

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**First Session – Twelfth Legislature**  
**42nd Day**

**Tuesday, April 14, 1953**

The House met at eleven o'clock a.m.

**Rawluk Charges Inquiry Report**

The House resumed from April 13, 1953, the adjourned debate on the proposed motion of Mr. Erb:

"That the second report of the Select Standing Committee on Crown Corporations be now concurred in."

and the proposed amendment thereto by Mr. Horsman: (vide Debates and Proceedings No. 41, for Monday, April 13, pages 43 to 74 inclusive).

**Mr. Tucker (continuing):** – Mr. Speaker, before I proceed with my remarks in regard to the amendment, I would like to say a word in regard to what the Premier mentioned in speaking in regard to this matter.

He referred to the tremendous amount of extra work that had been done so well by the Clerk and by the staff of the Assembly in regard to the hearing of these charges, and I would like to endorse what he said in that regard. It is our duty to sit extra hours and that sort of thing in connection with matters like this, but the Clerk and staff of this House, the entire staff, has worked overtime tremendously long hours and most efficiently, and I do hope that, in some way or another, our appreciation will go a little bit beyond the words of the Premier and myself, and that is all I will say about that.

In regard to the press, I would also like to endorse what the Premier said. In a hearing like this, were it not for the press having covered the matter so efficiently it would have been harder for the members of the Committee to do their work, because, although the people transcribing the evidence have done a splendid job – I really can't speak too highly of the wonderful job they did in transcribing the evidence – they couldn't keep up and most of the time they were days behind and the press report was so complete and accurate, it was a very good thing that they reported the evidence as it was given, without comment, so that the people of the province would be able to judge for themselves what the situation was in regard to these charges; and so if I ever before had any doubt in my mind as to the completely essential position of a free and independent press in regard to the maintenance of our democratic system, it has been proved all over again beyond any question by what has happened in regard to this hearing. Where a press is controlled, I do not see how the people can ever be in a position to pass on any actions of the Government.

Now then, I had been dealing, last night when the House adjourned, with the observations in the report in regard to the inference that was being drawn and referred to in paragraph 4 of the report which we had moved should be

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struck out, and I was indicating that these inferences were so far-fetched and reflected so much on the members of the C.C.F. Party in this Legislature and the Government, that they themselves should be the first ones to concur in paragraph being struck out.

Now in regard to paragraph 5, we there move that it be re-worded to conform with the evidence and also in our proposed paragraph to replace paragraph 5 we deal with the actual facts. One of the items that is dealt with there is the attitude of Dr. Shumiatcher and in the amendment we deal with his actions, four days after the meeting at which Rawluk attempted to read this affidavit, in that regard, and the first thing that strikes a person in regard to this matter is: Here is word coming from the newspaper that Rawluk has tried to read an affidavit. There is nothing in the paper that indicates who the affidavit implicated other than it had to do with certain people in public life. Now right away, within a very few days, we have Dr. Shumiatcher taking a very keen interest in the matter. On June 3rd he speaks to Mrs. Rawluk, gets her to come to his office and there, according to the evidence, he tells her that her husband has misappropriated trust funds and that he has been peddling an affidavit around the country. Now then, what was Dr. Shumiatcher's purpose in doing that? To get a woman to come to his office and tell her, in effect, that her husband has committed a serious criminal offence, of course had the effect that might be expected. She was reduced to a state of near hysteria and was very worried. Now why did Dr. Shumiatcher do that? Well, I think a fair inference is that he was laying the foundation to get his hands on that affidavit and anything connected with it; and if he didn't have a pretty good idea what was in that affidavit, that in some way or another this transaction in regard to Allore was covered in that affidavit, why would he go to such surprising lengths to get a woman in his office and frighten her in that way? Well, there is only one inference that could be drawn by any court about an action like that – that he had a most guilty mind in the matter, because no person of the background and education and training of Dr. Shumiatcher would treat the wife of a husband in that fashion unless he felt in a very desperate position. The evidence is that Mrs. Rawluk was in such a state that one of her companions came in and intervened and they decided that Mrs. Cates (Dr. Shumiatcher's secretary) should drive Mrs. Rawluk home.

