



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Vol. VII No. 73 2:30 p.m. Thursday, April 19, 1962.

5th Session, 26th Legislature

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, April 19th, 1962.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notice of Motion
Introduction of Bills
Orders of the Day

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, before the Orders of the Day, I would like to give the final sales figure on the recent Manitoba Savings Bond issue to the House, and the sum subscribed is \$20,184,200.00.

MR. SPEAKER: Orders of the Day.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Mr. Speaker, before the Orders of the Day, I would like to present the latest forecast of the Flood Forecasting Committee held this morning, April 19. The snow melt run off is now well under way in the Red River basin and over most of the Assiniboine River basin. The most recent weather outlook indicates that the current mild temperatures will continue resulting in removal of most of the remaining snow in the next few days. The committee on the basis of information as to flows now on the Red River in the United States portion and the estimates of anticipated crests concludes that due to the relatively rapid rate of snow melt during the past few days, previously predicted stage at Winnipeg is increased from 18 feet to 19.5 feet city datum at James Street provided that precipitation between now and the date on which the Red River crest at Winnipeg is not excessive. Under these conditions it is expected that the peak will occur about April 29. On the Red River above Winnipeg the river is expected to be generally confined within its banks. Flows of approximately 35,000 c.f.s. are expected at Emerson and 40,000 c.f.s. at Morris. These flows are only slightly higher than those occurring in 1956 and should result in no more than bank flooding. On the Assiniboine River the situation is also worsened due to the long delay in breakup caused by cold temperatures preceding the current mild spell. A rapid rate of snow melt is general now and will be followed by a sharp increase in stages along the entire course of this river. On the basis of normal precipitation during the breakup period flooding of valley lands between Brandon and the Saskatchewan boundary is expected to be more extensive than indicated previously, but will still be confined to low lying areas which are often subject to overflow in the spring. In the reach between Portage la Prairie and Headingly it is estimated that the peak will occur towards the middle of May and will be below the tops of the dykes. The committee emphasizes that the amount of precipitation occurring in the next week or two is the critical factor. Further reports and forecasts will be issued as conditions warrant.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, before the Orders of the Day, I would rise on a matter of the privileges of the members of this House. Last night after the termination of the Session, I went to hear some of the records that had been accumulated during the course of the day on the machine at the back of this room. I was advised that members are no longer able to listen to the records without obtaining your permission beforehand, Sir. This is a new rule insofar as this House is concerned; I have never known that rule to exist in the past. I've checked with the members of my caucus; I found on about five or six occasions this year they have gone to listen to these records and have been able to do so. I don't think that they have been there a sufficient number of times that it could be considered in any way an interruption of the work of that department; and yet, without this House being the least bit advised about it, these new rules are established. I would like to know, Mr. Speaker, who gave these instructions, and why these records which are the property of this House, and not the property of anyone else, are not openly available to the members of this House as they have been in the past.

MR. ROBLIN: Mr. Speaker, I am not personally acquainted with the situation to which my honourable friend refers, but I think that I would like to suggest that the Speaker take his

(Mr. Roblin, cont'd.) point as notice and it can be examined and a report made.

MR. MOLGAT: Mr. Speaker, I think I'm entitled though to an answer to my question. Did you give those instructions, Sir?

MR. ROBLIN: I think that you, Mr. Speaker, must use your own discretion as to whether you answer the question at the present time or not.

MR. MOLGAT: needs the First Minister to tell him whether he uses his discretion or not. I'm asking a question of the Speaker not of the First Minister.

MR. ROBLIN: That's very true, Sir, but I think I'm entitled to speak on the point of privilege -- (Interjection) -- Well it's the point of privilege that you've raised that I'm speaking about. And I would simply say this, that I'm quite sure that no one is deliberately trying to infringe on the privileges of my honourable friend or any other members of the House. It is a matter that should not lead to an unseemly controversy here; but now that notice has been given of the point it's been left with Mr. Speaker and I am sure that he will give us some statement on this matter that can meet to legitimate interests of all of us.

MR. MOLGAT: Mr. Speaker, my question still remains. Did you give those instructions Sir?

MR. SPEAKER: I always take responsibility for my acts and I gave the instructions. The reason I gave those instructions; the records of the House have been taped in the past and have escaped from the jurisdiction of the House and what is to prevent any taped record of the records being played in other places than in the Legislative Assembly. However, I will call the Board of General Purpose together and in light of the objection from the Honourable the Leader of the Opposition, I will have the Board review the whole question and at a later date advise the Honourable the Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, on the same point, is it permissible for the members of this House to read the Hansard in other than this House?

MR. SPEAKER: I didn't just hear your question.

MR. MOLGAT: Is it permissible for members of the House to take the printed Hansard and read out of it in other places than this House?

MR. SPEAKER: Yes, I would think so.

MR. MOLGAT: Mr. Speaker, a subsequent question. Why was this change made with no advice being given to the House or no consultation with the members of the House whose property the records are?

MR. ROBLIN: I would point out, Mr. Speaker, that one of the first motions that we pass in this House is that the Votes and Proceedings are in the charge of Mr. Speaker and that none do presume to print the same or I suggest deal otherwise with them than Mr. Speaker direct. I think he's within his rights in so doing.

MR. MOLGAT: Hansard, Mr. Speaker, they're the records of this House; they're not Votes and Proceedings, and I submit that the House should be informed and advised and consulted on any changes made.

MR. SPEAKER: Orders of the Day.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Speaker, before proceeding with the Orders of the Day, I would like to draw to your attention Sir, the Votes and Proceedings for the session which was held yesterday afternoon, April 18, at 2:30 o'clock p.m. I note, Mr. Speaker, that the last line of the Votes and Proceedings states as follows: "The House then adjourned at 5:30 o'clock p.m. until 2:30 o'clock p.m. tomorrow." If the clock was correct yesterday afternoon, Mr. Speaker, the House adjourned contrary to the rules of the House, I suggest, at 5:37, Mr. Speaker. It has been my observation of Votes and Proceedings that the time of adjournment has been precisely marked by illustration 11:02, 11:05 etcetera, but I note the Votes and Proceedings for yesterday, Your Honour, record it as we having finished our deliberations and the House adjourned at 5:30. -- (Interjection) -- My honourable friend, the Premier, Mr. Speaker, says "called it 5:30." The point however, Mr. Speaker, that I'm raising is in the Votes and Proceedings in general the precise minute of the leaving of the Chair of Mr. Speaker is recorded -- and I have a reason for this, Mr. Speaker, if I may be permitted. The other day, I believe it was on Tuesday or Monday, the Honourable the Member for La Verendrye was in the middle of a sentence when the Deputy Speaker called it 5:30 and left the Chair, in accordance with the rule of us rising at 5:30 whether we are to

(Mr. Paulley, cont'd.) . . . meet again that evening or whether it is the actual adjournment of the House. And I think that it would be useful, Mr. Speaker, for the members of the House, that if we're going to use the time in any instance or be precise insofar as the adjournment of the House at 5:30 daily, any day, including Wednesday, it should be recorded correctly or actually in the Votes and Proceedings of the day.

MR. SPEAKER: Orders of the Day.

MR. ROBLIN: Mr. Speaker, I suggest we proceed directly to the Committee of Supply, so I move, seconded by the Honourable Minister of Public Utilities that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for St. Matthews in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Department X, Resolution 61.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, the Minister of this department is also the Attorney-General; a man who carries a great responsibility in the government of this province. He is responsible for the administration of justice. It is his responsibility to see that justice is being meted out to all people without fear or favour. His prestige, power, and responsibility are so great that his every action must be above suspicion if the public is to repose in him the confidence which should be attached to the holder of that eminent office. We, in Manitoba, support the principle that in this province the law should apply to everyone. Late yesterday afternoon the Premier injected himself into this debate in the matter of Brandon Packers, and this is what he said: "We didn't know any other birds would be flushed from the bush besides Paton and Cox. We caught them, didn't we. We caught them the way we catch any criminal. How? -- by refusing to follow the advice of the CCF. Evidence comes to light of a wrong doing and it is tracked down to its source; the law was maintained, upheld and conviction secured." In other words, Mr. Chairman, the Premier is taking credit for the government's action in prosecuting and convicting Paton and Cox. But, Mr. Chairman, did the Attorney-General prosecute everyone who was flushed from the bush. And if not, why not?

In order for me to show why some people in Manitoba are suspicious that this government isn't administering justice in the proper manner, it is necessary for me to cite the case of one man. This is a man towards whom I have no ill will; a man whom I have never met and would not know if I were to meet him outside the Chamber. Let's take a good look at the Attorney-General's actions and his attitude toward the individual in this case. The Attorney-General was directly concerned in the matter. He, under the Premier, appointed a special investigator on the advice of Mr. Justice Tritschler. He was still directly interested in the case before the men came to trial because he took the trouble to direct a jury trial preventing any possibility of Paton and Cox appearing before a judge alone. The Attorney-General has this privilege and we are glad to know that he took a direct interest in the case so that the interests of justice might be served regarding Paton and Cox. But how did the Attorney-General act toward other people connected with the Brandon Packers matter? Let's look at the former owner of the majority of stock of Brandon Packers Limited, J. C. "Cam" Donaldson. Let us review the evidence in the Brandon Packers' case and the actions of the Minister in this department. And I will cite the evidence that was revealed at the trial. 1. Paton and Cox were convicted and sentenced for stealing \$448,000 in Brandon Packers funds. 2. Just about half of this figure, \$193,000 of it to be exact, never reached Paton and Cox because according to the evidence at the trial, it went to Donaldson. 3. Evidence given before Mr. Justice Tritschler, Magistrate William Sturdy in Brandon and Mr. Justice A. M. Monnin disclosed that Donaldson knew all about the deal in which Brandon Packers was sold. This deal was judged to be best of \$200,000 in company funds. 4. Donaldson by his own testimony signed the Brandon Packers cheque which took \$200,000 out of the Company and he received \$193,000 of this money the day after he wrote the cheque. 5. Paton and Cox were convicted in part, of preparing and distributing a false prospectus which outlined a bond issue by Brandon Packers back in 1956, a few months before the shares were sold. 6. Evidence at the trial revealed that Donaldson signed the prospectus. 7. Evidence showed that these bonds were sold to the farmers and

(Mr. Guttormson, cont'd.) . . . businessmen of southwestern Manitoba by Donaldson. These bonds have since been found to be worth less than 40% of their face value. 8. Donaldson in 1956 was quoted as saying, "That no change in ownership of Brandon Packers was contemplated." 9. Yet evidence revealed that early in 1956, he signed the first tentative agreement with Paton and Cox. 10. Evidence showed that Donaldson signed minute of the meeting of directors of Brandon Packers Limited which authorized the whole deal -- minutes of a meeting which never took place and which were back-dated to make everything appear all right when someone looked over the books. 11. Evidence also showed that Donaldson caused these minutes along with other false minutes to be signed, to be placed in the minute books of the Company. 12. By his own testimony given before Magistrate William Stordy in the spring of 1961, he admitted picking up 800 cheap shares from his friends while he had an option in his pocket guaranteeing him a higher purchase price when he sold the controlling interest. 13. According to the evidence he was out selling bonds while he was a registered company bond salesman but he didn't tell customers he was going to sell out his share interest in the plant as well. 14. After he sold his majority shares, he was still a registered bond salesman and some of the bond issue still wasn't sold. But According to the evidence at the trial, Donaldson sold his own bonds rather than the Company bonds, \$30,000 worth. 15. Nearly a year before the trial, the Attorney-General must have seen the \$200,000 cheque Donaldson had signed and knew the details of the sales transaction because of the Tritschler enquiry. 16. During the preliminary hearing of Paton and Cox, Donaldson's action in falsifying the books became public knowledge. 17. Evidence showed that when Donaldson was sold the controlling interest in Brandon Packers Limited, listed amongst the Company's assets was his own home valued at \$15,000. Evidence further showed that when the Toronto men took over the plant, they found the \$15,000 asset missing because Donaldson had bought it back in the meantime for less than \$3,000. Even the learned trial Judge, Mr. Justice Monnin said this: He implied in his remarks while he was charging the jury that Donaldson participated in the conspiracy and was an accomplice; this man was never charged with anything.

How could this happen if the Attorney-General was administering justice without fear or favour as he is required to do under the oath of his office with fairness to all, favouritism to none. I have discussed this case with some of the best legal minds in the province and they have assured me that the evidence certainly warrants a charge being laid. In the face of this, Mr. Chairman, I have no alternative and I regret having to do this, but to demand the resignation of this Minister for his dereliction of duty. And if the Premier was sincere in this belief that justice was served in this case as he so heatedly told this House yesterday afternoon, he must support my demand for the resignation of the Attorney-General.

MR. DAVID ORLIKOW (St. John's): Mr. Chairman, I intend to say nothing about the remarks of the last speaker because I certainly cannot pretend to be an expert with regard to these matters. However, Mr. Chairman, I could not let this debate continue without making some comment about the remarks of the Honourable the First Minister which we heard yesterday afternoon. The First Minister has spoken frequently and eloquently, Mr. Chairman, about the rights, the duties, the responsibilities of the Legislature and of its members. I suggest, Mr. Chairman, that the First Minister did not hesitate yesterday to violate the rules of this House that the business of the House shall cease at 5:30 p.m. Now, Mr. Chairman, the rules of the House are not made only for the members on this side. The rules of the House are made equally for the members on that side. And when the Honourable the First Minister takes it upon himself to speak until 5:33 or 5:35 or 5:37 in order to make his case, Mr. Chairman, he violates the first principle of equity, without which this House cannot continue to operate. And I suggest, Mr. Chairman, that the First Minister ought to apply to himself the same rules which he has asked the members of this House to apply on so many occasions.

Now I want to say, Mr. Chairman, that we heard yesterday from the First Minister an angry, a scathing attack on members on this side, and on myself in particular. The First Minister raised his voice; he pointed his finger; he admonished the members of our group. I have found since I have been here, Mr. Chairman, that the First Minister follows this course of action usually, if not exclusively, only when his case is weak. When his case is strong, Mr. Chairman, when he has right on his side, when the facts bear out his case then the First Minister doesn't get angry; he doesn't shout; he doesn't raise his arms the way he was doing

(Mr. Orlikow, cont'd.) . . . yesterday, all is sweetness and light. And he appeals to the members on this side to be reasonable. Now the First Minister yesterday acted as he did, I suggest that it was because possibly he wasn't as certain as he tried to make the members on this side feel that the procedures that the government had followed and the laws and the regulations are all that they should be.

