

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, March 29, 1974

Opening Prayer by Mr. Speaker.

ANNOUNCEMENT

MR. SPEAKER: Before we proceed, I should just like to make an announcement in respect to the photographs we took. A number of members were absent, and because of technical problems it's suggested that we have another picture taken. I'm giving tenth day of April, same time, it's a Wednesday, 2:15. I wish all the members would notarize. I've checked with a number of key members and they will all be present. Would all the members make a real effort to be here on that afternoon. Thank you.

The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, a very fortunate day. That happens to be my birthday.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Health.

TABLING OF REPORTS

HON. SAUL A. MILLER (Minister of Health and Social Development)(Seven Oaks): Mr. Speaker, I wish to table the Annual Report of the Manitoba Health Services Commission for 1973.

MR. SPEAKER: Any other Reports or Statements? Introduction of Bills; Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I should like to ask the Minister of Mines and Resources - pursuant to a question that I asked last week concerning the possibility of flood - if he has instructed his department to convene a meeting of the municipalities in the Province of Manitoba who may be affected by either the traditional floods along the Assiniboine and the Red River, but also the possibility of flash floods that are likely to occur in the light of the abundance of snowfall that exists throughout Manitoba this year.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I am going to ask the First Minister to comment more fully on the honourable member's question. I do want to advise the honourable member that I have a verbal report today which indicates that things are marginally better - and I don't want that to be a note of great optimism - marginally better than as reported in the last flood forecasting report, in that there has been not a great deal of participation and that the weather conditions; although we experience them as being warmer, are not of a nature that would make us less pessimistic than we were a week ago. I would therefore want to register merely a guarded comment on that. The flood fighting plan, of course, I believe is something which the department makes aware of to all municipalities and the First Minister is now dealing directly with that, and I am going to let him follow that up.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, to answer the Honourable Member from Morris perhaps more specifically, the Flood Plans and Operations Committee met on Wednesday last, and present at the meeting were representatives of the Government of Canada, the Canadian Forces, the Royal Canadian Mounted Police and a number of the departments of the Provincial Government. And pursuant to that as well since early February there have been periodic meetings between staff members of the Emergency Measures Organization and municipal councils or municipal council representatives, in order to be more clear with respect to respective roles of responsibilities - and that process of communication with municipal authority is going on day by day. There is a contingency plan that is drawn up and is being communicated to respective departments of the Crown and the municipal authorities. Purchase orders were placed some time ago for additional quantities of sandbags. Municipal councils were alerted and requested to make arrangements for such smaller and more local supplies as they might require, and at the present time this is being firmed up. If my honourable friend has additional questions I'll try to answer or take them as notice.

MR. JORGENSEN: Mr. Speaker, one further question. When I asked the Minister of

ORAL QUESTIONS

(MR. JORGENSON cont'd) . . . Mines and Resources last week, I indicated that it would be their responsibility to insure that there would be sufficient quantities of sandbags. I wonder now in the light of developments and in the light of the statement that is now made by the First Minister, if he can advise the House whether or not that situation has changed and whether there is going to be a more central agency for the ordering and purchasing of sandbags so that the burden of the cost of those sandbags will not fall on the municipalities.

MR. SCHREYER: Well, Mr. Speaker, that was a point which I was dealing with late last evening and again this morning. There seems to be some degree of confusion and there ought not to be. The flood fighting plan is an existing one. The first order of magnitude of flooding, responsibility for that, does lie with the municipalities. They have been contacted and re-advised or reconfirmed as to respective roles and responsibilities; and advised and cautioned to make their own local assessment in respect to prospective needs for sandbags, and advised to make arrangements for purchase of same. Quite a number of municipalities have made those arrangements, some have not, they still have time to do so. As is always necessary in these kinds of circumstances, the province is making through EMO contingency plans for availability of sandbags to those municipal councils that could not make their own acquisition arrangements, but these sandbags would be available on the same basis as in the past; they would have to pay for some - for that quantity.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, another question to the First Minister. The First Minister indicated the sandbags have been ordered. Have they been stockpiled at the present time or are they still on order?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well very roughly, Mr. Speaker, I can only give orders of magnitude, not precise amounts. Order of magnitude: 300,000 sandbags are in stockpile, 700,000 will be added to inventories in the next few days. The purchase order was placed some time ago. In addition to that, I understand the Canadian Forces across western Canada have a supply 10,000, and there is a contingency arrangement for something in excess of 100,000 from the State of Minnesota. In addition to that, a number of municipalities - Gladstone, Ste. Rose have made their own arrangements and I believe the problem is in hand; and that's just two examples. I suspect that most of these sandbags are in storage now at a number of different Highways Department garages in different parts of the province; Dauphin, Brandon, Swan River, Carman, Manitou, Melita, etc.

MR. PATRICK: Mr. Speaker, a supplementary. Are these sandbags sold at cost to the municipalities, or are the municipalities buying them completely outright?

MR. SCHREYER: Well, Mr. Speaker, I'm sure that there is no desire to make money on the sale of sandbags. It will be a case of availability at cost.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I have a question for the Minister of Education. I'd like to ask the Minister, how many jobs under the Student Employment Plan will be available to university students this coming year within the various departments of government? How many students have applied up to the present time? And I would also like to know, seeing as how it's only about three weeks away from completion of some university exams, if those students will be taken into immediate employment, or whether it would be at a later date.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, I'm sure that if the honourable member wanted to get up-to-date information correct insofar as data is concerned, no doubt he would have given me notice of this question. All I can say is that insofar as government projects are concerned which would provide for summer employment for students, that projects are being approved, students are applying; the date of commencement of employment in the various projects varies with the nature of the project. Some may be of a duration extending over the entire summer period, and hence they will commence as soon as the students may be available, others by their very nature such it may not commence until sometime later in the spring. But projects are in the process of being approved and students are applying, but insofar as the exact figures are concerned I cannot give the honourable member that information at this time.

MR. GRAHAM: Supplementary question to the Minister. Could he indicate roughly what

(MR. GRAHAM cont'd) . . . percentage of those jobs that will be available will be given to university students; what percentage will be available for students coming out of community colleges and what percentage will be coming out of the high school programs?

MR. HANUSCHAK: Well, this too, Mr. Speaker, is a type of question that I would not wish to hazard a guess at answering. We do attempt to maintain some proper balance between the jobs that are available to high school students and those to University students, being mindful of course that the financial needs of the university students are much greater than those of the high school students. And then, too - now this is as it applies to many of the community projects, but then of course there are also some projects of a more sophisticated nature requiring a certain particular type of expertise that may be possessed by engineering students, architecture or medicine or whatever else. Then of course those jobs may be more restricted to university students of that particular faculty than other jobs of a, you know, of a general social benefit.

MR. GRAHAM: A further supplementary. Could the Minister endeavour to obtain what information he has available and advise the House at his earliest convenience?

MR. HANUSCHAK: Mr. Speaker, I believe that it always has been the practice of my department to report on the success of the operations of the student temporary employment program, and this will be done again.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Speaker, my question is to the Honourable the Minister of Agriculture. I wonder if he might inform the House briefly of the outcome of his meeting yesterday with the officials of the Women's Institute, and could he confirm to the House that assistance will be provided to enable them to continue the services of their Executive Secretary?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, we did deal with that matter yesterday. I don't recall whether the honourable member was here at the time, but there has been no change in the amount of support for the W.I.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to direct this question either to the First Minister or the Minister of Industry and Commerce. What negotiations have taken place with the Saskatchewan Government in support of the Prince Albert-Saskatoon-Brandon-Toronto new air route proposal?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, there have been no negotiations of course, as such between the two provincial governments. However I can inform the honourable members that I have had informal discussions with the Minister responsible for air policy matters in Saskatchewan, the Honourable Roy Romano, so there have been discussions, and I understand that the Saskatchewan government is still in process of assessing this particular proposal that TransAir is making to the Air Transport Committee.

MR. MCGREGOR: A supplementary then. And did the First Minister have an opportunity to discuss this matter with the First Minister of Saskatchewan at the recent meeting in Ottawa.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, the meeting in Ottawa lasted a length of time which precluded discussion, discussion of anything else. What I have done however, Sir, is to have made arrangements for discussions with appropriate federal officials with respect to air transport matters and those meetings took place yesterday; and also to have made tentative arrangements with the Premier of Saskatchewan for relevant discussions as well, but that will be probably in the next week to ten days that that will take place.

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker. I'd like to direct my question to the Honourable the Minister for Consumer and Corporate Affairs. Does the government intend to hold the line on telephone rates in the province in view of the hefty increases in hydro rates?

MR. SPEAKER: The Honourable Minister.

HON. IAN TURNBULL (Minister for Consumer, Corporate and Consumer Affairs) (Osborne): Mr. Speaker, I see no relationship between hydro rates and telephone rates. At

ORAL QUESTIONS

(MR. TURNBULL cont'd) . . . the moment, Sir, so far as general rating futures are concerned, there is no intention by the system to my knowledge to apply to the Public Utilities Board for such an increase.

MR. MARION: A supplementary to the same Minister, Mr. Speaker. Will the Minister assure the House that there is no increase planned in long distance rates within and without the province by Manitoba Telephone System?

MR. TURNBULL: Mr. Speaker, that question I would have to answer in this way, that long distance rates across the country outside of Manitoba are not set primarily by the Manitoba Telephone System; that long distance rates within the province of Manitoba, again to my knowledge, are not expected to increase in a general way in the foreseeable future.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I wish to submit a question to the Honourable the Minister of Mines and Natural Resources and Environmental Management. On behalf of the farmers between Portage and Winnipeg here, can he assure them that the Portage Diversion will be used fully for the purpose that it was intended for?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Yes, Mr. Speaker, in the event that those conditions arise which are programmed for the operation of the diversion, of course it will be used.

MR. SPEAKER: The Honourable Member for Roblin

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable the First Minister. I wonder if the Honourable the First Minister can advise the House of the known reserves of gasoline and heating oil that are presently in storage in Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: If the Honourable Member for Roblin was asking about the present stocks and inventory in Manitoba of heating fuel and gasoline - Mr. Speaker, I wouldn't hazard a figure at the moment. I can certainly get that information very quickly and get in to my honourable friend.

While I'm on my feet, Mr. Speaker, I would like to refine one of the estimates I gave to the Honourable the Member for Assiniboia in respect to the inventory of the supply of sandbags in the province. I said approximately 300,000 and 700,000. The answer is 450,000 and 700,000, made up of 300,000 in storage at Portage la Prairie and 25,000 at Brunkild and approximately 20,000 to 30,000 at each of Dauphin, Brandon, Swan River, Manitou and Boissevain - miscellaneous supplies at other places.

MR. MCKENZIE: Mr. Speaker, I have another question of the honourable the First Minister. I wonder, can the First Minister advise the House what the new prices will be in Manitoba for heating oil and gasoline, and when they'll become effective - the new prices?

MR. SCHREYER: Well, Mr. Speaker, the prices will be affected by the changes that were ultimately arrived at at the meeting last January and then again on Wednesday last in Ottawa. As a result of these changes, the prices will be affected to the extent of approximately seven to seven point five cents per gallon. There is some reason to believe that there could be a time lag of about 45 days before these prices actually change at the retail outlets, and I have requested the Prime Minister to indicate if in fact this 45 days might be extended somewhat so as to include the farm spring field work or seeding operations' time, which would take it to about June 15 rather than May 15. I have not received a reply.

MR. MCKENZIE: A question to the Honourable the First Minister. I wonder, can the First Minister advise the House if the government's planning some form of relief for the people that are on low or fixed incomes that are now going to face those kind of increases.