Then we have the attempted suggestion of Dr. Shumiatcher that when Rawluk came home, late at night – in fact, early in the morning of the 4th – and found out what had happened in regard to his wife, he phoned Dr. Shumiatcher. Dr. Shumiatcher would have us believe that this was a friendly call. I put it to any member of the Legislature, if they really accept the evidence of Dr. Shumiatcher in that regard, of if their wives had been treated like that, if they would have called at two o'clock in the morning with the idea of making a friendly call, congratulating the person who had frightened the wits out of their wives. Well I do not think any member of the Legislature, in his heart, believe that Dr. Shumiatcher's evidence in that respect was other than completely false.

Now then, the evidence is that the call was made, as Rawluk says – and then the next thing that happens is that Dr. Shumiatcher, a busy lawyer, gets in his car, takes his secretary and goes off to Rawluk's home to see them, with the idea that they are going to take a drive together because it is such a pleasant morning. Were they such great and close and bosom friends that suddenly Dr. Shumiatcher had to take time off from his busy life to go and take Mr. and Mrs. Rawluk for a drive? Of course, again, every member of this Legislature must know, in their own hearts, that there was some other ulterior motive for

Dr. Shumiatcher doing that. And again, I think that it is fair to say that it was quite obvious that Dr. Shumiatcher wanted to get his hands on that affidavit. Why – if there was nothing incriminating in it? Well then, what is the evidence about the matter? The evidence about the matter is that it was brought up – 'why are you so interested?' And, as I understand the evidence, Rawluk said there were no names mentioned, meaning in the paper; and Dr. Shumiatcher, when he couldn't see this affidavit, then this drive that was contemplated comes to a sudden end, which shows that the only purpose of him going there was to get his hands on that affidavit. They stop at once, go and deposit Mr. and Mrs. Rawluk back at their own doorstep.

At that time a very significant statement was made, Mr. Speaker, that any court would attach great importance to. When it was discussed as to what was in the affidavit, admittedly, Rawluk said this: "Allore will know what's in this affidavit." Why would he be so confident that Allore would know what was in this affidavit if these transactions had not taken place? This evidence is not denied. "Allore would know what was in the affidavit" – he doesn't have to see it; and I submit, Mr. Speaker, that that is most significant evidence in that regard. If Rawluk had made up these statements, would he have had the effrontery to say right there, "why Allore will know what's in this affidavit?" It was all trumped up.

Now I have dealt with the next item on that, as to why nothing was done until the second meeting of the Crown Corporations Committee, and I pass on to the meeting of June 10th between Dr. Shumiatcher and Mr. Rawluk. As I recall the evidence there, Mr. Speaker, Dr. Shumiatcher endeavoured to leave the impression that Rawluk had tried to sell this affidavit to him. Then, finally, it was ascertained from a memorandum in Shumiatcher's own handwriting that the suggestion was held out to Rawluk that Shumiatcher was ready to try to get him credits with the Insurance Office, try to get him re-instated, try to get this bond re-instated – for what purpose? Because this man had sworn an affidavit that was going to implicate him, or because they were such good friends? Well, the evidence is that, at that time – June 10th – Bodnoff and Shumiatcher had not been associated in the company of Financial Agencies since sometime in October of the previous year, and there is no suggestion that there was any great friendship or anything of the sort. I think a fair inference, Mr. Speaker, from Dr. Shumiatcher's own handwriting is that he was holding out this inducement to Rawluk again to get hold of the affidavit. After all, what was he proposing to do? He knew the precarious position financially in which Rawluk had been for several months, and yet he was holding out the idea that he would take steps to get him re-instated. He knew about the troubles that Rawluk had been in, in regard to collections, and yet he was going to try and get the bond re-instated. He was undertaking quite a task. Why, Mr. Speaker? Because he wanted to get his hands on that affidavit, and if there hadn't been a knowledge in his mind that there were some documents involved in that, would he have gone to these lengths, Mr. Speaker? Well it is a matter that a court would pass on without hesitation; at least, that is my opinion.

