

THE LEGISLATIVE ASSEMBLY OF MANTOBA  
8:00 o'clock, Monday, March 24, 1975

SUPPLY - ATTORNEY-GENERAL

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, I would like to . . . two large areas to deal with, and in each case it probably will take approximately 30 minutes, I'm not quite sure, I look to you for direction - 30 minutes to deal with the Leader of the Opposition's comments and questions, and also I require about 30 minutes to respond to the questions that have been raised in respect to the Liquor Control Commission. I don't know whether I can ask in advance now of the House for permission to carry right on through beyond the 30 minutes.

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

MR. GRAHAM: Mr. Chairman, I believe all it takes is a member from this side to stand up for about two minutes and he can go for another 30 minutes.

MR. CHAIRMAN: That is correct. The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, first I'll deal with the liquor matters.

Mr. Chairman, questions were raised in respect to the standards that are utilized in respect to requirements for restaurants in rural areas. It was suggested by some honourable members that those requirements and standards were in fact prohibitive and made it very difficult for rural restaurants or hotels to comply. Mr. Chairman, I'm informed that the general requirements are universal across the province, both in the city and in the rural areas, but that in the main the requirements deal with safety and health hazard requirements, and certain basic precautions are exercised in that health and fire protection are important regardless of the geographic area. And that in many instances, described by honourable members, it's possible that if one related to a particular situation, one would find that the reference was in respect to health and fire and safety requirements in the area in question.

The Liquor Control Commission advises that the only objections on record over the past number of months having to do with applications for licensed restaurants are two in number: one of which is an objection to certain requirements of the Fire Marshal's office; and the second objection pertained to the seating requirements of 12 square feet per seat which is universally applied across the province. And it should be noted that the space requirements in beverage rooms, for example, is 13 square feet.

Another area which is exercised, flexibility by the Commission, is in respect to licensed dining premises in rural areas are that in many cases where the Commission has approved reduced hours of business where it is felt lack of patronage warrants such approval, and despite the fact that the Commission from time to time receives criticism from travellers who may arrive at a small town or village at a time of day when the restaurant is not open for business but when incidentally the beverage rooms are open. I might also mention that record will bear out that during the past five years, there has been a greater issuance of licenses insofar as rural areas are concerned than in the period leading up to the last five years. So I think that it cannot very well be said that the present requirements are so restrictive that there has been a decrease in respect to the number of licenses issued; in fact the opposite is the record.

Also in respect to questions that were raised in regard to the price of drinks at licensed social functions, criticism was levelled that those prices are not sufficient in order to warrant a profit insofar as the conducting of those social events are concerned. As honourable members know, the price was increased recently from 40 to 45 cents per drink, and the Commission is presently considering increasing the price from 45 to 50 cents per drink. I want to hasten though to advise members of two things: one is that most of the complaints that we've received in respect to the 45 cent charge has been mainly due to the inconvenience that it's found in having to find change and make change arrangements at the door of such events.

Secondly, I want to also emphasize that it's contrary to the regulations and the provisions of the Liquor Control Act that social events of this nature be conducted for purposes of making profit, of being conducted to pay the costs of social functions within the community or area.

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

MR. GRAHAM: Mr. Chairman, I wonder if the Minister would entertain a question at this time? Can he indicate where in the regulations or in the Act that is spelled out that they cannot make a profit out of this.

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MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: I would have to get that information for the honourable member.

The Member for Swan River was . . .

MR. JAMES H. BILTON (Swan River): I wonder if the Minister is talking about beer gardens in his comments at the moment.

MR. PAWLEY: No, the reference is in respect to social functions that are held. I would also remind the honourable members that in respect to this very issue, the Bracken Commission was very very pointed insofar as its recommendation that liquor should be an accessory and should not be the main stimulus towards the holding of such functions.

Another member of the House suggested that new licenses and licensees wishing to sell their premises are not given enough time to complete requirements prior to the Licensing Board hearing dealing with such transactions. The Commission advises that this is a continuing problem that the Commission has to come to grips with, and that applications are received by the Commission either on the deadline date often, or one or two days prior to the deadline date, for applications to be heard at the next licensing board meeting, and therefore the Commission has sometimes only five weeks for the Chief Inspector's Department and the Licensing Department to finalize all the information pertinent to the application, including an inspection in respect to requirements, all of which must be finalized tight and mailed out to the applicants as early as possible prior to the Licensing Board hearing. There are very few cases, I should mention to honourable members, where the Commission receives more than four weeks notice from an applicant, in which cases there is plenty of time for all concerned, if that four-week notice is in fact provided.

There was also mention made of the advertising program, and I was surprised to hear some criticism from honourable members in respect to the advertising program of the Commission because I was under the impression that it has been received well. One member made reference to the fact that the program was causing snickers which surprised me, particularly in light of the statement that has been made by Deputy Commissioner Paquette of the RCMP and . . . --(Interjection)--

MR. CHAIRMAN: Honourable Member for Roblin.

MR. MCKENZIE: Can I ask the Honourable Minister one question, whereby the advertising is saying if you drink one glass at a time and the total sales are \$121 million, how you can justify that it's been, you know, reduced, the consumption has been reduced.

MR. PAWLEY: Well I don't think, Mr. Chairman, I was trying to suggest anything to do with reducing or reduction. But I was certainly indicating that the report that we received from the RCMP is that particularly during the Christmas and New Year's period, the RCMP have verified and have indicated, Deputy Commission Paquette himself, that the advertising has been a very worthwhile impact on the people in this province as the number of subjects apprehended for impaired driving was well below what it usually expected to be for that time of the year. So that insofar as - and I might also mention that the response that certainly my office has received, and I understand the Commission too, to the advertising program has been positive and has been complimentary as to the worth of that program. And I'm not suggesting for a moment that the program could not be improved. I'm sure it could be.

Reference was made by the Member for Souris-Killarney in respect to the issuance of banquet permits in municipalities that were dry. The Commission has checked this out. They have only been able to find, and I think that possibly this is the reason for that occurrence, an incident involving the Village of Carroll, I believe, which is on the border, practically on the border of a dry and a wet municipality, and this is the only situation that we're aware of where that type of occurrence has taken place. The Commission has indicated to me that when permit applications are forthcoming that they check the map to ascertain which municipalities are dry, which are wet, and that permits are issued only after a reference to the map as to the designation of the municipalities as to their position vis-a-vis local option. But I think that the honourable member's reference would be to Carroll where apparently that mistake has been made at times in the past, and we'll do everything possible to check that out further.

Mention was made by the Honourable Member for Riel in respect to the Commission forcing employees into early retirement. Now we have checked closely in this connection, and I've received a report from the Commission that - and we certainly don't want to be placed in a position, neither does, I'm sure, the Member for Riel, bandying names in the Assembly -

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(MR. PAWLEY cont'd) . . . . but we find that there are only two persons to the knowledge of the Commission that reference should be made to, that are retiring at the end of the current month, which is the end of the current fiscal year at the Manitoba Liquor Control Commission. One retirement was based on the fact that the employee had reached 65 years of age, while the other employee is taking early retirement, at least partially, if not mainly, because of health reasons and advice from his doctor. Now if the Honourable Member for Riel has further information of a more personal nature, I would certainly be prepared to examine that further, but from the information I've received here, it would only narrow it down to this one particular case of a premature retirement which is taking place because of advice from a medical doctor.

A second point that was raised by the Honourable Member for Souris-Killarney, that I referred to earlier, was lamentation at the fact that a eight-horse team and wagon owned by a brewery would not appear at the Brandon Winter Fair because of a proliferation of brewery brand names on the wagon in use, and on each of the 30 beer kegs carried on the wagon. This particular brewery, I understand, brought the team and the wagon into Manitoba last year despite the knowledge apparently on their part, that the regulations indicate that a brewery cannot advertise a brand in such a manner. The brewery went ahead, and in this case apparently violated the sections of the regulations despite its knowledge of the regulations. And I want to also emphasize this is not a new regulation, but has been a regulation that's been in effect for many years in Manitoba.

Reference was also made by the Member for Sturgeon Creek, and I believe also by another honourable member of the House, who offered some general criticism concerning the general public relations activities of breweries in community events. The Liquor Control Act and the regulations do not prohibit presentation of trophies by companies in the liquor industry, nor are breweries prohibited from exercising normal public relations in such events. What, however, the Commission has ceased to tolerate is any interference insofar as choice is concerned by people attending functions. One example that was before this House a couple of years ago, had to do with a provincial event which only beer from one particular brewery was available to the public attending. And I want to make reference here that my reference is to the Morris Stampede in that respect, one particular brand, that those attending the Stampede couldn't obtain other types of brands.

The Honourable Member for Morris this afternoon talked about freedom of choice. Well, in that particular instance there wasn't too much freedom of choice, because there was only one particular brand that could be obtained, from the information that I have, at the Morris Stampede, but one particular brand four years ago.

Questions were raised also in respect to delisting of certain low priced high alcohol fortified wines effective last June 17, 1974. This delisting was included with the Manitoba Control Commission implementation of a new wine pricing policy based on alcohol content, with a per ounce of alcohol unit cost based on the price of beer, which has the lowest alcohol content of alcoholic beverages sold by the Commission. For example, prior to the implementation of the new pricing formula, one could obtain the following amounts of absolute alcohol for one dollar: 1.8 ounces in hard liquor; 2.6 ounces in beer; 1.5 ounces in table wines; and 3.8 ounces in domestic fortified wines, that is the wines were delisted. The new pricing formula based on alcoholic content priced the banned fortified wines which carried 17 to 20 percent alcohol by volume at a \$1.85 per large bottle. It was the considered judgment of the Commission that the quality of many of these products did not justify the retail price, hence the delisting of approximately 33 products.

Reference was made this afternoon by the Honourable Member from Morris to the provisions in respect to the suspension of licenses by licensees. I would like to point out to the Honourable Member for Morris, if he would relate to this Act and Regulations that there is notice or form that very clearly prescribes the notice to those that are requested to appear before the Commission to deal with alleged offences. I would like to say, too, to the Honourable Member for Morris --(Interjection)-- Due to eyesight, I'm not sure whether that's the Honourable Member from Morris rising or not.

MR. CHAIRMAN: If the honourable is not in his correct seat, I am not recognizing him. The Honourable Attorney-General.

MR. ENNS: Mr. Chairman, as I get to my own seat, my matter of privilege evaporates, because the Honourable Attorney-General kept casting a very stern eye over to me as I was

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(MR. ENNS cont'd) . . . . occupying the seat of the Member from Morris, and I became worried. So . . .

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: The inspector, a Liquor Control inspector is required at the request of the licensee that is charged to appear at the Board hearing, contrary to what the Member from Morris indicated this afternoon, at the request of a licensee, he can be required to appear before the Commission. Also, the licensee can be represented by legal counsel. And also I would like to mention that there is a two-week period for appeal, so that suggestions that were made this afternoon that there was a flagrant abuse in this respect just are not true. There are hearings, there is the opportunity for cross examining, there is the opportunity to present legal counsel and also a period of time for appeal.

MR. GRAHAM: Will the Attorney-General entertain a question at this time? Does the appeal appear before the very same board that gave him the suspension in the first place? Is there no independent Appeal Board?

MR. PAWLEY: Well like all administrative tribunals and bodies, that if it's an appeal insofar as statutes are concerned, then it would be before that particular tribunal; if it's one insofar as law is concerned, then it would be an appeal to a court, if it involved a question of law.

Reference was made by the honourable member to the fact that all these licensees had been cancelled, and suggested that one slip should not warrant immediate suspension. I would mention to the honourable member that I'm advised that the number of written cautions and warnings outnumber by four or five to one the number of suspensions that are listed in the book that the Honourable Member for Morris was reading from. So that the Commission does by written caution and warnings certainly advise licensees of the possibility of an infraction.

Reference was made about improper training. All that I would like to mention here is that Herb Singleton, the Chief Inspector for the Province of Manitoba is a former RCMP sergeant, and certainly is not an untrained person, and is responsible for the Inspection Branch. I think that we can safely assume that the training of inspectors is in fact in very good hands with this gentleman with his background of experience as a sergeant in the RCMP.

The implication - I was quite concerned about it at the time - that our liquor inspectors sometimes lay charges or complaints after reaching a state of intoxication, is of course emphatically denied. I can only say that I think that it must be based upon mischievous information, and if it's suggested that this has ever happened anywhere in Manitoba, certainly I think that the particulars of that complaint should be forwarded to us so that we can deal with it. Otherwise I think it's only a mischievous complaint, and unfortunately I think it casts a blemish upon many very fine men in the Inspection Branch of the Commission.