MR. SCHREYER: Well, Mr. Speaker, there is of course need to consider ways and means of providing some form of cushioning with respect to consumer prices on fossil fuels, and in particular for those who are on fixed and lower income. And that is precisely one of the reasons why we have brought forward this \$14 million cost of living, or cost of living tax credit - \$14 million. It relates to those on fixed and lower income, as does the Property Tax Credit Plan. All of these tax measures are designed to relate to those on fixed and lower income, and taken in their totality they do have some significant impact. I might add too that the Gasoline and Motive Fuel Tax in Manitoba has not been increased for about seven years; it's the third lowest in Canada, which is another means of maintaining some cushion.

MR. SPEAKER: The Honourable Minister of Education.

ORAL QUESTIONS

MR. HANUSCHAK: Mr. Speaker, in further response to a question put to me by the Honourable Member for Birtle-Russell, which I have taken as notice, I do now have some further information. I can advise him that at the present time it appears that up to about to 3,500 high school and full secondary students will have jobs in our student employment projects, which would offer them what a program will cost, somewhere in the order of \$4.6 million. And the breakdown that I am able to obtain for the honourable member at this time, is that of the 3,500 approximately 1,400 students will be working in community-based projects, this is part of the community STEP program; about 800 students will find employment in the rural STEP program; and about 1,300 university students, Mr. Speaker, will be able to find employment with government departments under the government STEP program. Insofar as the community-based STEP programs are concerned, these are in the process of being approved and in the process of being announced - and I may advise the honourable member that in the process of approving them, we did start in southwestern Manitoba and worked up toward Birdtail School Division, up that way, so he should be receiving further information very shortly on the local projects that have been approved. And very shortly the projects approved for the entire province will be announced.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. My question is to the Honourable Minister of Mines and Natural Resources and Environmental Management responsible for MDC. Has a decision been reached on the request by Saunders Aircraft for an additional \$5 million loan?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the process with regard to that particular matter is not completed.

MR. PATRICK: A supplementary. Has the Minister or the government made any recommendation to the MDC Board?

MR. GREEN: Mr. Speaker, the only thing that I can report on that matter is what I reported in my first answer.

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

MR. MARION: Thank you, Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Education. Has the department examined - with a view of assisting by way of grants - the urban divisions, because of the ever mounting transportation costs of students in these urban divisions?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, the honourable member no doubt knows that at the present time our transportation assistance does not extend to urban communities. And we realize that falling within this category of communities that may not receive transportation assistance may be those which do have some form of public transportation, as well as others such as Dauphin, Portage la Prairie, which do not. This is a matter that is under review, not only by my department, but discussions are being held between my department and the various other organizations who have a vital interest in this - the association school trustees and of course the teachers - and the matter is presently being studied. I just may point out, Mr. Speaker, that even amongst the trustees I don't believe that there is any unanimity of opinion on the relative seriousness of transportation costs. There are some who would rank transportation costs, or who would assign a higher priority to transportation costs, than other school divisions would. In fact, yesterday I had an informal discussion with some and I asked them you know, what priority would they assign to the costs of transportation, and I received varied answers, some - depending I suppose upon their local needs, some would assign a higher priority than others. So there is no general attitude toward, or general position taken by the trustees on the matter of transportation of students in rural areas.

MR. MARION: Well, Mr. Speaker, I thank the Honourable Minister for a very all-encompassing answer to that question. And I wonder if the Minister could advise the House if he has received direct requests, however, from the urban divisions with supporting data on the costs of transporting students because of specialized courses offered in various sections of a division or interdivisional in the urban area.

MR. HANUSCHAK: Yes, Mr. Speaker, there have been representations made to me by some urban school divisions.

MR. SPEAKER: The Honourable Member for Virden.

ORAL QUESTIONS

MR. MCGREGOR: Mr. Speaker, I direct this to the Minister of Highways. When is the tentative plan date for the highway road restrictions?

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways)(Dauphin): Mr. Speaker, I'd like to thank the member for giving me notice on this just this morning, but I couldn't really say as to the exact date when restrictions will be put on our PRs and our PHs. I would say that we did notify the Gazette about two or three weeks ago that restrictions will be going on, but I can assure the honourable member that all our districts in the Province of Manitoba are keeping a very close watch on our roads and as soon as they feel that it will be necessary to put the restrictions on, they will notify us. But I have not been told, I don't think anybody really knows at the present time as to just the exact date of the imposition of these restrictions.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Yes, Mr. Speaker, to the Honourable the Minister of Education. Could he tell the House whether or not he has informed the Brandon School Division of his decision with respect to the siting of the new elementary school in Brandon?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, I'm advised that the Public Schools Finance Board has dealt with this matter, and under the provisions of the Public Schools Finance Board Act a recommendation permit is on its way to my office, and upon receipt thereof I will have to make a decision and communicate it to the Brandon School Division - which will be done, hopefully within the next couple of days.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Tourism, Recreation and Cultural Affairs, and I thank him for correspondence conveyed to me. Has the Minister received any indication from the Province of Alberta, that is the Government of Alberta, that it takes the same view on a WesCan Lottery as the Alberta Lottery Foundation Limited takes?

MR. SPEAKER: The Honourable Minister.

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Well, Mr. Speaker, to my knowledge the Foundation had a representative at the last meeting in Regina, so did the Provincial Government, and after discussing the letter of intent to be filed with the Committee of Ministers, it was decided at that meeting that that would be done. The copy of the letters that I gave the honourable member yesterday indicated the consensus on the part of the three Western Provinces, including the letter of intent from the Foundation. To date I have not received a copy of the letter of intent by the Provincial Government of Alberta, but we were so informed that this was acceptable to them at the last meeting in Regina.

MR. SHERMAN: A supplementary, Mr. Speaker, and I thank the Minister for his information. In view of the fact that the letter of intent in its present form from Alberta is from the Alberta Lottery Foundation Limited, which I understand is a private corporation, will the Minister be pressing his counterpart in the Province of Alberta for an official statement of intent from the Alberta Government?

MR. TOUPIN: We were informed, Mr. Speaker, at the last meeting in Regina that that would be done and that the Provincial Government in Alberta like it would be done in B.C.; Saskatchewan and Manitoba would be tabling a bill before their House for acceptance. As soon as that's done, I'll inform the honourable members.

MR. SHERMAN: A final supplementary, Mr. Speaker, Will the Manitoba Golden Sweepstakes on the 1974 running of the Manitoba Derby go ahead notwithstanding?

MR. TOUPIN: Well again, Mr. Speaker, I'd rather take this question as notice - not to say anything that would be out of line.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is for the Minister of Mines and Natural Resources, and my question is in respect to the revitalization program at Delta Marsh. Can the Minister give some information to the House - that expropriation, will that affect any of the summer homes that are located now at the lake?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, I couldn't give such a guarantee. Some of these

ORAL QUESTIONS

(MR. GREEN cont'd) . . . summer homes are occupying private property which other Manitobans are excluded from using, by virtue - and it's beachfront property, which is being occupied exclusively by private people, some of them Americans - and Manitobans are excluded from using that property. I can't give a guarantee that every private property in the Delta will not be taken into the public sector. No, I can't give such a guarantee.

MR. PATRICK: A supplementary. Further to the revitalization of the Delta Marsh, will also the recreation aspect into summer homes and so, will that be expanded in this program?

MR. GREEN: Well, Mr. Speaker, recreation opportunity is part of the program - recreational opportunity and the making available of recreational, choice recreational land to the public, is part of the program.

MR. PATRICK: Well, will this be in addition to the acquisition of Delta Marsh. Will there be beaches made available to the people, and to use right at the lake?

MR. GREEN: Well, Mr. Speaker, I tried to indicate that that is part of the program. The honourable member will be aware that some of the beach property is presently owned by private people who have cottages there; some of them have cottages with large tracts of land next to it. I don't want to create a fear where it doesn't exist. The original acquisition program relates to voluntary acquisition, but I can't say that forever and a day there will be no expropriation of property.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker, a supplementary to the same Minister to that sequence of questions. Does the Minister's remarks apply to that property which is not held by Americans, but is held by Manitobans?

MR. GREEN: Mr. Speaker, I really used the term "Americans" because the honourable member has complained about Americans owning private beachfront property in the Province of Manitoba.--(Interjection)-- Well, Mr. Speaker, the honourable member says, I will not find it anywhere in Hansard. I interpret the honourable member's remarks and he referred specifically to foreign ownership, yes. I'm sorry, I regard the Americans as foreigners - the term is inclusive. I really did not want to create a fear here where it doesn't exist, and that sometimes happens. The initial program has nothing to do with expropriation of any property at all, but there is expropriation as an intended remedy if it is needed with regard to recreational land which the province feels or could feel should be made available to the public. At the present time that is not part of the program.

MR. SHERMAN: A further supplementary, Mr. Speaker. Is that a policy or a practice that's going to be applied to other recreational areas in the province other than Delta?

MR. GREEN: Yes, Mr. Speaker, that was announced a year ago. There is a million dollars in last year's budget to purchase recreational lands, most of which have been committed I believe, and there is a similar amount in this year's budget.

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

MR. MARION: Mr. Speaker, I'd like to direct my question to the Honourable the Minister of Labour. I wonder if the Minister can advise this House if there has been substantial progress made in the negotiations between the union and management at Co-op Implements so that the strike in Transcona can come to a halt?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): The only thing I can report, Mr. Speaker, is that it's my understanding the parties are meeting now and did not meet for some considerable time - and I would suggest to my honourable friend if we get people talking to each other, we're on the way to resolving differences.

MR. SPEAKER: The Honourable Member for Birtle-Russel.

MR. GRAHAM: Thank you, Mr. Speaker, I'd like to address my question to the Minister of Agriculture whether there has been any consultation between his department and the Saskatchewan Government with respect to the new proposed bill of ownership of land in the Province of Saskatchewan?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Not to my knowledge, Mr. Speaker, not at this point.

MR. GRAHAM: A supplementary question to the Minister. Would the Minister consider making presentation to the Saskatchewan government to extend the buffer zone of exemption of the present proposed 20 miles into the Province of Manitoba - to extend it to a 50-mile

ORAL QUESTIONS

(MR. GRAHAM cont'd) buffer zone.

MR. USKIW: Well, Mr. Speaker, inasmuch as I don't know that the present legislation presents a problem to Manitobans, I'm not sure that the time is right to make that kind of representation. I would presume that would only be right if we had people directly affected by the laws now being introduced. But if my honourable friend is suggesting that we should presume that sometime in the future there may be a prevention on the part of the Province of Saskatchewan against a Manitoba owner, a potential owner, in obtaining land, then I think I wouldn't want to promote our influence that far.

MR. GRAHAM: A further supplementary. Would the Minister consider making representations for the exemption of pasture land from the inclusion in the present bill, so as to provide Manitoba farmers who presently are pasturing or are contemplating enlarging their pastures in Saskatchewan?

MR. USKIW: Well again, Mr. Speaker, the normal sequence of events is that if there is a problem, we are usually advised of it by people affected and we usually follow up. Now I have not had any indication at this point in time that there are people affected, or the extent to which they are affected - if there are any.

MR. SPEAKER: Orders of the Day. The proposed . . .

MR. GREEN: Mr. Speaker, just so that there is no misunderstanding and withholding of information, I want to advise the honourable member, the Leader of the Opposition, that I have now received a letter from Mr. Kregeris, relative to the R & M Construction, containing his version of events; I intend, Mr. Speaker, to make the letter public and also to obtain answers from the Communities Economic Development Corporation with respect to the matters that are referred to in Mr. Kregeris' letter

A MEMBER: Is it an affidavit?

MR. GREEN: No, this is not an affidavit. Mr. Speaker, - well this is not the time to speak on it, but I will indicate to the House that there are many complaints in many other companies in which foreclosures have taken place or control has taken place, from people who felt that they have been treated badly. I have not made them all public; this one has been a matter of public issue, and will be dealt with.

MR. SPEAKER: The Honourable Leader of the Opposition have a question?

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition)(River Heights): No, there's no question to ask. The Minister has obviously been . . .

MR. SPEAKER: Order please.