Now let's just look at what the First Minister said yesterday -- I'm not going to talk about the Honourable the Attorney-General; that in my opinion is a waste of time because he neither listens nor understands. The First Minister said yesterday that the action of the government was successful because the violators of the law were charged, were tried and were convicted. I ask again, as I asked yesterday, how the government would have been able to bring the law breakers to task in the Brandon Packers' case if the government had not known that the law had been broken. I ask again, how would the government have known that the law was broken had there not been a strike; had the strike not been of a long duration; had the commission not been appointed and the evidence unearthed by the commission. The question I asked yesterday, I repeat again today. What standard procedure -- not the special procedure which arose out of the Brandon Packers strike but what standard procedure have we in this province which would assure the people of this province that that kind of action, that that kind of breaking of the law, that that kind of large scale theft will not happen again and more than once. I think that question needs to be answered.

I want to say one more thing about something the First Minister said. The First Minister said yesterday that if the advice of the members of this group had been followed by the government and the commission not appointed, the lawbreakers would never have been brought to justice. I want to say, Mr. Chairman, that there's an implication there; a very direct implication that the members of this group would have been, at least, partly responsible for the failure to bring those people to justice. I want to say, Mr. Chairman, and I know I speak on behalf of every member of this group, that we reject completely this unfounded imputation. We, of course, Mr. Chairman, could have known and did know nothing about the financial juggling which had taken place in the Brandon Packers matter. How could we know about this? And so for the First Minister to imply with any kind of fairness that we could be held partly responsible if these people had not been brought to justice is not only untrue, Mr. Chairman, I think it's beneath the dignity of the First Minister and we reject it completely and wholly.

Now, Mr. Chairman, what were the suggestions which the members of this group made? We didn't suggest that no action be taken; we didn't suggest that the government do nothing. On the contrary, four months before the government appointed the judicial enquiry the Leader of the New Democratic Party wrote to the Premier of the province suggesting that the government take action. And what action did he propose, Mr. Chairman? He proposed that the government appoint an industrial enquiry commission, four months before the government acted. Could the industrial enquiry commission have done what the judicial enquiry commission did? Would it have had the same powers? Well of course it would because it operates under the same rules and under the same laws. It has the same rights under the Canada Evidence Act. It has the same right to subpoena witnesses and to order replies and everything else, and to search the records. The only difference between what we suggested and what the government did was that instead of a one-man commission it would have been probably a three-man commission with representatives of labour, of management and of the public. And I want to say that members of this committee who sat in on the Industrial Relations Committee meeting this morning will realize without any question that had there been that kind of commission and had it brought in a report after hearing the evidence, it might not have been a better report than Justice Tritschler's -- on this I can only speculate. But one thing is certain, the report it would have brought in would have been much more acceptable to all parts of the people of this province, and much less controversial than obviously the report which Mr. Justice Tritschler brought in. But I want to say just one last thing with regard to this particular aspect. The suggestions which we made had dealt entirely -- as they only could have -- with the aspects of the case having to do with labour-management relationship and I want to reject completely and unequivocally the suggestion that we had anything to do, directly or indirectly, with any request for any stay of proceedings or stopping of hearings which in any way would have affected the financial juggling which went on in that company.

(Mr. Orlikow, cont'd.)

Now let's just deal, Mr. Chairman, with the matter which we raised yesterday. I called the Public Utilities Board and had them dictate to us from the prospectus which was issued -- the prospectus which was not followed and on the basis of which led to the court case, and I think, to a large extent, to the conviction of the people concerned. And I want to quote from the prospectus as it was dictated to us this morning. "Purpose of the Issue. The proceeds to be received by the company from the sale of \$400,000 of first mortgage bonds offered by the prospectus will be used by the company for the redemption of outstanding debentures of \$79,100, the expansion of its existing business and additions thereto, particularly with respect to the erection of a quick-freezing and cold-storage plant and for other corporate purposes." Now, Mr. Chairman, again I consulted with a company lawyer -- let me say, a company lawyer who has handled more corporation work than the Attorney-General is likely to handle for the rest of his life, even if in the very likely event that the voters retire him from this House at the next election. -- (Interjection) -- You come and run in my constituency.

HON. STERLING R. LYON, Q.C. (Attorney-General)(Fort Garry): You come and run in mine. I invited you first.

MR. ORLIKOW: And here, Mr. Chairman, are the observations which this very competent corporation lawyer had to make about this matter and I pass them on, not in any spirit of ill feeling -- I was going to say I pass them on to the Honourable the Attorney-General but I think that's a hopeless task -- maybe the Honourable the First Minister will pay some attention to it. The corporation lawyer whom I discussed this matter with pointed out the following things. First of all that the prospectus of any company should specify in some detail the uses to which the money to be raised will be put. In the Brandon Packers case it could very well have specified how much of the money would be used for the quick-freezing and cold-storage plant which I referred to in the prospectus and I suggest that the Securities Commissioner should have the duty to insist on this and should not approve the prospectus unless there are some details spelled out in this respect. There is now no provision to ensure that the purposes for which the money ostensibly is to be used will actually be so used. I make that statement, and if members will remember what the Honourable the Attorney-General said, that almost -- what he said yesterday -- that the Securities Commissioner had the job of seeing that the prospectus was in order but after that the shareholders had to look after things themselves. I want to suggest, Mr. Chairman, that the money raised should be put into a trust fund so that the money could be used only for the purposes for which it is solicited from the shareholders or the bondholders. I want to suggest further, Mr. Chairman, that the trust company which is listed in the prospectus as a trustee of the money should be required to look after its responsibilities -- should be required to earn the fees which it derives as a trust company. It should not be permitted by our laws or our regulations to simply take the money and turn it over to the management of the company -- and this is precisely what they did in the Brandon Packers case. They should be required to hold the money in trust and they should not pay over the money raised -- as it was raised in the Brandon Packers bond sale -- until and as the project for which the money was raised is proceeded with.

Now, Mr. Chairman, these are relatively modest proposals. We're not asking that the whole fabric of the free enterprise system be torn down. I may have my differences of opinion -- I know I have my differences of opinion -- I hope I have my differences of opinion with the Honourable the Attorney-General about the value of free enterprise. I think that I would have less differences with the First Minister. I think he's a much more pragmatic person. But I know I have my differences with the Honourable the Attorney-General on the broad matter of principle. But we were not discussing yesterday, nor am I discussing today, the principles of free enterprise or private ownership. We were raising, I think, a very legitimate question -- the question of whether the people who have the money to invest in this free enterprise system that the Honourable the Attorney-General believes in -- whether there are adequate protective measures so that their money will not be stolen; so that their money will not be diverted; so that their money will not be misused, and I am surprised that the Attorney-General, who believes so strenuously and so vehemently in the principles of free enterprise, should seem so little concerned in the protection of that free enterprise in this particular case.

MR. ROBLIN: Mr. Chairman, I just want to say a word or two with respect to what my

(Mr. Roblin, cont'd.) honourable friend has said because there is one point at least about which I feel I ought to make a statement. And that is that he feels that there has been an abuse of the privileges by my speaking after 5:30 yesterday. Well I have to admit that I was on my feet at 5:30 and on occasion members have allowed me the privilege of finishing the train of thought I was on at that particular moment. But I say to my honourable friend that if he feels I have taken advantage of that fact in a way that prejudices the case he has been trying to present, or is unfair in any way, I express my regrets, because I would certainly not wish to do so, to him or to any other member of the House. And if he does feel that this has been unfair to him I express my sincere regrets to him and tell the House I'll try and keep a closer watch on the clock and if members feel inclined to point out that it's 5:30 I'll do my best to hear them. I would not want him to feel that I intentionally took advantage of him in that respect and I offer those regrets to him.

Now there is another point about which I should like to be clear too and that is, I am not accusing -- and if in the heat of debate it appeared that I was, I'd like to make this clear -- I'm not accusing members of his party or anybody else in knowingly thwarting or attempting to thwart the efforts of the government with respect to the Paton and Cox prosecution; because I think it would be quite wrong for me to do so and I certainly would not wish to leave that impression and if my honourable friend has made that deduction from what I have said then I would like to put him straight. The point that I was trying to make was simply this, that at the time we were under very heavy criticism and much pressure from various interested parties to suspend, to call off, to cancel, the investigation because the industrial dispute which gave rise to it had been concluded and the point that I wanted to make was that we had by that time become aware of the fact that there was more to it than met the eye and that I was not able to give people who spoke to me at that time the reasons why we were so sure that we should carry on with this, although we knew ourselves -- we thought we knew, that it certainly ought to be carried on with. That is why we did it and we had to take a lot of unkind comment because we did that from people who didn't know the whole story. And I suppose I can't blame them for that but I did assure those that were interested in the matter that for reasons of public policy it was necessary to carry on this investigation. They jumped to the conclusion that it was designed to be a labour witch hunt -- that was the expression used -- and I am sure that is not the case. The fundamental reason why it was carried on was because we knew that there was something that had to be investigated in this connection and those who pressed us not to proceed were unwitting -- and I emphasize the word unwitting -- in the fact that if we had acceded to their request then we felt -- and we feel now -- that we would not have been able to obtain the disclosure of the facts that were under investigation at that time. Now that's the point I'm trying to make, and I'm trying to say that we were willing to take the unkind comments that were made about us at that time and that we thought then and think now were the unjust charges that we were engaged in a labour witch hunt, because at the time we had another purpose in view. That's the point I'm trying to make and I attempt to make it here again today. But I reiterate that it would be unfair and improper of me to impute to anyone opposite, or anyone else for that matter, that in any deliberate sense they had attempted to thwart the prosecution of justice in this way. I do want to make those points clear because in the heat of debate we sometimes may leave implications which are taken up the wrong way or which may be capable of that interpretation and I want to do my best to place the record straight and to make it clear that I do not wish to cast any unjustified aspersions upon any member of the House that the facts don't justify.

MR. ORLIKOW: Mr. Chairman, I want to assure the First Minister that I didn't raise the matter of his speaking past 5:30 because I thought it was unfair for him to have the opportunity to reply. Had I really wanted to stop him from replying I could have spoken until 5:30 -- and some members think I should have. I am not worried about that and I want to tell the First Minister that I think I was pretty hard on the government yesterday and I don't blame him for wanting to reply and at 5:30 had he said "It is now 5:30, may I have the leave of the House to continue," I for one would have given leave to the First Minister to reply. That's not the basis for my objection, Mr. Chairman. The basis for my objection is that I do not feel that the business of this House can be carried on equitably in the spirit which it ought to be carried on unless all the members of the House get the same kind of treatment. Now, it's one thing for the First Minister or any other member of the House to say it's 5:30, I have a few more remarks to

(Mr. Orlikow, cont'd.) . . . make, may I have the leave of the House to continue, and get that, that's one thing. What happened yesterday -- and this is what I object to -- is that it was 5:30, that members on this side of the House, not myself, Mr. Chairman -- I want to make that clear -- members on this side of the House were bringing to your attention that it was past 5:30 and that the First Minister was permitted to continue to speak. And to that I take objection -- not about yesterday, but I will always take objection, because the members of the House, no matter who they are, whether they sit in the front bench or the second bench or the back bench, are entitled to the same privileges as every other member.

MR. PAULLEY: Mr. Chairman, I was quite interested in the debate which took place today as I was with the debate that took place yesterday. I think the Honourable the First Minister has amply demonstrated this afternoon what my honourable colleague from St. John's stated in his remarks that afternoon when he said that when the Honourable the First Minister hasn't got any argument at all, he raves and shouts; and when he wants to make a plausible statement of cold, cool reasoning, he can do it, which he has done today. The fact of the matter still remains, however, despite the assurances of the First Minister this afternoon that he didn't mean what he imputed and implied yesterday afternoon in respect of this group. It's still on the record; it is still being widely advertised over radio and through the media of the paper, his accusation directed to this group of mine that if we had had our way then the hearings of the Commission would have ceased.

MR. ROBLIN: That's right.

MR. PAULLEY: My honourable friend reiterates it again now, after just saying that he didn't mean anything of this nature. The point, Mr. Chairman, as far as the record is concerned, it's been amply demonstrated that the same disclosures could have been revealed found months earlier under either an Industrial Relations Commission, Enquiry Commission, or the Commission of the type of Mr. Justice Tritschler. But our whole point -- there will be arguments about that, pro and con, and I appreciate that -- but the whole issue started yesterday when I requested of the government in relation to the Tritschler Report, when I posed the question as to what the government was doing in respect of preventing a repetition of the situation. Because I think even my honourable friend the First Minister, in a time of cold, clear reasoning, could quite well appreciate the fact that insofar as the union organizations were concerned, their part ended with the settlement of the strike. Now for my honourable friend to impute that the organizations wanted the Commission to cease because the manipulations of the company would not be revealed, is far from the truth, because such is not the case. Why are we of this party, who he accuses, at least through imputation, would have called off this enquiry -- why are we here today as the result of that very enquiry, requesting the government to make sure that a similar circumstance cannot occur again? That was the point. And despite the arguments of the Honourable the Attorney-General yesterday, and particularly his exchange between himself and my colleague the Member for St. John's insofar as the question of union and labour relationships to the commission, I think that the Honourable the Attorney-General yesterday used a debating strategy of arguing about something far related to the question that was raised by myself yesterday afternoon.

