manitoba Metis Federation and certainly some matters he was dealing with such as the, what they call the Winter Warm Program or the Federal Government program for housing repair for impoverished metis people in Manitoba was one that certainly would come through him as the President of that local and that he would deal with as president of that local. So I would assume that the members opposite would say, and at the time that he was President of that local, Mr. Speaker, he was not a civil servant or an employee of the Department of Northern Affairs in the Province of Manitoba.

The other matter that I think must be pointed out and doesn't seem to have any effect,

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(MR. McBRYDE cont'd) the member will continue his allegations; but as I pointed out when he made previous accusations against Mr. Don McIvor and Mr. Ben Thompson and failed in any way to substantiate those accusations, the fact of the matter is that Mr. Thompson was hired through an advertising process, through a selection process - and my recollection is that he was one of 12 candidates for the position that he was hired for in the Department of Northern Affairs, and to somehow imply that that was a political appointment would have to say that the members of - my recollection of the board of that was people in the Department of Northern Affairs who were hired when they were in office were the Selection Committee who hired Mr. Thompson. So it could be that those people who were appointed during their time in office, if their thesis holds up for Conservatives, therefore they hired Mr. Thompson; obviously he must be a Conservative since they were the members that hired them.

The other thing that strikes some of the staff people I guess in my department as a little humorous when they make accusations about politicizing of the Civil Service and the hiring of civil servants in our department, I don't think that anyone has noted that the Conservative candidate who ran against the Member for Rupertsland is now an employee of the Department of Northern Affairs. You know they would prefer to ignore this. So Mr. Chairman, Mr. Speaker, that was obviously a political appointment. But the staff of the Department of Northern Affairs who are involved in hiring and interviewing people, hire people who they think can do the job and as the Minister of Mines and Resources pointed out, if the people who they think is the best to do the job happens to have been or be a supporter of the New Democratic Party, it does not exclude them from being hired to do that job. And similarly, if they happen to be or were supporters of the Liberal or Conservative Party, it does not exclude them from doing that job if in fact they are the best people to carry out that job to be done. And in this time, Mr. Speaker, in northern Manitoba, you know, I think it's pretty hard to find qualified Liberals and Conservatives up in that part of our province. You know, we want to hire northern people who are there; the majority of the people in northern Manitoba happen to vote for the New Democratic Party and we would exclude over half the possible candidates for jobs if we excluded supporters of the New Democratic Party. But that's what the members opposite would like us to do and as the Member pointed out, especially the most intelligent and the most capable have to be excluded. (Applause)

So Mr. Chairman, in relation to the bill, you know, I think that's about all the attention we should give to this stuff that the member opposite tabled today. You know, I think that we're pretty aware of the tactics they are trying to employ this session and although we find them you know, quite disgusting, we have to deal with the accusations, we have to provide the information. And I must point out that the Leader of the Opposition said that they asked lots of questions during my estimates and they didn't get answers. Mr. Chairman, all questions were answered - all questions were answered. The only thing that wasn't answered when I asked them to give us some substantiations to allegations they were making, and that was not answered Mr. Speaker, that was not answered at all. But all questions they asked of the Minister of Northern Affairs were answered and answered in the kind of detail they requested - but yet the Leader of the Opposition will go on to say that, and I notice from transcripts of radio station in Thompson he went on to say the same thing again more recently, even though he was shown to be wrong, even though he couldn't substantiate that type of allegation.

But in the matter of this bill getting on to the real matter before the House, and Minister of Labour has indicated his anxiousness to discuss possible changes and improvements to the Bill that's before the House. And there are certainly some further discussions that should take place in terms of who should be eligible to be involved in political activity, and I like the members opposite have some concerns that people in certain functions could or should be excluded from political activity when that activity relates directly to the area that they are working in, although as I said, I'd have no objections if their political activity is outside the area of their professional employment relating government programs to the people in that particular area that they serve.