The types of infractions: I should just relate to some of the obvious infractions that licenses are cancelled for. Naturally at the top of the list is sale to juveniles, under age, a very dim view must be taken at this offence; also of course the allowing of intoxicated individuals upon the premises of a licensee, another very serious offence.

I would like to also mention in respect to the liquor store on Main Street, that there has been no problem, despite suggestions to the contrary, that in fact the experience of the past year from the point of view of complaints or experience as far as the Commission is concerned, has not borne out some of the very dire predictions that were cast for this store, and that there has been no significant problem in relationship to the store on Main and Market. I would like to say to honourable members that insofar as this store is concerned that I think that it's only fair and right that people wherever they live, whether it be in the central core area of the City of Winnipeg, which the Honourable Member at Winnipeg Centre represents, that they should have the services and access to services in the same way that those other parts of the City of Winnipeg are entitled to services. So I say to honourable members that wish to make an issue of the Main Street store, experience has not borne them out and it has provided a service to inhabitants in that area and to date there has been very little basis for criticism in that connection.

I think that's all the particular points I would like to raise under that heading.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I rise to be very critical of the Attorney-General tonight and hope that he will express more caution than he's expressed in his remarks to the House tonight.

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(MR. McKENZIE cont'd)

First of all let me remind the Honourable Minister that he's in an industry now that's selling booze to the tune of \$121 million, and he's got a monopoly, and he better watch that with caution. And he'd better watch it with more regulations than he's giving me in the debate tonight. Let me express my next concern. I know basically where the Attorney-General - I look at the revenue that he's drawing from the sale of liquor in this province; it's to the tune of some \$42, almost \$43 million bucks. And I well recall the days that I arrived at this Legislature, and see this industry grow today where it is, where he has a monopoly and then he's going to stand up and give us those kind of answers to the questions that are raised legitimately in this House. I think he'd better go back to his friend, the Chairman of the Board and the Board and do more soul-searching about a monopoly of liquor sales in this province to the tune of \$121 million bucks.

I would even go further, Mr. Chairman, and ask - the last time that a study was done on this industry was the Bracken days. How long ago was that? --(Interjection)-- That's right. And I will recommend to the Attorney-General tonight and to the government that we'd better get another study and another review of this industry and where you're going with this monopoly, and with all these millions of dollars of sales of liquor. And you're going to stand up and say we haven't got a problem in this province? Mr. Speaker, I think it's the most regressive statement I've ever heard from an Attorney-General in my years in this House, who is standing up to try and justify the 42 million bucks he's got in his hip pocket. He's not going to do nothing about it. You know, he's defending the Chairman of the Board, he's defending the industry and he's defending the regulations that he's got under the Act. And I think that we'd better take another look and another research. And I'll give you my reasons before I speak real quick. Let me talk about the advertising thing.

Under this advertising program that we're seeing today in this province, compliments of the Manitoba Liquor Commission, they're trying to say instead of having two glasses on the table or three or four . . .

A MEMBER: . . . or five or more.

MR. McKENZIE: Yeah, that's a bad thing. But in the meantime what happens? Sales grow to 121 million. Now is that the right kind of advertising, in my books, to show that the Chairman of the Board and the Liquor Commission has some idea of what kind of advertising program that makes sense? My gosh, out in my country they laugh at that kind of advertising. I don't know where the Chairman of the Board got it, who talked him into it, but that entices people to drink more than they drank before. Why did he hire that advertising, what did it cost and where are we going with that kind of a program?

The Honourable Minister the Attorney-General stood up and said, "It's cut, it's down." I can't see it in this statement that I got in my hand here tonight, Mr. Chairman. I can't see that that type of advertising and that kind of thrust by this Attorney-General and this government who have a monopoly just like in Autopac, that you've solved any problems at all. I suspect when I get finished I'm going to prove that you create a lot more than you had to the Bracken days. And I'm going to ask again tonight for an enquiry, whether it's by the members of this Legislature or from an outside group, to take another look at where we're going with the Manitoba Liquor Commission. I think it's timely and I think it's due because of the social reasons which I will raise in my remarks later on, that I think it's time the Attorney-General would honestly believe that we can't solve all these problems; and unfortunately it's in the Attorney-General's office, because it's a big thing, it's 121 million bucks.

Mr. Speaker, my reasons are manifold and I don't have to hopefully reflect some of the comments that were made by the other members of the opposition. But let me ask the Honourable Minister some simple questions. And it's an old thing. The Cabinet today - the Cabinet not the Liquor Commission - the Cabinet have the jurisdiction over who gets a liquor licence in the LGD's, and I happen to represent some people that live in the local government district. Now maybe that was sensible in the days of the Bracken Report, but that's not sensible today. I think this is my fourth time that I'm on my feet trying to justify why this family in Pine River don't get a - all they want is wine and beer to sell with their food and they're denied. But I found out now, because it's in the Cabinet rule. So therefore it's a political judgment. I have no other way, I've searched this thing inside and out for four years - four years I've searched and I find out now that - and they were just here recently again, had to shell out their bucks to

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(MR. McKENZIE cont'd) . . . . apply once again and I'm told now that the decision is in the Cabinet. So therefore, the Liquor Commission have not - Mr. Syms and his board do not have jurisdiction over the Commission nor all the sales. Part of it is the responsibility of the Cabinet. So therefore the Cabinet can make decisions wherever they want and whenever they like in those communities that live in the local government districts. And, Mr. Chairman, that may have been good 30 years ago, but I don't accept that as being good today. I think that that's got to be reviewed as well as these other concepts that I'm talking about.

I think if the decision has to be made for my friend in Pine River, who's been here I think the fourth time now, that should not be a Cabinet decision because then it becomes political. It's got to be political. Why has that lady who has lived up to all the regulations of the Liquor Act - they've come in here and told her where to put the stove, what kind of a stove, what kind of a floor, what kind of tile, what kind of washrooms, what kind of everything, and she's denied a licence, three times. Now I think that deserves review.

Mr. Speaker, let's go on and pursue the breathalizer thing. If you come from a larger urban centre it don't become so obvious about common law and human rights. And I'll give you examples, I've got several of them, where one police car will sit in front of the hotel. They know everybody that's in there. They know the licence numbers of all the cars. They know everybody, Tom, Dick and Harry. And when that man leaves from that hotel the other police car - they're already out there, they know where he lives and they catch him just going in his gate, just by a simple little radio call from one car to another. And the poor guy's caught, there he is in the horns of a dilemma, between a communication system that he hasn't got, a breathalizer that he hasn't taken, and you in the industry you can't have it both ways. That citizen is drinking the liquor that's provided by the Liquor Commission of this province. And why have you the right to deny him because he had one glass or - I'm telling you about the - it said "take one" because he said "I saw the ad and it's so good I must take two." So he gets nailed going home. You know, isn't that a stupid law? Where the Minister, the Liquor Commission, they got a monopoly. They have the monopoly, and this little citizen who's enticed by the advertising program which the Liquor Commission is sending out and says "Only drink one," he says, "Gosh, if it's that good I'm going to drink two." So he drinks two, or three, and he's nailed on the way home.

Now, just look at the rights that the Liquor Commission and the industry have got in this province; for that citizen - and the government can't have it both ways, I don't know how we're going to solve this dilemma; that's one of the other reasons why I want an enquiry and a study to be done. Because you do not have the rights under the laws of this province to sell that man that product and then nail him because he drank it. You can't have it both ways. Well, Mr. Chairman, the Honourable Minister of Health nods his head and agrees.

Mr. Chairman, if a government has a monopoly, then I say only one law should apply, and that's the common law principle where you're innocent until they prove you guilty. Now if there was another type of industry, but under this where the government has a monopoly, - and we'll get into this in Autopac later on - then I say the state does not have the right on both sides of the fence. I say the state only has the right to apply the common law principle, and only the common law principle. This is something that we need, as I said earlier in my remarks, to have another review and another study of the industry and where we're going. Because --(Interjection)-- well, I see honest-to-gosh darned good citizens nailed and they lose all their driving privileges and all this harangue --(Interjection)-- for what? For drinking the government's booze, who is taking tax dollars out of his hip pocket like it's going out of style? Now that deserves a review and I don't know whether we can come up with the answers or not. But I say we owe it to the taxpayers and the citizens of this province for a review of that law and see if we can't come up with a principle that's better.

Mr. Chairman, let's talk about the other problem of the industry, and that's the drug - the serious part, maybe we shouldn't deal with it tonight under the Minister's salary, maybe we could deal with it later under the Minister of Health's Estimates or --(Interjection)-- Well, I don't know where, but I think it should be drawn to the attention of the House tonight. Where the average man on the street today remains in my opinion far too complacent, far too - how could you say it - far too removed from another disease that comes from the effects of 121 million bucks of liquor sales. I'm sure the Honourable Attorney-General's heard them talking - I said if they're old enough to join the Army they can drink. We went through all that

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(MR. McKENZIE cont'd) . . . . harangue about the age of majority and that. That may be a fair statement, Mr. Chairman. But what we're faced with now is a brand new problem. Since the age of majority legislation was debated in this House, we debated it and we discussed it, there's been a massive shift, a massive shift in drinking styles and beverage marketing philosophy since that day. And I think the record book will speak for itself, I don't have to elaborate it, we all know. And a lot of it's been positive whereby in this city as we stand here tonight I daresay we could have food and wine and beverage that's comparable to most jurisdictions in the world; excellent food, excellent chefs and an environment that's most desirable to most people. I think we have that to be thankful for.

Yet on the other hand, Mr. Chairman, statistics spell out the story that's entirely different and that is most alarming. Mr. Chairman, we can't sweep the thing under the rug. We can't avoid it, it's there. I'm sure the Honourable Attorney-General has read the studies that I have read and he's likely read others. But one I came across recently, that were using very conservative figures, may I say, progressive-conservative figures, revealed that 20 percent of the student population in this province have experimented with marijuana. And that's a fair statement. And the reaction is well known of those days. But on the other hand, Mr. Speaker, that same study that I read revealed that 80 percent of those same students who were experimenting with those drugs were also using 80 percent alcohol. And yet there was no reaction, Mr. Speaker, at all when he was talking about they were using 80 percent alcohol. Even despite the fact that alcohol abuse, Mr. Speaker, is far more serious in this province and across all of Canada than drug abuses, than all the other abuses combined, citizen reaction, government reaction, which we heard the minister stand up here a little while ago and talk about, is very very minimal. And that's what I would hope that the Attorney-General - if you're going to sell 121 million dollars worth of liquor, we've got to look at the side effects of it.

Certainly alcohol may be better known and certainly it's worth mentioning, that it's used wisely in many many homes; in fact maybe 90 percent or 95 percent of the homes, and sensibly used by a vast majority of our citizens. But, Mr. Chairman, I say again tonight in this House, and I hope that the Honourable Attorney-General will listen to what I'm saying, we cannot hide that a lot of the concerns and the social problems that were in evidence today in this province are due to that 121 million dollars of sales that we see in that report.

Homicides, homicides - the study tells me that 80 percent of the homicides, booze is involved, alcohol is involved. Let's move on. Alcohol is involved in 31 percent of the admissions in our hospitals in this province today. Well, let's move on. 40 percent of the family court appearances in this province are due to alcohol. Auto accidents, the problems you have with Autopac, you designers of this great philosophy of, you know, cheap automobile insurance. No-fault principle, you know, all these tremendous savings you promised to the people of this province. Yeah, you forgot about one factor. You forgot about inflation. You forgot about the alcohol influence when you changed the age of majority because booze is involved with car accidents which the Attorney-General - I don't have to tell him nor the Minister of Autopac.

Let's talk about delinquency. Let's talk about the violation of all our laws and find out what part of that 121 million dollars created all those problems with our laws, Mr. Chairman. Mr. Chairman, I submit tonight, and I haven't said that word in the House because I've been criticized by my colleagues for maybe four years, but I am submitting tonight, humbly submitting that all those things that I'm speaking about to the Honourable Attorney-General tonight add up to tremendous costs, but I doubt if he has an estimate in his office at all about what that's costing the people of this province for that 121 million bucks of liquor sales.

So I say, Mr. Chairman, I again, before I sit down, ask the Attorney-General for a complete review of the whole liquor industry. I ask for another complete review of the monopoly, if you need that kind of a monopoly. I ask for another review of the whole concept of where we're going. A lot of people tell me that we're on a disaster course and I'm scared we are unless we have another review of the subject matter.

MR. PAWLEY: Mr. Speaker, in brief answer to the Honourable Member for Roblin, I understand that the licence to the lady at Pine River was issued some weeks ago.

MR. CHAIRMAN: Order please.