I want to refer my honourable friend to the Tritschler Report, in his general findings, part 7, page 22, and in particular section number 7 dealing with Paton and Cox. "Whether these men transgressed the law is a question which can be decided only by a court of competent jurisdiction." This matter has now been before at least two courts. "It is however, within the function of the commission to say that their conduct gravely disregarded elementary rules of decent business behaviour. They displayed themselves as selfish and greedy men. The Canadian economy will doubtless have to live with many continuing evils, but unceasing effort must be made to civilize the jungle in which financial racketeering as indulged in by Paton and Cox thrives." And number 8, recommendation on general findings on part 7. Mr. Justice Tritschler says: "Perhaps concern for the greater good of the masses of the workers may cause reluctance to impose responsibility upon and to curb irresponsibility of unions, but there will be no hesitation," the learned gentleman says, "in the public's willingness to support all measures required to stamp out the opportunity for unethical management practices which were disclosed to the commission. "And that is the point that I raised yesterday afternoon. We're going to have our arguments insofar as labour relations is concerned in the committee which is

(Mr. Paulley, cont'd.) . . . now sitting, and the Honourable the Attorney-General yesterday, by a trick of debate, evaded entirely the point that I had raised, as to what the government was to do, what the government was going to do, along the lines suggested by Mr. Justice Tritschler to prevent a recurrence of this. My honourable friend, the Attorney-General in reply says, "What do you want us to do. Do you want us to be like the New Democratic Party would be and stick our nose into the private business of free enterprise?" I suggest, Mr. Chairman, if this is the only way in which it can be disclosed such financial manipulations as occurred at Brandon Packers, then the people of this province and this dominion are entitled to government sticking their nose into private business and into free enterprise.

I glanced over the Companies Act yesterday evening and I frankly confess, Mr. Chairman, to you and to this House, that after having waded through the pages of the Companies Act and the Securities Act, I would hesitate to go before any court or even any debating society and debate the implications of the Companies Act. Now I made a statement yesterday of an impression that I had that required companies to submit their financial statements to the government. I find in this that I'm in error; but I'm wondering whether or not it might not be a good idea. As I understand some of the regulations within the clauses within the Companies Act, the company does have to annually submit a report to the effect that, for instance, if they had an annual meeting that copies of their financial report are to be submitted to the shareholders. Now then, in essence this makes their financial dealings at least semi-public because they're on printed statements and shareholders can leave them around. It's not a secret document. I'm wondering whether or not it might be a suggestion to the Honourable the Attorney-General or the Provincial Secretary that a copy of their financial report be also forwarded to the Provincial Secretary, I believe, or the Registrar, I'm not sure which, of their annual financial statement. It might not as did not the statements of the Brandon Packers reveal the true situation because we find when we read into the record or into the report of Mr. Justice Tritschler, that there was apparently two or three sets of papers used by this particular company. But if this suggestion is adopted it may act as somewhat of a deterrent by virtue of the fact of the financial statements being filed along with their annual report to the Provincial Secretary.

But again, Mr. Chairman, I want to emphasize as far as the labour aspect of the situation, the results of Brandon Packers is concerned, we will argue those points at the proper time and the proper place; but what I am anxious for yesterday and I'm still anxious to hear from the Attorney-General or the Provincial Secretary, or both, what conceivable precautions can be taken to prevent a repetition of the manipulations of similar companies? Now my honourable friend the Member for St. John's, has come up with a suggestion insofar as a brochure is concerned of what they said that they were going to do -- money might possibly be set aside and released for this purpose as it was developed. That might be another suggestion that the Attorney-General might take under advisement for some improvement; and as I mentioned yesterday, some of my lawyer friends have indicated to me that there is need for a complete review of the Companies Act. When we're talking about labour relations we hear of the fact of changing conditions make necessary, in the opinion of some, a changing attitude toward labour. I suggest that the same may be true insofar as our Companies Act, which I don't think has been amended for some considerable period of time, and I suggest that this should be done.

Now, just to get back to my honourable friend the First Minister for a moment -- he mentions the fact that at the time some organizations were suggesting that now that the strike has been called off, that they were in error in doing so and didn't know the facts. If I recall correctly, my honourable friend the First Minister made a statement -- "Well I'm taking it under consideration" and subsequently decided that he would go ahead, or at least the commission would go. But he was hesitant himself after the conclusion of the strike as to whether or not the commission should continue. So I say to my honourable friend, let's be fair to all concerned. Let's not have anymore irrational statements as made by my honourable friend last night that had the benefit and disadvantage to us in this particular party, for I heard it over the air half a dozen times last evening, of an angry First Minister shaking his finger at the Leader of the NDP and saying that the activities of Paton and Cox, were revealed over the dead body of the CCF or the New Democratic Party. The harm has been done by my honourable friend's irrational statement. His cold reasoned appeal -- may I call it this afternoon -- I doubt will receive as widespread publicity as did his oration of yester-evening. I would

(Mr. Paulley, cont'd.) . . . suggest to my honourable friend that if after reading Hansard of yesterday afternoon that he agrees with me of the connotations that can be taken of his remarks, then he issue a public statement along the lines of his reasoning here this afternoon. And so I say, Mr. Chairman, I don't see much purpose in continuing this particular debate -- unless of course my honourable friends opposite want to continue. I'm sure they will find no reluctance on our part. But I do say again, the prime and sincere purpose for which I raised the question yesterday, aside from any shortcomings of labour, was a sincere attempt to try and ascertain in this House what efforts are being made in respect of business management to carry through the suggestions implied in the Tritschler Report. And in particular, I suggest the statement of Mr. Justice Tritschler in his general finding again, on Page 22 that "there will be no hesitation to the public's willingness to support all measures required to stamp out the opportunities for unethical management practice which were disclosed by the Commission." Because my learned friend in that statement says or implies most definitely that there is a necessity, there is a requirement of measures which only can, as I understand it, be achieved through legislation of this Assembly or possibly at Ottawa because of the differences in jurisdiction. That to me, Mr. Chairman, is the point at issue. And as I say, the points on labour, whether my honourable friend the Attorney-General liked to use them to confuse the issue that I have raised. I say that that is the issue under debate at the present time in this House, and under the Department of Public Utilities, because of the fact that the Public Utilities Board has in the Province of Manitoba, insofar as I'm aware, the jurisdiction insofar as these aspects are concerned and that is why I raised it in this department.

MR. ROBILIN: Mr. Chairman, this afternoon at any rate, it appears to be a rather unprofitable business to yield to any instincts of fair play because I have endeavoured when I spoke previously, from my standpoint at any rate, to lean over backwards to try and put right any false impressions that may have arisen from anything I have said in respect of the matters under discussion and, particularly, the Tritschler Enquiry Commission in the matter of Paton and Cox. But I might just as well have kept my mouth closed because nobody on the other side apparently is willing to concede any sincerity in what I had to say. But I'll say this, Mr. Chairman, that I think that my attitude on this whole matter can be well understood from the remarks that have just been made by the Honourable Leader of the Opposition because he cannot deny that the labour movements, and himself included, used every pressure for us to close up the Judicial Enquiry Commission, although, as I have stated, they were not in possession of all the facts we were. That perhaps might be overlooked under the circumstances. And members will recall that I have never reproached them up to this moment. Last night, up until this debate, I have never reproached them for that because I knew that they did not have the information that we have. I could have gone around talking about this thing and blaming them in respect of this matter, but I didn't do it because I knew they didn't know all the facts and it would not be quite fair to do so under the circumstances. And I didn't do so yesterday until there seemed to be no other form of defence left to some of the wild accusations that were made.

But I want, Mr. Chairman, I want you to know that after all the facts became available and after there was a full public disclosure and indeed after the conviction of the men concerned, and the whole pattern of the Judicial Enquiry ought to have been pretty obvious to anyone who was following it, the Trades and Labour Council in their brief to the government had this kind of language to say about what we had done -- and here's part of the quotation: "The strike was settled with proper negotiations between the employee and the employer. Then again the logical thing to do would have been to disband the Commission and say, the strike is over; there's no need for a commission to arrive at an amicable settlement. But this was not done and the very things that we pointed out; the very harm that we pointed out has now come into being and the responsibility rests wholly with the Manitoba Government." And then again, "all we know is what we read in the paper and the paper tells us that there was being conducted in Brandon an inquisition which is a disgrace to democracy in Canada in 1960, and I accuse the government of poisoning happy and harmonious labour-management relations." And I could say a lot more of what they accused the government and some other people of doing in connection with the Brandon strike. Mr. Chairman, I didn't protest those extravagant statements in any impassioned or exercised way. I didn't complain with respect to the charges of anti-labour attitude on the part of the government when we continued the Judicial Enquiry when we knew that

(Mr. Roblin, cont'd.) . . . those who were complaining didn't know all the facts. But when the facts were disclosed, to have the same attitude completely unrepented in respect of this matter and the same, I think unfounded charges of anti-labour and witch hunting activities charged against us, I think is more than we should be expected to bear in silence. I think that I did the right thing to disclose to this House the primary motive in seeing the Judicial Enquiry continued. I think I would have been wrong to do anything else. I don't wish to besmirch the trade union; I don't wish to besmirch my honourable friend opposite. If I have done any of those things, I regret it, because I don't want to do it. But I believe that I am entitled to state the position as we see it and I am entitled to reject the charges which my honourable friend makes that our activities in this connection were labour baiting and were unjustified and a disgrace to democracy. This, of course, was part of the brief submitted to us by the Manitoba Trades and Labour Conference not too long ago. I made no protest against them at that time as I felt that they had probably written the thing under considerable stress. I'm quite willing to let bygones be bygones. We all say things we regret and I do not wish to make a cause célèbre out of this thing; but I do suggest that my honourable friends opposite might accord some of the same feelings towards some of us on this side that they think we should accord to them.

MR. MOLGAT: Mr. Chairman, earlier this afternoon a very serious charge was made against this government and against the Minister in charge of this department in particular. The Member for St. George constituency listed chapter and verse and asked for the resignation of the Attorney-General. We have not heard a word from the honourable gentleman since that time in this regard. This is a very serious charge and it was documented. Surely my honourable friend owes this House an explanation.

MR. ROBLIN: Mr. Chairman, I want to allay any anxieties that my honourable friend has. He's going to get an explanation; he is going to get an explanation, but I think perhaps it is in order for my honourable friend the Leader of the New Democratic Party and myself to exchange views on the matter which arose yesterday which we're still in the process of discussing. And if my honourable friend will exercise some of that patience that he recommends to others, I think he will find that the Attorney-General will have something to say. And I've got something to say right now and, that is, that I have the fullest of confidence in the Attorney-General and he will not resign at my instance. I will beseech to continue his office.

MR. MOLGAT: Mr. Chairman, I would strongly recommend the resignation of both gentlemen, the Attorney-General and the First Minister unless he can supply a suitable explanation to this House about the charge that's been made here.

MR. ROBLIN: I'd be happy to offer a suitable explanation to the people of Manitoba if my honourable friend would like it.

MR. MOLGAT: I'll be quite happy to get you to supply one to the people of Manitoba because they deserve one and demand one.

MR. ROBLIN: Get ready.

MR. PAULLEY: Mr. Chairman, if the Honourable the Attorney-General doesn't mind, as the First Minister properly --

MR. ROBLIN: on a friendly basis -- (Interjection) --

MR. PAULLEY: I wonder if the Honourable Member for St. Boniface would like to take my place and say what I was going to say? -- (Interjection) --

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, all I have to do is read his other speech that he made a little while ago. --

MR. CHAIRMAN: Order

MR. PAULLEY: Mr. Chairman, I just wanted to say to my honourable friend opposite that I'm sure that had the same type of discussion taken place yesterday afternoon as taken between himself and me this afternoon, it might have been better. I accept. I accept -- so far as I am concerned, and I'm sure I can speak for the Honourable Member for St. John's -- the remarks of the Honourable the First Minister and I want to assure him so far as I'm personally concerned after his explanation and his pronouncements today, the debate would not be continued insofar as this aspect if it is concerned between my honourable friend and myself.

MR. LYON: Mr. Chairman, I've never known it to be the case when I was in demand as the Speaker in the House, to the same extent that I am this afternoon, and I'm quite happy to be allowed the opportunity right now to participate in the debate again.

(Mr. Lyon, cont'd.)

Mr. Chairman, with respect to the statement made by the Honourable Member from St. George this afternoon, I must initiate my remarks by saying that they are completely without any factual background whatsoever and that they are baseless, unfounded charges which I am very surprised to see, are backed up apparently by the Honourable the Leader of the Opposition.

I have no hesitation at all, Sir, in saying to the committee that immediately on receipt of the report from Mr. Justice Tritschler as to certain findings that he had made with respect to financial affairs at Brandon Packers after the Commission of enquiry had been under way -- I believe it was in the month of November or December of 1960 -- our first action was to appoint special counsel to act on behalf of the Crown to review the situation brought to our attention by Mr. Justice Tritschler and to make recommendations to us concerning any charges that should be laid with respect to those matters. That person was A. F. Dewar, Q.C. a lawyer who had formerly been for a good number of years with the Attorney-General's Department as senior Crown Attorney, who is now practising in a private capacity in the City of Winnipeg. Mr. Dewar was given the material that was passed on to us by Mr. Justice Tritschler and he also had made available to him all of the evidence, the exhibits and so on that had been made available to the Tritschler Enquiry up to that point. In addition, he carried out extensive investigations with the assistance of the Ontario Securities Commission who had information which was of assistance in the prosecution which ultimately came about. As I recall -- and I'm going now only from memory because I don't recall making any record of the particular meetings we had, but we did have consultations -- the special prosecutor, the Deputy Attorney-General and myself, from time to time during the course of his investigation to determine what charges should be laid. While I don't recall the time, Mr. Chairman, I do recall specifically -- and I've had my recollection in this regard corroborated this afternoon by the Deputy Attorney-General -- that the first instruction that was given to Mr. Dewar was that he was to lay whatever charges appeared justified from the evidence that he found, with fear or favour to no one and without respect in any way whatsoever to whatever personalities might be involved. Those instructions were clear and concise and were given to Mr. Dewar at the outset. I further recall having discussions with him during the course of the investigation and as a matter of fact subsequent to when charges were laid against the two principals in the Brandon Packers firm. I asked him -- I'm sure and I'm confident of this, -- again in the presence of the Deputy Attorney-General, with respect particularly to the person who has been brought into the debate this afternoon, Mr. Donaldson, the previous owner.