MR. SPIVAK: Well, Mr. Speaker, on a point of order. The Minister essentially has made a ministerial statement in effect, with no answer to any particular question. He just stood up; I don't know whether his rights are really any different than anybody else's rights in this House and, Mr. Speaker, I must say there will be an opportunity in time probably to discuss what the Minister has said. But the fact is, Mr. Speaker, that the Minister who on his own keeps making declarations of what is and what is not, does not in any way give him any particular authority that any other member does not have, nor does it give him any particular judgment that no other member has; nor does it necessarily mean that what he is saying in terms of his own deduction, is correct or not.

MR. GREEN: I accept the fact, and I will now admit - perhaps an over-sensitivity of suggestion, of cover-up - and therefore I wanted at the first moment that I received this letter, which was today, while I was sitting in this House, to indicate that I had received this letter. It is because of the suggestion that I've been covering up information that I felt that I had the right and would have had the acquiescence of doing so. Apparently not. I accept the fact that I was not in order, and I would like to now proceed with the Budget debate.

MR. SPIVAK: Mr. Speaker, on a point of order. The - or a point of privilege. The Minister stands up and says, the suggestion that he's been covering up. Now he is very super sensitive. I don't think that anyone has essentially said the Minister has covered up. --(Interjection)-- Well, Mr. Speaker - no, I'm not sensitive at all. And on a point of privilege, if the Minister feels that he has been covering up, it must be because latent within him is a direct feeling that he has been covering up.

MR. SPEAKER: Order please. I realize we're having a miniature debate on something, but there is nothing before the House. The honourable member have a point of privilege too?

ORAL QUESTIONS

MR. GREEN: Yes I do, Mr. Speaker. The honourable member should be aware that my sensitivity, which I will admit in this respect results from his statement to the newspaper linking this with Watergate and suggesting that there is a cover-up - if that is something which appears to make me over sensitive, I apologize to the House. I am not in any way, Mr. Speaker, have I held back one iota of information with respect to this matter - and there is no sensitivity on my part in that respect as a result of having done this. May we proceed to the Budget Speech debate.

ORDERS OF THE DAY - BUDGET SPEECH DEBATE

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker, Yesterday when the closing hour arrived, I was just about through with my reply to the Budget debate, and I would just like to reiterate several of the things that I mentioned last night.

I feel that it is important for this government, because of the inflationary trend to change the formula for financial aid to school divisions, and also for municipalities who are now facing the crunch of inflation. I would like to point out again that one of the smaller municipalities in my area is going to be faced with an increase in both foundation and special levy, the sum of the two, to a place where the mill rate for business will be in excess of 75 mills; and this is just on small businesses, businesses that employ two or three employees.

Mr. Speaker, I would like to comment briefly on the speech made by the Minister of Labour last night. He accused the opposition of not being interested in industry, and referred specifically that nobody from the opposition had been at the Flyer opening. I think we got that squared away. I would like to once again say that I was there. I know I talked to the Minister of Mines; I did not talk to the Minister of Labour, but I talked to several of the people there and I would like to assure him that we are on this side very very much concerned with industry.

But in the light of the several other remarks the Minister made, I would like to say that in light of the Minister's animal noises in the House the other day and his remarks in his speech last night about certain animals, I would like to question whether the Minister knows the difference between running a zoo and a government. And I may add that he probably is better suited for the former. Thank you Mr. Speaker.

MR. SPEAKER: The Honourable Member for Emerson.

MR. STEVE DEREWIANCHUK (Emerson): Thank you, Mr. Speaker.

MR. SPEAKER: Order please. Let me also indicate the Chair has tremendous difficulty with people standing up around, trying to recognize people. If they were to sit I would be able to do a much better job. The Honourable Member for Emerson.

MR. DEREWIANCHUK: Thank you, Mr. Speaker. As the Budget debate is drawing to its conclusion, I as a novice to the Chamber wish to cast some general reflections upon proceedings here in the Chamber over the past few days.

I should like to begin by suggesting that many, unfortunately the majority of the honourable members of the opposition are at odds with the times. We are all elected to the Legislature Assembly for the purpose of representing to the best of our ability the best interests of our constituents and the people of the Province of Manitoba. We are not, I suggest, here to perform, to entertain, to practice our verbal destiny or our biting wit, We are here to conduct the business of the people of our province.

Unfortunately all of us are not members of the government side of the House. Some of us have been dedicated to the task of opposition. May I suggest that the honourable members of the opposition take a good look at themselves, the people they represent and the type of representation they have been giving to date. I would like to suggest that many of you honourable members of the opposition parties are clinging to a political era long since past. There was a time when the average voter had to devote his time to the long hard struggle to provide food and shelter for his family. There were no social assistance programs, no grants or medical plans. In short, life was a long, hard struggle, leaving the average man or woman with little time for formal education, literary pursuits or politics. Consequently, the role of political representative fell to the average man's most fortunate brother, the more affluent one who was able to afford an education of sorts, who had the precious commodity of time to acquire political knowledge. There was very often a real gap of knowledge between the voter and his political representative. Consequently the voter was in no position to judge the work

BUDGET DEBATE

(MR. DEREWIANCHUK cont'd) . . . of his representative. The voter was all too often the helpless victim of his ignorance. He tended to vote emotionally rather than rationally. He tended to form fierce emotional type of loyalty to his party and his man. His political representative could do no wrong. His word was never doubted except of course by those of other parties. Politics was by and large an irrational and emotional process, and verbal dexterity was the key to impressing the voters. The louder one could rant and rave, the more derogatory the remarks, the more impressive the politician.

Well, honourable members of the opposition parties, I would like to suggest that those days have long since passed. The people you represent are not fools, they are not interested by destructive arguments and childish emotional outbursts, and they are not gullible just because you say so. The government is corrupt, immoral, wasteful, no longer makes it so. The average citizen is well-equipped to handle the situation. He has learned to read between the lines; he is no longer the helpless victim of crafty politicians and biased press reporters. The average citizen has learned to deal with both. Therefore I suggest that you take a good long look at yourself and at your functions here. At the risk of giving away political secrets, I suggest that there is a basic reason for the failure of your two political parties. The people of the province have outgrown you and until you realize this and educate yourselves to what is really out there, you can only continue to do a disservice to those you represent.

It has been suggested by members of the opposition parties that the basic wage in the north should be increased by 15 cents over and above the other areas of the province. Perhaps this is meant to make you appear generous and forward looking, considering that all five of the northern constituencies spurned you at the polls in the last election. May I suggest again however that you are out of touch with the times. You seem to be labouring under the idea that only the north suffers from the effects of isolation and high cost of living. I suggest you acquaint yourselves better with the province as a whole. My own constituency can tell you a few things about isolation and local hardship, thanks to its treatment under years of the Liberal Government, during which they were ignored. One small settlement in my constituency approximately 75 miles away finds it difficult to entice people to work in the community, due to isolation factors. Not only is it difficult to entice labour, but professional people as well. The hospital board has difficulty staffing its hospital and the school its teaching staff. Why are communities such as this one just described not worthy of the same consideration as our northern areas, especially when one considers that they lack the enticement of the frontier image, and new and thriving towns and cities.

I have spoken to young men and women and their families from my own constituency who have gone north for employment purposes, and who on their occasional visits back home find an economic contrast between the north and their own constituency in favour of the north. I suggest, honourable members of the opposition parties, that you have failed to consider other areas of the province equally deserving of special consideration. It is not that we are denying the northern constituencies the 15 cents bonus; it is just that we refuse to deny the other areas of the province equal economic opportunity. I would like to say that my five colleagues from the north have my deepest respect for considering the welfare of the province as a whole, rather than resorting to vote buying, which is really what this would have amounted to had the five northern representatives taken a stand otherwise.

Another point of contention over the past few days has been the rising of Hydro rates. I should like to say that we are in a period of inflation - not only in Manitoba as the opposition would like to imagine that the people of Manitoba believe - but a period of inflation which exists all across Canada, throughout the whole North American continent and throughout most parts of the world. It is rather unrealistic, to say the least, to imagine that a company such as Manitoba Hydro can continue to operate on pre-inflationary figures while everything else accelerates. As an employee of Manitoba Hydro for 17 years, working among the people in various part of the province, I can quote many customers as having expressed the opinion that Manitoba Hydro was the best buy one could get for the money. It still is. Many of these same people were amazed at a stationary cost over the years and are certainly capable of understanding a small rise in cost at this time. A rise in rates is long overdue. Manitoba Hydro is a large company employing an extremely large number of personnel; wages must rise in accordance with similar qualified men in other fields. Manitoba Hydro has it difficult meeting wage demands while maintaining stationary rates. I know of many men whom I personally

BUDGET DEBATE

(MR. DEREWIANCHUK cont'd) . . . trained with and worked with who left Manitoba Hydro reluctantly to work in other provinces where they were able to earn as much as \$2.00 an hour more than here at home. And wages are one aspect of operating costs. I personally feel quite confident that Manitoba homeowners are quite capable of understanding the predicament of the large companies such as Manitoba Hydro in inflationary times.

In closing, may I just say that we all have a job to do here in the next few weeks. Let us do it to our credit and not to our discredit. We each have a function depending on which side of the House we sit, but our ultimate aim is the same - good government for the people of Manitoba. Fine. Let's do this in a fair and respectable way benefitting our responsibilities. Let us not criticize for the sake of criticizing. Let us live up to the expectations of our constituents. Let us be a group they can look to with confidence and pride. Thank you.

. . . continued on next page

BUDGET DEBATE

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I enter the Budget Debate again. I hope that there'd be an opportunity for one of the members on the opposite side in the course of my debate to ensure that both the Attorney-General, the Minister of Northern Affairs, and the Minister of Mines and Natural Resources are present, because I think - and I would suggest as well, Mr. Speaker, because the First Minister was involved in one aspect - that it would be to the advantage of the government for him to be present as well.

I say this, Mr. Speaker, on entering the debate for the second time, following the remarks of the Honourable Member from Emerson, and on the general tone of what he suggests because, Mr. Speaker, I think what this province is concerned about and is interested in is a fair and a good government, a government that would be fair to all, a government that would be concerned about representing the minority interests of everyone in this province. I've been in the Legislature, Mr. Speaker, since 1966, and I entered the Legislature at the same time as the Honourable Minister of Mines and Natural Resources. In all the years in the Legislature, Mr. Speaker. . .

A MEMBER: The Minister of Public Works.

MR. SPIVAK: . . . there has never been a situation brought to my attention, or brought to the attention of members, with what I believe such serious implications with respect to the way in which government handles itself. Mr. Speaker, in essence, at the present time the government has ignored a problem that has been presented to it and has done nothing. When I conclude my remarks, Mr. Speaker, I believe that the question of perjury will be raised. I believe that the question of why the government have not acted will be raised. Mr. Speaker, when I finish my remarks I believe that the question of the actions and the lack of action of the Ministers, the government and the Premier will be raised, and the question of why there has not been any action on their part will be raised.

Mr. Speaker, I begin by reading a letter that I received, that the Honourable Minister of Mines and Natural Resources referred to, and I read this into the record because certain things will follow afterwards. Now, Mr. Speaker, this is a letter, this is not an affidavit, but the letter indicates - and I suggest so that there'll be no question about it - indicates that there are documentations available to support it, and I believe that there are. I certainly have some in my possession which I intend to table today.

Having said that, Mr. Speaker, I will now read the letter addressed to the Minister of Mines and Natural Resources dated March 28th, 423 Parkview Avenue, Winnipeg, Manitoba, from Mr. John Kregeris, with a copy sent to the Attorney-General and a copy sent to myself:

"I have been reading in the newspapers the debate regarding my companies, J. M. K. Construction Limited and R & M Construction Limited, and the Communities Economic Development Fund. I am told that you have said that you have made a full investigation of this case, but I am not aware that you have attempted to contact me even though I am the President of the company. This seems to me a strange proceeding, and I hope you will soon find it possible to meet with me and to examine my case and my records.