So in summary, Mr. Speaker, I'd like to say that the bombshell was kind of a dud that was here this morning, that it's very hard to interpret from the members opposite comments what their particular policies would be; that it is my belief and intention that Civil Service of the Province of Manitoba should be able to be involved in their community politics; that they should be able to be involved in their local organizational politics; and that if the Tories disagree

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(MR. McBRYDE cont'd) with that position, then let them come out and say quite clearly that they disagree with that position because they fail to say exactly where their position is, and rather use the opportunity to make allegations that in fact cannot be substantiated.

MR. SPEAKER: The Honourable Member for Riel.

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MR. DONALD W. CRAIK (Riel): Mr. Speaker, I want to comment on Bill 7 and I want to comment on the debate that has taken place here this morning as well. I think the most important observation this morning, Mr. Speaker, seems to be that it must be very difficult for a defense lawyer to have to mount a case, a rebuttal on the basis of having no evidence before him. And the Minister, the House Leader, the House Leader found himself in that position this morning, Mr. Speaker. The rebuttal evidence of course was lacking; although the form was there, the substance wasn't. And I would like to use a couple of examples - return a couple of the examples that he used before I comment on the real gut issue which is the relevance of the matter brought forward by my leader to Bill 7 to look how far the Minister was grasping Mr. Speaker. First of all, let's look at one of the examples that was used. He says that if you followed the philosophy that money bought votes, that this philosophy must certainly have been shot down in 1969 when the former government spent \$90 million or \$92 million I believe he said, in the area of The Pas and lost the seat. Well, Mr. Speaker, let's just look at that for a moment, to show you just how far the Minister first of all was willing to protract himself - I believe that the Conservative Government in 1969 had made a decision to build in The Pas, which he now questions the location; but secondly, the Conservatives at that point had spent \$14 million and it was in the succeeding ten months that the remainder of the money was spent, Mr. Speaker. So let's not have the Minister stand up in the usual fashion of the government on that particular issue to grasp at straws to justify their waste of money to go back on the former government. Mr. Speaker. . . No.

MR. DEPUTY SPEAKER: The Honourable Minister of Northern Affairs, does he have a point of order, or a point of privilege.

MR. McBRYDE: Mr. Speaker, let me - if the member would permit a question.

A MEMBER: He said no he wouldn't permit a question, he doesn't want any questions, Mr. Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Riel.

MR. CRAIK: That's right, Sir. But let me project his argument - let's project it, Mr. Speaker, because it is such a stupid argument. Let's just say that he actually refuted himself, because the NDP in spending their \$70 million in their ten-month period, followed with an election in which they were successful - so you could extrapolate his argument and say the spending of money is successful. But what are we talking about in the issue that's been brought forward? It's not a loan or a grant to a corporate organization. What is being brought forward by the Leader of the Opposition today is that money mixed with politics has gone through the system of contract Civil Service, pseudo Civil Service to a large extent, got mixed up in an election campaign and comes out possibly, Mr. Speaker, with a direct conflict between politics and the peoples' money of Manitoba. That's what's being said, Mr. Speaker, by the Leader of the Opposition. So let's not look at any of the side non-issues to justify an indefensible position. What the Leader of the Opposition is asking for is not an investigation by the Minister of Mines and Resources, when he says, "I shall look at it", because how can a Minister look at a conflict in politics and come out with an objective judgment? So what is being asked for is an examination that will provide the objectivity to determine whether in this case, Mr. Speaker, there is a conflict of interest and whether the best interests of Manitoba have been served.

I think, Mr. Speaker, that the most other important observation was the Member for Fort Rouge. He listened to the accusations across the way that said - this issue has nothing to do with Bill 7 - as if you shouldn't even be speaking on this with regards to Bill 7. Well, Mr. Speaker, the Member from Fort Rouge was not particularly on the side of opposition to Bill 7, I think that's safe to say. And I think it's safe to say that he brought in an objective observation in saying that this had everything to do with Bill 7. It has everything to do with Bill 7, because the pseudo civil servants that are involved in the case that is before you, is essentially the sort of thing you're asking for in Bill 7 for all civil servants to take a proactive, political role in matters that may have nothing to do with politics. (Applause) So the case before us is entirely the gut of Bill 7, Mr. Speaker - entirely, almost entirely - there are other issues, but this is the major one. At what point in the mix were the government attempts to achieve its end through an incentive, an economic incentive, brings in its own service to administer it at some point and then mixes in with it, Mr. Speaker, the politics that go into the Civil Service. What do you achieve? Well, Mr. Speaker, you achieve a loss of that traditional differentiation between economic goals and political goals, Mr. Speaker, and this government

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(MR. CRAIK cont'd) is prepared to do that at any cost.