At no time, Mr. Chairman, and I can state this categorically, did I receive a recommendation from the special prosecutor that charges should be laid against Mr. Donaldson -- at no time up to the present, and Mr. Dewar is still retained by the Crown as a special prosecutor with respect to this case, because of course there is an appeal pending with respect to Messrs. Paton and Cox and one can't talk about that aspect of it. But he is still retained by the Crown. As of the present date I have had no such recommendation from him. As a matter of fact my own recollection is that he has recommended against this; I am in the course of having that confirmed at this very moment. But I wish to assure the committee, Mr. Chairman, that that is the course of conduct that was followed with respect to the Brandon Packers affair. There was never any suggestion of favouritism being shown to anyone because I for one -- whether or not my honourable friend thinks I have any integrity -- I for one would just not tolerate that sort of situation to come about; and so long as I have the privilege of holding the office of Attorney-General I will not tolerate that suggestion ever being even made against the person in the office because it would be an intolerable situation. And so I reject most categorically any statement or remark made by the Honourable Member from St. George this afternoon with respect to that situation.

I listened with interest to his judgment of the evidence and of course he is entitled to his opinion upon that. I say with the greatest of respect to the judgment that the Crown will take -- and I'm speaking on behalf of the Crown at this moment -- the judgment that the Crown will take with respect to whether or not charges will be laid against Mr. Donaldson, or any other person who might be involved in this Brandon Packers affair, will come from the special prosecutor, and if he wishes to recommend further charges at any time, those charges will be proceeded with. If he had recommended charges up to this time those charges would have been proceeded

(Mr. Lyon, cont'd.) . . . with. Now my honourable friend can say he doesn't believe me. I don't care whether he believes me or not, Mr. Chairman, because that is the fact; and whether or not he believes me I leave it up to the House as to whether or not they accept my word on this. I ask them only to cogitate upon what I have said this afternoon and to render their own judgment according to their own conscience. I make this statement of fact quite clearly, quite openly and quite honestly and quite sincerely to the House, and I reject most categorically the imputation, the innuendo, attached to the remarks by the Honourable Member for St. George. I regret them even more because they appear to have been accepted by the full Liberal Opposition opposite and that really bothers me more than I can say, because, while I might expect this type of unfounded attack from the Honourable Member for St. George, I had hoped that one could expect a little bit more from some of the other honourable gentlemen opposite.

Now that is all I have to say in that regard, Mr. Chairman. If there is anything further I can add I'll be quite happy to do so; but that is the situation as it existed then; that is the situation as it exists at the present time.

MR. PAULLEY: I wonder, Mr. Chairman, if my honourable friend might give us some indication, if this phase of the debate is finished, as to any possible future action in respect of the legislation that's been referred to by myself.

MR. ROBLIN: I think we should let the Honourable Member from St. George say something. I see he started to rise to his feet.

MR. PAULLEY: Oh, I'm sorry.

MR. GUTTORMSON: Mr. Chairman, I listened with interest to the remarks of the Minister. I think it was unfair of him to lay all the blame on the doorstep of Mr. Dewar who I know is a very able man, but I know he acts on the direction of the Attorney-General

MR. LYON: Mr. Chairman, if I may on a point of privilege, I'm not laying any blame on any person. If there's any blame to be laid it must be laid upon the Attorney-General because he has the final decision. All I said was that if the recommendation had been forthcoming it would have been acted upon. It was not forthcoming.

MR. GUTTORMSON: Mr. Chairman, the Attorney-General is skilled on law. He was a member of the Attorney-General's Department as a lawyer for many years before he became the Minister of this Department. He knows full well that in a case like this that the Minister has the last word and has no doubt examined every fact very carefully and instructed the prosecutor in what action to take. He knows full well -- or I know full well that he relies on advice from special prosecutors on lots of matters. This is quite true. But this matter was discussed with him; he knows, without telling anybody else, what the evidence was. He says "my judgment". I am not judging this case; I cited the evidence that was given at the trial. This isn't material that was just gathered out of thin air. This was evidence that was given in testimony under oath in a Court of Queen's Bench before a judge and jury. What is the evidence? It notes that there is no point at issue as to what the conviction was. Paton and Cox, in part, were convicted of preparing and distributing a false prospectus, which outlined a bond issue back in 1956.

I didn't say that Donaldson signed that false prospectus. This was evidence; this was evidence that came out at the trial. I didn't say he got the money. This was evidence at the trial, that he got all this money. He was the majority shareholder of this plant. He knew. He was running this plant. He knew all about the financial assets of it. Under his own admission he got the money. Where did the money come from? He knew they were going bankrupt, but he admitted this himself. I'm not saying that he got the money. The courts were told this in evidence. I'm not saying that he signed minutes of meetings of directors which never were held. This was evidence at the trial. This all came out in evidence. He admitted in the preliminary hearing that he falsified the books. I didn't say that. This was evidence. This came out at the trial that he did this. It was evidence at the trial that under his own testimony, about the home -- the \$15,000 home which was involved in the whole deal, and that he bought back for \$3,000. I didn't say this. This is the evidence.

I don't know whether the Attorney-General has read the evidence but I would feel very -- I think it's strange if he hasn't in view of the impact that this case has had on the province. To me, the Minister in saying that this is my judgment, this is unfounded, is just not a good answer. I have discussed this case with many people -- some of them the most ablest legal minds

(Mr. Guttormson, cont'd.) . . . in this province. I'm not learned in law, but it isn't difficult to see from the evidence that was presented in the court that something warrants a charge. I've talked to people -- and I'm certain the Minister would be rather shocked to know of the opinions I got of some of the legal minds, but I'm not at liberty to disclose them at this time, and they told me that there was certainly -- the evidence was so strong that a charge should be brought. If he was guilty or not, that's for the courts to decide but the evidence is overwhelming. He said at the outset that when the case came to him he didn't know about it. Well once the trial got under way it certainly became evident if it wasn't evident before. And to say that my charges are unfounded; I'm not making any charges except to say I'm presenting the evidence as the evidence was presented in court under sworn testimony. So I say this, on the basis of those legal experts whom I have discussed this with, they said a charge should have been laid. After all, the man who signed the prospectus, the man who got the money -- and I won't read all of these again because I read them once -- these are all evidence and they're all substantiated in the court record, and to say that this is unfounded I find it very difficult to believe that the Minister would make such a remark.

The First Minister said yesterday in his remarks -- and he waved his arms and he pointed his finger: "we flushed them out." He was proud of it. I have no objection. Paton and Cox were guilty -- I have no brief for them and all I say is this, charge everyone that's involved, not just two men. If Mr. Donaldson isn't guilty then I'm sure the courts will find him that way but on evidence like this and where he admits doing these things -- this isn't hearsay, this is courts evidence. Why wasn't a charge laid? That's my question. I have been in Brandon and the people there are asking questions, and more questions than I am sure the First Minister would care to know about. Why was this man not charged in view of the overwhelming evidence that came out? If the evidence wasn't available or didn't indicate when the trial got under way that this man was involved, it certainly came out during the trial under the cross-examination of the defence counsel. Mr. Chairman, I'm at a loss for words when the Minister says "unfounded" and this is my judgment. I am not judging anybody. It wouldn't be very difficult for me to judge the man on the face of his evidence but I decided not to do it. I decided to present the evidence as it came from the court and let the House decide on this matter. The First Minister stood up yesterday and he said "we flushed them out of the bush." As a matter of fact, Mr. Chairman, I had no intention of raising this matter today until the First Minister spoke because I thought it was before the courts, but when he mentioned Paton and Cox; mentioned about catching these criminals, he opened the whole debate right up.

I've had more than one person come to me and I know many other people in this House have had people come to them and ask the same question, Why? I've had legal people come to me and tell me this. The Minister was proud that they had caught these men. I can go along with him on that and I think he was right in believing these men should be flushed out of the bush. They wrecked an industry. But let's charge everybody that was involved. Let's not just charge two men. I say, Mr. Chairman, the evidence here that was given in court is overwhelming to indicate at least the laying of a charge. The Attorney-General knows, as most people in this House do, that charges are laid against different people throughout the province and from time to time and the evidence some times is rather flimsy, but they go ahead with the charge because the Crown is convinced in their own mind that the man is guilty even though the evidence might be a little bit flimsy. But in this case where a man admits taking part, admits signing the false prospectus which convicts the other two men, admits getting the money, I say, Mr. Chairman, to say that this is unfounded I just can't understand the Minister making those remarks.

MR. ROBLIN: Mr. Chairman, I must say that this is by far the most unpleasant debate in which I have ever taken any part; because in spite of the remarks that the honourable gentleman who preceeded me, has just made, he is making a charge. I'm not concerned so much about the charge against Mr. Donaldson because that's a lawyer's argument. They have to decide whether this man is guilty or whether there is sufficient evidence to justify a conviction or justify the placing of a charge. That's something that is done all the time by the Crown Attorneys, whether they're special Crown Attorneys or the regular Crown Attorneys. They advise the department where they think charges should properly be laid. That's a question that is a lawyer's problem and I'm not going to get into that part of it. But my honourable friend made a charge of quite another character which I feel deserves a little further explanation or

(Mr. Roblin, cont'd.) or examination. He made the charge of favouritism. He makes the charge that officers of the Crown for whom the members of the government are responsible or members of the government themselves refrained from laying a charge against Mr. Donaldson for reasons that were not justified by the law. That's the way I interpret what he said. He stated that there was favouritism and he accuses the Attorney-General and all of us here of dereliction of duty in this respect. And that I think is the point that I would like to look into a little further. I think that one reason why he may have made it is because perhaps of the fact that the person spoke of is known to have sat in this House under certain political colors and it would be in my mind one of the most unsatisfactory things one could think of if anyone who reads this story in the newspapers as they're going to read it, feels that this is the situation that exists.

I think the Attorney-General has given a perfectly straightforward account of what transpired. I know this, that when this whole matter came up in the first instance it was considered by the cabinet and we came to the quite obvious, perfectly normal decision at that time when we started to investigate this thing, that we would proceed let the chips fall where they may; and that I have, from time to time, enquired of the Attorney-General whether the advice tendered to him or any of the details that came up from time to time, would justify the prosecution of any other persons in connection with this matter. There has been no doubt in our mind that we were quite prepared to take whatever action a proper prosecution of the law and a proper performance of our duties required. That is the point that I would like the committee to direct its attention to right now because I think it is a very hard thing indeed for the honourable member to accuse us of favouritism; to accuse us in effect, of unjustifiably -- well I wrote the word favouritism down --

MR. GUTTORMSON: It was used, but not in that manner.

MR. ROBILIN: -- charging favouritism and dereliction of duty. Well if he doesn't mean it in that way I'll be very pleased to hear it because I can tell you how upsetting it is to hear that kind of talk bandied around the Chamber. All I want to say is that there is no basis for such a charge of favouritism. There is no basis of what seems to me his implication of tampering with justice or failing to prosecute where we should prosecute. That's the kind of thing that I think we must certainly take exception to, because this thing has been handled in the normal way as everyone of a thousand and one prosecutions are handled in the province by the Department of the Attorney-General. In this case, we did not even rely on an employee of the government in the form of a Crown Attorney to undertake this investigation for us. The gentleman whose name has been mentioned, formerly a Crown Attorney, had been for some years and recently left the government service for his own purposes was in charge of this matter, and I can assure you that if any recommendations had been received by us to prosecute other people, it would certainly have been done. But I want to reject most emphatically the suggestion contained in my honourable friend's statement that there is favouritism, or neglect of duty, or any other improper conduct in respect of the particular prosecution and I want to tell him that regardless of how he may read the evidence or interpret it, that I'm certainly no expert in, the legal advice given to us is the advice that we have followed in all occasions and in all circumstances with respect to this issue.

MR. GUTTORMSON: Mr. Chairman, I was rather surprised to hear the First Minister tell us that this matter was discussed by the cabinet on several occasions. I wonder, is this the usual practice of the cabinet to discuss cases several times. Surely there must have been a special reason why the cabinet saw fit to discuss this matter. It would appear to me that this matter was a cabinet decision and no one else's. Well, Mr. Chairman, the Minister --

MR. ROBILIN: my honourable friend right now, he has misunderstood the point I was trying to make. The point that I was trying to make was, when the strike came to an end and we were being asked by some to terminate the enquiry, the counsel came to us and said, "There's more to this than an industrial dispute. In the course of my investigations, I have discovered other facts," and at that time we said to him, "You are instructed to proceed to the fullest measure in respect of this matter." No instructions were given to him that he should cover up or favour anybody at all, but that he had as was only naturally to be expected, full instructions to prosecute the thing as far as the justice of the matter would allow.

MR. GUTTORMSON: Mr. Chairman, the First Minister may have meant something else

(Mr. Guttormson, cont'd.) but I feel confident he said the other, but if he means the other well I'll accept his answer. But he said that I accused them of favouritism -- (Interjection) -- Let me finish --

MR. ROBLIN: If you don't accuse us of favouritism, say so.

MR. GUTTORMSON: I said, and I'll read what I said, so the First Minister will not have any doubts about it. I said, this man was never charged with anything. I said, how could this happen if the Attorney-General was administering justice without fear or favour as he is required to do under his oath of office, that is to administer justice without fairness to all and favouritism to none. That's what I said. What is that?

MR. ROBLIN: I must confess that that sounds like a charge of favouritism to me. If it is not, I'll be glad to hear so.

MR. GUTTORMSON: Well, you take any implication from it you wish. I didn't just jump up today without going into these facts very carefully. I discussed them, as I told you before, with some of the ablest minds, legal minds that there are, and there are very many. I have the greatest respect for Archie Dewar. I know him personally and when he was appointed by the government to prosecute, I thought they made an excellent choice. As a matter of fact, his assistant, Ken Houston, is also another very able man. But I still say, the onus is on the government, on the Minister of the department, to delay the charges. I still say that in view of the tremendous evidence that came out certainly warranted some consideration because the evidence came out -- there was admissions all during the trial of what was said; and yet, I'm accused of unfounded knowledge. Well, Mr. Chairman, it isn't unfounded at all. This is court evidence and it has never been refuted.