MR. McKENZIE: They didn't know it on Friday, they say they had no knowledge of it. I phoned the Commission.

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MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, I would like to deal with the remarks by the Leader of the Opposition. I'd like to deal with some of the specific questions that were raised of me.

In respect to the injury into the Manitoba Metis Federation I want to refer the Leader of the Opposition to my answers that were given in Hansard April 16, 1974, Page 2462, in respect to the reports that were received in connection with the Co-ops, and also at the same time the report included recommendations in respect to the Wabowden Company but not the Schmidt Cartage Company. A report was received from the Deputy Attorney-General on March 27th, and the report was to the effect that on the basis of the material that was submitted at the time, Hansard, Affidavits, other material, it was felt that the most effective way of investigating the allegations was to obtain an auditing of accounts, and at that particular time it was felt premature to call in an investigation by the Royal Canadian Mounted Police. I would mention in respect to time frame that on March 27th, the only matters that had been specifically referred for investigation by the Attorney-General's Department were the Northern Co-ops; the Wabowden Companies were not at that time but the report that I made reference to did include an observation of the material that had been submitted up to that date in respect to R & M and J. M. K. and all the other alphabetical companies that we made reference to, March 27th of 1974.

Also, I would like to simply again indicate in respect to comments that were made by the Leader of the Opposition this afternoon that the reason for the launching of the R. C. M. P. investigation, and let me say, so that there is no doubt in the Leader of the Opposition's mind, that investigation, and let me say, so that there is no doubt in the Leader of the Opposition's mind, that investigation was launched at the request of the Department of the Attorney-General, and was launched on the basis of two points: One is the very serious allegations that had been raised in respect to some reporter, or reporters, suggesting that there had been a suppression of material and secondly - I have confirmed this, direct, and this doesn't remove from the substance, but direct information received by our Director of Prosecutions of further new evidence, or information, on or about the first or second day of October 1974.

Now, Mr. Chairman, I would like to relate to the events of the investigation very briefly; the documents and materials were submitted, those documents and materials that I received were referred to the Director of Prosecutions for his inquiry as to whether an RCMP investigation should be launched.

On May 23rd, 1974 - I would like to read again to the House a letter which was forwarded by the Director of Prosecutions to Mr. Champlone, who was the Complainant. "I understand that you and some of your colleagues recently attended the office of the Honourable Edward Schreyer, Premier of Manitoba. I understand further that at the time Manitoba's Attorney-General for Manitoba, Honourable Howard Pawley was in attendance. The documents which were submitted to the Premier at this time have now been handed to the writer for his consideration. Among them I find a sheaf of yellow paper outlining specific questions flowing from CKY enquiries. It is noted that they were transmitted in this form only to place them in the hands of the Premier and the Attorney-General as rapidly as possible. I note also that a letter was to follow reiterating the points raised therein. I reviewed all of the documents presented and quite frankly, am in a dilemma, in that it is difficult to envision from the documents alone the areas of concern.

"Basically I am interested in the specific allegations of impropriety or specific allegations of criminal conduct. From reading of the documents themselves, as I stated, I am perplexed. Possibly the anticipated letter will define the issues and state categorically the allegations of impropriety or criminal conduct. It is only on this basis that I, as a Crown Attorney can assess the material in an attempt to determine whether a police investigation is warranted."

A very reasonable letter which was forwarded requesting for a written letter outlining the specific allegations in regard to criminal conduct, I have to advise the House that no letter specifying the particular areas of concern was ever submitted to the Director of Prosecution. There was a meeting which did involve, later on in a verbal way, one of the members of the staff of the Director of Prosecutions and a Mr. Allison, I believe, being in attendance. And then as I mentioned the other night the recommendation which was forthcoming on August 12, 1974 and the events after that date.

I would like, however, to deal - and Mr. Chairman, I think that the comments this



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(MR. PAWLEY cont'd) . . . afternoon in respect to my colleague, the Honourable Minister of Mines and Natural Resources, that he'll be very well able to deal with himself. But I want to say this, that insofar as the handling of this matter is concerned within Department of the Attorney-General, and that it has been in every instance handled honestly and in good faith, that all documents and materials submitted to myself at any time, at any time, were referred to the director of Prosecutions and/or the Deputy Attorney-General for their consideration. And that at no time, again I repeat, at no time were there any recommendations, or proposals, or suggestions that were made by any member of my staff, altered, or substituted, or delayed upon presentation to myself insofar as the carrying out of those recommendations were concerned.

And I want to emphasize this because I think that comes to the crux of the matter. Suggestions have been made or implications have been raised that in some way or other I have used my office in order to prevent an investigation in respect to this matter. That is I gather the crux of the matter, that I've used my office to prevent an investigation of this matter. And the crux is that all materials and documents, etc., that have been received have been referred for consideration and recommendations, and when recommendations were submitted, that certainly at no time did I attempt to interfere with those recommendations, or to suggest the substitution of other recommendations at any time.

Let me say that in my view the staff have throughout this matter handled this in good faith and with honesty of intent and if any mistakes were made, they were made from error in judgment. And error in judgment, Mr. Chairman, as we know, happens every day, and I don't suggest for a moment it doesn't happen in our particular department. It happens every day. That's why we lose cases in our Magistrates' Court every day, because of error in judgment. So that if the Honourable Member is suggesting error in judgment, that is one thing, that is a legitimate criticism. But if the Leader of the Opposition is suggesting that there was any effort to pervert the course of justice, then I say to the Leader of the Opposition it is patently untrue.

Now, a lot of things have occurred in respect to this matter, and I think we've always persistently throughout felt that the proper area for this entire matter to be dealt with, so that there is no perversion of the course of justice, is by the professional people within the department directing and studying the materials that are submitted in order to advise as to whether or not any proceedings, any actions should be undertaken. There is no other way to deal with this matter.

I was interested, and I would like to raise a few other matters in respect to the role of the Leader of the Opposition in this entire matter. The Leader of the Opposition questioned in the House on March 17, 1975 - and I want to go through the entire chronological order of certain activities which have taken place, and which may or may not have involved the Leader of the Opposition. On May 17, 1974, the Leader of the Opposition asked a question of my colleague the Minister of Mines and Natural Resources. "Mr. Speaker, I wonder if the Minister can confirm that the loan that he just referred to was considered and approved by Cabinet." Mr. Green: "I also indicated, Mr. Speaker, last year that this particular loan was \$75,000 and did not require Cabinet approval, and that it came to me only as a result of a question that was raised in the House." Later, the Premier also responded to that question and pointed out that the matter was not brought to Cabinet for its approval.

On March 18th the Leader of the Opposition asked a question of myself, and the question was as follows: "Mr. Speaker, I am repeating a question that the Attorney-General may not have heard before, and I put it to him again. Has he, as Attorney-General, spoken, spoken or interviewed any witnesses in connection with the RCMP report on Schmidt cartage? I underline the word spoken or interviewed any witnesses in connection with the RCMP report on Schmidt Cartage." I answered that question as honestly as I could in the House, Mr. Chairman, The answer was, "No."

On March 19th another question was asked by the Leader of the Opposition of the Minister of Mines and Natural Resources, if he was aware of a Mr. Hanly? I understand the Minister of Mines and Natural Resources advised in the House. "Yes he was, that he was a former Assistant Manager of the Community Economic Development Fund. The Leader of the Opposition asked: "What were the circumstances that gave rise to the leaving from the Community Economic Development Fund of Mr. Hanly?" I'm not sure whether the Minister of

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(MR. PAWLEY cont'd) . . . Mines and Natural Resources has yet answered.

But the point is that during the past two weeks, and I emphasize again the Leader of the Opposition has seen fit to raise whether or not I have interviewed witnesses in respect to an RCMP report; he has raised questions as to whether or not a Cabinet submission re Schmit Cartage was brought to Cabinet; and he has also raised reference to a Mr. Hanly in this House during the question period. Mr. Chairman, last Friday a Mr. McDonald was in Ottawa. Mr. McDonald attended at the offices of Mr. Hanly, and Mr. McDonald asked two questions, from the information that I have received. Now I want to be fair to the Leader of the Opposition. This Mr. McDonald indicated that he was representing the Leader of the Opposition.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, as a point of information, surely there is no difference --(Interjection)-- Yes. I wonder if the Attorney-General would indicate where he obtained his information.

MR. PAWLEY: Gladly, Gladly. I'll be asking certain questions of the Leader of the Opposition. I would expect that in return he would provide me with the answers to some questions. A visit was made to the office of Mr. Hanly who now is a Senior Civil Servant with the Federal Department of Industry and Commerce in Ottawa. Two questions were posed to Mr. Hanly in Ottawa, and I'll read those questions to you, Mr. Chairman.

When was the presentation by Mr. Hanly and Mr. Jones made to Cabinet in respect to Schmidt Cartage?

Second question: Why did the Attorney-General of Manitoba visit Mr. Hanly on the 13th day of March A.D. 1975.

The answer by Mr. Hanly from information that I have in respect to these areas is that again, as the Premier indicated, and as the Minister of Mines and Natural Resources has indicated, the matter was not presented to Cabinet in respect to Schmidt Cartage. Now I want to just before I proceed, say that I was a little taken back that the word of my Premier, and the word of the Minister of Mines and Natural Resources, appeared to be questioned in this way in Ottawa last Friday. Because again the question was not: "Was the Schmidt Cartage matter presented to Cabinet?" but the question was "When did Mr. Hanly and Mr. Jones present the Schmidt Cartage matter to Cabinet?" When, was the matter submitted to Cabinet? After, as I say, the answers that were given by my Premier and the Minister of Mines and Natural Resources.

MR. SPIVAK: Mr. Chairman, on a point of privilege at this point. The accusations . . .

MR. CHAIRMAN: Point of privilege raised by the Honourable Leader of the Opposition.

MR. SPIVAK: The accusation is levelled really at myself in this respect. May I ask how the Attorney-General, where does the Attorney-General, who was obviously not a party to that conversation, where does he obtain the information of what actually took place at that convention, and how is he relating that? A hearsay to himself, as direct evidence, as evidence of being present.

MR. CHAIRMAN: The Honourable the Attorney-General.

MR. PAWLEY: Mr. Chairman, I suspected that the Leader of the Opposition would ask that question and would suggest it was hearsay. I phoned and spoke to . . .

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

MR. CHAIRMAN: Order please.

MR. SPIVAK: I never suggested it was hearsay.

MR. CHAIRMAN: Honourable Leader of the Opposition state his point of privilege.

MR. SPIVAK: I never suggested it was hearsay, and I don't want to be tagged with that on the part of the Attorney-General. What I am suggesting is that I would like him to indicate how he received that information, and whether it's direct evidence.

MR. PAWLEY: It was direct. I received information that Mr. Hanly has been contacted by a Mr. McDonald. I phoned Mr. Hanly myself, and spoke to Mr. Hanly myself by telephone, and I reviewed in detail the discussions that took place at all times, because there were three meetings that day between Mr. McDonald and Mr. Hanly. I am only now dealing with the first meeting, the first of the three meetings that day. This is the first meeting which took place at 10:00 a.m., or thereabouts, on Friday. Anyway, I want to deal with the contents of the questions that were raised to Mr. Hanly by a Mr. McDonald on Friday.

The second question was: "Why did the Attorney-General of Manitoba visit him on the

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(MR. PAWLEY cont'd) . . . 13th day of this month?" The only answer Mr. Hanly could provide was that he wasn't in Ottawa on the 13th day of March A.D. 1975, but he was in Belleville, Ontario that day.

A little later, the advice that I have received, and this again is direct information, Mr. McDonald returned to Mr. Hanly's office and indicated that his information from his Winnipeg sources was to the effect that the Attorney-General stayed at the Skyline Hotel in Ottawa on March 10th, 11th, 12th, and 13th of March. Now just so that there's no carrying on of misinformation, the Attorney-General did stay at the Skyline Hotel in Ottawa, but stayed there only on the 11th, 12th and 13th of March; he was not there on the day of the 10th.

Furthermore, this Mr. McDonald said that he had received from the hotel a record of a telephone call which the Attorney-General had made from his room in the Skyline Hotel to Mr. Hanly in his office on March 13th, A.D., 1975, and thus by implication suggested that the earlier information he received from Mr. Hanly as to discussion or meeting involving the Attorney-General and Mr. Hanly were incorrect. Mr. Chairman, again Mr. Hanly denied any conversation with the Attorney-General, though he did indicate that he was somewhat flattered, Mr. Chairman, by the thought that the Attorney-General while he was attending a Attorney-Generals' conference in Ottawa would have attempted to look him up in this way. But Mr. Hanly was in Ottawa March 13th.