The Minister of Northern Affairs, who more than anyone else in this House has been imbued with the power given to him, displays this day after day, whether it's standing in his place or walking by the Speaker without even bowing to him; he's so imbued with the power that has been given to him, Mr. Speaker, in his department, that it shows in almost his every action. He stands up - and it's almost too much to believe that the Minister can be so naive as to present what he interprets as being the role of the civil servant in the north, when in actual fact it is a means for the propagation of his own political interests, Mr. Speaker. That has been demonstrated here by the Leader of the Opposition, Mr. Speaker, during the Minister's estimates debate and before this case is done, Mr. Speaker, as I'm sure we'll see in this particular case as well. So, Mr. Speaker, let's not say that the case before you has nothing to do with Bill 7. It has everything to do with Bill 7.

Now let's come back to what we are essentially asking for here. We're asking the government to say - we are not asking them, because we know that they can't - we are saying they can't judge whether there has been an interfusion of politics and economics in this particular case. How can they judge it? We will ask them to stand up and say though that the accounts - that the accounts, you know, in the case before you, Mr. Speaker, have been handled in a proper and on a sound basis. Because we are sure, Mr. Speaker, having looked at this, we didn't bring this issue before this House because it's an issue that arrived on the doorstep last night. We have done enough work on this to satisfy ourselves, Mr. Speaker, that there is - the best interests of the public has not been served, Mr. Speaker, and that there is an infusion of political desires into the assisting the economic goals of northern Manitoba and all Manitoba.

So we're satisfied - we may want - my Leader has been taken out of context in saying he's dropped a bombshell as interpreted by, as interpreted Mr. Speaker, he didn't say it - broke the case Mr. Speaker - whatever the terminology would be. You'd almost think that if the Leader of the Opposition was to do this, he should do it from some remote place perhaps best suited to the government; if it was outside of Manitoba, perhaps he broke it. Well, what is the responsibility, Mr. Speaker, of an elected member having done his homework - and in this case I'll assure, I'll assure you, Mr. Speaker, that the homework is done, it has been done over a sufficient period of time that it has the legitimate grounds to be presented in that forum which people are elected to, to do those jobs, Mr. Speaker.

So let's try and search for any other major point that was made by the Minister of Mines and Natural Resources this morning. The fact of the matter is that as I said in opening, he had no evidence on which to make a rebuttal, which stands to reason and I don't think it's any credit to him that he attempted to make a rebuttal in having no evidence. I think his opening two sentences were perhaps correct, and we believed him - you should take it and go and look at it. So he had to start looking for extraneous arguments to come back and mount a non rebuttal, a non rebuttal, Mr. Speaker, against a very strong case. So we're prepared to accept an open inquiry into this, and we'll present you with ample more evidence as you require it, as this case is judged, and we're sure that it will dovetail and fit with what is being said here previously. And we'll also hope that you will finally see that this has very much, very much to do with Bill 7.

MR. SPEAKER: The Honourable Minister of Northern Affairs state his privilege.

MR. McBRYDE: Mr. Speaker, if the Member indicates that he has more evidence, wouldn't it not be a matter of privilege of this House if he in fact tabled that evidence at this time?

MR. CRAIK: Mr. Speaker, I think the requirement of the House is to table any evidence that's used and if the Minister would like my notes here, he's certainly welcome to them.

Mr. Speaker--Mr. Speaker, I'll advise the government that at the proper time we'll table more than my speaking notes but it won't be at the whim and requirement of the Minister of Northern Affairs.