MR. LYON: Mr. Chairman, I would just like to interject some further comments because I gave honourable members at the time of my remarks just a few moments ago, my recollection of events, and I have subsequently talked to other persons who were involved in this matter. The question of whom was to be charged was left to counsel who carried out the investigation. Counsel carrying out the investigation drew the indictment covering the charges that he felt the investigations warranted and which he felt the evidence would prove without interference by any member of the department, myself, the Deputy Attorney-General or anybody else; and further, the counsel never recommended in any instance, on the basis of the evidence which he was completely familiar, that Donaldson should be charged. Now I make those statements quite categorically to the members of the committee, Mr. Chairman, in corroboration, in full corroboration of what I said just a few moments ago.

My honourable friend from St. George says that he has a great deal of faith in the special prosecutor who was appointed and in the man who was given this free rein, these instructions to lay whatever charges he felt the evidence would warrant. Does he suggest for a moment that that counsel, or indeed any other counsel that the Crown would appoint on a special case such as this matter, would continue in the employ of the Crown for a moment if they thought that the Crown or the Attorney-General or the Deputy Attorney-General or anybody else was interfering with their lawful conduct of the case or with what they thought justice demanded? Of course they wouldn't. Because I am sure that he thinks as highly of the person in question as I do and that's precisely why he was appointed. Precisely why he was appointed to give advice to the Crown on this matter. Now my honourable friend can skirmish around all he wants on the basis of the alleged findings of fact that he comes by. All I say is that the findings of fact that are communicated to the Crown, to the Attorney-General's department, came from the special prosecutor. It was he who determined who was to be charged in this instance, without interference from anyone whatsoever. He is still employed; he is still retained by the Crown in this case. And I say all of these things quite categorically to my honourable friend, and I suggest to him -- just to him -- with the greatest of deference, the charge that he has made here this afternoon is unbecoming -- unbecoming a member of this House. Had he been so concerned, I say to him, had he been so concerned about justice as he would have us believe here this afternoon, why did he not come to me? Why did he not come to me or why did he not come to the special prosecutor, if his only concern is justice, and make known what his feelings were and hear what the Crown Prosecutor or myself might have to say about it. And so we might well ask ourselves this afternoon, Mr. Chairman, is his concern justice or is his concern politics.

MR. GUTTORMSON: Well, the Minister's getting vehement, eh? You never can speak

(Mr. Guttormson, cont'd.) . . . without trying to put -- stick to the facts. You've got to throw the barb; you've got to divert a little into politics as always. When was the evidence available? Why did the learned trial Judge, Mr. Justice Monnin, say in his remarks, imply to the jury while he was charging, that Donaldson participated in the conspiracy and was an accomplice? Why did that learned trial Judge make these remarks? As he well knows, Mr. Justice Monnin is one of the most respected jurists in this province, and a man of his integrity wouldn't have made this implication without excellent reason. I want to ask the Minister this, too. Did he at any time ever discuss this matter with Mr. Donaldson?

.....Continued on next page.

HON. J.B. CARROLL (Minister of Labour) (The Pas): Mr. Chairman, possibly I should just say a word on this subject at this time because the last time the Member for St. George got up and charged this government with dereliction of duty with respect to Brandon Packers, he certainly was far off the mark with respect to the facts and here he's talking about how he thoroughly investigated to see whether what he's saying are facts or not. But here he was charging dereliction of duty at the time that the commission was adjourned and he said: "Of course the" -- he was talking about his former Leader at that time saying that, "of course," he was the only man that stood up and suggested that the Enquiry Commission should go on. He said, "Of course the First Minister didn't have a Minister of Labour who had promised the unions wouldn't be investigated if they settled the strike." He goes on to quote a few other wild insinuations attributed to members from this side of the House. I would like to just refer him -- he's the man who investigates the charges thoroughly before he makes them in this House -- if he'd like to refer to what Mr. Ritchie said in evidence before the Enquiry Commission on August 29th, he'd find this; speaking about the adjournment of the Commission, etcetera, whether it would go on or not, he said, "I mean, when we met the Minister of Labour we were able to work out an agreement with Brandon Packers; the whole question of the continuation of the enquiry was brought up. He at that time said that he wouldn't state his position whether the enquiry would go on or not but he says: "This has to be handled by the Cabinet." Was this a promise that the Enquiry would not proceed? And yet my honourable friend across, charged us with having given some assurance to the trade union that the enquiry would not proceed. What kind of investigation did he do here? He picked up some gossip around the beer parlour or some other place, and brings it into the House and lays a charge as though it's the gospel truth. This is the kind of stuff we have to listen to on this side of the House. This is the kind of investigation that the member for St. George brings before this House and lays as charges. What us to go on? To see what some of the other people Now if you'd investigated it you would have found this; it's in the evidence; it's in the library. There's ample opportunity if you are so interested in what took place at the enquiry. Mr. Lenglet, another member of the UCWA negotiating group, he said this: "The only thing that I ever remember saying anything about it was Mr. Carroll when he opened the meeting, 'I don't think there will be any problem about an adjournment.'" I was asked, "Will the Commission go on?" I said, "There'll be no problem about an adjournment as far as I'm concerned." "I don't think there should be any problem," Mr. Carroll said, 'and I don't think there'll be any problem of an adjournment but as far as doing away with the commission that's up to the Cabinet first.' " And yet my honourable friend comes into this House and charges that the Minister of Labour was assuring the trade unions that the commission would be discontinued. He goes on to say quite a few other things here which I say he can't substantiate because he doesn't know and because they weren't said.

They're talking here during the first stage of the strike, "Despite violence which occurred in Brandon, workers' houses set fire, bricks thrown, etcetera, women mauled -- the government took little action. The Minister of Labour said he wanted more specific information." What utter rubbish! What utter rubbish. "At the end of March with the strike a month old, to the union men who asked for more police protection, the Minister of Labour said, 'Little can be done at this stage.'" I say hogwash. And the charges that he's making in this House are completely invalid as far as I'm aware, because those ones that I've investigated appear to have absolutely no substance to them at all.

MR. LYON: Mr. Chairman, to answer the question put by the Honourable Member for St. George as to whether or not discussions were ever held with Mr. Donaldson about this case and the answer is clearly, "no."

MR. DESJARDINS: Mr. Chairman, I don't like this debate any more than the Leader of the House does. But what I like less than anything else is the style, the way of some front benchers especially including the Leader of this House and the Attorney-General, to distract from what is actually being discussed in this House at the time. Now this attitude, this "holier than thou" attitude that some of the members across take and tell us that -- trying to change this into a charge of favouritism which wasn't said at all; trying to change this altogether and then -- I can see the Whip is trying to get into the good grace of the Leader but I don't think he can bring much to any debate around here.

MR. ROBLIN: No

MR. DESJARDINS: Anyway, Mr. Chairman, I think that it is very unfair they're trying to change what is being discussed here today, like the Honourable Minister of Labour is trying to do now, bringing something else into this. He's tried this before; he's tried to tell us how wonderful certain things would be for the unions. You'd think that he'd learned his lesson -- that he had learned his lesson this morning. Now, the Leader of this House tells us that we discussed this in Cabinet and we decided, let the chips fall where they may. Well my goodness, why was that discussed? Is it sometimes you let the chips fall and sometimes you don't? Is that what you mean? Why was there any necessity for the Cabinet to decide, "this time we let the chips fall." Why? Why was that brought in at all? Is that what they start the Cabinet meeting by saying, "We'll let the chips fall." And then there was another. It's all right to say, "you're vile, you're dirty, whatever you say is wrong." They impute all kinds of motives to us. If we say something, it's wrong. Then he tells us that this was being done because this Mr. Donaldson who I don't know and I never met in my life, was a member of the Conservative Party, and that I don't know. I was told that he was a member of the Coalition Government at the time. That's all I was ever told. Now that's pretty serious to say that this is what we're doing certain things for. Now the important thing here is if there's any charge it was made plain -- members across trying to change this. It was made plain, evidence at the trial. Is it sufficient evidence to try to bring in a charge?

Now the Honourable Minister of Labour told us this evidence comes from a beer parlour. I didn't know that this trial was conducted in a beer parlour, I didn't know that at all. If it's not the evidence, let's say it right away, and if it's the evidence this is what we want to know. Yesterday the Leader of this House didn't get up and say, "Mr. Dewar flushed them out; Mr. Dewar charged them; Mr. Dewar convicted them." I might be wrong because he won't let us go and listen to Hansard; we'll have to wait until Hansard comes in. But isn't it a fact that he said, "We flushed them out; we didn't listen to the CCF; we convicted them; we jailed them. But today, "Mr. Dewar." Mr. Dewar, not them any more. Now, Mr. Dewar wasn't elected here. And this was discussed, and it should have been. The responsibility belongs to the Attorney-General. And it's wrong to say it's left in his hands. If he said everything is left in his hands it's wrong. I don't know anything about law but I know this, that in my opinion -- I know that they disregard my opinion -- but in my opinion, it's wrong to leave things to some people; to say, "We'll hire you; you take the responsibility." The same as they're trying to create something to move the responsibility of the failure of Metro. This is being done by this government all the time. Maybe they should read the story of "Les Miserables" again. And we don't hear anything about this when we see in the paper that a man has been gaoled for three months or something like that for stealing a package of cigarettes, or because he's out of work, or stealing a pound of butter. Oh yes, "ah." Don't hide behind them to, sit back in your seats and say, "ah." Stand up and have something to contribute except "ah" and "aye." That's the Whip of this government --(Interjection) -- All right, Mr. Chairman. All right, Mr. Chairman, if they're going to debate on something let's keep on the subject.

It's all right to always accuse the Member from St. George of always trying to find something and bring in politics. Who mentioned this business of this man being a Conservative? Who mentioned it? And who talks about favouritism? These words were first mentioned by the Attorney-General, if I remember right. And it was never mentioned by him or by the member from St. George as being an attack on favouritism. Maybe you're not doing your duty. And I don't know -- this is news to me. But if this is the evidence of the trial, I'm right now making this charge that you're not doing your duty. Not for the members of Manitoba -- maybe the lawyers will tell us different. I don't know. But there was a little challenge awhile ago that you could go to the people of Manitoba. Well go to the people of Manitoba and tell them. this list if it's true. Publish that in the paper and say this is not sufficient evidence to go after those people. Now the Minister, I think he made a slip of the tongue -- I'll say this; I'll be fair -- but he did nevertheless -- he said that it's up to the lawyers to decide if a man is guilty. And then he said, "if there's enough evidence." If there's enough evidence, yes; but it's not up to the lawyers or this is something new that I'm learning that it's up to the lawyers to find out if the man is guilty. I thought we had judges for that. Now the point is this, Mr. Chairman, that a member of this side of the House read the evidence. I don't know if it's right. I've no reason to disbelieve in that. The main thing is to find out if that is true evidence. And if not, all right,

(Mr. Desjardins, cont'd) let's say so. And if it is -- the second question is, is that enough evidence for the government of this province, for the Attorney-General to lay a charge? That's the only thing we want. Nobody's talking about favouritism; nobody's talking about -- maybe they have a guilty conscience, I don't know because they have to say in this case -- they must have been worried about this case because in Cabinet they had to say, "Let the chips fall; this time we'll agree to let the chips fall where they may." Well I don't know why this has to be said at all. I don't know if that's the way -- some people open a meeting, with a prayer maybe. That's the way they open a meeting -- "Today we'll go straight, tomorrow we'll" I don't know. This is not an accusation. These are the words of the Leader of this House so let's stick to the facts. Is that the evidence? Is it true evidence? And if it is, is it sufficient to lay charges and let the people of Manitoba decide? We're all in favour of that.

MR. LYON: Mr. Chairman, I'm always delighted to hear my honourable loud friend from St. Boniface get into a debate, especially on matters of which he has no knowledge whatsoever, because he of course really becomes violent in those situations. I want to assure him that so long as I have been Attorney-General, which is now coming on four years, that there has never in any instance been any interference by the Cabinet of this Province with the lawful carrying out of the duties of the Attorney-General of the Province with respect to prosecutions of any kind. I have no recollection of the particular case in question being discussed in Cabinet at all because, unlike our predecessors -- may I say unlike our predecessors -- we don't discuss matters of justice or matters of the ordinary running of the department in Cabinet. I don't have to run to Cabinet to get authority to prosecute people. I don't have to go to Cabinet to get authority to prosecute people. I merely ask my honourable friend -- he wasn't here at the time -- to consult with some of his friends to see whether or not the same situation obtained when they had responsibility for matters, because I would like to hear the answer to that question. I can think of instances myself which I'm not going to mention because I don't think it's worthwhile. It adds nothing particularly, but I merely want to assure my honourable friend that that situation does not obtain at the present time and that the office of the Attorney-General runs according to the law, and that matters are decided according to law in the office of the Attorney-General and so long as I have the privilege of holding the office they always will be, and if there was ever any interference with that situation I would resign as Attorney-General. I would certainly do that, and I want to assure my honourable friend and every other member of the committee here this afternoon, that is the case; it has always been the case since I've been Attorney-General; it always will be the case so long as I am Attorney-General. I make that statement equally as categorically. Now he says he's satisfied on the basis of the evidence that has been produced by the Honourable Member for St. George, that charges should be laid. Well now he may be of that opinion and I respect again his right to hold that opinion but I say that the advice that the Crown takes is from the specialist, from the Crown Prosecutor who is employed, retained to look into this matter, and with the greatest of deference I will take his advice as to whether or not there is a foundation for charges. I have said -- I have repeated it this afternoon at least three times, that he has said there is no foundation for charges. That is the statement he has made, and if my honourable friend does not wish to accept that from the person who knows the facts with respect to the situation perhaps better than any other person in Manitoba save maybe the judge or the defence counsel -- if he doesn't wish to accept that evidence he's entirely free to act in whatever way he wants, but I say to the committee and I say to the people of Manitoba, that is the evidence that I will accept -- the evidence and the recommendation from the man who knows the facts and who is prepared either to recommend or not recommend, and if he makes no recommendation to me I will not act. Conversely, if he makes or had made a recommendation to me it would have been acted upon. That I can assure my honourable friend. That I can assure him and I make this statement again if it needs to be repeated again, that that is the case. I hope and trust that notwithstanding the badgerings that occur from time to time across the House, that he would accord me sufficient faith in my integrity to accept what I say as being the truth, because in fact that is the case.