Mr. Chairman, I must say that I felt just a little uneasy at the thought that one's privacy could be invaded in this way, the reference to one's telephone calls having been obtained from the hotel in which one was staying. I contacted the manager of the Skyline Hotel, Mr. Rougeau on Friday, and I again contacted him this morning in order to ensure that there was no misunderstanding on my part. I asked the manager of the hotel if such information had in fact been made available to a Mr. Macdonald, which included a list of telephone calls or calls made on my part during my stay at the Skyline Hotel. The answer was no, it is impossible; local calls are rung directly by the person from his room and there is no record by the hotel of local calls being made. Apparently, this is a change, Mr. Chairman, I understand from the situation a number of years ago when one in a room would advise the switchboard operator of the number you wish to call, the switchboard operator would ring the number and a record would be kept of the telephone number that one would make from one's room. But in this particular case there is no record of local calls.

So that the Leader of the Opposition can only take my word and the word of Mr. Hanly, that there were no discussions involving Mr. Hanly or myself in Ottawa March 13th this year. And let me tell the Leader of the Opposition there were no discussions involving myself and Mr. Hanly at any time this year, and the only recollection that Mr. Hanly has of myself, Mr. Chairman, is apparently about a year ago when he brought some documents or papers to my office in respect to some matter or other; and I don't even recall what Mr. Hanly looks like.

A little later then Mr. McDonald left and returned a third time, I understand from information which I have in my possession. And he thanked Mr. Hanly for his co-operation, he was very courteous, and then asked Mr. Hanly if he could advise him how many times he had been interviewed by the RCMP, and if those interviews had taken place in Winnipeg or in Ottawa. I believe at that point, Mr. Hanly refused to give any information to Mr. McDonald. This morning, Mr. Chairman - and here, I don't know who telephoned Mr. Hanly, and I'm not making any allegations, maybe the Leader of the Opposition can clarify this matter - another telephone call was put through to Mr. Hanly's office. And, you know, the Minister of Mines and Natural Resources is in Ottawa today, and the Premier's in Ottawa, and he tele . . . --(Interjection)-- Well, there was some question about that. A telephone call was put through to Mr. Hanly's office, a female voice, and the question was to the effect, are you meeting with Sidney Green today? Mr. Hanly attempted to obtain identification and apparently was unsuccessful in obtaining identification and that was the end of the call.

Mr. Chairman, all that I say, that this concerns one, because I can say to the Leader of the Opposition that at no time, at no time have I attempted to pervert the course of justice in this matter. Again, I'm not going to continue to repeat this. The honourable member, I hope will take my word as it is. But a number of questions surely arises from these circumstances: (1) Is the word given by the Premier and the Minister of Mines and Natural Resources and myself in this House not worth a dime to the Leader of the Opposition? That the Leader of the Opposition had asked me the question upon my return from Ottawa from the Attorney-General's

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(MR. PAWLEY cont'd) . . . . conference, whether or not I had interviewed witnesses in respect to the RCMP report. At the time I didn't know why he asked the question. My answer was no. And in all good faith I repeat that, Mr. Chairman. Certainly I did not interview Mr. Hanly, and I would have thought that would have been probably good enough for the Leader of the Opposition.

I hope the Leader of the Opposition would indicate to us whether or not there is a Mr. McDonald in his employ, whether or not this Mr. McDonald acted with his authorization, or whether he acted outside of the scope of his authorization, what other activities Mr. McDonald has participated in beyond those which have come to the surface through this particular incident, because I rather suspect, Mr. Chairman, that this is only one incident that has come to light. I can't say, but there may be other incidents, because I would not think that all incidents would come to my attention.

I would also be interested as to what the purpose of this particular escapade was. If the Leader of the Opposition in fact did believe the Premier, the Minister of Mines and Natural Resources and myself, then what possible reason could there be for this trip to Ottawa and the asking of these questions by a man who was, yes, interviewed on two occasions by the RCMP, did give two statements to the RCMP, and if charges are to be laid, which no one knows at this point, would be probably, probably involved in some way or other. Does he have any other information which he has not made available - he need not worry about making it available to myself - that there is distrust there? But he can make it available to the officers in my department, the Deputy Attorney-General, Director of Prosecutions. The doors are always open and I checked today and am advised that at no time has the Leader of the Opposition presented himself to the Deputy Attorney-General, or has he attended at the offices of the Director of Prosecutions, or to my knowledge any other staff member to outline any information that he might have. So I'm assuming that he does not have further information. But if the Leader of the Opposition does have other information that he's not disclosed, then, Mr. Chairman, the only place that the Leader of the Opposition can rest that information is before those that are entrusted with evaluating such information.

I would also like to know on what basis did the Leader of the Opposition, if in fact Mr. McDonald was acting under his authorization, on what basis did he reasonably assume that I had seen Mr. Hanly on March 13th of this year. I would be also interested in knowing on what basis is it indicated to me that certain hotel records were obtained in order to enquire into this matter.

There are a number of items that I would like to emphasize as to my concern in this respect. One, as I mentioned, the word that I thought was given in this House and I'd hoped that would be accepted as word. The second is, I would look forward to the Leader of the Opposition's comments, whether or not deception should be used in order to obtain answers to questions; whether it is right to use an untruth to attempt to lure an answer from someone. And it certainly appeared in the case that we have at hand that that effort was made. And I want to say that I'm wondering just what the purpose of this was. If the Leader of the Opposition had been able to demonstrate that I had spoken to Mr. Hanly on March 13th of this year, if he had been able to come into this House and during my estimate review had said, the Attorney-General has interviewed Mr. Hanly, he spent time with him when he was in Ottawa, what would be the reason for divulging that information? Would the Leader of the Opposition then accuse myself as Attorney-General of attempting to tamper with investigations? Would he have accused me of attempting to change a statement that had already been given to the RCMP? Would he have accused me of attempting to obstruct the course of justice in general? Would those have been the accusations that the Leader of the Opposition would have raised in this House if he had in fact been able to show clearly and with evidence that in fact I had taken time out when I was in Ottawa to speak to this Mr. Hanly?

Mr. Chairman, this matter has needless to say, ever since accusations were levied back last October, concerned a number of people, and I'm the least of those that have been concerned by the accusations because it has splattered innuendos in respect to the professional competence and honesty of a number of people within my department. I suppose that insofar as myself is concerned I can anticipate this being in the political arena, but there are professional people that have been closely intimately involved in this matter right from the very beginning, and it's more difficult for them because they can't speak out, they can't issue public statements. They can't appear in this Legislature and debate the issues raised by the

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(MR. PAWLEY cont'd) . . . . Leader of the Opposition. They have to sit back and listen to accusations and suggestions, Mr. Chairman, that imply that they have been involved in some form of wrongdoing or other. I think that the events of this case have indicated that the best place for this matter to be left is in the hands of those that are entrusted with professional advice, whether it be the RCMP or criminal lawyers in the department of the Attorney-General.

I had a sad experience last October in which threats were made upon my life, that apparently the RCMP felt were of such a sufficiently serious nature that I received RCMP protection. And we're all aware that over the weekend, other events occurred which resulted in charges being laid this morning. All that I would like to say, Mr. Chairman, I don't want to cast aspersions myself, but I would appreciate that this matter could be left to the professional people in the department, they are presently in the process of weighing this matter. Keystone Coppery does not assist their endeavours one bit. Other antics that take place in this Legislature does not facilitate their handling of this matter, and if justice is to be done in the long run, it can only best be achieved if we handle this matter in the usual way, that there are not efforts made to alter the course of the evaluating of this matter, and that we proceed to deal with it in such a way that we ensure that there's no perversion of the methods that are used in order to achieve justice in this case.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I hope that in the time that is allotted to me, I'll be in a position to both answer and respond to the Attorney-General. And may I suggest right at the very beginning that the fact that people talk to people, the fact that people interview people, some of who may very well be a witness in a case or may have even been a witness that the RCMP investigated, that in itself in our democratic tradition is not that serious. And with what one person said to another - well, the question of when one person lies.

Let me talk to the Member for St. Johns who is not in his seat but let me address my remarks. Let me now quote the report of the Attorney-General on October 16th, when it states: "Pawley denies cover-up charge. The Attorney-General repeated that all relevant documents pertaining to the Wabowden controversy have been turned over to the RCMP who are investigating this matter. Mr. Pawley said he couldn't rule out the possibility of criminal charges since the investigation isn't yet completed, but from the information available now he said there were no grounds of criminal charges." That's October 16th. He has already asserted several times that the RCMP investigation came about as a result of new information furnished to his department.

And I want to continue on with what Mr. Pawley said: "As well, Mr. Pawley suggested it was something more than a sheer coincidence that the Wabowden matter should be resurrected at this particular time. I don't like to attribute motives but I think it is an attempt by the Conservatives and CKY to divert attention from the CFI fiasco." That was what the Attorney-General said on October 16th. He has repeated today, he repeated last week, that the main reason that the RCMP were instructed by his department to investigate that matter was that new information had been furnished by the RCMP to the Attorney-General's office, yet he was prepared on October 16th to say that this is a diversion, to divert attention from CFI --(Interjection)-- No. But let's talk of the truthfulness which the Honourable Member from St. Johns doesn't want to talk about. Was the Attorney-General being truthful when he made this statement? --(interjection)-- Oh, he was? He has acknowledged, and I can repeat it, 15 times from last week's Hansard. He said that the main reason that the RCMP were ordered into an investigation was because of new evidence. Did he suggest it here, in his prepared statement that I read already, did he suggest in any way that there was no new evidence? No. He suggested nothing like that. He suggested that the reason was because of the way in which CKY had handled it. That's his reason. --(Interjection)-- Oh. Well, you know, I can go ahead, over and over again. All right now, Mr. Chairman, from the very beginning. Well, I want to say to the Members Opposite that I recognize that Mr. Allison is now where he is, but I think the members opposite must recognize that if they want to use that as a basis for discussion on our part that they are more vulnerable, because mention could be made of someone fairly close to them who is also in the same position of being charged. And I want to suggest to them that it would be time and more appropriate, more appropriate for them to recognize that the same kind of discussion can take place on this side. And if that's the way they want to play . . .

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MR. CHAIRMAN: Order please. I think it's a well known rule of the House that threats are not made in this House. The Honourable Leader of the Opposition please continue.

MR. SPIVAK: Well, from the very beginning, Mr. Chairman, there has been something that has been strange in this whole transaction --(Interjection)-- Yes. And the information that's been furnished by the government --(Interjection)-- yeah, well, what's shameful? You think McDonald is shameful. Then I would tell you what I think is shameful. I would think that the Communities Economic Development Fund clauses which obviously were violated, that that is a more shameful action; and I think as well that the members opposite who are aware that the Communities Development sections were violated and who have not allowed the normal course of justice to take place are themselves committing something that's much more sinful. (Hear Hear)

And I want to, Mr. Chairman, refer to the particular items of the sections of the Communities Economic Development Fund that I'm referring to --(Interjection)--

MR. CHAIRMAN: Order please.

MR. SPIVAK: Section 17 (3) Well I consider that the Attorney-General's reference to Mr. McDonald is an absolute red herring in this matter. Mr. Chairman, how, and in what way does this interfere with the administration of justice? The RCMP have furnished a report after five months with five or six members working on it. I must say to the Attorney-General that I have given to the RCMP all the documentation that I have available to me. And they came and asked me for it, which is much more than the Attorney-General's people. --(Interjection)-- Well, Mr. Chairman, you know, the reference, the constant reference by the Member for St. Johns of that is an interesting sidelight because I think he's very much aware of the particular sections that I'm talking about. And if he isn't let me talk about them.

Section 17 (3). Subject to sub-section (5) no loan or other financial assistance shall be made or given to a company organization, firm or business of which any director of the fund is a director, officer, owner, operator or in which he has a significant beneficial interest through ownership of capital stock or otherwise. Mr. Chairman, 17 (3) applies to the directors of the fund. When we introduced the affidavits with respect to R & M one of the directors was a Mr. Ben Thompson, and at the particular time when we suggested that there be an investigation it was very difficult for us to understand why there was a reluctance on the part of the government to cause such an investigation, because obviously if in fact the references that were given to us were incorrect they would be vindicated immediately. But we were accused of muckraking, we were accused of a number of other things, at the time. Well, I wonder if we really are, and I wonder if the Attorney-General or his law office upstairs can say at this particular time that with the RCMP report that's been furnished that we really have been muckraking. Or I wonder, Mr. Chairman, whether the Attorney-General has to admit now that there should have been an immediate investigation and there wasn't. Because the next clause which the Honourable Member for St. Johns would like to ignore is 11 (8) which says that no loan shall be made or financial assistance be given if the making or giving thereof contravenes any provisions of this Act.