So, Mr. Speaker, I want to come back to one other thing that has been highlighted here this morning and that is, does a Minister speak government policy when he speaks? When he is an appointed Cabinet Minister. And we've seen a change in the tradition since this government came to power. We've found Ministers making statements outside the House and in the House and then indicating that they didn't necessarily reflect government policy in making that statement. Now I don't know what point the Minister of Mines and Resources was trying to

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(MR. CRAIK cont'd) make this morning about the procedures used by the Leader of the Opposition at the time he was misinterpreted in Quebec. So, Mr. Speaker, let me ask. I raise this as a point at this time because we've all seen it happen over the years, recent years, with this government. Is it not in order for anyone in this House to ask the First Minister if one of his Minister's statements reflect government policy?

MR. McBRYDE: Why didn't he ask me when I made the statement? Why didn't he ask me when I made the statement?

MR. CRAIK: Well, Mr. Speaker, that is really clutching at straws. Is it not standard practice when a Minister makes a statement . . . ?

MR. McBRYDE: I didn't make the statement. I didn't make the statement.

MR. CRAIK: . . . outside the House. Well all you had to say was you didn't make it.

MR. McBRYDE: He wouldn't ask for that. He wouldn't ask for that.

MR. CRAIK: Well, Mr. Speaker . . .

MR. SPEAKER: Order, please.

MR. CRAIK: . . . the procedure used by the Leader of the Opposition in asking the First Minister if one of his Minister's statements reflected government policy - is standard procedure. And he knows it's standard procedure, but he's offended. This is just another demonstration of how far he was clutching to try and demonstrate that the Leader of the Opposition had no business coming in here and making his claim this morning. Mr. Speaker, it's standard procedure when a Minister makes a statement that is questioned, to go to the First Minister and say does the Minister's statement reflect government policy? - which is exactly what the Leader of the Opposition did.

MR. SPEAKER: Order, please. The Honourable Minister of Mines state his point of order.

MR. GREEN: Yes. Well, Mr. Speaker, the member is relating what he says in an Order of the House. My point of order is not that the Minister is not entitled to ask the First Minister whether a statement reflects government policy, but whether first of all it should be determined whether the statement is made. And I quote from Beauchesne: "It is the member's duty to ascertain the truth of any statement before he brings it to the attention of parliament." That's all I suggested.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I'm afraid the point that the Minister's trying to rebut on this again is as weak as the point based on which he tried to build his argument this morning. Mr. Speaker, whether he is in opposition or I am in opposition or whoever is in opposition, historically and into the future that when a Minister makes a statement . . .

MR. McBRYDE: I didn't make the statement.

MR. CRAIK: Okay, when a Minister is attributed with a statement, Mr. Speaker, when a Minister is attributed with a statement to have been made, Mr. Speaker, from here on in I'm sure when that Minister is back on this side of the House he will stand up and say: "Mr. First Minister, was the statement made by Minister X a reflection of government policy." And the Minister will stand up, the First Minister will stand up, and he says: "It's my understanding that that statement was never made." And that solves the problem, Mr. Speaker. But to try and base a case this morning against the Leader of the Opposition making his statement in the House, one of the grounds upon which he should not have made a statement, I must say that it's about one of the weakest ones that's ever been made by the Minister of Mines and Natural Resources.

So, Mr. Speaker, I'll close by simply saying that what we're asking the government to do is on the accounting side to say, in this case that all things were in order and done on a sound basis; and secondly, whether or not they are prepared for an inquiry into this matter, to inquire into other than the accounting practices whether it was in fact an interfusion of political and economic goals, particularly in advance of the election of 1973. And we're willing to await the results of that inquiry, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, as I listened to the Honourable Member for Riel introduce his contribution, he said something like it is difficult for a defence lawyer to fight a case where there is no evidence before him. Something to that effect. And it's true, because the evidence presented by the Leader of the Opposition was non-evidence really, and it was

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(MR. CHERNIACK cont'd) difficult I would think for any person to discuss the evidence other than to attack the lack of it. Of course I suppose it can be said that it is difficult for an engineer to build a case without materials or without a proper foundation. And that seems to me the problem that the Member for Riel had. He also may have another problem in that he may not remember the contribution he made on this bill earlier when as I recall it - and one of those I was fortunate enough to hear since there has been a fair amount of debate, where he said the thing that was wrong with the present act is Section 44, I think it is, and he said eliminate 44, substitute nothing, and everything's in order. And we asked him then "do you mean that" and he said "I mean eliminate 44". Is that a point of order?