MR. M.N. HRYHORCZUK, Q.C. (Ethelbert Plains): Mr. Chairman, if I may. I have religiously stayed out of this debate because I haven't seen the transcript of that evidence. If I had, and had the transcript confirmed -- what the honourable member has said it contains -- I certainly would have been in this debate long ago. I'm sorry that the Honourable Minister

(Mr. Hryhorczuk, cont'd) felt it necessary to refer to the last government of which he was a trusted employee, a crown prosecutor. What he is referring to I do not know, but I will say this, Mr. Chairman, that it surprises me that this matter was discussed in Cabinet, according to the First Minister. The Honourable Minister . . .

MR. ROBLIN: I must make the correction again. I'm sorry to interrupt my friend but I must make the correction again. What was discussed in Cabinet was the advisability of proceeding with the judicial enquiry commission and that is the thing of which I said, "Go ahead."

MR. HRYHORCZUK: But why would -- why would the Honourable First Minister have followed that with the statement that they decided in Cabinet to let the chips fall where they may if the whole thing was over? Let that be as it will. It surprises me, Mr. Chairman, also, that the Honourable the Attorney-General, after listening to what has been said by the honourable member who has brought forward what he tells us is contained in the evidence, hasn't got up and said that this matter is going to be investigated and if there are charges to be laid they will be laid. That is his duty. And he can slough off on the special prosecutor all he wants. He knows as well as I do that in matters as serious as this it is the responsibility of the prosecuting attorney to consult either the Deputy Minister or the Minister. That is the usual procedure, and when he tries to tell this House that certain things happened in the past -- if he thinks that's a justification for the attitude he's taking now he's wrong. We're discussing a particular matter here and I think he would be doing much more for himself and the members of this House if he dealt with this case on its merits instead of looking for excuses and using language that is entirely uncalled for. I think that the honourable member is justified in bringing this to the attention of the House. It wasn't his duty to delve into the evidence before and run to the Attorney-General and ask him why he isn't prosecuting. He'd have got kicked out of the office. From the way you behave here that's quite evident. The only place he could raise it was where he did raise it and if he's wrong -- if he is wrong, I think the members of this committee should be told he is wrong, that that evidence is not contained in those transcripts, and if the Honourable the First Minister or the Honourable the Attorney-General -- and I believe that for what they tell us here, I believe them, but they don't tell us enough. I say that if the evidence is there it's not too late to prosecute yet, and the proper answer by the Honourable the Attorney-General was to say when this charge was made, "I'm going to investigate those statements and if they are correct and there is basis for a charge being laid, it is not too late -- we'll lay them."

MR. LYON: Mr. Chairman, I re-enter the debate immediately to assure my honourable friend from Ethelbert Plains, as I mentioned earlier, that the Crown Attorney is still retained acting on behalf of the Crown in respect of the matter which is now in the Court of Appeal. I've said it three or four times this afternoon. No recommendation has been forthcoming. If it had been, or if it is, it will be acted upon. Now I don't know how much plainer I have to be in order to convince my honourable friends that we're not being nefarious; we're not resorting to subterfuge or any sort at all. He knows very well what I mean, and if such a recommendation at any time is forthcoming it will be acted upon, but we will not act upon, I suggest, the opinion of my honourable friend from St. George, regardless of the value to which I attach to it. We will not act upon that opinion. We will act upon the opinion that we get from competent counsel and any recommendation that we get from competent counsel on this matter, because that is the way he has been instructed, his instructions continue, and he is still retained to give us any further advice that he wishes with respect to this matter. Now I don't know how much clearer I can be and if my honourable friend didn't hear me I'm sure he heard me this time, and I'm sure it should be clear in his mind as to what the situation is, not only with respect to this case but with respect to any other case over which I have any authority at all. I'm sure that that was the case -- I can say this, so far as I know -- when he was Attorney-General. I wish that he would accord me the same courtesy of at least believing that I would have as much integrity as I am sure he tried to have when he was in this office. That is the only way the office can be operated. That is the only way the office will be operated so long as I am in it.

MR. HRYHORCZUK: Well, Mr. Chairman, I'm glad that the Attorney-General repeated and stressed the fact that he'll take no action unless the prosecutor who has been appointed to this case recommends prosecution. That is the point, Mr. Chairman. In my humble opinion, it is the duty of a Minister to intervene and not wait for recommendations from the prosecutor,

(Mr. Hryhorczuk, cont'd) which is not unusual and in this case I say it is not only proper but it demands the intervention and investigation by the Attorney-General himself.

MR. LYON: Does my honourable friend agree that when counsel was given the instruction, given the authority to lay any charges that he thought arose from the evidence as he looked at that evidence and as he weighed that evidence, would he not agree that that was a proper step to take? Would he, if he were the special prosecutor, not like to have that complete freedom of action to make any recommendation based on the facts? I would like to hear him say if he agrees with that instruction that was given to counsel.

MR. HRYHORCZUK: Mr. Chairman, that isn't the point at issue here at all.

MR. LYON: But my honourable friend

MR. HRYHORCZUK: Now just a minute. Wait till I get through.

MR. LYON: I just want to hear what he says.

MR. HRYHORCZUK: I've had to be pretty patient listening to you. You just show a little patience and listen to me for a minute.

MR. LYON: I've got all the patience in the world.

MR. HRYHORCZUK: I see absolutely nothing wrong with the statement that the Attorney-General just made, but he is evading the issue. My point has been made clear and I'm going to leave it at that, and I'm not going to say any more, that from what I've heard in this House if I was the Attorney-General I wouldn't wait for the prosecutor to come to me with a recommendation. I would look into the matter personally.

MR. DESJARDINS: Mr. Chairman, the Attorney-General, I think, tried to muddle everything instead of making it clear and if he's sincere in trying to make this clear I wonder if he'd answer this question to help people that are not too bright like the Member from St. John's and myself. -- (Interjection) -- According to the Attorney-General I should say. Now we have no reason to believe that this evidence is not the true evidence. Nobody has denied that, and I'd like him to quit beating around the bush and answer the question -- one question. Does he feel that if that is the true evidence -- and we have no reason to believe that it isn't -- that that isn't enough, in his own opinion, isn't enough evidence to lay charge. That is what the people of Manitoba would like to know I'm sure. It's all right to say like was said here, and it was the Second Minister that said that, "Well, if you thought that was wrong, why didn't you run over and tell me?" There's no reason for that that they mentioned to us. This is ridiculous. Are they so afraid of what is being said? I thought the Leader of this House gave us those lectures on democracy and the way this thing was done and so on -- that you had the right to expose to the public, to tell them what was going on, well doesn't that work for both? I'm starting to believe that there is a rule for this side of the House and one for the other, the way these things are conducted -- the way they are allowed certain privileges that others aren't. I'm starting to believe that. But anyway, if we want to make it clear then let the Attorney-General answer this: Is there enough evidence to lay a charge, or does he want to say, "well this is none of my business. It's up to Mr. Dewar. We told him go ahead." This is not clear to me. I want to know if Mr. Dewar is running the show; if it's up to him and nobody else -- I don't know what the Attorney-General is there for -- or if he feels that there is not enough evidence to lay charge.

MR. LYON: Mr. Speaker, I reiterate again as I have done this afternoon on a number of occasions, that the Attorney-General has to accept, and does accept in this particular instance, full responsibility as to whether or not a person is charged or not charged, but the Attorney-General, which my honourable friend seems to be unable to grasp, the Attorney-General acts in 99 percent of the cases on advice that he receives. In this particular case the Attorney-General was acting on the advice -- or will act or will not act, as the case may be, upon qualified advice that he will take and receive with respect to this matter. Now I'm not trying to shove off any responsibility on to anybody at all because I know what my responsibility is even if the Honourable Member for St. Boniface doesn't, and I merely reiterate again to him that that is the case, that I accept any responsibility, and that if any recommendation is forthcoming with respect to evidence past or present, which I haven't seen, by the way -- my honourable friend may be referring to the transcript of the Paton and Cox trial, I presume -- I haven't seen that transcript myself, but if that is what he's referring to, we act upon recommendations that are received from the special prosecutor who, after all, is seized completely of all of the facts. I have not read the transcript in that case at all, but if a recommendation is forthcoming, if it

(Mr. Lyon, cont'd) had been in the past from the person who was seized with the facts, it would have been acted upon. It will be acted upon now; it will be acted upon in the future, if such a recommendation is forthcoming.

MR. DESJARDINS: Mr. Chairman, this sure looks very clear. "I have my responsibility; I accept them, but if Mr. Dewar doesn't tell me to go ahead, I can't go ahead." This is practically what we're being told. Now, I don't know, Mr. Chairman, how the Attorney-General arrives at this, and maybe he's right -- maybe I'm not intelligent enough to understand. But I feel that this is the point. I understand fully that he can't look in every case himself. That I accept. I accept that he must have advice from somebody else, but at least if today, after hearing this, he'd say, "Well we'll look into this and after studying this, if I feel that I should act, I will," but what is he still saying? He doesn't want to take any responsibility. He tells us that he recognizes his responsibilities, but he tells us, well, it doesn't matter; we have acted, or we will act or we are acting now on the recommendation of Mr. Dewar. And I say, Sir, that that is definitely wrong and it's not accepting his responsibility.

MR. LYON: Mr. Chairman, if by some chance I felt that the Crown Prosecutor was wrong, I would discuss the matter with him and I would take whatever action I thought was proper. If he recommended against prosecution and I was of a different opinion, I would certainly take the action that I thought was the proper thing to do. In any case I don't have to, but I think it's the better part of wisdom, to act upon the advice that is received from the person who knows the case. I don't pretend to know all of the nuances of the case at all, but my honourable friend -- I don't expect him to understand or to accept what I say, but that is the way things are done. That is the way things are done -- in this case going to be done -- and have been done in the past. I can assure him that this is quite proper; quite the regular way of conducting prosecutions. That's why we retain people of special competence in order to give us advice on these matters. Now I don't know how much clearer I can be -- how many more times I have to repeat it. That is the situation.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I am not a lawyer -- I'm just listening and taking this all in. And something strikes me as odd. I've always felt that we are governed by a sensible government and today it seems to me that the Minister is sloughing his responsibility to his

MR. LYON: Mr. Chairman, on a point of privilege, is this -- my honourable friend's been in and out of the House like a jack-in-the-box. He perhaps hasn't heard all of the debate, but I don't think it should be necessary to have to correct him at this point with respect to responsibility. I just finished saying to the Honourable Member for St. Boniface -- if my honourable friend had been listening -- that the Attorney-General accepts and does accept at all times responsibility. No question of that at all.

MR. TANCHAK: I don't accept that I've been running in and out. I went for a cup of water and that's about all and I've been sitting here most of the time. It seems to me that this government is run by advisors, experts and so on, and maybe on the civil service. It seems to me -- and I would like to ask this question -- what has happened to Ministerial responsibility?

A MEMBER: That was a wonderful speech you made.

MR. CHAIRMAN: Are you ready for the question?

MR. MOLGAT: Mr. Chairman, the fact still remains that last night the First Minister got up in this House for no reason whatever and injected himself into this debate and claimed all the credit for himself and his government at that time -- all of it. It was "we did it," and he got on this debate and now today, the Attorney-General is telling us, "oh no, no, no, it's not us, it's the Crown Prosecutor." The Crown Prosecutor. When they feel like it, themselves, when they think there's some credit to be had. And that's the way this government is operating.

MR. ROBLIN: Mr. Chairman, I suppose it really ought not be necessary to reply to that absurd statement, but I want to say this, clearly, beyond any peradventure of a doubt, that I, personally, as head of this administration take the responsibility for whatever goes on, good or bad, in this government, and my colleagues who are joined with me, both in the collectivity of the cabinet and in the caucus, do the same. Let there be no mistake about that. If we try, in dealing with matters that come up here, to explain the reasons for actions that were taken, as we have tried to do today, we necessarily enter into discussion as to how decisions are arrived at, and obviously they are arrived at by the consultation with those who advise in all aspects of

(Mr. Roblin, cont'd) government. But when it comes to responsibility, Mr. Chairman, we are responsible. When it comes to hanging anybody on the hook for whatever happens, we will be the ones who will accept the responsibility. I utterly reject any charge that we are trying to dodge behind anybody else. That's not the case. Whether Mr. Dewar is right or wrong is immaterial. We take the responsibility for what has happened in this case, and if we are wrong -- and we may be wrong; who knows? -- we take the responsibility, and if we are right, we take the responsibility. But I would not have it said in this Chamber, Sir, without a statement from myself as to where responsibility lies, because let there be absolutely no mistake about that. We are elected to take responsibility. We are here to be responsible for the decisions that are made, no matter at what level of the civil service, and we had some complaints the other day about shooting that stuffed deer down the road. That was not a Ministerial decision. Of course not. It was a departmental decision taken by somebody in the civil service, but we are responsible for it. That's the way our system works. We understand that very well, and we take the responsibility for being right or for being wrong, but whatever it is, we take the responsibility.

MR. CHAIRMAN: question?

MR. D.L. CAMPBELL (Lakeside): Mr. Chairman, there is one small item outstanding here, and that is the suggestion of the Honourable the Attorney-General that, as I caught his words, that something was done under the former administration that he did not approve of. I'd like to know what his suggestions were in that regard. He seemed to indicate that the cabinet had done something that didn't meet with his complete endorsement.

MR. LYON: . . . to ask my honourable friend to consult as to whether or not decisions respecting prosecutions were or were not discussed in the previous government. I didn't pass any opinion on it one way or the other.

MR. CAMPBELL: what my honourable friend said, and we can check this when we get Hansard but what he said was that this was done in such and such a way here and it was not done that way under the previous administration. What was he suggesting about the previous administration?

MR. LYON: I was suggesting, Mr. Chairman, I was merely suggesting that at the present time the determination as to whether or not charges are laid is not a matter for cabinet decision. It's a matter that the Attorney-General and the Deputy Attorney-General decide themselves. That is the suggestion I made.

MR. CAMPBELL: Did he suggest that was not the case before?