A MEMBER: Read it again for the Member for St. Johns.

MR. SPIVAK: Mr. Chairman, there was an affidavit filed in this House by the then leader of the Liberal Party and referred to in the Communities Economic Development, a Mr. John Webster. And in that affidavit he stated, "I reside in the city of Thompson, Manitoba. In May of '73 I was contacted by Ben Thompson and hired by him as a part-time mechanic and welder for Schmidt Cartage Limited. That I worked for the said Schmidt Cartage on a part-time basis from May '73 to November '73. In November '73 I was requested by Mr. Ben Thompson to terminate my employment with Inco and commence employment with Schmidt Cartage as manager of the company on a full time basis. I was advised by the said Benjamin Thompson, that the then present manager, one Lamirande was to be dismissed. Now, Mr. Chairman, Lamirande was supposed to be the owner. Now, from the very beginning there has been a reluctance.

Now, on Tuesday night, Mr. Chairman . . .

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: It seems to me that the Leader of the Opposition is doing exactly what I hoped that he would not do, and that is to commence to discuss whether or not certain people have done certain things or not that are contrary to law. He's referred to documentation in

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(MR. PAWLEY cont'd) . . . .front of him and suggested that certain people obtained loans when they ought not to have. He's trying to justify on the basis of relating to documents that in fact crimes were committed when we have a matter which is presently being evaluated, and on the other hand investigated by the RCMP insofar as other instances are concerned. And again let me say that this is I think most improper.

MR. CHAIRMAN; The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, the determination of whether anyone has been guilty of a criminal offence was made by the law officers based on the RCMP report, and I understand they have made recommendations for prosecution. Mr. Chairman, that's my understanding . . . --(Interjection)--

MR. PAWLEY: Mr. Chairman, I resent very much that the Leader of the Opposition has indicated in this House a recommendation, which frankly, Mr. Chairman, I have not seen. The report is in the hands of my law officers. To my knowledge there has been no disclosure, indication, anywhere, Mr. Chairman has there been recommendations for prosecution. And I resent very much that the Leader of the Opposition appears to have information which at this time only law officers in my department have information in respect to.

MR. SPIVAK: Mr. Chairman.

MR. CHAIRMAN: Order please.

MR. SPIVAK: Mr. Chairman, the references that I've made, I've made only to indicate one very basic fact. That from the very beginning when there was a prima facie case at least worthy of investigation on the part of the Attorney-General, and this affidavit was filed, Mr. Chairman, on the 3rd day of April 1970 -- well, you'll be in a position to debate this. I listened to your recitation of what people are supposed to have said and I listened to your discussion of how you contacted I believe the Skyline hotel and discussed with them various things, now I would hope that you'd give me the opportunity of presenting my . . .

MR. CHAIRMAN: Point of Privilege. The Honourable Attorney-General.

MR. PAWLEY: The Leader of the Opposition indicated that I had received recommendations for prosecution. There's been no such indication to my knowledge anywhere that I have received recommendation for prosecution - anywhere, Mr. Chairman. And I wonder if the Leader of the Opposition would like to indicate the source of his information or if he would like to withdraw his statement that I received recommendations for prosecution from the RCMP.

MR. CHAIRMAN: I think the point is well taken.

MR. SPIVAK: Mr. Chairman, I said I understand. If it is not correct, Mr. Chairman, if I'm not correct and the Attorney-General . . .

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: I think it's only fair then to continue to ask where does the Leader of the Opposition understand this. I have certainly never at any time in this House led any member of this House to believe that such recommendations were obtained. I know of nowhere outside of this House where the Leader of the Opposition would have been led to understand - I have been assured by the RCMP that the report that has been submitted, has been submitted in strictest confidence to the Department of the Attorney-General.

MR. SPIVAK: Mr. Chairman, I think it's more pertinent to ask the Attorney-General to determine from his law officers whether in fact such a recommendation came forward. And if, Mr. Chairman, that is not the case, then he can so inform the House; but if it is the case, then I think there's an obligation on his part to inform the House.

MR. CHAIRMAN. Order. Order please. I think it was quite clear that the Honourable Leader of the Opposition stated that the Attorney-General had understood.

The Honourable Minister of Labour.

MR. PAULLEY: I finally rise on a point of privilege, and I'm sure honourable members realize that there are personal privileges, there are privileges of the House as well. It's on a point of privilege of all of the members of the House that the Honourable the Leader of the Opposition made a statement to indicate that he had in his possession information pertaining to the report, --(Interjection)-- Mr. Chairman, I wonder if my honourable friend would hear me out.

I'm suggesting, Mr. Chairman, that the Honourable the Leader of the Opposition made a statement to the effect that I "understand" such a thing has happened, and in the rules of this House, I suggest, Mr. Chairman, that constitutes basically a proposition that he has information as a result of that. And I suggest to my honourable friend that he take a look at Hansard

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(MR. PAULLEY cont'd) . . . . when it comes out and I think the position that I am taking at this present time will be substantiated. And then a little bit later on the honourable member did sort of half qualify what he was saying by referring to the point that possibly the Attorney-General has it, which I would suggest may or may not be proper; and if it is so, he should be the only one that has the confidence of his department.

But I suggest, my point of privilege is that by the verbiage used by the Leader of the Opposition it's to cast a smear upon the people in the Attorney-General's Department. Now I suggest, I suggest that because the Honourable the Leader of the Opposition attempted to qualify his original remark by a subsequent one which soft pedalled, that he should recognize the validity of the point of privilege that is now being raised.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I have been in this House enough to know that members on many occasions state I understand something. And I have never known another occasion in which anyone has objected to that particular reference. The members opposite seem to want to put a great deal of emphasis on that, and I would then say, I'm prepared to withdraw it on one condition. And the condition would be, Mr. Chairman, that the Attorney-General inform the House, that's all he has to do, whether there was or was not any recommendations for prosecution, and whatever they are, his law officers will determine. But if there was a reference for prosecution he can acknowledge it; if there wasn't, he also can acknowledge it. Because, Mr. Chairman, I'm one who believes that if there was no acknowledgment of prosecution, he would have been waving that in front of everyone without any hesitation whatsoever.

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, I would hope not for a moment that the Leader of the Opposition would expect that I would at this point, when this matter is being evaluated by one of the officers in my department, as to whether or not he can recommend prosecution, that the Leader of the Opposition would not expect me at this point to indicate what recommendations were forthcoming from the RCMP. But I want to say to the Leader of the Opposition that I cannot in honesty tell him whether or not there were recommendations from the RCMP to prosecute, I do not know. And that's why it struck me as a little strange that the Leader of the Opposition should understand that there were recommendations presented for prosecution.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I accept that the Attorney-General does not know. But I must say, Mr. Chairman, he doesn't have to answer that today, or the next day. I wonder, Mr. Chairman, if he will at least acknowledge this. That the time will come that he's going to be in a position to say yes or no as to whether there were or were not recommendations, and Mr. Chairman, if the information . . .

MR. CHAIRMAN: Order! Order! That is not what the Honourable Leader of the Opposition said in this House. I think the Honourable Leader should reconsider the words that he used. Perhaps the suggestion of the Honourable House Leader is one that is best. That he peruse Hansard when it comes out . . .

MR. SPIVAK: Mr. Chairman, I will phrase it a different way and withdraw that so that there's . . . I'll withdraw it and rephrase it. All right.

It is rumoured that the RCMP recommended, and Mr. Chairman, that rumour, that rumour, Mr. Chairman, was carried by the media, and I will cite the particulars to the Attorney-General if he so desires. All right, Mr. Chairman, so that the record will be straight, it is rumoured, and those rumours have been cited by the media,

MR. CHAIRMAN: Rumours. And the Honourable Leader of the Opposition knows we do not deal in rumours in this House. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, one of the media has suggested that prosecutions will take place, and that the recommendations for prosecution have in fact been given.

MR. PAWLEY: Mr. Chairman, I rise to correct the Leader of the Opposition because I've made careful reference to news releases in respect to this matter because of the concern that any foregone conclusions be arrived at. The reference by the media Saturday after the forwarding of the report by the RCMP to my department, was two or more officials could be charged. That was the reference. I do not know how that reference come about but it certainly was not as the Leader of the Opposition indicates "would be charged."



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MR. CHAIRMAN: Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, if it's necessary, I can refer to the statements or the . . .

MR. CHAIRMAN: The Honourable House Leader.

MR. PAULLEY: Mr. Chairman, if I may . . . I do not wish to prolong it. Do I understand that the Honourable Leader of the Opposition did in fact withdraw the statements that were referred to? I would like it recorded for documentation in Hansard.

MR. CHAIRMAN: I believe that the honourable member did withdraw the remark.

MR. SPIVAK: I withdrew it Mr. Chairman but I wonder whether the Attorney-General is at least going to be in a position to inform the House, not the nature of any recommendation, but whether recommendation was given that there should be prosecution.

Mr. Chairman, I was also going to make reference to the fact that the First Minister in reply to the Speech from the Throne already indicated that there was the possibility -- oh yes he did, oh yes he did, unfortunately I don't have the Hansard in front of me but I'm quite prepared to read the portion of the Hansard that he dealt with on that. Mr. Chairman, now,

MR. PAULLEY: There's always a possibility.

MR. SPIVAK: Yes, there always is - agreed. The Honourable House Leader and I agree that there's always a possibility. All right. So there always is a possibility.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I have already indicated earlier today that one of the things that struck me in this past week was the reference by the Minister of Mines and Natural Resources, - and I've already quoted from that and I don't want to deal with it at this time because it's already in Hansard - of the particular reference with respect to a loan being given to Schmidt Cartage or to Lamirande or to Thompson to be incorporated. And Mr. Chairman, one of the things that concerned me at the time was the fact that I had in my possession the submission that was given to the first meeting of the Communities Economic Development Fund dealing with this loan, a submission signed by Mr. Hanly and signed by Mr. Jones, dated March 8, 1973, in which the names of the participants were Benjamin Thompson and Willard Thompson, and I believe at this point, and I again could stand to be corrected, but my understanding is that there is no such person as Willard Thompson, and there may very well be a Willard Lamirande but there's no such person as Willard Thompson. --(Interjection)-- Well, Mr. Chairman, to the Minister, to the former Member of St. Johns, who at this time is delighting in what is taking place, and who I think is very much aware, or should be, of the consequences of this whole transaction, and who is in a better position probably to assess the significance of it and realize the importance of it, who is there sitting making side and snide comments, that he realizes very well that this may be a temporary diversion; but I am not prepared Mr. Chairman to simply become involved in what - what I would consider is, you know, is a responsible action on my part in attempting to try and gain an insight into information.

Now, Mr. Chairman, I say that for this reason, that I have in front of me the submission to the Communities Economic Development Fund made out in the name of Benjamin Thompson and Willard Thompson to be incorporated, and I suggest that the first time that there was ever a mention of an incorporation was by the Honourable Minister of Mines and Natural Resources last Tuesday evening. Mr. Chairman, that reference was the first indication that there was the possibility of a consideration of a company rather than the transfer of shares of a company. Now, I don't want to deal with the substantive part, but I know fairly well a fair amount of the substantive part because over the past year I've had an opportunity to review the information that's been furnished in this House, and interview --(Interjection)--. The Honourable Minister of Northern Affairs knows better than that, he knows very much better than that. And the information that has been furnished by others --(Interjection)-- Mr. Chairman, the information

. . .

A MEMBER: Prove it.

MR. SPIVAK: No. I don't have to prove it. I want to tell the honourable members opposite, let the RCMP report be produced here, and we'll see who proves what, what proves what. --(Interjection)--

A MEMBER: Oh, come now, come.

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: Just on a Point of Privilege, I think that the honourable member must recognize as a lawyer that what he is suggesting, if he is suggesting it to me to produce the RCMP report and table it in this House, is the most improper thing that could be done.

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MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: If I may, I'd like to quote from the press conference held by the Premier on Friday: "Premier Ed Schreyer said Friday the results of the police investigation of Schmidt Cartage may be made public. I shouldn't see why not. If that's the routine then clearly this will be done. The Premier said in his weekly news conference." Well, Mr. Chairman, all I'm simply suggesting is that the report be produced and if the Attorney-General thinks that the report shouldn't be produced then he should tell his Premier, because his Premier obviously indicated --(Interjection)-- The results of the police investigation may be made public.

A MEMBER: Right. There's a slight difference.

MR. SPIVAK: Oh. Well, obviously Mr. Chairman, if in fact the prosecution is going to take place then those results will in fact be made public.