MR. SPEAKER: Order, please. The Honourable Member for Riel state his matter of privilege.

MR. CRAIK: Point of privilege, Mr. Speaker. The Minister's correct in his first observation, but I do not recall saying "substitute nothing".

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Yes, Mr. Speaker, now we have a correction. He didn't say "substitute nothing", he said "what should be done is to eliminate section 44". Well, Mr. Speaker, if you stop there, he spoke his normal length of time; that if he stopped there and said, "section 44", surely I can be forgiven for concluding that he had nothing to substitute for it. "Eliminate 44" period means that's what you do. And I asked him, as I recall it, I stood and asked, "Is that really what you want?" Because, Mr. Speaker, I'm not sure that that isn't a good suggestion. I may have said so at the time, because eliminating 44 eliminates any barrier whatsoever from any civil servant participating in any political activity at any time.

A MEMBER: Well, that's what he wants, they don't.

MR. CHERNIACK: Now that's what he said. And now he gets up to support an opposition, even an obstructionist tactic, to prevent this bill getting into committee where it can be debated and discussed and where civil servants themselves would have a right to speak up. Well that's beside the point. What he is doing is participating in a new trend, a new direction that the Conservative Party has embarked on.

You know, Mr. Speaker, I am not a political scientist, at least I never thought I was - I certainly have never been trained in any way about that. But I was sitting here listening to the Member for Fort Rouge and I was thinking, "Well now he's trying to present a positive point of view;" and I was thinking of what the Liberal Party used to do when they were sitting over there and the New Democratic Party was sitting where the Member for Fort Rouge sits, and I was thinking, "Maybe there's something about political science that ought to be explored," because, Mr. Speaker, within the four years prior to the 1969 election the muckrakers were directly opposite government. The Grand Rapids scandal, the Court of Inquiry demands, the Steinkopf situation; the way they attacked the man who gained respect from all Manitobans, the way they acted was muckraking of a low degree - and Mr. Speaker, there was very little policy issues that were coming from the Liberal Party at that time. Not that they didn't have it, but that their tactic was different. And I believe, I really believe that when we sat in the corridor as a New Democratic Party in opposition, we were not participating to muckraking anywhere near the extent of the official opposition. And maybe there was a reason. You know, we're just as human as everybody else, but maybe there was a reason. Maybe we weren't that hungry to be able to take power at any lowering of any intellectual integrity; maybe we thought we had something to say that was worth saying and worth hearing regardless of who was in government; and maybe - maybe, Mr. Speaker, there is hope for the Liberal Party which has I think 5 members here. Maybe that little political science which I'm suddenly deducing or developing may yet work to their benefit because, Mr. Speaker, it's when you are positive and talk about policy and program that people know the difference between responsibility and irresponsibility. Maybe that's why the Liberal Party went down, down, down and we went up, up, up, and maybe that has something to do with the change. Because let's go back to the Conservative Party. They fought an election in 1969; we won the election much to the surprise, chagrin and disappointment of a Conservative Party, much to the surprise and some chagrin on the part of some members of the New Democratic Party. --(Interjection)--Ah, yes, well. Of course I have never done other than confess that I was surprised, and I have also confessed that I was a little shaken to find that my chosen path of life had suddenly taken a turn which I had not planned on. But, you know, there was a change. The Conservative Party if you remember - somebody said

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(MR. CHERNIACK cont'd) . . . here the other day, "We accepted the decision of the electorate in 1969, we accepted it." And, you know, whoever it was that said it - and I think it was somebody in the front row - forgot completely the attitude of the former Member for Minnedosa, the Premier of the Province who remained Premier for some days after the election because he didn't know what had gone on, didn't recognize it; couldn't admit it to himself that his party had been rejected; and therefore it took a while for him to realize that really he was the Premier only because he hadn't gotten around to admitting that the electorate had told him they didn't want him any more, and finally he got around to take that walk across the hall to the Lieutenant-Governor.