"The whole story of what has happened to J. M. K. and R & M is long and complex. I believe that the story must be told for both moral and legal reasons, and I hope that you will create the opportunity for that to happen. At this moment, however, I wish to comment on a number of things that were said this week by Mr. Don McIvor, Mr. Ben Thompson and Mr. Gordon Trithart in response to the affidavits of Mr. Ronald Allison. I know and believe that many of the statements of McIvor, Thompson and Trithart are false or misleading, and in many cases I have the documents to disprove them. It is important that I should speak on this so you will realize the seriousness of the situation and why a thorough investigation is necessary.

"I have now had a chance to read all the affidavits and statements of Messrs. Allison, McIvor, Thompson and Trithart. I cannot be sure of the truth of every statement that Mr. Allison has made, but in general I know what he says to be correct. The reason that I am uncertain about some matters is that during the period in question, effective control of my company was taken over by Messrs. Thompson, McIvor and Trithart and I was deliberately excluded from the actual business of the company. At one point, in fact, I believe that Mr. Allison was responsible for my being excluded from the business and blamed him for my problems, but that belief was based on ignorance of what was actually happening. Since I have been

BUDGET DEBATE

(MR. SPIVAK cont'd). . . able to review the documents, I am now satisfied that I judged Mr. Allison unfairly. For that reason I want to say some of the things I know regarding Mr. Allison's affidavits and the replies of Mr. McIvor, Thompson and Trithart. Before commenting on the affidavits I want to point out that I did not hire Mr. Allison and I never interviewed him. He was placed there by the Fund and I agreed. Though he was paid by R & M he was really responsible to the Communities Economic Development Fund and its directors.

"On Mr. McIvor's affidavits I would make these comments. Regarding paragraph 3 there were few actual board meetings, but on several occasions the directors met without me present. For example, prior to March 2, 1973, McIvor, Trithart, Thompson and Allison met in the company office in Wabowden. I was present in the building but excluded from the meeting. After the meeting Mr. Thompson said to Mr. Trithart in my presence, that quantitative stock must be ordered and that we must get things moving again. The last official meeting of the board of directors prior to November 1973 apparently took place in February of 1973, at the Sheraton-Carlton Hotel in Winnipeg. Besides myself, those present were: Messrs. McIvor, Thompson, and Trithart, and Mr. Musgrove from the Communities Economic Development Fund. I do not know whether minutes were kept, but certainly I never received any. It became clear to me by then that the directors were actually running the company. Those directors also had meetings with the members of the Communities Economic Development Fund, but of course those were not meetings of the company's board.

"Regarding paragraph 4, following the Wabowden meeting in late February Mr. Trithart told me privately that I 'better not make trouble with Ron Allison or you'll be in trouble with me' - meaning Trithart. Mr. Trithart told me that Mr. Allison would answer directly to Mr. Trithart and that Mr. Allison would also report to him on my activities. If anyone caused any trouble Mr. Trithart said he was going to 'pull the plug on the whole thing.' This is similar to Mr. Allison's affidavit where he said that during the course of the meeting Trithart told Allison in McIvor and Thompson's presence that Allison was responsible to Trithart and to no one else.

"In paragraph 5, Mr. McIvor says, 'I did not, nor did any person in my presence, ever advise Mr. Allison that R & M Construction had a signed contract with B. F. Klassen as alleged or at all'. This is not true. I received a signed letter from B. F. Klassen dated February 19, 1973, agreeing to purchase materials. I told Mr. McIvor of this almost immediately, and on two subsequent occasions in early March showed the letter to Mr. McIvor. On one of those occasions Mr. Allison was present.

"Regarding paragraph 6, Mr. McIvor and other directors led Mr. Allison and me to believe that we would be awarded the pumphouse contract, and on the basis of that information Mr. Allison ordered 1,100 bags of cement from Inland Cement and visited Dominion Lumber to get their prices on the materials we would need. An order was placed and the shipment was made. Mr. Trithart himself paid \$40.00 out of his own pocket to acquire the plans for the pumphouse. I was also informed by Mr. McIvor that the contract would be closed and we made one trip to Winnipeg in which we discussed it. I believe that Mr. McIvor led the other directors to believe that we had been awarded the contract. The Fund in the final analysis, because of lack of moneys, cancelled the contract though I was never informed officially of this fact.

"Regarding paragraph 7, both Mr. Allison and I were told to get ready for the pumphouse contract. It was for that reason that Mr. Allison ordered the cement already referred to. Inland Cement should have a letter from Mr. Trithart or some other officer or director of the Communities Economic Development Fund, confirming the order placed by Mr. Allison for this contract.

"Regarding paragraph 8, I was advised by Mr. McIvor that we would be supplying materials for the MMF. I was originally given purchase orders by Mr. Ben Thompson and was later given purchase orders by Mr. McIvor. The materials were ordered and delivered to R & M in Wabowden.

"In paragraph 9, Mr. McIvor's assertion that he gave no instructions for the distribution of corlon flooring is untrue. I was given specific instructions by Mr. McIvor to deliver to certain people. One of these was Mr. Roddy Garrick in Wabowden.

"Regarding paragraph 10, prior to April 1973, Mr. McIvor instructed me to order additional materials to cover the MMF program. I was given a specific order, along with the names of persons to whom materials would go, and I passed these on to Mr. Allison who

BUDGET DEBATE

(MR. SPIVAK cont'd). . . ordered the balance of the materials necessary to cover the programs.

"In paragraph 11, Mr. McIvor admits that he took materials from the company in connection with the pensioners program but says that he did so acting as a private citizen. Mr. McIvor signed invoices for the materials and he would not have been allowed to sign them as 'as a citizen', that he was allowed to sign for them because he was a director of the company and Mayor of Wabowden, and he is misrepresenting his relationship to the company in this matter. He is also wrong when he says that all costs were paid in the normal course. There are two persons who received materials for which R & M was never paid. They are Mrs. Sarah Linklater and Mr. Roddy Garrick. According to Mr. Hacking, these accounts have not been paid to R & M because the information Mr. McIvor gave Mr. Hacking is still incomplete.

"Regarding paragraph 14, I was present when Mr. McIvor instructed Mr. Allison to complete the Scott Home for \$2,260.00, and he used lumber that had already been purchased and delivered from another company. During the work on the Scott Home I dismissed an employee named Sidney Robinson because he did not work and was drunk all the time. My instructions were not followed and Mr. McIvor continued Mr. Robinson's employment. I did not receive a cheque for payment of these repairs until January of 1974.

"Regarding paragraph 15, the meeting in May really refers to one held in Thompson in late April.

"Regarding paragraph 16, Mr. McIvor's denial is simply not true. As far as I was concerned he was the boss, he was the Godfather.

"Regarding paragraph 17 . . ."--for the benefit of the members opposite the terminology "Godfather" was used by an employee and a civil servant in describing Mr. McIvor's actions with respect to this particular time of action.

"Regarding paragraph 17, Mr. McIvor's statement is untrue. I have signed letters from the Wabowden Community Council awarding to J. M. K. the contracts to build two homes, one for \$14,800 and the other for \$15,000.

"Regarding paragraph 18, Mr. McIvor's denial that the Communities Economic Development Fund instructed R & M to sell the two houses is untrue. That we were so instructed is confirmed in Mr. Trithart's second statement in paragraph 3 where he says, 'House number one and house number two was sold on the instructions of the Fund. With respect to one house purchased by Mr. Peter Brown, \$1,000 was paid to the R & M Construction and \$14,000 was paid to the Communities Economic Development Fund.'

"Regarding paragraph 19, I should explain at the end of April 1973 I was instructed by Mr. Trithart, and this was confirmed by Mr. Jones, to stay away from my business in Wabowden. I was told that Mr. Allison would operate the business under instructions from the directors. I was banished until early June. During that time Mr. Manfred Keil spent a lot of time with me in Winnipeg discussing the affairs of the company and its prospects. During this time the company was completely out of my control; I was instructed not even to telephone Wabowden. I returned to Wabowden in June to meet the representatives of Dunwoody, Saul and Smith who was to examine the books of R & M. Mr. Allison then informed me that in my absence all these actions were confirmed and approved by Messrs. McIvor, Trithart and Jones. Mr. Allison also told me that he was given instructions to Mr. McIvor to ship certain orders and I saw the orders with Mr. McIvor's signature on them. Therefore I can verify Mr. Allison's claim in his affidavit and can say that Mr. McIvor's assertion in paragraph 19 is untrue.

"In paragraph 20, Mr. McIvor's statement is untrue. We have certain skilled and unskilled labour who were not working, but Mr. McIvor told us to retain them because of the potential contracts available to the company.

"Regarding paragraph 21, I have to say that Mr. McIvor was as slow as a turtle and that of all the outstanding accounts in which Mr. McIvor was involved, most of them are still outstanding.

"Regarding paragraph 22, I was informed by Mr. Allison that a program employing native people was made available for the construction of a new dwelling under Manitoba Remote Housing. This was approved.

"Regarding page 23, Mr. Allison informed me that a Mr. Needham from Northern Manpower and a Mr. Roger Stagg had discussions with the Wabowden Town Council about the home of Mr. Larry McIvor. Mr. Don McIvor confirmed with me that Messrs. Needham and Stagg had discussed Larry McIvor's home with him.

BUDGET DEBATE

(MR. SPIVAK Cont'd)

"On Mr. Ben Thompson's affidavit, I make the following comments. In paragraph 5, Mr. Thompson says he never met Mr. Allison. That is a lie. I was with them both together on many occasions.

"Regarding paragraph 6, Mr. Thompson was himself present at the meeting from which I was excluded, and to which I referred above.

"In paragraph 7, Mr. Thompson says that he was never at a meeting of the Board of Directors with Mr. Allison present. If this is true, it is only true on a technicality. On one or more occasions there was a meeting of the Directors, including Mr. Thompson, at which Mr. Allison was present. It may not have been a formal meeting but the business of the company was discussed.

"Regarding paragraph 10, I was told by Mr. Ben Thompson to ignore the original orders for the Winter Warmth Program and to deliver in accordance with a handwritten list which he gave me."

A MEMBER: Written by the NDP poll captain.

MR. SPIVAK: "When I was given this handwritten list I instructed Mr. Allison to deliver same.

"Regarding paragraph 12, I was present during conversations with Mr. Howden and talked to Mr. Howden in connection with the manner, distribution and allocation of materials which have been discussed with Mr. Allison.

"In paragraph 15, Mr. Thompson says that he did not represent to Mr. Allison or to the company that he would be receiving contracts for local work in northern communities. This is untrue. He did represent to me that orders for materials would be placed with the company in addition to the Manitoba Metis Federation order.

"Concerning Mr. Trithart's first statement, I would say the following. Regarding paragraph 4, Mr. Gordon Trithart was placed by the Communities Economic Development Fund to act as an administrator for the R & M and paid by the Fund. The company paid an administrative fee to the Communities Economic Development Fund of \$417.00 a month.

"Regarding paragraph 5, Mr. Allison informed me that he called in Hawkins and Company because of the state of the opening balance sheets and the company records. I do not believe that he would have called them in and then dismissed them if he had believed himself capable of sorting them out.

"Regarding paragraphs 8 to 12, I would make a general comment based on this statement and the other affidavits. I have to say that Mr. Trithart's statements about why we failed to get either the B. F. Klassen contract or the pumphouse contracts are not borne out by the facts of the situation nor by the documents that exist. The simple fact is that Mr. Trithart and his colleagues, who were on the Board and/or the Fund, were really in control of my company. Every decision, every direction was subject to their approval and control. There was no question about the degree of control, it was simply a question of telling me what to do.

"Regarding paragraph 16, we see the kind of inconsistency that I had to put up with. Mr. Trithart says he had essentially nothing to do with the company, yet he dealt with the order and prepared the invoices. I should add as well that I expressed concern to Mr. Trithart about the quality of some of the plywood we obtained from Dominion Lumber, but I don't know that anything was done about it.