Well, Mr. Chairman, Mr. Hanly signed this submission. This submission went in May 8, 1973. This submission was obviously rejected because Mr. Thompson was a director of the Fund. And on Thursday night the Minister of Mines and Natural Resources restated the position at the end of the Session, at the end of the day Session, in which he indicated that the information he supplied on Tuesday wasn't entirely accurate; that it was not a recycling of the same application in the name of William Lamirande, but rather it was a new application. Now this application is important, Mr. Chairman, because it points out the intent at the time of dealing with this matter. I've already cited the particular sections, and I don't think I really have to draw more of a picture than this, and I do not want to get involved in the substantive matter. But I would suggest to you, Mr. Chairman, that what was required on my part was an attempt to determine at this particular time whether a government who had not produced a Receiver's report to its director of prosecutions, a Chairman of the Communities Economic Development Fund who had misled a committee a month later after he had received a report, a Minister who referred to a company being incorporated, and in effect that is what the first application said, does not require on the part of the Opposition an attempt to try and gain information to determine what has happened.

Now, Mr. Chairman, having said that, I attempted - and I think I have a right, to try and interview, and to try and determine, and to try and obtain information. One of the things that struck me, Mr. Chairman, on the members on the opposite side was from the very beginning there was a reluctance on their part to in any way deal with the information. As an example, when Mr. Allison's affidavits were filed, and Mr. Kregeris answered by way of letter to the Honourable Minister of Mines and Natural Resources, after the affidavits of McIvor and Thompson and a letter from Trithart were received in the committee, nobody from that side, Mr. Chairman, not the Attorney-General, not the Minister, no member from his department, went to interview Mr. Kregeris, or any of the other principals involved to determine what information they had, why they believed that the information furnished by their own directors by way of affidavit was incorrect. What I had was a position taken by the Government, and by the Minister, and he said this continuously: An answer has been requested. We have given the answer. It doesn't make any difference whether the answer's right or wrong, having given our answer that's all that's required from us, and it's up to you, Mr. Chairman. And that basically was the position of the Government: it's up to you to be able to determine that the answers we gave are incorrect, and if you give us those answers, then we in turn will come back with other answers. There is no obligation because of an allegation being made, for in any way, for in any way, no allegation, no obligation, because of an allegation having been made, for there to be any investigation on our part, whether it be the co-ops whether it be the Metis Federation, whether it be the questions related to the various companies; the attitude of the government was simply, "We're available, you come, you prove, you tell us, you make the allegations, you provide the evidence, and then on that basis we will act".

The Attorney-General on more than one occasion stood up and said, "You know, my Deputy Minister is available. If you want to go to him, proceed and present his information". Never was it a suggestion, Mr. Chairman, that any law officer would ever have to come to me to determine what information that I had. Now, in the case of the RCMP and the investigation, three members of the RCMP came to me and they took my documents and asked the questions, and I believe they interviewed a number of witnesses; they obviously interviewed Mr. Hanly. But the fact is, the fact is, Mr. Chairman, that does not in any way prevent me or any member of the opposition or anyone else from attempting to try and determine what the true facts are.

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(MR. SPIVAK cont'd) . . . . (Hear hear) And Mr. Chairman, what we've been trying to do at this point is understand why . . .

A MEMBER: Is that right.

MR. SPIVAK: . . . a Receiver's report was not given to the Director of Prosecutions; why a Receiver's report was denied by the chairman of the Communities Economic Development Fund when he appeared before the committee one month after he had forwarded to the Attorney-General; and why there was such a reluctance on the part of the Government to proceed with an enquiry into this matter. Mr. Chairman, the Attorney-General said that the only reason they did it on the October 16th period was because of the demands by CKY, and because this in many ways was a diversion because of the CFI report. A week ago he admitted, that no, there was some new evidence. And Mr. Chairman, --(Interjection)-- Well, I, you know, I don't know how . . . --(Interjection)--

MR. CHAIRMAN: Order, please. Order.

MR. SPIVAK: Mr. Chairman, I must tell the honourable members opposite, and unfortunately I guess my time limit will be up, and we'll have to do this in another debate.

--(Interjection)-- You'll give me leave?

MR. CHAIRMAN: Leave.

MR. SPIVAK: Fine. --(Interjection)-- If I'm given leave, are they . . .

MR. CHAIRMAN: Order. Now, it's very difficult for the Chair to hear what's going on. There can only be one member on the floor at a time. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, when I dealt with the co-ops last year, and if you recall there was a number of questions that were asked of the Honourable Minister of Co-operative Development. There were a number of answers that were given that were incorrect. And Mr. Chairman, those answers were incorrect, and I think to a certain extent, and I told the Attorney-General at the time, that I believed that the Minister believed them to be correct, but I suggested to him that the information furnished by his department was incorrect, and I must tell you I knew they were incorrect, and I'll tell you how I knew they were incorrect. I did that by investigating myself, by asking questions, and by in turn seeing various people. I was aware of the fact that the information that I had had been made available to the Premier, and that the Premier had dismissed that information and rejected it, and as a matter of fact was not prepared to act. I took the responsibility on my part to be able to try and determine what really happened. And I was able to obtain accurate information which I brought to the attention of the House and to the Minister, and he corrected subsequently some statements, and there's no doubt that the Provincial Auditor in checking this matter was able to at least take the information that I had, and I carried out what I consider is my responsibility and the responsibility of every member of this opposition.

A MEMBER: Right.

MR. SPIVAK: Yes. Yes.

A MEMBER: The most responsible muckraker.

MR. SPIVAK: Well, the most responsible muckraker. Let me tell the Minister of Northern Affairs that on the matter of the Communities Economic Development the Provincial Auditor has given his report; the RCMP have already furnished a report to the Attorney-General. On the matters of the co-op if there's any question of muckraking at that point, if he can even suggest that after he's looked at the Provincial Auditor's report, when he suggests that, that he hasn't got a brain in his head. The reality is that the Provincial Auditor, the Provincial Auditor has basically borne out every allegation and representation that was made on this side. And Mr. Chairman, while I do not know this, . . .

MR. CHAIRMAN: Order. The honourable member's time has expired. The Honourable Attorney-General.

MR. PAWLEY: Mr. Chairman, I rise because I want to clarify a few points so that the impression does not get afloat from some statements made by the Leader of the Opposition which are not correct, as to fact.

The Receiver's report: The Receiver's report that he keeps referring to is an Interim Report, the Receiver referred to it as a preliminary report, and indicated very clearly that there would be further, further information that would be obtained in further reports. Now I only mention that because the Leader of the Opposition keeps referring to the Receiver's report. I think we should be clear in our own mind, it's a preliminary, an interim report in which it

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(MR. PAWLEY cont'd) . . . . was very clearly indicated that there'd be further reports. --(Interjection)-- The report, no, not that I am aware of. And I want to indicate to the Leader of the Opposition because he was accusing me of not turning this report over to staff. And I indicated the other evening, because I was attempting to be as honest as I possibly could in respect to this matter, that the Director of Prosecutions does not believe that he saw that report. But that's a different matter than my saying, as I did in my press release of October 16th, that the report was referred to the Director of Prosecutions. And that is, I guess, Mr. Chairman, borne out by the fact that the documents which CKY received appeared to have included the Receiver's report - the receiver's report which was included. I do wish the Leader of the Opposition would listen to my comments because I feel this is rather important insofar as - as far as the entire matter is concerned. The documents that the radio station claimed to have received did include the Receiver's report. So that there should be no doubt if the Leader of the Opposition is trying to leave an impression that somehow or other I held on to that report, I did not turn that report over, I say that is untrue. Any reference to the news release by the radio station, that he is depending upon himself for information, discloses their claim that that particular report was included within the documents they received.

I want to tell the Leader of the Opposition, though, and I refrained from saying so on Tuesday night until I had a chance to double-check with my law officers - the Leader of the Opposition keeps saying that the Interim, the preliminary Receiver's report discloses a prima facie case for a criminal investigation. Now I don't know what experience the Leader of the Opposition has had in the area of criminal law. I do know that my staff included many that have substantial experience in the area of criminal law. And I do know, Mr. Chairman, that they've indicated to me that that Interim preliminary Receiver's report does not disclose a prima facie basis for a criminal investigation - does not. So that the Leader of the Opposition attempting to attach all this importance to an Interim, a preliminary Receiver's report, is really overdoing himself.

And contrast this to a question which was asked of me today in the Legislature re another Receiver's report that was forwarded to me in which the Receiver did ask, in fact, that officials in my department examine same in order to ascertain whether an RCMP investigation was warranted. He ought to compare that procedure by the Receiver, and I believe it was by the same Receiver, by this notorious Interim Receiver's report by which the Leader of the Opposition is suggesting all other things fall by.

The Leader of the Opposition keeps also referring to the reasons that I gave in respect to the launching of the RCMP enquiry. He made reference to my referring to the main reason, and I believe Tuesday night he is correct, I referred to the main reason, I think it's a judgment value as to which of the two reasons, which of the two reasons were the more important. Certainly at the time the allegations that were made by the radio station were of such a nature, and were so serious in degree, that admittedly it did create tremendous concern at the time as to the allegations of impropriety not only on my part but others. No question about that, and no question that was a motivating force in itself for launching the investigation.

As I indicated to the Leader of the Opposition he can believe me, and I hope he does, if he doesn't that's fine - it appears from what has taken place over the weekend that maybe he doesn't - there was other information which was brought to light that professional staff did feel, and again have reaffirmed since I spoke on Tuesday night, did enter into their assessment as to whether or not an RCMP investigation was required or not. So there was, as I indicated Tuesday night, two reasons. I would also like to say to the Leader of the Opposition so that the record is very clear, that the information which came - came, not as I indicated Tuesday night, but came directly to my Director of Prosecutions. That doesn't remove from the substance that there was new information, there was fresh evidence which was presented, which was brought to his attention on or about October 1st or 2nd of 1974.

Mr. Chairman, I still would like some answers to the questions I asked earlier of the Leader of the Opposition because I have tried, and I can say this to the Leader of the Opposition, I think I've tried earnestly to answer his questions. But I think insofar as my effectiveness in continuing to respond to the Leader of the Opposition depends a great deal as to whether or not he is prepared, or wishes to answer some of the questions that I have raised. I know that there's no responsibility on his part to do so, but I think that - or he may feel that there's no responsibility on his part to do so. I think it is important that he disclose fully and completely

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(MR. PAWLEY cont'd) . . . . to this Assembly. I would like to say to myself, because certainly the word of the Premier, the word of the Minister of Mines and Natural Resources and myself, was apparently so ill-taken, or so little regarded, that it was felt by the Leader of the Opposition that it warranted this type of investigation that I referred to, that it included the use of deception, deception upon Mr. Hanly, attempted deception to try to attract information from him. And I think that if I could say to the Leader of the Opposition that that is probably the most serious thing of all, that deception was used; it's not just a question of speaking to somebody that had an interest or had an involvement in the case, I think it's important to know why, or if, as alleged, trickery was used in attempting to obtain information.

I think that's important that we know whether or not such trickery was used, because, Mr. Chairman, the problem with deception is that can lead to other things, it can grow and evolve into other things, as the Leader of the Opposition knows. And I for one would like very much if that matter was clarified for me, because direct information that I have received is that deception and trickery was used in order to obtain certain information. That is the direct evidence that I have received, Mr. Chairman, in my own ears. And I can't say, but I have to say with all concern that that is a weight that certainly I have to carry at this time, that trickery should be used in order to obtain information that might show that I misled this House on March 15th or 16th or 17th, whenever it was, after my return from Ottawa. And in case the Leader of the Opposition has any doubts still, I did not speak to Mr. Hanly, I had no contact with him when I was in Ottawa, and I can't speak for the Minister of Mines and Natural Resources today, but I am sure upon his return he will be pleased to advise the Leader of the Opposition whether or not he made contact with Mr. Hanly when he was in Ottawa, whether he, whether that was the purpose of his trip to Ottawa, or whether there was some other purposes, I don't know. But I don't think that the Leader of the Opposition need concern himself in finding out in any other way but asking us directly in this House, and if he later shows that we misled this House, then I don't know - the Minister of Labour is more experienced in this than I am - but I would think that would be a very grave abuse of this House, if knowingly, if knowingly we misled the House.

MR. CHAIRMAN (MR. WALDING): The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I think the Attorney-General indicated that there were three conversations that were held, and he's reported two questions, which I would assume took two or three minutes, to the members opposite here. I wonder if he's in a position to report the remaining conversation that took place. --(Interjection)-- No, because - well the Attorney-General has been reporting as if somehow or other he has discovered something that is so serious and so significant that there was a discussion that took place between someone who obviously was interviewed by the RCMP, and in the course of it certain questions were asked, and he has repeated them, and I think it took all of 30 seconds or 60 seconds to repeat those questions and answers. I wonder if the Attorney-General is in a position to relate the whole conversation.