But you know, there's something that's been going on in the minds and the spirit and the mood and the soul of the Conservative Party, and that is a great desire to scratch back, get back, get back into government, get back into control. And at first we debated parliament, first couple of years '69, '70, '71, we were debating issues; we were on both sides of the House describing differences in policy, in approach, in philosophy. We were really showing the people and each other, were we really different? But that didn't work to the advantage of the Conservative Party, did it, Mr. Speaker? Because we did have an election in 1973, and there was a change in strategy during that election. You know that there was. The cartoons of the arms grasping; the attack that the socialists are nationalizing your farms, people; rise up in anger, rebel because the threat is before you. --(Interjection)--Exactly, because - I'm asked why the lady of Treherne asked me the question. She wasn't in Treherne, she was in Notre Dame but she intended to ask the question - because people like the Member from Rock Lake, people like the Member from Rock Lake were going around spreading boogieman stories, scare stories. They were saying "if you don't vote for me, then something is going to happen to you that is drastic" - instead of saying "there is a difference in policy approach, make your choice between an activist party and" --(Interjection)--you're not helping me one bit - an interventionist party, an activist party--(Interjection)--He didn't say that. He didn't say "take your" - you're not helping me either, but you don't want to - the Member for Rock Lake certainly would rather I was not talking, I can see that, so he's not helping me either. But there is no question in my mind that the Member for Rock Lake - and now I am saying about him - no question in my mind that when he went around talking to people during the election campaign he was not talking the difference in philosophy between the parties; he was not talking the difference in policy or program, I believe that he was going around saying "they are endangering your very lives, they are endangering the very the very roots and foundation of democracy." I'm sure he said it. I'm not sure about the Member for Swan River. No way did he say that. No, he had Sterling Lyon say it for him. --(Interjection)--Because he knows I visited Swan River only two or three days after Sterling Lyon was there, and I know what Sterling Lyon said.

MR. SPEAKER: Order please.

MR. CHERNIACK: I didn't say a word, it is true. I have an affection for the Member for Swan River which sometimes carries me beyond the better judgment I would have - and it's true I was in Swan River, and all I did was pay a social visit on his wife; and I couldn't visit him because he was out knocking on doors, telling what he thought was the truth and leaving it to Sterling Lyon to make speeches out loud, because I've heard one of those speeches.

Well, Mr. Chairman, Mr. Speaker - incidentally I said Chairman, and I suppose I should be attacked by the Member for Riel because I said Chairman when I should have given you the proper due of calling you Mr. Speaker. Let me also tell you for just a moment, that ever since I heard that the Minister for Northern Affairs walks by you without bowing I've been watching members opposite as they've been coming and leaving the Chamber - since the Member for Riel spoke, and I'll name no names, but let me tell you, Mr. Speaker, you must have a great time sitting where you are and deciding for yourself - are they bowing to me, are they tripping, are they walking backwards, are they--? Did you see that, Mr. Speaker? (Laughter)

Mr. Speaker, I'm really sorry, I'm really sorry that the Members of the Conservative Party don't have eyes in the back of their heads; they have many other peculiar aberrations, but it's unfortunate they can't see behind them, because I don't know who's going to believe me that I didn't make a deal or an arrangement for it to happen as it did. And I won't refer to it any more because, Mr. Speaker, it's just an indication, it's just an indication - we all have different manners of showing respect to you - and I apologize for calling you Mr. Chairman when I should have addressed you as Speaker.

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(MR. CHERNIACK cont'd)

Mr. Speaker, you know, the Member for Riel was talking about incentives - incentives to buy votes up in the north. I don't know whether there is something wrong to have a program which involves doing things for people so that they will support them. The government that has those policies, be it to give incentives to industry and be it prepared to accept contributions from industry; be it to adopt a policy which is praised by organizations such as the farm organization, the labour organization, the Chamber of Commerce organization and getting support. Whether it is - and I think I've heard the accusation that I participated in vote buying when I proudly walked into this room and introduced the Property Tax Credit Plan, were there not accusations that we were buying votes? Because, Mr. Speaker, we spent dollars in a redistribution method whereby we were able to put money into the hands of people who we felt were in greatest need, at the expense of people who we felt had the greater ability to contribute to those funds. And I think we were accused of buying votes so let's not get that broad, broad way.