"In regard to paragraph 23, some payments were made directly to the Fund. So far as the company was concerned, Mr. Trithart had the power to co-sign cheques. There were questions on the accounts payable about who was to receive money and there were disputes regarding Dominion Lumber, but Mr. Trithart had complete supervision of the financial affairs of the company. I did sign blank cheques and these were turned over to Mr. Trithart to use in making payments. Even after Mr. Trithart had been relieved of his duties as Administrator of the Communities Economic Development Fund, he still had effective control of the administration of R & M as one of its directors.

"From what I have said, it should be clear that Messrs. McIvor, Thompson and Trithart assumed effective control of my company, I as president was completely frozen out, and Mr. Allison as manager was required to accept all instructions from them and to pay no attention to any instructions from me. The control of these men was far beyond anything that could be justified on the basis of the Communities Economic Development Fund loans. They were not watchdogs of the public investment in my company, they operated as they owned my company.

BUDGET DEBATE

(MR. SPIVAK cont'd)

"I understand from the paper that Mr. Pawley will only act on possible perjury if information is brought to his attention. I am therefore forwarding copies of this letter to Mr. Pawley, I am also forwarding them to Mr. Spivak, the Leader of the Opposition." And that's signed, John Kregeris.

Now, Mr. Speaker, I find this letter interesting on several accounts. Firstly, because it is the first account we've had of any of these events from Mr. John Kregeris, the President of J. M. K. and R & M Construction Companies. Mr. Kregeris does not claim in his letter that he is giving a full account. Indeed, he asks the Minister to take steps to ensure that he has the opportunity at some time in the future, but we now have at least a preliminary statement from Mr. Kregeris.

The second reason that this letter is interesting is that in some significant areas it provides independent corroboration of a number of facts and conclusions suggested by documents that have come into my possession from several sources, a number of which I intend to table today. Without repeating the letter or going through all the affidavits, I want to cite a few statements from those documents and compare them with those of Mr. Kregeris.

Now, Mr. Speaker, I'm going to be filing several documents. I would like the opportunity to file them at the end because I'm going to have to make some cross-reference to them as I wend my way through the various affidavits that I have.

The first affidavit I'll deal with is that of Mr. Donald McIvor. Mr. Donald McIvor in his affidavit swears to the following in paragraph 3. "There was no meeting of the Board of Directors of R & M Construction as alleged by Mr. Allison in said paragraph 6, and I at no time attended a meeting of the directors and officers of the R & M Construction Ltd. at which Mr. Allison was present."

Well, Mr. Speaker, Mr. Kregeris has already pointed out to the fact that while there may not have been any formal meeting of directors, there were many meetings of directors that were held, in which the individuals who were in charge basically conducted the affairs of the company and Mr. Kregeris, as the owner and president of the company, was excluded from those meetings and from the decisions that were arrived at.

Mr. Speaker, further on Mr. McIvor says, "There was no meeting of the Board of Directors of R & M Construction to which Mr. Allison was invited and in which Mr. John Kregeris, the principal shareholder and officer and director of R & M Construction, was excluded, and no one in my presence and no one to the best of my knowledge, information and belief has ever advised or informed Mr. John Kregeris that he was not to attend meetings of the Board of Directors of his company." I want to make this very simple statement. Formal meetings of the company with notice, minutes of the meeting - no. Meeting of the Directors for all intents and purposes dealing with the day to day management - yes. Mr. Kregeris' statement was that he was excluded from those meetings, and that is in direct contradiction to what Mr. McIvor said. And, Mr. Speaker, I want you to know that in dealing with Mr. McIvor's statement one has to test the full credibility of his statement to determine whether what he is saying now is correct, and when I go through this, Mr. Speaker, and when you have the opportunity of examining some of the documentations in relation to what Mr. McIvor said, you will find that his credibility is shot.

Dealing with paragraph 4 of Mr. McIvor's affidavit: "There was no meeting of directors of R & M Construction Ltd. as alleged or at all, as there were no meetings of the Board of Directors of R & M Construction at which Mr. Allison was present. At no time was Mr. Allison instructed by me or by any person in my presence that he was to accept instructions and directions from Benjamin Thompson, myself or Gordon Trithart and no other person." Well, Mr. Speaker, Mr. Kregeris says that that is not true.

Paragraph 5. --(Interjection)-- Yes, Mr. Speaker, yes. That's what his letter says. Now I want to tell the Honourable Minister, he is taking the position right now with respect to everything that we're doing, that he is an adversary. Mr. Speaker, he is not prepared to listen and he is not prepared--he doesn't even know what I'm going to say but he is already in the position to object. Why? Because he has a closed mind to this as the government has, and I'm going to talk about that in a few minutes.

Mr. Speaker, Mr. Kregeris' letter essentially says that the information sworn by Mr. McIvor was not true. Mr. Speaker, I want to also inform the Honourable Minister,

BUDGET DEBATE

(MR. SPIVAK cont'd). . . because he says it's not so doesn't mean it's not so. --(Interjection)-- Well, Mr. Speaker, I think the best evidence comes from the people who in fact were involved, and I must tell you that, as I will indicate, the credibility of Mr. McIvor and Mr. Thompson I think is destroyed and will be destroyed at the time the completion of this is read and the documents are filed. And on that basis, Mr. Speaker, on that basis, Mr. Speaker, if it was a question of believing one or the other, I would believe Mr. Kregeris.

Paragraph 5 says, "I did not nor did any person in my presence ever advise Mr. Allison that R. & M Construction had a signed contract with B. F. Klassen as alleged." Well, Mr. Speaker, the first document I want to talk about is the contract from B. F. Klassen and this has been in dispute, Mr. Speaker, and I want to refer to it - it's dated February 19, 1973, attention Mr. Kregeris, Thompson General Hospital: Dear Sir: This letter is to advise you that we will buy all our concrete for the Thompson General Hospital from your firm. We further confirm the prices quoted by yourself to our firm as follows" - and the price list is included, I'm not going to read that off. "The above prices are to hold firm for all concrete deliveries to the above named project. Invoices will be paid within 45 days of receipt in our office. A holdback of 5 percent will apply to all invoices and the moneys thereby accrued will be forfeited and not payable to your firm if for any reason your firm does not supply all the concrete for the project named as ordered by our project superintendent.

"Trusting the above is in order, Yours truly, B. F. Klassen Construction (Canada) Limited, C. Fast, Director of Operations."

No. 2, Mr. Speaker, I would like to file at this point a letter dated December 22nd, to Mrs. Pannebaker, who I believe was the bookkeeper on R & M Construction, dealing with the question of stone that would be available for that contract because that comes out in dispute later on.

"R & M Construction, Wabowden. Dear Mrs. Pannebaker: Re our telephone conversation of December 20th, 1972. The quantities of three to four thousand tons of one and a half stone are available for sale. Our selling price for material plus loading is \$1.50 per ton plus five percent MRT is applicable. The delivery as discussed would be arranged by your firm. I am pleased to have given the opportunity to quote on your requirements and we look to a confirmation of your order."

Another letter dated April 4th, from B. F. Klassen to R & M Construction with a copy to Mr. Jones, copy to the job site and a copy to Cliff Fast, Director of Operations of B. F. Klassen:

"Re Thompson General Hospital. This is to advise you that on or about the 18th of April of 1973 we will require approximately 100 cubic yards or 3,000 tons, three-quarters Portland concrete to be supplied as a continuous pour. Please advise this writer and the job superintendent regarding your intentions of supply immediately on receipt of this letter. If we do not have written communication by April 12th, 1973, we will assume that you are aware that you and your financial backers are in breach of an agreement and we will be looking to you and the Communities Economic Development Fund for any costs over your quote covered by our letter of intent dated February 19th, 1973. Yours truly, B. F. Klassen Construction Limited."

Mr. Speaker, in construction terms according to the practice of the trade, there was a contract with B. F. Klassen.

Mr. Speaker, now let me deal with paragraph 6, of Mr. McIvor's affidavit. "I informed John Kregeris, the principal shareholder and the President and Director of R & M Construction that the Town of Wabowden was going to have a pump house built and that the contract for the construction of a pump house would be put out for tenders. I passed this information on to Mr. Kregeris. . ."

MR. SPEAKER: Order please. The Honourable Member for Radisson state his privilege.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, when you asked me to take the Chair temporarily, I did so, and in that period of time the Honourable Member for Morris, in anonymity of the same position as he's making now allegations and statements, did refer to me about my eligibility to take the Chair. I would like him to rise and speak into the mike so it's on the record.

MR. SPEAKER: The Honourable Member for Morris.

BUDGET DEBATE

MR. JORGENSON: Mr. Speaker, I don't know what's exercising the Member for Radisson. I made no comment to anybody about him taking the Chair. I made absolutely no comment about the honourable member taking the Chair and my colleagues around here can verify that. I made absolutely no comment, Sir.

MR. SPEAKER: Order please. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I want to go back if I can before I read the next portion, to indicate I have already filed. . . .

MR. SPEAKER: Order please.

MR. SPIVAK: I've already filed the contract with respect to B. F. Klassen and I want to go back to the affidavit sworn by Mr. McIvor, and I'm going to make reference to a number of things Mr. Speaker, later on. I want to make this point so the honourable members opposite would understand this.

We witnessed a very curious kind of presentation of the Communities Economic Development Fund. I am going to have a fair comment on that. I find it very amazing, as a matter of fact, in fact almost bizarre, that with respect to things that--well, with respect to matters dealing with the company in which the Communities Economic Development Fund were involved in which obviously from the correspondence they were aware and directly had control, that Mr. Jones himself did not make these statements, but rather we have a situation where Mr. McIvor swore as an affidavit facts that aren't true, and in some cases, in one case - and I'm going to cite that fairly soon - was not even within his knowledge, yet he swore the affidavit. It was in the knowledge of the Fund but not within the knowledge of Mr. McIvor, and there's no reason why it could have been - and I'll come back to that in a few moments. And I find it amazing that the technique was used to have Mr. McIvor swear things that in effect (a) are not true; and (b) that should have been dealt with directly by the Board of Directors or the Chairman of the Fund or its General Manager.

Now I want to go back to the question of the contract. Mr. McIvor says, "I did not nor did any person in my presence ever advise Mr. Allison that R & M Construction had a signed contract with B. F. Klassen as alleged or at all."

A MEMBER: Where's the contract?

MR. SPIVAK: Mr. Kregeris says it's not true, and there's the contract.

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

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

MR. GREEN: Mr. Speaker, I am trying to be entirely fair with my honourable friend and trying to be open-minded as I want him to be open-minded. Is it inconsistent, and I'm not

...

MR. SPIVAK: . . . he will have an opportunity.

MR. GREEN: Well, Mr. Chairman, the honourable member says that a statement that I never told somebody there is a contract is untrue. . . . exists.

MR. SPIVAK: Mr. Speaker, that's a question of debate.

MR. GREEN: Well of course, and I say that the honourable member is deliberately misleading the House because he is saying that there is an inconsistent statement when he knows darn well there isn't.

MR. SPEAKER: Order please. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I will now repeat what I said which the Honourable Minister of Mines is not prepared to accept. Mr. Speaker. . . .--(Interjection)--

MR. SPEAKER: Order please.

MR. SPIVAK: Mr. Speaker, either you're going to have control of this House and you're going to allow us to debate in a normal way, or you're going to allow the Minister of Mines and Natural Resources at any given time to rise as he thinks and be able to express his position and his point of view. Now I would ask and hope that you would have control of this House and that the Minister of Mines be asked to refrain until I've made my presentation. There will be plenty of opportunity for this matter to be debated. There will be, without question, opportunities before the Communities Economic Development Fund Committee, when we deal in the matter of the Capital Supply, when we deal with the question of Interim Supply--My God, Mr. Speaker, when we deal with the Minister's estimates. He's going to have all the opportunity in the world to be able to show his legal genius and to be able to twist and turn and try and present his position as he would like it to be presented. But right now, Mr. Speaker, I

BUDGET DEBATE

(MR. SPIVAK cont'd). . . believe that I have the floor and I have a right to present it as I may, and I must say, Mr. Speaker, that the B. F. Klassen contract is here. Mr. McIvor swore to the fact that there was no signed contract; Mr. Kregeris said that there was.