MR. LYON: My honourable friend can answer that question better than I.

MR. CAMPBELL: But did he make the suggestion?

MR. LYON: I'll make no suggestion about that situation whatsoever. I merely say that my honourable friends would have to consult their own consciences in respect to that. I don't suggest that they did.

MR. CAMPBELL: I don't know what my honourable friend was suggesting then but I am clear as to what's been suggested today, and that is that it's the special Crown Prosecutor that's making the decision -- not the Attorney-General, or the First Minister, or the Cabinet.

MR. ROBLIN: No, Mr. Chairman, I really mustn't let that go unpassed. We may take the advice of the Crown Prosecutor or anybody else, but once we take it, that becomes our decision. Once we take it, that becomes our responsibility, right or wrong. We are not trying, and we would be quite wrong if we tried, to say that because somebody gave us some advice he's responsible. He's not. He's the man who gives us advice. We may take it if we think it's right. We may reject it if we think it's wrong. But regardless of what we do, it becomes our decision and our responsibility. There's no backing away from that whatsoever.

MR. ORLIKOW: Mr. Chairman, we have stayed out of this and I intend no long speech, but I want to say that the Honourable the First Minister has changed the rules or the procedures which they follow in the last half hour or so. Just now he says, "We may take his advice, we may not take his advice, but we will accept the responsibility." That makes sense, Mr. Chairman. But that is not what the Honourable the Attorney-General said. What the Honourable the Attorney-General said in effect was, "We said to the Crown special prosecutor, 'Go ahead; make your investigation; play no favorites; charge who needs to be charged.'" And then he stopped. In other words, "I, the Attorney-General; we, the government, wash our hands of this"

(Mr. Orlikow, cont'd) The First Minister just shakes his head. I say, Mr. Chairman, and I say that the record will prove when we have a chance to read it, that the implications of what the Honourable the Attorney-General said earlier, are precisely what I say now. That he told these special prosecutors, "You have a free hand." And I'm not -- and if he said that, and I take his word, he is to be credited, but he did not leave the impression which the First Minister now gives that if he disagreed with the special prosecutor that he would have ordered the matter to be proceeded with. And that, I think, is what he should have left open to do. He did not suggest that earlier, and I think that should be clear for the record.

MR. LYON: Mr. Chairman, again I make it quite clear -- if it has to be made clear again -- that the special prosecutor was given these instructions and I think quite properly, that he has made no such recommendation to us, and he is the one who is seized of the facts. If we felt that he was wrong, or if we feel -- if he makes a recommendation to us against prosecution and we feel that he is wrong, we are at liberty to disagree with him, because the final responsibility does lie with the Attorney-General as to whether or not charges proceed. There has never been any doubt on that question at all, and my honourable friend, I'm sure, doesn't have to deal in the rather airy field of implication. He can deal in the field of fact, because that is exactly what has been said throughout the afternoon.

MR. CHAIRMAN: for the question?

MR. ROBLIN: I think it's just the item.

MR. CHAIRMAN: The motion of the Honourable Member for St. George.

MR. ROBLIN: I don't think there was a motion, Mr. Chairman, I think there was a very spirited debate, but no motion. I think we're still on the item in the estimates.

MR. MOLGAT: Mr. Chairman, before we leave the item of Administration; it seems the Minister has finally accepted the principle of ministerial responsibility. I want to go back to some of the things he told me yesterday on the matter of reciprocity with the other provinces, because yesterday when I said that the Minister should make up his mind about this, Mr. Chairman, the Minister told me that it wasn't up to him, it was up to his negotiators.

MR. LYON: the matter was being negotiated Mr. Chairman.

MR. MOLGAT: What was it, Mr. Chairman?

MR. LYON: The matter was being negotiated by a negotiating team. I never said that we didn't have responsibility for it.

MR. MOLGAT: Well my honourable friend indicated to me, I'm sure -- and when I get Hansard I will check it up -- that it wasn't in his hands. That was the opening part of our discussion. Well I believe, Mr. Chairman, that my honourable friend is the one who has the agreement in his hands ready for signature. And I believe that the negotiations have been completed. My honourable friend gave as an excuse yesterday that the other provinces were also re-negotiating. When I told him that Alberta had signed some months ago, he told me that they were now re-negotiating and this was proof as to why Manitoba should not hurry up. Well I've checked into this, Mr. Chairman, and I find that Alberta is re-negotiating, that's true, but what are they re-negotiating for? For reciprocity. In other words, absolutely no fees between the two provinces, and this is the basis on which Alberta is operating with a number of the American States. It's the offer that Alberta has made to my honourable friend and which so far he's been unable to make up his mind about. And I submit that this government should be prepared to make a decision on these matters and it's not good enough for the Minister to say, "We are re-negotiating; we've got to think about this some more." He's had the offer from Ontario now since January. Alberta has signed it. Saskatchewan signed it last week. If my honourable friend doesn't make up his mind very soon, the trucking industry will be penalized by almost a quarter of a million dollars in this province and there's no one to blame but the Minister of this department.

MR. LYON: Mr. Chairman, I'd be quite happy to accept any blame that the Honourable Leader of the Opposition wishes to accord on the question of reciprocity or any other question. I start off by correcting a few of his facts from yesterday afternoon. I believe the Leader of the Opposition alleged that Manitoba had reciprocity with only six other jurisdictions. In actual fact, we have full reciprocity with Minnesota, Wisconsin, Michigan, Illinois, Kansas, Arkansas, Missouri, Iowa, and Nebraska. We have practically full reciprocity with North Dakota and, of course, we have half-fee reciprocity, and have had for some time, with Alberta and

(Mr. Lyon, cont'd) Saskatchewan. We have full reciprocity with respect to household goods movers, with respect to all provinces with the exception of BC and Newfoundland. This makes a total of eighteen jurisdictions with which we have reciprocity either in whole or in part. Now the type of reciprocity agreement that my honourable friend has the first draft of that we are presently negotiating, which has been signed as he mentioned between Alberta, and, he tells me, Saskatchewan, although I'm not advised of this definitely myself, and although my honourable friend the Leader of the NDP who should know hasn't been advised. This is a new type of agreement that our people are looking at quite carefully. It's not in existence in any other jurisdiction on the continent except as apparently between Alberta, Saskatchewan and Ontario. Changes are contemplated in it and have been made already with respect to negotiations that have been proceeding between Manitoba and Ontario. And those negotiations will proceed. As I said to my honourable friend yesterday, I was in touch with the Minister as recently as a week ago in Ontario and had a discussion with him on this matter. Naturally I can't say to my honourable friend all of the points that are under negotiation because they are still proceeding, and I don't think that he would be one who would want us to discuss in full detail all of the points that we have under discussion with Ontario at the present time. I repeat again, that when a satisfactory arrangement can be arrived at between the two provinces, keeping in mind all of the various interests that are involved -- keeping in mind the interests of the consumers, not only the Manitoba Truckers Association, who undoubtedly have a primary interest in this matter, but as soon as we can arrive at an agreement which we feel is in the best interest of all Manitoba -- of all Manitoba, and I stress that again -- then with goodwill on both parts which does prevail, that agreement will be signed. And I'm hopeful that an arrangement of the kind that I describe will take place, but I'm equally as certain, Mr. Chairman, that I will not be a party to signing an agreement with which we are not totally satisfied having regard to all of the interests in Manitoba who are involved, even if it would satisfy my honourable friend opposite. I don't think on reflection that he would want me to sign it until we were sure that it was an agreement that represented all of the interests in Manitoba. So I say that, and if he wants to be critical of the situation, he has full freedom to be doing that. But notwithstanding his criticism, we will persist in what we consider to be the best interests of all of the people of Manitoba and will not sign an agreement until we are certainly assured of the fact that the agreement we do sign will respect those interests.

MR. MOLGAT: Mr. Chairman, could the Minister indicate why the Province of Alberta can proceed to sign an agreement as it did some months ago; why Saskatchewan were able to sign it last week; and why he can't sign one for Manitoba? Are the circumstances so very different between the other two provinces and ourselves? What are the differences that prevent him from signing an agreement when Saskatchewan and Alberta can do so?

MR. LYON: My honourable friend knows quite as well as I do, I'm sure Mr. Chairman, that Manitoba is a terminal jurisdiction as far as far as reciprocity with midwestern states is concerned. All of the reciprocity agreements, practically, that we have signed up-to-date, signed by the former government a number of them, and any that have been entered into since that time have, I think -- and I think this can be generally stated -- have accrued more benefit to the Province of Manitoba than they did to the reciprocating states. And so it's quite easy when that is the situation that arises; but now you're dealing with a situation where a number of Manitoba truckers, Manitoba being a terminal hub, so to speak, for trucking -- a number of Manitoba truckers using reciprocal arrangements with American states and then entering Ontario from the US boundary, that is one very important factor that has to be negotiated as to whether or not these privileges will be accorded to them. I'm sure my honourable friend will find that the truckers of Manitoba will have some concern with this matter, and that we've tried to keep the truckers abreast of what is going on. But that is typical of the type of concern that we have in this matter. There are a number of other items, as I say, which are under negotiation but the situation vis-a-vis Manitoba and Ontario is much different than the situation vis-a-vis Alberta, Saskatchewan and Ontario because, of course, they are not contiguous one to the other and there's not the same interchange or inter-relationship in the trucking industry as there is between Manitoba and Ontario, and Manitoba truckers running through the states into Ontario.

MR. MOLGAT: I can't agree with the Minister, Mr. Chairman. The big difference is

(Mr. Molgat, cont'd) that there are more truckers in Manitoba than there are in the other two provinces concerned. That's the great big difference and that's why it's even more important to Manitoba that this agreement be signed because it's costing Manitoba a great deal more than it's costing the other provinces as long as my friend is unable to make up his mind.

MR. PAULLEY: Mr. Chairman, I don't want to precipitate the argument and legalities of cases and charges. I did ask the Honourable Attorney-General a couple of questions in respect of future actions or present actions regarding the comments of Mr. Justice Tritschler on protection of the public. Now I'd be perfectly satisfied if the Minister can give us assurance that this is being looked into, and I would even go so far, Mr. Chairman, as giving my honourable friend until the next session for a full report as to what they are doing in changes they contemplate. I would like, however, from him the assurances, Mr. Chairman, that the points raised in respect of financial manipulations -- to use his own words of Mr. Justice Tritschler -- are being investigated for the protection of the general public.

MR. LYON: I have no hesitation in responding in the affirmative to the Honourable the Leader of the New Democratic Party because that, in effect, is what is happening because -- I mentioned this yesterday to the Honourable Member from St. John's -- we have held and possibly will continue to hold consultations with those who are knowledgeable in this field. And I say, even though he's not present in the House, to the Honourable Member from St. John's, I don't ask him to disclose the source of his information but if that gentleman, as I presume he is, -- a gentleman rather than a lady -- has information that he feels would be of assistance while we are looking at this matter, I would like to have it, because we are quite in earnest about determining whether or not there are improvements that can be made. I must say that the advice, generally speaking, that we have had to date would indicate that there are no immediate changes that could be contemplated unless one were to consider a total revision of the outlook that is taken by a jurisdiction with respect to prospectuses and so on. We have checked to determine what the attitude and what the administrative practice is in other provinces, and we find that by and large it's in accord with what the practice and administrative responsibility is in Manitoba. There is no generally -- this is the advice I have been given -- there is no follow-up procedure in other jurisdictions with respect to debenture issues, and I think this is where we come to the nub of the matter because so many of them go through, do you follow through on every one to see whether the money was properly applied having in mind the fact, of course, that the shareholders are the ones charged with the primary responsibility for determining what is done, in effect, with their money. In other words, we don't customarily -- the police, for instance, don't check the door of every house at night to find out whether it's been broken into. It might be desirable if they could but one just couldn't have enough staff to do it. Using the same analogy, one doesn't in the case of debentures check through on each debenture issue to determine whether or not the monies in effect were applied or misapplied or whatever the case may be. We do know this, at least we feel this, that in the vast majority of cases there is no situation arising that is similar at all to the Brandon Packers situation that came to light. We feel that this is the case having regard to the way business is conducted and the people who are conducting the business. But that does not mean that we are not looking, that we haven't looked in the past and we won't continue to look to see if improvements can be made. Because here the honourable member and myself are certainly on common ground; the primary concern is the protection of the public interest. And if there is any way that is reasonable and practicable -- I think these are two very important conditions to attach -- whereby legislation of this nature can be tightened up, then certainly we'll make a recommendation to that effect for the Legislature to consider. But to date I can report to him that the advice we have had would not indicate that such is the situation at present although we will continue to take consultations on the matter.

MR. PAULLEY: Mr. Chairman, I want to thank the Honourable the Attorney-General for his last statement and I want to assure him that if it's possible at all for us to produce any suggestions in addition to the two made -- one by my colleague and one by myself -- this afternoon, that we will make every effort in order that this information be brought to his attention for consideration. I'd just like to make one observation to my honourable friend's remarks. He mentioned about the question of the policeman not trying every door of the public to see that it was open. I just want to inform my honourable friend that even in the great City of Transcona

(Mr. Paulley, cont'd) such is not done, but I would say to my honourable friend that each night the doors of all the businesses in Transcona are tried by the policemen there and that is what we are asking for here.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I suppose it is under the Minister's Salary and only there that we can discuss the Manitoba Telephone System or the Manitoba Hydro. Is that correct? Well I just want to make a couple of comments, and brief ones. There are rumours circulating -- and I certainly hope that they are only rumours -- that the department is contemplating some major changes in the set-up as regards the telephone exchange in Neepawa. Now those contemplated changes may be in the telephone office itself -- that is, probably they are considering a dial system or something of that kind. Possibly they are considering a change in the maintenance staff; but I hope the Minister will be able to inform the committee that any major changes that are contemplated will not result in a number of employees being laid off. I wonder, Mr. Chairman, if the Minister has anything in that regard for the committee to consider.

MR. LYON: I have no information in front of me in that respect but I'll be quite happy to enquire and let the honourable member know if there are any serious changes being contemplated which would affect employment in the Telephone System in that area.

MR. CHAIRMAN: Item 2 passed?