MR. CHAIRMAN: The Honourable Attorney-General.

MR. PAWLEY: I want to be very fair with the Leader of the Opposition, and ask him whether he wishes me to divulge to the House some other information that I have at the present time in respect to that conversation. I want him to think about that very seriously before he answers yes.

MR. SPIVAK: Well, Mr. Chairman, I would think that if the Attorney-General was prepared to divulge that conversation, he should divulge the conversation he has with his own law officers, and he should divulge the information, and he should divulge - Mr. Chairman, I think he should divulge the information that law officers have had with others, and I think that we should be in a position to divulge in the same way. Now really let's understand what this is all about. Yeah. Let's understand what this is all about, Mr. Chairman. --(Interjection)-- Yeah. Well, the members opposite seem to be excited about the possibility that somehow or other they can take this albatross that they have around their necks and somehow or other divert some public attention on another issue. And the Attorney-General stands up and says, his law officers say that the Receiver's report, which was an Interim Receiver's report, which was never a final report, somehow or other did not indicate or justify any preliminary examination by the RCMP. And I want to refer to Section 18, and I'm going to read it, and then I'm going to ask after I've finished, Mr. Chairman, after I've finished this, Mr. Chairman, whether in fact,

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(MR. SPIVAK cont'd) . . . . whether in fact it warranted any investigation or it did not. On Page 8 of the Receiver's report dealing with vehicles, it states: "As part of our investigation, we examined the accounts and audit files of Newbound and Company, Chartered Accountants, and Janzen Kinnear and Company, Chartered Accountants, The accounts and audits for the company and the predecessor proprietorship of the years 1970-73 inclusive. Information obtained from their files together with information obtained from the books and records of the company indicate that certain vehicles which were reported as assets of the company may be unaccounted for to date. They are as follows: And I'm not going to read the description, but I'll read, Mr. Chairman, what is stated after each description. "1. Dealing with a Chevy 3-ton truck. We have been unable to locate the whereabouts of this vehicle nor have we been able to locate the proceeds of disposal to date. 2. And the MC 3-ton. We've been informed that one of the above three vehicles was demolished and taken to the town dump. We have not located the other vehicles nor have found any proceeds of disposal to date. 3. 1964 purchased May 1970 from Freddy Johnson. We did not locate this vehicle nor locate proceeds of disposal to date. 4. 1970 Arctic Cat Snowmobile. We did not locate the snowmobile nor find any proceeds of disposal to date. 5. 1965 DMC Van, Serial number unknown. We did not locate this vehicle nor did we discover any proceeds of disposal. 6. We were informed that a vehicle described in Schedule B of the debenture between CDF and John Schmidt Cartage was traded for another truck. We've been able to locate the documents relating to this transaction and informed that there's a possibility the Mack unit has value in excess of the value of the truck obtained in exchange. Accordingly we would like to have the opportunity of examining the documentation surrounding this transaction. In addition we've contacted Mack Trucks who advise that the Mack Truck unit discussed was probably a tractor rather than a trailer. 7. We have been unable to locate the documents covering the purchase of this vehicle which was placed in storage at the City of Thompson. 8. We have been unable to locate the vehicle nor any details relating to the purchase and sale of same. However, we would advise the truck was sold in the spring of '73. It would appear advisable that efforts be made to determine the whereabouts of these vehicles, the proceeds of sale, if any, or methods of disposition."

Now, Mr. Chairman, who does this? Who locates and determines the whereabouts of the vehicles? Who determines the proceeds of the sales? Who is concerned about the methods of disposition? The Receiver. In the absence of documentation, it may be necessary to make use of other methods of inquiry. In the absence of documentation, it may be necessary to make use of other methods of inquiry. Mr. Chairman, I suggest that the other methods of inquiry is an RCMP investigation. Mr. Chairman, I say to the Honourable Attorney-General that on the surface of it - and there's many more sections that I could read - there was a case to be handed to the RCMP initially.

Mr. Chairman, the conversation that the Honourable Attorney-General recorded is a conversation between a person who obviously was interviewed by the RCMP and by Mr. McDonald. That conversation can be repeated over and over again, but that conversation is no different than any other conversation that any member would have with anyone else. And that conversation is not relevant, nor is it in any way germane to the question as to whether the government has been slow in proceeding with this matter and whether there was a reluctance on their part because they were aware of the facts related to Schmidt Cartage, to allow an investigation to take place. And the question that becomes more fundamental, Mr. Chairman, is not the question the Attorney-General puts to me, but the question that I put to him and to the members opposite. And, Mr. Chairman, it may be a question that will become as fundamental and as germane when we deal with the question of R & M and J.M.K. as to whether the government really did know and did understand the nature of the transactions that were taking place and the possible legal implications of some of those transactions, and whether because of that there was a refusal on their part to proceed with the investigation. And, Mr. Chairman, all that we've attempted to do on this side, I think all we are entitled to try and do, is to obtain information in connection with this matter and to try and do our best to understand the information that's been furnished, and to be in a position, Mr. Chairman, to determine what has taken place with respect to the matter that has been referred to.

I say, Mr. Chairman, and I can recite chapter and verse, that the Attorney-General in his public statement in connection with this matter has not been candid with the people and

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(MR. SPIVAK cont'd) . . . . has not been candid with the House. And I say that again. As I said this earlier, I'll repeat it. He has not been candid, he has not been candid with this matter. We asked for a judicial inquiry last year. That inquiry was refused. We asked the matter be turned over to the RCMP. The First Minister said well, if an investigation is required, it will take place. I again go through the sequence of what took place. The Director of Prosecution on September 30th wrote CKY and said, "There is no ground for criminal prosecutions to take place." That was received on October 2nd. Along with that was the Receiver's report. That was drawn to the attention of Mr. Montgomery and Mr. Dangerfield and they met on October 3rd with the members of the fraud squad and by October 4th the investigation was ordered. And the Attorney-General stands up and says, "I want you to tell me what took place between two conversations between one person and another", as if that really is a germane point or is germane to the whole question of the administration of justice and his responsibility as Attorney-General and the government's responsibility of conducting an investigation in which some principals who are associated with the government are involved. And I suggest, Mr. Chairman, that the real issue is not the issue that the Attorney-General would like to make the issue of, it has to do with the credibility of the government and their failure to respond to what would have been the normal course of events in terms of an investigation in which there was in fact some allegations of wrongdoing.

Mr. Chairman, I would say to the Honourable Attorney-General that the proof will lie in whether he proceeds with a prosecution or not. Because if in fact he does proceed with a prosecution, then I would suggest to him, as I suggested the other day, that the reasons which warranted an RCMP investigation on October 4th were there in May, were there in April, were there in August, and one cannot understand why the government was reluctant at that time not to proceed, and why the government is now acknowledging in some way that there was new information that was furnished to them. And the Attorney-General would like to turn this, Mr. Chairman, and would like to suggest that in some way we on our side have done something or are involved in something that is nefarious. Let me say that we are now dealing with Attorney-General's estimates, we are now dealing with the way in which he sees his responsibility and whether we on this side should vote an estimate which would cover his ministerial salary. And I suggest to you, Mr. Chairman, that his responsibility which is what is before this legislative committee, is to determine how and what way he acted. And I do not want to get into the substantive matters, but I think I have a fair idea of what happened in those matters and I think I've had a fair idea for some time. But, Mr. Chairman, that didn't come just from a reading of documents; that came from the ability on my part and members of my staff and other members of this caucus who have attempted to try and gain information, to try and gain an insight of what has taken place. Mr. Chairman, it is no different than the attempt on our part to try and get information with the co-ops.

Because I want to suggest, Mr. Chairman, that what was intended by the government was for us to accept the words of the Minister, and if we would have accepted the words of the Minister and would have sat down, nothing would have happened, the Provincial Auditor would not have gone in, nothing would have taken place, and the mess and the loss and the confusion and the waste and mismanagement would never have been disclosed. And I may suggest, Mr. Chairman, that had we not pressed as we did in connection with the Communities Economic Development Fund and with these companies, nothing would have happened. The government would not have acted, nothing would have taken place, and the information that I believe is now available, and I don't know what it contains, but I believe the information is now available for the Minister for his consideration, would not have taken place.

Mr. Chairman, I want to go over if I may the whole question of police power in this province, and I want to deal with it because I think one has to understand. Reference was made to Mr. Allison by members opposite, and the Honourable Member from Thompson at the instructions of the Member of St. Johns asked a member on this side . . .

MR. CHAIRMAN: Order please.

MR. CHERNIACK: A matter of privilege, Mr. Chairman.

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

MR. CHERNIACK: I heard the honourable member say today that he understands that he knows the contents of a police report. He has now stated that I gave instructions to the Honourable Member for Thompson. I want him to substantiate that statement or withdraw it.

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(MR. CHERNIACK cont'd) . . . I will premise that by saying I never gave him instructions to ask a question. Now what does he say?

MR. SPIVAK: Mr. Chairman, the intuitive powers of the Member for St. Johns are phenomenal. I never even finished my statement and I know that Hansard will prove that. I just indicated that instructions were given, and as soon as I did that, the Honourable Member for St. Johns immediately jumped up.

MR. CHERNIACK: Mr. Chairman, did the honourable say or did he not, that the Member for Thompson asked a question on the instructions of the Member for St. Johns? Did he say that or didn't he? And if so, what else was he going to say that would in any way refute the accusation he made?

MR. SPIVAK: Mr. Chairman, I want to suggest to the Honourable Member for St. Johns, that if he's prepared to stand up now and say that he did not discuss with the Honourable Member from Thompson the possibility of having someone on this side ask a question of the Attorney-General, if he wants to say that that's not the case, then I'll accept his word at that.

MR. CHERNIACK: Mr. Chairman on a matter of privilege. The honourable member has again waffled as he did on the question of the . . . It's a matter of privilege. He has waffled as he did when he said, "I understand that there is a recommendation from the Mounted Police to start action." That same way. He is now changing the words. Is he now saying that I discussed with the Member for Thompson what question he was going to ask, or is he saying what he said earlier, that I instructed the Member for Thompson? Let him make his accusation and then let him support it.

MR. SPIVAK: Mr. Chairman, I'll withdraw all the statements, but then ask the Member from St. Johns, will he confirm that he discussed with the Member from Thompson this afternoon, at the time the session started, the possibility of someone on this side asking a question of the Attorney-General with respect to Mr. Allison?

MR. CHERNIACK: Either I have the floor or I don't have the floor. I cannot answer a question from a person who has the floor, but I want to deal with it.

MR. CHAIRMAN: The Chair will recognize a member who stands in his place. The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you. I wanted to enter this debate. I'm glad I was given the opportunity to do so. Let me say in answer to the question that was asked, that I did indeed discuss with the Member for Thompson his desire to ask a question. I hope that other members in this caucus have enough respect for my opinion to talk to me about matters that may be on their mind. I did not instruct him, but I'm glad that the Honourable Leader of the Opposition did what has become typical of him. First, he said I instructed the Member for Thompson, and when I stood up and challenged that statement and asked for him to back up his statement, he immediately reversed his stand and said I discussed it with him. I did discuss it. And, Mr. Chairman, the Leader of the Opposition has been on a course last year and this year, which I don't believe is that of the caucus of the Progressive Conservative Party. I have heard some positive discussions from the caucus members of the Conservative Party in this short session up to now dealing with issues that are important in this province and in this country, than I have from the Leader of the Opposition. And he has spoken today about our investigation, what we are doing. Mr. Chairman, I just don't believe that members of the opposition, whom I know, would all be supportive of this drive that the Leader of the Opposition has to carry on his investigations as he referred to.

Mr. Chairman, he spoke twice this evening after the Attorney-General reported on what he learned about what happened in Ottawa recently. At no time did he really deal with the issue raised by the Attorney-General. Or maybe it's not important. But the fact is he refused to recognize his importance to the extent where he felt that he was accountable in anyway. He did say something like "I believe my actions were responsible." Well I would expect him to say so. He did not say I believe the actions of McDonald were res . . . By the way, I don't think it's been made clear who McDonald is. I have been told that he is the special assistant to the Leader of the Opposition. I don't know if that's true because he never said so. And all I heard from the Attorney-General as I recall was a man introduced himself to Mr. Hanly saying my name is McDonald, I am here on behalf of the Leader of the Opposition. So the Leader of the Opposition said, I believe my actions were responsible. He did not accept responsibility for what Mr. McDonald did in Ottawa, whatever it was; nor did he reject what was reported by the Attorney-



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(MR. CHERNIACK cont'd) . . . . General. And all he said was well this isn't important, let's talk about the issue.