MR. GREEN: Well, Mr. Speaker, on a point of order.

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

MR. GREEN: Mr. Speaker, on a point of order. The honourable member says that I should not interrupt him. I accept the fact that on the point of order I will not do it. I thought that he was inadvertently making a misstatement. I now see that he was purposely making the misstatement and doesn't want my correction, and I let him continue.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on the point of order. Even if I was inadvertently or otherwise making a statement, that really isn't a point of order from his point of view. It has nothing to do with him and he will have the opportunity to debate. Mr. Speaker, what I am trying to indicate - and because we're going to have to deal with this yet - is how this whole thing was managed and maneuvered with the direction I believe - and I do not know this for sure - but I believe with the direction and the genius of the Honourable Minister of Mines and Natural Resources. Because what we're really trying to do, Mr. Speaker, in all of this exercise is to get to the truth, and what the government apparently is concerned about is they're not interested in the truth.

Mr. Speaker, now let me deal with paragraph 6. "I informed Mr. Kregeris, the principal shareholder and the President and a director of R & M that the Town of Wabowden was going to have a pump house built and the contract for the construction of the pump house would be put out for tenders. I passed this information on to Mr. Kregeris so that he and his company would be in a position to tender bids on the contract. The contract for the pump house was to be given by the Province of Manitoba Water Services Board and not by the Town of Wabowden. I did not at any time instruct Mr. Allison or R & M Construction that R & M Construction would receive the contract for the construction of the pump house or that the company should purchase any materials or supplies in connection with the alleged contract."

Well, Mr. Speaker, you then have to examine what Mr. Kregeris said, and have to understand this statement in connection with that and find out who's telling the truth.

Paragraph 7. "At all meetings of the Board of Directors of R & M Construction at which I was in attendance, there was no discussion of the pump house contract."

Now, Mr. Speaker, what are meetings of the Board of Directors? They are the official meetings of the Board of Directors, or are they a meeting at which all the Board of Directors are present at the site discussing the company's business and dealing with the company's matters? Mr. Kregeris says that the directors were present and there were discussions on the pump house contract. So, Mr. Speaker, with respect to the question of the technicality and with respect to the truth of the situation, with respect to understanding fully what really happened, who was in control, who was directing, what was really happening, the technicality is meaningless at this point because in effect what Mr. Kregeris is saying is that the directors of his company, who were present with him, dealt with the company matters and made the decision and they were aware of the information. And the allegation and suggestion of these affidavits is that they really did not know about it when they did.

"I did not instruct Mr. Allison or R & M Construction that they would receive the contract or that the company should purchase any materials." Mr. Kregeris says that he did. Okay?

"At all meetings of the Board of Directors at which I was in attendance, there was no discussion of the pump house contract." There were discussions of the directors with Mr. Kregeris and Mr. Allison, so who's kidding who?

Paragraph 8 of this Affidavit. "I am not an officer or employee of the Manitoba Metis Federation and have no authority whatsoever to speak for that organization. I did not at any time advise Mr. Allison of R & M Construction Limited that R & M Construction would be supplying materials or supplies to the Manitoba Metis Federation.

"I gave neither Mr. Allison nor R & M Construction any instructions whatsoever in connection with materials purchased by R & M Construction Limited for the Manitoba Metis Federation, and specifically I gave no instructions to Mr. Allison or R & M Construction for the distribution of corlon flooring, as alleged, at all."

BUDGET DEBATE

(MR. SPIVAK cont'd)

Mr. Speaker, I will table in this House copy of one order from the Manitoba Metis Federation to R & M Construction for certain people, and I will table as well the receipt of the Manitoba Metis Federation order, one for Roddy Garrick, signed with Mr. Don McIvor's signature. I will also table one March 27th for, I guess, Joe Colombe, made out to Mr. McIvor in care of Colombe, signed by Don McIvor for the Manitoba Metis Federation, and I suggest, Mr. Speaker, that that statement is untrue. --(Interjection-- They will be tabled. I'm going to have use of them again.

Mr. Speaker, we'll now go to the next clause. "I had nothing to do whatsoever with the purchase of materials by the Manitoba Metis Federation." Mr. Speaker, this is made out to the Manitoba Metis Federation signed by Donald McIvor, attached to orders from the Manitoba Metis Federation for . . .

A MEMBER: If we can find two do we have to find the others. . . ?

MR. SPIVAK: Now, Mr. Speaker--No. I want to go back to what he said. "I had nothing to do whatsoever with the purchase of materials by the Manitoba Metis Federation from the R & M Construction Limited, and I gave neither Mr. Allison nor R & M Construction any instructions in this regard, and I did not speak to Mr. Allison or give him any instructions in connection with this contract or matters as alleged at all."

Mr. Speaker, I have here part of the contracts from the Manitoba Metis Federation; I have receipts made out and I have the signature of Don McIvor, and the Minister of Mines and Natural Resources says "so what?" What does it mean? It doesn't mean anything, because he'll believe what he only wants to believe and that's all that's going to count.

Mr. Speaker, now we'll deal with Paragraph 11: "I did in my capacity as a citizen of Wabowden and in no official capacity whatsoever, and at the request of certain old age pensioners residing at Cross Lake, Manitoba, forward to said pensioners applications forms for them to apply for assistance to renovate and improve their houses under the Pensioners Program of the Provincial Job Office of the Province of Manitoba. Five applications were completed by old age pensioners at Cross Lake, Manitoba, and delivered to me. I forwarded the five applications to Mr. Douglas Hacking of the Provincial Job Office and five applications were approved by him.

"Each application listed the materials required to make the renovations and improvements to each home. I delivered orders for materials to R & M Construction Limited with instructions to bill the Pensioners Program of the Provincial Job Office of the Province of Manitoba for the cost of such materials. With the approval of Mr. Hacking, the materials were to be shipped from Wabowden to Cross Lake by air because of the lateness of the season, and as instructed by Mr. Hacking I informed R & M to submit the air freight charges to the Department of Northern Affairs, as the Provincial Job Office and the Department of Northern Affairs had an arrangement that in the remote areas freight costs could be billed directly to the Department of Northern Affairs."

I don't think I have to continue on here, Mr. Speaker, because I want to now go back, if I can, to what Mr. Kregeris said in this regard.

"Mr. McIvor admits that he took materials from the company in connection with the Pensioners Program but he says that he did so acting as a private citizen. Mr. McIvor signed invoices for the materials and he would not have been allowed to sign them as a citizen. He was allowed to sign for them because he was a director of the company and Mayor of Wabowden and he is misrepresenting his relationship to the company in this matter."

Mr. Speaker, I now would like to file materials forwarded to Cross Lake, signed by Don McIvor; materials forwarded to Cross Lake for someone else, signed by Don McIvor; materials forwarded to another person at Cross Lake, signed by Don McIvor; materials forwarded to Cross Lake, signed by Don McIvor; materials forwarded to Cross Lake, signed by Don McIvor; materials forwarded to Cross Lake, signed by Don McIvor. --(Interjection)--It's possible, Mr. Speaker, you know, the question has been asked --(Interjection)-- Yes, Mr. Speaker, they are all different people.

A MEMBER: The Wabowden affair, you called it. . .

MR. SPIVAK: Now in Paragraph 12 of this statement by Mr. McIvor, testifying accurately as to the facts of the situation with respect to Wabowden and to R & M Construction he says and I quote: "I received early in July from the fishing co-operatives in Cross Lake,

BUDGET DEBATE

(MR. SPIVAK cont'd). . .Manitoba, a request for the supply of materials to construct an extension dock." Okay. "On behalf of the Fishing Co-operatives of Cross Lake I ordered the materials from R & M and gave purchase order numbers to Mr. Allison."

I want to file, Mr. Speaker, orders from Northern Affairs, Thompson; from the Co-operative Limited from Wabowden; and from the Co-operative Fisheries Limited, orders that were billed to Northern Affairs re the Fishing Co-operatives, one order dated June 13th signed by Don McIvor, one by June 27th - what was the date of the election, the 28th? - June 27th, signed by Don McIvor; another June 15th. Now, Mr. Speaker, why did McIvor or whoever helped him with his affidavit, determine that it was necessary to say that "I received early in July". This is in June.

Now, dealing with No. 14. "The Department of Indian Affairs was prepared to authorize improvements to a building to be used as a family residence from the Scott family. The authorization received from the Department of Indian Affairs provided that the improvements and repairs were not to exceed \$2,200.00. R & M Construction was advised of the availability of this job and was asked to submit the cost estimates to do the necessary repairs. R & M Ltd, originally tendered \$3,300 for the work and the materials required to repair and renovate the Scott home in this tender was not acceptable."

Now Mr. McIvor says it was the Department of Indian Affairs and it was - that's my understanding. He then said the original tender for \$3,300 work required to repair was not accepted. Well, Mr. Speaker, I have the original tender and I want to read it. Dated March 5th, R & M Construction. Who is the original tender to? Mr. Don McIvor. "Re repairs to Charles Scott dwelling, please to quote the following price on all materials plus labour at your proposal for the sum of \$3,200.00. Work to be performed. . ." And then the work is presented, I don't think I have to read that. "Pleased to be of service to you. Thank you. John Kregeris, Manager."

The Department of Indian Affairs was prepared to authorize improvements, R & M Construction Ltd. tendered \$3,300 for the work and materials required to repair and renovate the Scott home, and this tender was not acceptable. To whom was the tender made? To Don McIvor.

A MEMBER: Surprise, surprise.

MR. SPIVAK: Mr. Speaker, in paragraph 15 of Mr. McIvor's affidavit he said, "Mr. Allison was not in attendance"--oh I'm sorry, he said, "There was no meeting of the officers and directors of R & M Construction Ltd. in May of 1975 (?) in Thompson, Manitoba as alleged and Mr. Allison was not in attendance at any such meeting. As no meeting was held, the President of R & M Construction, John Kregeris, was not and could not have been excluded from same."

I've indicated, I think, what Mr. Allison and what Mr. Kregeris obviously understand by the meeting of the directors, but this is referred to in Mr. Kregeris' statement as a meeting that took place, I believe, in April. My understanding of that meeting was that it was both a meeting of the Communities Economic Development Fund, followed by a meeting of R & M the next day, and that Mr. Trithart and Mr. Allison in fact were present at the social gathering following the official meeting of the Communities Economic Development Fund where in fact the matters dealing with R & M Construction were in fact involved. And Mr. Kregeris in his statement has indicated that a meeting then was held in Wabowden.

No. 16. "I did not take an active part in the day to day management of R & M Construction as alleged or at all." Well for a person who did not take a day to day management of R & M Construction as alleged at all, Mr. McIvor seems to be fairly involved with the company, and I'm going to fairly soon produce and table a memorandum which I think will without question, dispute the accuracy of this statement.

No. 17. "The Wabowden Community Council ordered from J.M. K. Construction a community hall at a price of approximately \$20,000 and" - he's swearing to this - "and did not order from either J.M. K. Construction or R & M Construction two houses as alleged or at all, and there are no written contracts by the Community Council of Wabowden with either J.M. K. Construction Ltd. or R & M Construction for the construction of either of the two houses referred to by Mr. Allison in the third and fourth paragraphs of the first page of his said affidavit of March 14, 1974."