Now then, we have moved in this amendment that paragraph 6 be struck out. It reads as follows, Mr. Speaker – this report of the Committee it is labelled, though it is only the report of the majority of the members of the Committee:

"There is one other observation that the Committee feels should be made. It is not alleged in the so-called affidavit that any funds belonging to the public were improperly dealt

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with or that there was any loss either to the public treasury or to the Saskatchewan Government Insurance Office as a result of the alleged transactions set out in this so-called affidavit. On the contrary, it is clear that the alleged transactions had to do only with the use of funds belonging to Financial Agencies Limited."

Now I submit first of all, Mr. Speaker, in regard to that, that there is no good purpose served by putting in the report the idea that because public funds are not involved, it is not a matter of as great importance as it otherwise would be – and that seems to me the purpose of putting it in there. I submit, Mr. Speaker, that an observation like that, that tends to palliate the grievousness of this offence, should not be in this report. Everything in the report should bring out the facts which show the offence exactly as it is.

But the next thing Mr. Speaker, is that it is not strictly true. We have, for example, the evidence in regard to these highway performance bonds. If they are influenced to an agent, the agent must receive a commission – I believe it is 20 or 25 per cent; but we have also the evidence that a great many of the bonds are written over the counter, in which event the province does not have to pay anything to get the business at all, and if business is being influenced in that way, that would ordinarily come to the office, if it is influenced to go to an agency like Financial Agencies, of course the province is losing money, and that is based right on the evidence and every member here knows it. Now why in the world, Mr. Speaker, should we make a finding that is not consistent with the evidence in that particular way:

Then we come to the next item:

"That paragraph 8 be renumbered to 6 and amended thereto by adding after the word 'company' in the 16th line, the following words: 'that refers to the setting up of the Financial Agencies Limited.'"

Paragraph 8 refers to the setting up of this Company on August 30, 1950, and the agreement between Bodnoff, Shumiatcher and Rawluk was that Bodnoff should put in \$1500 in cash and Rawluk should put up \$800 in cash and \$700 in the form of credit to use in the purchase of furniture and equipment. Now the evidence goes to show that both Rawluk and Bodnoff carried out their part of that agreement, but there is no evidence that Shumiatcher did. The way Shumiatcher was to carry out this agreement was to establish a credit in his books to cover legal expenses of the company for the next two years and, of course, any business done would be taken out of that credit of \$1500. There is no evidence that Shumiatcher did anything of the sort; in fact the evidence is exactly to the contrary. The evidence is that because he didn't do so, two accounts that were given to Financial Agencies to collect, were turned over to Shumiatcher's firm to collect for them, and the proceeds of those collections were clearly trust funds. They were not the property of Shumiatcher & McLeod; they were certainly not the property of Financial Agencies, because Financial Agencies, the moment they got them into their hands, they were trust funds collected for the people that they collected it for – and nobody would know that better than Dr. Shumiatcher. Yet what do we find him doing? We find him retaining this money collected against business that he had done for Financial Agencies. He said that the bookkeeper had done it that way; but if he had carried out his part of the promise and set up the credit, the bookkeeper would not have thought of retaining that money.

It is quite true that when they came to settle the affairs of the company and Shumiatcher was withdrawing, he said, "Well, here is the work I have done and here is this collection I have made for you, and therefore we will give you credit for that" and he said it was all fixed up; but the trouble was that he knew the bankrupt state of the company and, upon receiving any money whatever that should have been trust money in the hands of Financial Agencies, he was increasing any breach of trust that they might have been guilty of by that much. He knew that. Now then, it is found to be very bad on the part of Rawluk to commit a breach of trust; how much worse must it be for a man of the standing of Dr. Shumiatcher to do the same thing, even on a small scale! And, of course, I think it is a fair inference that if Mr. Rawluk saw that this apparently was all right for Dr. Shumiatcher to apply any trust moneys, and they were, at the time that they were applied, on his account, then Rawluk may well have thought, "Well, of course it's all right for me to do the same." There should not be one standard applied to Rawluk, because he converted trust funds. And then this Committee, the majority, say, "we can't accept Rawluk's evidence because he did this." But Dr. Shumiatcher, who is a barrister, and knows exactly what the law is, has done the same thing, perhaps on a smaller scale, as it was on a smaller scale, but nevertheless, the principle is there. Yet there are no words, in the majority report of this Committee, that because Dr. Shumiatcher did that, that his evidence shouldn't be accepted. After all, if a barrister does that it is much worse than an ordinary citizen, and yet we find that Rawluk's evidence should not be accepted for that reason, but no suggestion like that in regard to Dr. Shumiatcher.