Mr. Chairman, he's talked about that issue month after month, and what's worse, speech after speech. And the fact is, whether the report was requested earlier or later, the fact is the report was requested from the police, but he told us today, did he not, that he understands what is in the report. He said that, he's shaking his head, he said, "I understand that the report recommends that there be prosecutions." Now how would he get that information. I know this . . .

MR. SPIVAK: Mr. Chairman, I already indicated . . .

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

MR. SPIVAK: No, Mr. Chairman, I said it, and I used that as a matter of expression which I withdrew, recognizing really the admonition of the Minister of Labour. And I then indicated the information that had been received. Now the Attorney-General has given an interpretation, I believe I heard one newscast which was a little bit different than the Attorney-General but I have to determine . . . my impression was that prosecutions were to be undertaken.

So the Honourable Member of St. Johns will understand, I indicated that I understand this, I used this as a matter of expression. I do not know what is in the RCMP report, I don't know whether the Honourable Member for St. Johns does, the Honourable Attorney-General obviously says he doesn't. So at this point I don't know that. I don't know what has been communicated to the Honourable Attorney-General or to the Member for St. Johns. I don't know what has been communicated. But I want to indicate, Mr. Chairman, very clearly, I used that as a matter of expression which obviously was not acceptable in this context in this particular situation, and I was prepared to withdraw it and I did, and I said that I was informed. And I think there's a different meaning and a different intent. I've indicated the source and the honourable member can either accept that or reject it.

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

MR. CHERNIACK: Well, that is helpful, Mr. Chairman, because now we know that the honourable member has made statements not realizing the import of what he said and had to withdraw it. Because, Mr. Chairman, he used the same technique when he said it's so unimportant, when he said that I instructed the Member for Thompson. Now that again, he now realizes is not really what he should have said, because it wasn't true. I think the only true thing he said - I shouldn't say the only true thing - but the true thing he said today was that he doesn't know whether I have been informed - I, have been informed about the RCMP report. I'll tell him. I have not been informed.

But you know he made another insinuation this evening. He said would the Attorney-General like me to talk about - now I believe he said this and I hope I'll be corrected in my impression. That the Honourable Leader of the Opposition said, does the Attorney-General want us to talk about to whom the members of the Attorney-General's Department talks. Now, I think he said something to that extent, and really if he didn't say it, I don't want to have the responsibility of quoting him, as having said something along that line, but I think he said that. And I think that he thus insinuated that members of the law department of the Province of Manitoba have been talking out of turn.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: I wasn't sure what the Honourable Member from St. Johns was referring to and so lest there be any, no, because he was referring to what I said, and he may have quoted me correctly. I'll have to look at Hansard to determine that. But if that is what appears in Hansard, it's not what I intended to say in any case. Not one bit. There was no suggestion of that at all. And I want that clearly understood.

MR. CHERNIACK: I'm glad that the honourable member said that. That helps me because I really believed he had insinuated what I thought he did. All right. Now, Mr. Chairman we come back to the fact that there are allegations made by the honourable member that certain things were done illegally to certain areas of government, and he says that the Provincial Auditor's report supports all he says. The fact is the Provincial Auditor's report says absolutely nothing to my recollection about illegal activities. I believe it says nothing about illegal activities. I believe it says nothing about improper activities. I believe the Provincial Auditor's Report refers to administrative weaknesses and to poor accounting

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(MR. CHERNIACK cont'd) . . . . practices. That's what I think it refers to. And I believe that's all it refers to. But it says further, certain matters were reported to the department of the Attorney-General and we know that certain matters were referred to the RCMP for investigation.

Now as the Attorney-General said earlier that is where the matter should lie. If it is not reported on further then it should be raised again. But as long as the matter is under investigation the whole question should lie there. But I don't think that that suits the timing or the purpose of the Leader of the Opposition, so he's going to keep talking about it. I would tell my former colleague in cabinet, and my present colleague in caucus, the Attorney-General, that it's high time he stopped responding to these repeated allegations made by the Leader of the Opposition. I think he ought to.

Now I want to come back to this unimportant thing that the Leader of the Opposition referred to, whatever went on in Ottawa. I think it's kind of important, because I believe that Mr. McDonald acted - well, I said I understand or I was told that he was an assistant of some kind to the Leader of the Opposition. And I believe when the Leader of the Opposition said I acted responsibly that he refers to the activities of Mr. McDonald, and I pointed out earlier he has not yet disassociated himself from them. And I believe that if it is true, and I suspect that it is true, that McDonald told certain fabrications to Hanly in an attempt to get a reaction from him, that that was devious and that was underhand; and if the RCMP acted like that I would be critical of them, and if the Leader of the Opposition not relying on the RCMP independence and ability to investigate must carry on its own independent investigation, and is associated with someone who is prepared to use devious means, then he should either reject them or acknowledge them as being within his responsibility. I think he did when he said I acted responsibly. I think he did when he did not say this - either he should have said this didn't happen or he should have said if this happened I reject it. But he didn't. As a matter of fact he hardly referred to it. He said, well that's really got nothing to do with the matter before us. The matter before us is - he repeated for the tenth or fifteenth time - the allegations he has made which he should be making elsewhere because we've all heard it time and again, and his caucus appeared pretty bored to me when he was repeating it again today. But he should not absolve himself from having to be accountable for the actions of, may I say, his servant. Because as I understand, the Attorney-General was informed, and he so told us, he got it directly from Mr. Hanly, that Hanly was told that the Skyliner Hotel stated that the Attorney-General is reported to have made a phone call to Mr. Hanly's office. Not only is that denied by the Attorney-General but the fact that that report could not have been made has been confirmed. Well, naturally Mr. McDonald wherever he is, ought to go back to Ottawa and check with the Skyliner Hotel - or I suggest to the Leader of the Opposition who has free telephone facilities, that he should phone the Skyliner and find out whether or not they could have made a report, much less did make a report on local calls there made from the Attorney-General's room or anybody else's. But the fact that it was suggested to Hanly that this was done is underhanded and it's devious and it is not consistent with the actions that should be carried on by a man who is - a member of this House. Put it that way.

Mr. Chairman, I think that that is a manner of dealing that should be handled by the Leader of the Opposition. Did he authorize it. If he didn't, was it done without his authority. If it was done without his authority does he still accept responsibility for it. Does he regret it, I don't know. And by the way, Mr. Chairman, I'd kind of like to hear the Leader of the Opposition say whoever phoned this morning to check on whether or not the Honourable Sidney Green is going to be in touch with Hanly, did it without my knowledge, I have no idea who did it, that person did it without my having anything to do with it, and I don't believe that anybody did it from my office. I think he ought to say that. And if he says it, who's to again say that he is telling the truth. But at least it ought to be said, because peculiarly enough his own assistant is quoted as having stated to Mr. Hanly that he knew that the Attorney-General had called him. Therefore, if he is ready to make that up, how much more are they ready to make up in an attempt to entrap a person from making admissions. It's so childish to have gone through that exercise, and that's why to me it is a relevant matter.

Firstly, it is childish because the RCMP apparently did interview Mr. Hanly and no doubt have much greater competence in doing so than a messenger sent by the Leader of the Opposition. So it's childish to do it; unless one does not respect the ability of the RCMP. Well, I don't know.

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(MR. CHERNIACK cont'd) . . . . I heard the Member for Swan River, I think it was only a couple of days ago, speak about the abilities of the RCMP. Maybe he ought to get together with the Leader of the Opposition and find out whether one should double check on the activities of the RCMP. --(Interjection)-- Yes, the Member for Swan River would like to be left out of it, but how can he be. How can any member of the caucus of the Progressive Conservative Party be left out of this, when the Leader spoke on behalf of his group. Because he said "we"; he didn't say, this is my project, he says what we did was right. So I'm sorry, I'm sorry, I can't leave out any member of the Progressive Conservative Party caucus unless that person says, leave me out of it, and from now on I intend to leave out the Member for Swan River in this because he did say that, and . . . well maybe he didn't mean it in that sense. I'd better drop that.

Mr. Chairman, I said it was a childish action, but then I said it was a devious action. It was devious and underhand, and it was not important in relation to the matter raised there, but it is very relevant to the depths to which the Opposition is prepared to go to carry on this character assassination that is going on. And again the important thing I say is, was there an illegal act and is it being investigated; and if it is being investigated, and it is found that there is one, will there be a prosecution? That's really it. And everything that the Leader of the Opposition has done is exactly in accord with that description that the Attorney-General gave which he thought would be unhealthy. That is challenging the integrity of the Law Department.

The Attorney-General resented the challenge to the First Minister, to the Minister of Mines and to the Attorney-General. I have learned to expect that, and I do not think that the Leader of the Opposition will withdraw or discontinue that kind of aspersion, I think he'll continue to do it. Because, Mr. Chairman, it is possible that all sorts of wrong things happen in the administration of a government with some 12,000 employees, with what is now a billion dollar budget. It is possible. But to direct it directly to a particular Minister and even involve a Cabinet now . . . I suppose I ought to make the statement, which may not be accepted. I never heard of Schmidt or these initialled companies until they were raised in the House here, and I think I was a member of the Cabinet during some of that time mentioned. But that wouldn't really be believed.

But, Mr. Chairman, I feel that it may happen, things may happen, and that's why we have an investigative machinery. But this direct tying in is something that reminds me of a discussion I had with the former Premier Roblin when the Liberal Party accused the Manitoba Hydro of being involved with something wrong in Grand Rapids. I had a private conversation with the Premier of the day, and I said I did not really - and I have no hesitation in reporting what I said, because it wasn't a discussion in confidence - and I said, "I don't know why he the Premier felt it incumbent on him to accept responsibility for what was done by Hydro, because I think there was no possibility of having tied in the government with the decision of Hydro, right or wrong, where they spent I think a million dollars to build barges that weren't used." And the Premier said, "These things rub off." He said to me, "Accusations that are made founded or unfounded leave a little bit of dirt on the person at whom they are made." And I thought that was pretty sad. Mr. Chairman, may I say that I think that it is pretty sad the way politicians are looked at in the world as a result of Watergate, and what goes on in this House, and accusations that are . . . Do you know that there is a certain radio personality who I believe was once asked, last week, was asked, "Why don't you run for the Legislature, or" - I didn't hear it but I'm told it, "Why aren't you in politics?" And his answer was, and I quote what I'm told, he said, "I wouldn't stoop so low." And, Mr. Chairman, let me tell you that more and more people in this province are wondering why it is that people are prepared to come into this Legislature and submit themselves to this kind of insinuation innuendo - rumours, it's a rumour I heard. From whom was the rumour heard? From some radio station which alleged that the police report said something, which already puts in mind this rumour reported by a station had to deal with an actual report which the - maybe the radio station got its hands onto because that's what rumour is. But this kind of rumour, this kind of insinuation rubs off.

Mr. Chairman, it not only rubs off on the people attacked, it rubs off on the attacker and in the end it rubs off on all of us. And let me tell you that that does not make me too proud of some 25 years of service that I have tried to give as an elected representative of the people. I don't mind being attacked on policy issues and I don't mind being attacked that I have

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(MR. CHERNIACK cont'd) . . . . made a wrong decision or we brought in a policy that's wrong. But I become part and parcel, and so far I've not been involved in this at all nor attacked at all, but somehow or other when there are questions asked did Cabinet discuss it, we are all pinged in some way. Well let not the Leader of the Opposition or members on his side think that they too are not dragged down a little bit by all this talk.

And I conclude by again suggesting to my colleague, the Attorney-General - please stop responding to that kind of accusations and debate. Give us a report when you are ready to report in the proper legislative manner on decisions made within your department as a result of reports you receive. Give us a report in due course when it is ready to do so. But let us not permit his salary debate to be used as a constant repetitive mudslinging that is going on. A report will be made. The people will know how the matter was handled. But let us at least, I appeal to all of us, but wholly obviously to those whom I can influence a little by what I have said, to leave this kind of debasing debate and get on to the business of the province.

MR. PAULLEY: Mr. Chairman, on that sound of sanity I move the committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

IN SESSION

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

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

MR. DEPUTY SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: On a point of privilege, may I, with your permission, withdraw certain comments that I made tonight in regard to a licensing of an outlet at Pine River where the Attorney-General advised me later that the licence had been granted. So with the House's permission I'd like to withdraw the remarks that I made regarding that applicant.

MR. DEPUTY SPEAKER: The hour of adjournment having arrived, the House is adjourned and accordingly stands adjourned until 2:30 tomorrow afternoon. (Tuesday)