Well, what we have to understand is what are we talking about here? Are we talking

BUDGET DEBATE

(MR. SPIVAK cont'd). . . a full legal technicality or are talking what actually happened? Because I'd like to read, if I can, and submit for the records of the House, a letter from the Wabowden Community Council, Commissioner of Northern Affairs, Province of Manitoba, dated October 15, 1971, to J. M. K. Construction in Thompson. "You have been awarded the construction of the Wabowden Community Council office at an estimated cost of \$20,000.00" - and Mr. McIvor said that it did do this, but he said, "They did not order from J. M. K. or R & M two houses as alleged or at all."

After that the next paragraph is: "Construction of a home for Emma Monias through the Indian Affairs off-reserve housing program is also awarded to your company for the cost of \$14,800. Okay? Yes, next. Absolutely right. And a home for Mrs. Emma Monias has also been turned over for construction by you for \$15,000. Yours truly, Peter Braun, Secretary-Treasurer."

Mr. Speaker, the Wabowden Community Council ordered from J. M. K. Construction a community hall at a price of approximately \$20,000, and did not order either from J. M. K. Construction or R & M Construction two houses as alleged or at all. Okay?

I have a letter here which says, "Community hall, one home through the Indian Affairs off-reserve housing program ordered by the community" and the second, "a home for Mrs. Emma Monias." And, Mr. Speaker, the Honourable Minister says, you know, Mr. McIvor's correct.

Mr. Speaker, this next paragraph is a curious one. "In answer to the fifth paragraph of the affidavit of Ronald Lynn Allison, the Communities Economic Development Fund" - and here is Mr. McIvor swearing a fact on behalf of the Communities Economic Development Fund of which he was a director, but not its general manager or chairman - "The Communities Economic Development Fund did not instruct R & M Construction Ltd. to sell either one or both of the said houses to Mr. Peter Braun as alleged." Mr. Kregeris has already referred that Mr. Trithart says that they did, in his letter. "To my knowledge, one of the said houses was purchased by the Department of Indian Affairs off the Reserve Housing Program for occupancy by one Emma Monias, who is a school teacher, and the other house was purchased by Mr. Peter Braun from R & M Construction Ltd.", to the best of my knowledge. Now Mr. McIvor is swearing this. No evidence was given by Mr. Parasiuk, no evidence was given by Mr. Jones on this. "To the best of my knowledge the purchase price for both houses was paid directly to R & M Construction Ltd."

Well, Mr. Speaker, I'm going to table in the House a letter from Appleby and Chappell re R & M Construction and Peter Braun. Then I'm going to table a cheque made out, one to R & M Construction for a thousand dollars, and a \$14,000 cheque made out to the Communities Economic Development Fund, not to R & M. And then, Mr. Speaker, in the course of my final presentation I am going to ask the Minister to explain why Mr. McIvor who could not have had knowledge of these facts, was asked to swear a matter which was within the knowledge only, or could only have been within the knowledge of the general manager and the chairman, and what the legal implications may be with respect to this money - and I want to go through this again.

The letter from Appleby and Chappell, from Mr. Chappell, "Re R & M Construction and Peter Braun, Wabowden. Please be advised that the writer acts on behalf of Mr. Peter Braun of Wabowden, Manitoba. We understand from Mr. Braun that arrangements had been made between R & M Construction Ltd. and the Communities Economic Development Fund and Mr. Braun relating to the purchase of certain lands of Wabowden. Enclosed herewith are photostatic copies of the face and back of two cheques drawn by Mr. Braun."

The first cheque was in favor of R & M Construction Ltd. in the amount of \$1,000, dated May 25, 1973, and the second was in the amount of \$14,000 drawn in favor of the Communities Economic Development Fund, dated June 15, 1973. Well the Minister says "So." --(Interjection)-- The point is, so what? Why did Mr. McIvor have to swear this? Why did he have to say "to the best of his knowledge?" Why was this put in at all? Well, Mr. Speaker, the question is why, you know, why, whoever stage-managed this whole thing, why did they have Mr. McIvor swear to this, something that was within the knowledge of the Communities Economic Development Fund?

"As of this date, Mr. Braun has not received any transfer documents. He has requested the writer to secure from R & M and the Communities Economic Fund the appropriate

BUDGET DEBATE

(MR. SPIVAK cont'd). . .Transfer of Land immediately."

And I'm going to now table a copy of R & M Construction Ltd. the cheque, and the ones from the Communities Economic Development Fund, and I want to now repeat what Mr. McIvor said in his affidavit, and I want you to question at this point, Mr. Speaker, as I think the other members of the House should, the accuracy of what he is saying: "To the best of my knowledge" - and I suggest he had no knowledge at all - "the purchase price for both houses was paid directly to R & M Construction Ltd." Now, Mr. Speaker, what's involved in here is the fact that a substantial amount, if not all of this money, belonged to J. M. K. Construction, and what's involved in here is that a substantial part of this money should have gone to the creditors, or should go to the creditors of J. M. K. Construction.

Mr. Speaker, in 19, the 19th part of Mr. McIvor's affidavit, he says, "I gave him no specific instructions to ship specific orders in groups of materials to persons or families in Wabowden or to persons or families in Cross Lake or Norway House in Manitoba." I have already filed orders in which he's already signed and in which the instructions were given.

In 20: "I did not represent to Mr. Allison or to R & M Construction Ltd. that the company would be receiving contracts for local works in northern communities, nor did I require Mr. Allison or R & M Construction to maintain on the payroll of the Company supervisory personnel skilled and unskilled labour." Mr. Kregeris has cited one example, I believe that there are many others that can be cited. If one accepts what Mr. Kregeris is saying as true, what Mr. Allison is saying as true, then I would accept that what Mr. McIvor is saying is not true.

"In answer to paragraph 10. . . I did not instruct the government (either provincial or federal) or any other agency to pay the amount owing to R & M Construction very slowly, in part, or at all." I want to file a letter from Mr. Jones to Mr. John Kregeris, dated July 30, and the significant thing is the last sentence - and we are now talking about Mr. McIvor who had nothing to do really with the business, who wasn't involved in the day to day management, who was really not in attendance at the board meetings except in February and then a board meeting in November because that's the only time they really had formal board meetings, who realistically was away from the company, and Mr. Jones on July 30th to Mr. Kregeris says, "In this connection Don McIvor dropped in to see me last week and promised he would do everything he could to make sure that the moneys owing to you by the Council and also by Larry McIvor will be cleared up as quickly as possible."

"I did not instruct Mr. Allison" - on 22 - "or R & M Construction Ltd. to commence a small dwelling or any dwelling to assist in the training and employment of native persons, and did not advise Mr. Allison or R & M Construction that a form of purchase order for the said house would be forthcoming." Well that's contrary to Mr. Kregeris' information, and again we have the problem of who are you going to believe: Mr. McIvor, whose credibility is determined by everything accurately that he had said here and by all the documentations and whether the question is swearing, you know, exactly to the things that he knows, or Mr. Kregeris? For the record I'd like to file the agreement between Larry McIvor and R & M Construction Ltd.

"I was informed in a meeting of the Wabowden Council of which I was mayor and at that time was building inspector, that R & M Construction was constructing a small house on a property owned by Larry McIvor, and that R & M Construction had not taken out a building permit for this purpose." You know, Mr. Speaker, when we go through all the details, and there are not that many, but they are so bizarre and they are so complex that one gets, well, you know--the Honourable Minister can say, "Oh." Mr. Manfred Keil in his report, I don't think quite understood and I'm not sure that the Minister does, what House No. 1 and House No. 2 are all about. But in connection with Larry McIvor's home, in connection with the documentation that's available, Mr. McIvor's relationship with that is not as represented by this affidavit.

"I did not give instructions or directions to Mr. Allison or to R & M Construction in connection with the purchases or distribution of materials and supplies by R & M Construction or the placing of contracts by that company." Mr. Speaker, this is contrary to Mr. Kregeris' affidavit and one gets to the point of who are you going to believe, Mr. Kregeris or Mr. Don McIvor?

Well, Mr. Speaker, I completed at this point the first preliminary approach to Mr. McIvor's affidavit. I tabled documents, which I think is more than the honourable members opposite were prepared to do when they made his presentation. I indicate as well that he has

BUDGET DEBATE

(MR. SPIVAK cont'd). . . sworn to things that I do not think were within his knowledge, and I must say that his affidavit has to be judged with the whole technique of the way in which the government has dealt with this position. And I think that when we go on to this in greater detail - as I believe we will today and tomorrow and the next day and the day after - the government itself will have to explain itself. You know, I must tell the Honourable Minister of Mines and Natural Resources that I will say to him what he said to me. He can hire a hall, he can go out on the street, he can call a news conference, he can go out on the parking lot, he has plenty of opportunity to speak. Nobody will stop him from speaking. And, Mr. Speaker, I intend, though, at this time to complete my presentation and in this respect he is just going to have to wait. --(Interjection)--No. No, Mr. Speaker, I intend to finish. --(Interjection)-- Well, Mr. Speaker, the honourable member knows there's plenty of time to debate it and I say he can call a news conference tomorrow, he can go out on the parking lot, he can rent a hall. As a matter of fact we may pay for the rental of the hall so he can explain their position. He can even put an ad in the paper.

Now, Mr. Speaker, we'll now deal with Mr. Ben Thompson's affidavit, a very interesting one.

A MEMBER: Gentle Ben.

MR. SPIVAK: Yes, Gentle Ben. First of all I find it very interesting, Mr. Speaker, in paragraph 4 of Mr. Thompson's affidavit that he swears to Mr. Allison's salary, and again the indication being that if he was going to swear to certain things should he not be swearing to particular facts, the question that he's aware - and he may have been aware of Mr. Allison's salary, I'm not quarrelling the fact, but --(Interjection)-- he's a board member of the Fund. But wouldn't it have been better, wouldn't the best evidence have been, not Mr. Thompson's affidavit, but Mr. Jones or Mr. Parasiuk to make their presentation on these facts. I want to sort of come back to that.

But let's now talk just generally about the question of who hired Mr. Allison, because I think that this is pertinent and I think the question has to be determined --(Interjection)-- Yes, I'm quite aware of the memo that the Honourable Minister of Mines and Natural Resources has given the Member of Winnipeg Centre. I'm going to talk about that in a few seconds and I hope he'll wait. I must tell you, to the Honourable Minister of Consumer Affairs, I did what the Minister of Mines and Natural Resources was not prepared to do. I found out what really was happening. Yes, Mr. Speaker, I want your -- what I did, I spent time trying to see whether someone, now a person who had . . . --(Interjection)--

MR. SPEAKER: Order, please. Order, please. I wonder if the honourable gentleman would cooperate.

MR. SPIVAK: I want the Minister of Consumer Affairs to understand something. The documents that I have are available to the Minister of Mines and Natural Resources, are available to the government, were available to the Communities Economic Development Fund. All they had to do was ask for them.

A MEMBER: And look for them.

MR. SPIVAK: And Mr. Speaker, the difference between myself and the Honourable Minister of Consumer Affairs, you know, whose stupidity is becoming more apparent every day, his stupidity is becoming more apparent every day, is that in effect, you know, there is a responsibility as a member of the Legislature to both do your homework and to understand with some accuracy the representations that were being made. And I want to say, Mr. . . .

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

MR. TURNBULL: I know that the Leader of the Opposition is carrying on politics by slander because he has no, apparently, program to present to the people of Manitoba. He would not yield to a question from the House Leader and so I wanted to ask him a question of where he got his documents, Sir, and I'm on a matter of privilege. All he had to say, you know, across the floor to me or to you, Sir, was that he got the documents from the Communities Economic Development Fund. He did not have to get into the kinds of labelling that he is so . . .

MR. SPIVAK: Mr. Speaker, are you . . . ?

MR. SPEAKER: Order, please. The Honourable Leader of the Opposition. The Honourable Member for Morris.

MR. JORGENSON: The member has raised a point of order which of course . . .

MR. SPEAKER: Matter of privilege.