But I have a few minutes left to talk about the broad way, and I really meant the broad brush that the Conservative Party has adopted in the last couple of years, before the election this year. This year, Mr. Speaker, I do not believe that we have had positive discussion on the Conservative Party policy philosophy, program policies, to any extent - but we have had a concerted effort, and according to the Member for Riel, a real endeavour with homework, with research, with preparation to attack integrity, to attack individuals, to attack administrative matters, because they've run out of things to talk about when it comes to policies. They tried that, they tried that at the last election and discovered it doesn't work because people know what we're doing. So on the basis of policy they were unable to proceed. Now they are embarking on a double sort; first we'll muckrake, secondly we'll attempt to shake the Civil Service. We will talk about Bill 7 and we will do our best to create splits between civil servants. They brought in the issue of the union, the representation by civil servants, saying we worked through Bill 7 attempting to divide the Civil Service between different unions; when in fact I believe this to be true, I really do, I believe that no member of the Cabinet responsible in any way to deal with Civil Service would have or did make any attempt to influence the Civil Service to go either way on the question of selectivity - selection of representatives. But they tried, they wanted to break that split, they are trying now to break a split between people hired by government both before and after we came into power and, Mr. Speaker, I am proud of the fact that those people who have come in to work for government since we came into power are working very well, thank you, with the people who were employed by a Civil Service before we came into power. Because they all have one desire, and that is to see to it that they serve the government of the Province of Manitoba and serve them well.

Now there are some apparently who are starting to leak matters across the board, across the room. There are some apparently who, as the Minister of Mines, are disaffected in some way or another and they are starting to go and they are being welcomed with open arms, open arms because at last the Leader of the Opposition will have something to talk about. Now we will be able to stand up and say something because he has said very little of any meaningful nature in regard to policies or programs. And you know when he started the Throne Speech, he misled me for a moment. He started the speech - and I only refer to it in passing, I don't want to make an issue of that point - but he started with condolences to the government for having lost one of its most important research civil servants. And then he proceeded to attack with that broad brush every person who has come to government to work at a senior level in Research and Planning as if, Mr. Speaker, the Conservative Party would go and hire for Research Planning development of programs, people who were opposed to their point of view. It's inconceivable that the people who sit upstairs, smiling down on the Leader of the Opposition, the people who sit in his office writing his speeches for him, inconceivable that they wouldn't be in support of Conservative programs and policies. It is equally inconceivable to me to be involved in making plans and preparations if I had in supporting me in that planning and research people who are opposed to the policies we represent. But there's an effort being made all along, discredit the politician, discredit the people who work with them, discredit the individual because we've run out of steam and use Bill 7 as a vendetta up to now to help in that discrediting, use other opportunities to do so. If that's the way they are going, then I agree with the House Leader that they will make every effort and in the end

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(MR. CHERNIACK cont'd) democracy being what it is the people will tell them where they belong.

I remember seeing Duff Roblin rise up here and say, "I love a fight" - right beside me he would be standing - then he would be standing on the spot right beside me now; he'd say, "I love a fight", and he would say that when some of the people opposite were getting dirty; he'd say, "I love to fight", that kind of thing. Mr. Speaker, I hate it. I have reached the stage where I feel disgust almost every day; at least one speaker a day seems to me to arouse some disgust in me to have to listen and then to respond to the low level in which we have sunk; and I admitted yesterday, I think it was, that I have sunk to that too on occasion. I feel I was dragged down. But all of us, Mr. Speaker, can look about what has been happening to the parliamentary process in this session. And I say it has happened and will continue to happen as long as individuals are attacked, personalities are attacked and policies are ignored and philosophies are ignored, and all we are able to do is fight on the basis of antagonism, bitterness and an attempt to separate. I think that that, Mr. Speaker, is the unfortunate part of the Leader of the Opposition's attack. It's also unfortunate, I think, that he is turning into the greatest asset that the NDP has in politics. (Applause) I think it's unfortunate that as long as he's in this position he will do us no harm. The trouble is that even the people who sit around him who would like to remove him from there have not been able to do it either.

MR. SPEAKER: Order please. The Honourable Minister will have an opportunity to continue. The hour being 12:30, I am leaving the Chair to return at 2:30.