MR. CAMPBELL: Mr. Chairman, I have a brief question or two, a request for information with regard to the Manitoba Hydro. I noticed that the Minister this year didn't give as complete a review to bring us up-to-date on the operations of the Manitoba Hydro as his predecessor did a year ago. I was very pleased with the fact that a year ago the then Minister gave quite a detailed account of the part of the year between the report that we had before us and right up almost to the time of sitting. I certainly found it interesting and I think with regard to the importance of this utility that it was abundantly justified. Several of the members who have spoken already have paid tribute to the people connected with both of these utilities. I'm not as closely acquainted with those of the Telephone as with the Hydro but I certainly can join in the remarks that have been made with regard to that utility. But I think that as well as the local men that the public comes in contact with very closely and to whom compliments were properly extended, that we should pause in our deliberations today to pay tribute to the ones who are on the generating end as well and of course those who are in the administrative positions, because this is becoming remarkable -- really a remarkable utility in the Province of Manitoba. I think it was the Honourable Member for Emerson who mentioned that the local Hydro men were to be congratulated because of the fact that they repaired many breakages that occurred so quickly, and he went on to emphasize from there how completely dependent even the rural area is, let alone the urban area, on the maintenance of power. It is a fact, Mr. Chairman, that the vast majority of the populace would simply have to move out of their homes in a matter of hours if Hydro failed. At first thought it might occur to some people that those who have their heating done by gas are in a different category to the others, but they aren't actually, because there again they depend on the electrical power to operate the motors and the pressure; and it would be simply a tragedy of major proportions if Hydro failed for even a matter of a few hours, particularly in the wintertime. So the people who keep it going -- the people who make the plans and who administer it and those folks out on the generation end, as well as the local service men -- are certainly entitled to a lot of credit for the job that they have done. Maybe Manitoba's winter has turned out to be not such a bugbear as a lot of people used to think it was, because it has shown up in experience that our winter which frequently specializes quite a bit in several degrees of frost, does not cause the breakages that those ice and sleet storms in Ontario do, and we can be pretty pleased with the fact that we haven't had any major breakdowns.

Then the Minister last year mentioned here something that I think deserves to be re-emphasized, and it is re-emphasized in the annual report that we have before us, that more than a year ago -- and this is more than a year old now because the Minister made reference to it last year in the House -- but the report tells the story of it again -- of how, due to an unusual combination of weather and wind, that this icing of the generating plant took place to the extent that not only one, but several of the major plants on the Winnipeg River were rendered imperative for a short time -- quite a remarkable coincidence that it happened -- and the

(Mr. Campbell, cont'd) report that we have before us sets out once again what the Minister told us last year, that it was only because they were able to switch in both thermo plants and the inter-connections -- I believe with both Ontario and Saskatchewan -- that a major catastrophe was averted. I think it's important for us to keep that in mind, and that brings me to the one question that I want to ask the Minister. The report mentions that there was quite a decline in the river flow in the Winnipeg River a year ago. Does that situation continue or is it about the same as a year ago? Because that is quite important, along with this matter of inter-connection with the other provinces, it's quite important to the Hydro users, because if the river flow does not stay up to reasonable proportions then the cost to the Manitoba Hydro is considerably increased because they simply cannot operate the thermo plants at anything like the cost that they receive power from the Hydro plants, and while the inter-connection with the outer provinces have proven very useful, they are for emergency use and for firming up peak loads and guarding against emergencies rather than for taking the place of our own plants. They've proved very helpful, I'm sure, and while I don't usually ask for any compliments from the other side of the House -- and I certainly don't have to acknowledge many -- I notice no one yet has mentioned the fact that not only the planning but the execution as far as these inter-connections were concerned, the one with Ontario was completed during our time and the one with Saskatchewan had the groundwork laid during that time even though the actual consummation perhaps, took place under the present administration. So if my honourable friend would like to acknowledge the fact that the former administration, in the course of its time, did one or two things properly, maybe this would afford him the opportunity that he doesn't seem to grasp too often.

However, the interest that I have in Manitoba Hydro is because of the fact that I think we need to recognize how dependent we are, not only for industry, but in our personal capacity on this great utility, and the other one -- Telephones -- tremendously important too, but the one that we have before us here is one that we should be paying a good bit of attention to. So, what's the water situation on the Winnipeg River? I commend to the members of the committee, Mr. Chairman, the graph that is shown on page 7 of the Manitoba Hydro Electric Board report. It emphasizes much more graphically than I could do the dependence that we have in the local area here -- the dependence for cheap, firm power on the Winnipeg River, and if the flows should, through a continuation of dry conditions, drop still further I'm sure that it's going to make quite a difference to the financial picture that this huge enterprise faces.

MR. LYON: Mr. Chairman, the points raised by the Honourable Member for Lakeside I'm sure will be of interest to the committee. He perhaps doesn't listen to me all of the time but I do try to apportion credit where credit is due. Perhaps more often try to apportion blame where blame is due, although perhaps not so much as one used to do in their earlier years in government and so on, but I'm quite happy to. . . .

MR. CAMPBELL: My hearing must be getting bad.

MR. LYON: My honourable friend has always been known to have good ears. I'm sure I'm quite happy to join with him in a word of congratulation to those responsible for the operations of Manitoba Hydro, for the very excellent way in which they served the public under his administration and are continuing to serve the public under the present administration, and I will even go further to say that I think we can maybe share the credit with respect to the inter-connections because Orders-in-Council were passed in the time of the present administration with respect to these inter-connections, although perhaps, as he suggest, arrangements with Ontario were fairly well completed in their time, so we come out in the probably happy circumstance of being able to take equal laudation on this particular point. -- (Interjection) -- As my honourable friend says -- "a little more." Being in a benevolent mood this afternoon I'll even accord that to him.

The water flow situation on the Winnipeg River certainly was and is a matter of concern to Manitoba Hydro. During the past summer the lack of rainfall which plagued all of Manitoba, was reflected in below normal flows, as the honourable members would appreciate, on the Winnipeg River. The Hydro, therefore, had to turn to the thermo-generating capacity for considerably more energy than otherwise would have been necessary. Throughout this period considerable quantities of energy were brought in from northwestern Ontario at a price below what it would have cost to produce it by thermo-generation in Manitoba. For example,

(Mr. Lyon, cont'd) in the nine months from April to December of 1961, hydraulic generation at 1.496 million kilowatt hours was nearly 17% below the corresponding period last year, while thermo-generation at .240 million kilowatt hours was at about five times as high. So honourable members can see right away the important role played by the thermo-generating unit in keeping up the load in Manitoba. The import of energy on the other hand at 194 kilowatt hours was over three times as great as the year before.

Now financial benefit certainly has accrued to the Province of Manitoba as a result of these inter-connections which can be called upon in periods such as we are discussing. It's estimated that the virtue to Manitoba Hydro of the inter-connection with Ontario and of the Lake St. Joseph agreement could be valued at approximately \$1,200,000 during the current fiscal year alone. This is made up of \$660,000 which we saved on fuel costs by purchasing energy from Ontario at approximately half the cost of fuel which we would have incurred if we had generated the equivalent amount at a thermo station, together with our share of the benefits of the Lake St. Joseph agreement which results in the additional flow in the Winnipeg River and which has saved Manitoba Hydro about \$550,000 which would otherwise have been required to pay for fuel to produce the same amount by thermo main. Putting it another way, \$100,000 per month dividend I think all would agree, is a fairly good return on an investment that cost perhaps \$300,000 in the first instance.

MR. CAMPBELL: Has the Minister the January flow of the Winnipeg River as compared with a year ago. I note from the annual report that during the 1960-61 fiscal year the average annual flow of the Winnipeg River was 26,345 cubic feet per second -- a sharp decrease of 10,650 cubic feet per second from the comparable period last year, and I gather from what he says that it's down again on a comparable -- either the average annual flow or one of the monthly flows?

MR. LYON: but I believe it's here, I'll give it to the honourable

MR. CAMPBELL: While the Minister's looking it up, Mr. Chairman, it might be interesting for the members to look at their report, the graph on Page 7, which shows that more than a 30,000 cubic foot per second flow is required now on the Winnipeg River in order to keep our -- to take care of an 80% load factor in the area served by the Winnipeg River plant. That just shows how the load has grown. As a matter of fact, if you'll go back only to 1945, which isn't very long ago, we needed only approximately a 16,000 cubic feet flow per second. In other words, from 1945 to the present time it has just practically doubled.

MR. LYON: Mr. Chairman, I'm advised that the river flows in the Winnipeg River are approximately the same as the same month last year. That is about 23,600 cubic feet per second -- that's for February-March of this year, of 1962. About 25,200 cubic feet for the same period last year. Storages are slightly better than last year but below the long-term average.

MR. CHAIRMAN: Item 2, passed?

MR. MOLGAT: Mr. Chairman, last year I had some discussions with the Minister regarding a hydro line which had been built, to the best of my knowledge, directly along the pathway of the proposed floodway and was in process of construction last year, exactly the same time when my honourable friends were proceeding to expropriate the land off the very floodway. I wonder if the Minister could inform me now. At that time it wasn't clear as to what had happened. I wonder if he could inform the Committee now as to the situation.

MR. LYON: I remember the debate, Mr. Chairman. I don't have in front of me any current information on that but I'll be quite happy to get it for the honourable member.

MR. EDMOND PREFONTAINE (Carillon): Mr. Chairman, I wonder if I can ask the Minister if he will look into the possibility of providing a little better telephone service in the district of St. Malo. There are a large number of subscribers on every line and even the businesses in the Village of St. Malo cannot have, of course, a private line, a private telephone. They're on lines where there are 10, 12, 15 subscribers. I wonder if it would not be possible to give a little automatic exchange in the Village of St. Malo -- which is quite a village and developing. I think it would be a good thing if it were possible, but at the present time they're not getting the service that they would like to get.

Another matter which I would like to discuss with the Minister is with respect to advancing the work as rapidly as possible around Grunthal. There has been a new little office

(Mr. Prefontaine, cont'd) there and at that time they were told that they could not hook any more until 1963. This seems to be quite late for some of them who are only just about one mile, and they hope that this can be done this year if possible, or at the latest, the whole program next year.

MR. LYON: Mr. Chairman, I can confirm for the honourable member that extension services in the Grunthal area are being planned for 1963. I have no information in front of me with respect to St. Malo but I'll be quite happy to look into it.

MR. E. R. SCHREYER (Brokenhead): Does the Minister have any information in front of him regarding upgrading of service in the East St. Paul area?

MR. LYON: I believe I dealt with, or attempted to yesterday, Mr. Chairman, when I mentioned the discussions that the Telephone System have been having with all of the municipalities in Greater Winnipeg in order to formulate a plan whereby this might be done with equity to all of them. Now these are still in the discussion stage but I'm sure my honourable friend will be happy to know that this action has been taken and is going to be proceeded with. I can't tell him right now what the eventual plan will be but certainly it has to do with regrading in the Metro municipalities.

MR. GUTTORMSON: Mr. Chairman, there has been some talk about the provincial government possibly taking over the power site at Pointe du Bois and Slave Falls. As I understand it, this agreement doesn't expire until 1964 but there are indications, at least it's felt in our City Council that the government is planning to do this. Could the Minister tell us at this time what the plans are of the government in connection with these two plants on the Winnipeg River? It is felt that if the government takes these plants over that this will cost the City of Winnipeg between two hundred and one million dollars a year. Which would, of course, cause the mill rate of the City to rise because of the loss of this revenue. I know that many of the City Council, including the Mayor, are very opposed to the province taking over these power sites, but up to this point I haven't heard whether or not this government is planning to do so. Could he inform the House at this time what the plans are?

MR. LYON: This matter, of course, is dealt with under the Water Resources Act. The Minister of Agriculture has prime responsibility with respect to that, but I can inform the honourable member that recently a letter was sent to the City of Winnipeg -- I don't have the copy of it in front of me -- giving a further year's extension with respect to the option arrangements that are envisaged under the present arrangement.

MR. GUTTORMSON: Mr. Chairman, I may be in error when I say this, but I understand that the province had agreed that they would not take over these sites until 1964, but it was felt by the City Council that until they get some assurance of what the plans are of the government in this matter, they are having difficulty in negotiating for the power they have to purchase. I believe they purchase 25 to 30% of their power -- I'm not an expert on this but I have some knowledge of this and this is my understanding that they are concerned over what the plans are beyond this point because things are rather uncertain now, as I understand it.

MR. LYON: We're in discussion with the City authorities at the present time on this renegotiation question. I was referring initially to the extension that we gave with respect to the option arrangement. The other matters are under negotiation at the present time. I think the point that the honourable member raised with respect to the attitude of the City of Winnipeg or City Hydro, is quite proper. They wish to know what the eventual situation is going to be but at the present time negotiations are under way with respect to negotiating their requirements up until the end of the extension period.

MR. GUTTORMSON: Do I understand then from the Minister that he is not prepared to say at this time what the plans are of the government, whether they plan to take these sites over or not? Is this correct? Is it the intention of the government to take over these two power sites in the Winnipeg River?

MR. LYON: We have just the option on the one and I couldn't give my honourable friend any firm undertaking at the present time as to what the ultimate decision will be.

MR. MOLGAT: Did I understand the Minister correctly to say that they've extended for one year only -- the arrangement with the City?

MR. LYON: the letter in front of me, I can get it. It's one year though. Yes.

MR. MOLGAT: And this is which plant? The Pointe du Bois or the Slave Falls?

MR. LYON: The Pointe du Bois.

MR. PREFONTAINE: Here again we are asked to vote the sum of \$10,000 which I feel is not necessary, and I don't think it's proper budgeting that the government should ask this House to vote money in case of an emergency. We have a proper procedure in order for the government to get the money that it needs in case of emergency -- this is a special warrant -- and I don't think that it is proper that the government should again in this -- we have three similar situations where the government has asked to vote \$10,000 unnecessarily, because this money will not be used unless the First Minister proposes to appoint another cabinet Minister. Does he feel that he will do that? He might tell us. Otherwise I don't think it's proper budgeting.

MR. CHAIRMAN: I call it 5:30 and leave the Chair until 8:00 o'clock.