MR. JORGENSON: What the honourable member is doing, of course, we all know is

BUDGET DEBATE

(MR. JORGENSON Cont'd) stupid, but he doesn't have to over-demonstrate it. That is not a point of order.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Well, Mr. Speaker, the Honourable Member for Winnipeg Centre referred to a letter and I want to table that now. Yes, he referred to a letter dated March 2nd, yes, and Mr. Speaker, the Minister of Mines and Natural Resources handed him some documents. So now I want to now deal with the letter of March 2nd because this is an interesting thing, because it goes to sort of the heart of everything we're talking about. The government's contention is that Mr. Allison was really hired by R & M Construction. The government's contention -- the government has said nothing, I admit that. Maybe Mr. McIvor and Mr. Thompson said it; the government didn't say it, but they said it. Because I'll tell you something, Mr. Speaker, the government is not saying anything.

Mr. Speaker, this letter dated March 2nd is to Mr. Kregeris. Mr. Kregeris has already indicated that he did not hire Mr. Allison, he didn't interview him. This is the letter: "At your board of directors meeting on February 15, 1973, it was decided" -- Hm, hm, Mr. Kregeris got an offer he couldn't refuse -- "to replace the incumbent bookkeeper with an employee who had considerable additional talent, such as pricing, purchasing, estimating and general overall knowledge of the business, which will allow you to properly supervise the contracting operations. We are strongly in accord with this approach and as Mr. R.L. Allison will be commencing his duties on Monday, March 5, 1973, we enclose a list of duties which we expect him to perform. A copy of these duties should be handed to Mr. Allison. The purpose, of course, of the Fund's approving the hiring of Mr. Allison is to enable you to concentrate in fields where your expertise can ensure a completion of contracting projects without the hindrance you have been suffering by endeavouring to undertake all the duties outlined in the attached job description."

You know, Mr. Speaker, I heard the Honourable Minister of Mines and Natural Resource said "approving". Yes, who's kidding who about the Fund approving? Mr. Speaker, the Fund hired for the company. Okay, let's admit that. Mr. Allison was hired by the Fund.

"At our forthcoming board meeting on March 19th we are recommending that the management fee . . ." and I can't make that out -- "per month be discontinued." I believe it was \$417.00 per month but for the time being -- "to enable your company to meet the costs of hiring Mr. Allison. And out of this illustration of the Fund's continuing support of your business . . . completed by your willingness to accept the need for Mr. Allison's presence in Wabowden. So that there will be no misunderstanding on either side, we would like you to express your acknowledgment and acceptance of this position by signing and returning the the attached copy of this letter." They wanted Mr. Kregeris to now sign and approve what they had done. Okay? What they had done, not what he did.

Now dealing with the job description, Mr. Speaker, let's now talk about the manager's duties because then it just comes into relationship afterwards. The job description of the manager's duties were: purchasing, stock control jobs and levels, collections, administrative duties except on construction sites, estimating, retail sales, payroll and all bookkeeping of the company, pricing, monthly progress reports, bank dealings except cheque signing, house-keeping. Salary -- and it's that I can't make out -- per month and 12 cents per mile for mileage when using your personal automobile on company business.

Well, Mr. Thompson in his affidavit said about the salary and about the expense, and he puts it in other expense accounts which were put in, Mr. Thompson made this presentation. I can't understand -- and that's a question of judgment of their strategy -- why Mr. Thompson had to swear to this. Why couldn't Mr. Jones have just said this?

Now I want to now deal with paragraph five of Mr. Thompson's affidavit and I think this is one of the most important ones. "I did not meet with Mr. Allison as alleged by him in paragraph 6 of his said Affidavit. Mr. Allison did not advise me that he had found the Company in a highly unsatisfactory state and that the books and records were incomplete, the bank reconciliation impossible to accomplish, or that he would have extreme difficulty in carrying out instructions which had been given to him on his appointment as an employee of R & M Construction. There were no board meetings of R & M Construction Limited convened in Wabowden as alleged by Mr. Allison in paragraph 6 of his Affidavit. There was never any

BUDGET DEBATE

(MR. SPIVAK Cont'd) board meeting of R & M Construction Limited at which Mr. Jones, Trithart, McIvor and I were present, at which Mr. Allison was present or invited to attend, and I have never personally met Mr. Allison although I have spoken to him on the telephone on one occasion."

I want to repeat what Mr. Kregeris says. "In paragraph 5 of Mr. Thompson, Mr. Thompson says he never met Mr. Allison. That is a lie. I was with them both together on many occasions." Well, Mr. Speaker, he's sworn to the fact that he has never personally met him. Mr. Kregeris has said that he met him. Well, you know, it's crucial. Well I'm now, you know, I'm going to make the point that I was not intending to make, because it was a conversation that I have had with the Honourable Minister but I think now I'm going to make it as a result of what he said.

I indicated to him at a social gathering following the presentation that had been made, that I found it, without dealing in the detail of this because I did not have that opportunity at the time, that I found it absolutely astounding that Mr. Thompson would swear that he never met him, because the evidence that I had was that he had. And I pointed that out to the Minister and the Minister said he would be pretty stupid to swear to something like that - or words to that effect. There's no reason why he would do that. That's my opinion of what he said, okay. All right, that's my opinion.

But then something else happened, Mr. Speaker. Later on he said to me, "You know, Alger Hiss said he did not meet Whittaker Chambers, or know Whittaker Chambers. I believe Alger Hiss was innocent but I do believe that he did know or did meet Whittaker Chambers." Now that was his saying. Now I say to the members opposite, why would Mr. Thompson, making a presentation to a board on an issue in which allegations have been serious, have put himself into a position of saying something that I think is untrue. --(Interjection)-- Well, Mr. Speaker, it's very simple at this point as to who's telling the truth. Because I would believe --Oh yes it is, Mr. Speaker, because I would think that the RCMP, in examining this particular statement, would be capable of interviewing a host of people who would be in a position to know that they were present and witnessed Ron Allison and Ben Thompson together, and then when the statement was made that "I never met Mr. Ben Thompson or never met Mr. Allison personally", then that evidence would indicate that someone had not told the truth.

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I rise on a point of privilege because it involves an allegation of criminal conduct on the part of a board of directors' member of the Communities Economic Development Corporation, on the basis that he swore that he never met somebody. Now, Mr. Speaker, the Honourable Leader of the Opposition would indicate that a person making that type of statement, even if it was proved to be incorrect, would be guilty of perjury, and I suggest, Mr. Speaker, that a member of the board of directors is under attack, accused with a criminal offence - or a former member of the board of directors - and I have a duty to stand here and say that the honourable member's position vis-a-vis the law is incorrect. Many people can say that they have met somebody, not met somebody, under oath, believe it, and it is not a perjurious statement.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, we now have an example of the Minister declaring what the law is and I would rather leave that to the judges. But, Mr. Speaker, the question here goes to the whole credibility of his affidavit. If in fact one statement is incorrect and if this statement is correct, what does it do to the rest of the information?

MR. SPEAKER: Order please. Order please. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, you know, if the Honourable Minister would ask Gordon Trithart and ask Don McIvor whether they were present with Mr. Thompson and Mr. Allison, then I think he would be able to confirm very quickly that the statement that Mr. Thompson has presented is not true. It's not true. --(Interjection)-- Let us say that it's not true. You know, it's a very simple thing. Mr. McIvor swore an affidavit, Mr. Trithart wrote a letter. All one has to do is ask them were they present with Mr. Thompson and Mr. Allison, and you know, if that's not true - I mean if it is true and Mr. Thompson's statement is wrong, then I would think that the Minister, instead of jumping up and down like he is like a firecracker, what he would have done would've said, "Well, my God, why would he have sworn to this?"

BUDGET DEBATE

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I'd like to make some . . . I was not jumping up and down like a firecracker. I merely indicated, Mr. Speaker, that the Leader of the Opposition has indicated that if Mr. Thompson's statement is not true, then he is guilty of perjury, and Mr. Thompson being a member of the board of directors of the Communities Economic Development Corporation, I believe it is my responsibility to stand here and say that the honourable statement is not correct.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: The question of perjury, Mr. Speaker, will be decided by the court. I'm now dealing with the question of the accuracy of the statements that were made and the credibility of the position that the government has presented. And Mr. Speaker, I am going to now talk about the credibility of the position that the government has presented, not just the credibility of Mr. Thompson, because in the stage-managed presentation and in the confusion and the complexity in which they made that presentation, they basically had Mr. Jones saying nothing, but they have -- Oh yes. They had Mr. Jones saying nothing, Mr. Parasiuk even saying less, and what they had was they had Mr. McIvor and Mr. Thompson and Mr. Trithart basically dealing with it. And I think, Mr. Speaker, that when we conclude, if the honourable members opposite are not prepared to say that there is really some question now that their test of accuracy has to be applied, then Mr. Speaker, not only will I have lost any feeling that I have of the integrity of the Minister, I will have absolutely lost all my confidence in his legal ability and in his fairness.

Mr. Speaker, in page 6 of the Affidavit - the groans aren't going to make this go away. I want to assure the Honourable Minister they're not going to make it go away. The Honourable Minister is going to be groaning for some time.

MR. ENNS: Nixon is doing a lot of groaning these days too but it doesn't go away, does it?

MR. SPIVAK: Mr. Thompson says in his Affidavit, "Mr. Kregeris . . . was never told by me or by anyone in my presence that he was not to attend any meetings of the Board of his company." Mr. Kregeris has already described one meeting at which Mr. Allison, Mr. Thompson, Mr. McIvor, Mr. Trithart were present, at which he was excluded.

MR. SPEAKER: Order, please.

MR. SPIVAK: "Regarding paragraph 3, there were few actual board meetings but on several occasions directors met without me present. For example: Prior to March 2, 1973, McIvor, Trithart, Thompson and Allison met in the company office in Wabowden. I was present in the building but excluded from the meeting." Well, Mr. Speaker, . . . --(Interjection)--

MR. SPEAKER: Order, please. Order, please.

MR. SPIVAK: Mr. Speaker, Mr. Kregeris is the one to provide that information for the Honourable Minister. --(Interjection)-- Yes. Well, I have already asked Mr. Kregeris. I've spoken to him and I'm in a position to tell you what Mr. Kregeris will say, because he said to me --(Interjection)-- Well he doesn't say in the letter but . . .

MR. SPEAKER: Order, please. ORDER. Let me ask for the cooperation of all the members of this House including the gentleman who has the floor, to address their remarks to the Chair and not to address personal remarks, and possibly we'll be able to proceed according to the procedures that are called for in this august Chamber. The Honourable Leader of the Opposition.

MR. SPIVAK: Well, Mr. Speaker, you know, we've got a great deal more to cover and the problem I have is that the Honourable Minister of Mines and Natural Resources has taken this sort of position, as the government is, that the adversary position is here but they have to fight everything so they have to be in a position to disprove everything, and when something happens that may be embarrassing to them they've got to squirm, they've got to belch, they've got to do everything.

Mr. Speaker, I want to tell you something at this point and I do this because I think it's important that the members opposite understand. The problem right from the very beginning on this is that the government was not prepared to investigate itself. The difficulty right from the very beginning on this and in the fishing co-operatives was the fact that when there was a question of mismanagement or incompetence they immediately closed ranks and began to

BUDGET DEBATE

(MR. SPIVAK Cont'd) present a front which would say "we are so righteous that nothing could be wrong." The result of this is they have put themselves in a trap, they have put themselves in a position where now they are going to properly, or try to make proper statements that were sworn that are incorrect, they are going to try and, you know, squirm around the different situations; they are going to try and apply technical legal language with respect to certain matters to try and indicate yes, that the affidavits were correct. But they knew, Mr. Speaker, very well that at the time that the presentation was made to the Communities Economic Development Fund that the management of that committee, the way in which it was presented, that the over-all presentation was done to create an impression that they somehow or other were answering correctly and properly the matters at hand, when in effect what they were doing was confusing and clouding it deliberately so that the truth would not come out.

MR. SPEAKER: The hour being 12:30, I am now leaving the Chair to return at 2:30.