Now I ask, doesn't that demonstrate, Mr. Speaker, how biased this majority report is? I don't think you could get any clearer evidence than that particular feature of it.

Now then, another matter that is in paragraph 8 – we move in amendment:

"It is to be noted that no credit was so set up in the books of Dr. Shumiatcher's firm, and as a result, money collected by Shumiatcher & McLeod on behalf of Financial Agencies Limited, was retained and not remitted as should have been done."

Now that is borne out by the evidence, Mr. Speaker.

Then in regard to the next item of our amendment, that paragraph 9 of the report be renumbered to 7 and amended by striking out the words, "Mr. Rawluk, the maker of these charges." It appears right in the fact of this report just how biased those who drew it up were, because here is the way it reads:

"The evidence that has been given before the Committee is, in many respects, contradictory and the Committee is of the opinion that in arriving at the truth and evaluating the testimony of the witnesses that appeared before it, much depends on the weight that can be attached to the evidence of Mr. Rawluk, the maker of these charges."

Now did anyone ever hear of any court taking the attitude that the credibility only of the complainant is a matter that should be waived? After all, when charges are denied, surely the credibility of the people trying to exculpate themselves is equally involved and of equal importance. Surely,

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if these charges are proved, it is a terrible thing for those that they are proved against and surely, in coming to a conclusion, the weight that can be attached to all the witnesses is important. And so we moved that we strike out the reference to Mr. Rawluk alone and replace it by the following words:

". . . the people directly involved."

Surely that makes it a fair report, meaning the Hon. C. M. Fines, M. F. Allore, Philip Bodnoff, Dr. M. C. Shumiatcher and J. O. Rawluk, and that is just what would be in keeping with a proper report of any Committee.

And then we also ask that all the words after "charges" in the 13th line of the paragraph at the end of the page, be struck out, and replaced by the following:

"The Committee draws attention, first, to the following, taken from Rawluk's evidence."

Now you will note, Mr. Speaker, that we do not in any way try to interfere with what was established in regard to Rawluk's derelictions in regard to collections or anything of the sort that was borne out by the evidence. After all, a Committee like this should sum up the evidence; but there is this to be said about it – in dealing with the shortcomings of Rawluk, the evidence starts at page 6 and it goes on to page 7, page 8, page 9, page 10, page 11 – all those pages trying to prove that Rawluk has committed offences. All those pages out of this entire report devoted to proving that Rawluk is not an absolutely honest man. Well, it seems to me, that when they prove that, all they have proved is that he is the kind of a man that would enter into this conspiracy to give 'kickbacks' to a public servant. You wouldn't get a man who is absolutely 100% honest to enter into those deals, and if he would do a deal like this, then it is to be expected that if he was under pressure (as he was) he might write cheques and might do these other things. But what has the Committee proved by putting pages and pages of that in the evidence? All they have proved is the probability of the story that Rawluk told.

And is it to be suggested for a single minute, that because a person is of that nature – that he might type cheques, that he might sign names other than his own to cheques, that he might use insurance moneys that he has collected and not remit the faction that belongs to the Insurance Office – when they proved that, are they to say that, henceforth, if that man wants to come forward and tell about his dealings, no word of what he says is ever to be believed? Why any court, Mr. Speaker, would laugh at that suggestions. It is completely and utterly ridiculous. Judges are telling juries every day that although this man even has perjured himself in front of you, you have still got to weigh his whole evidence and decide when he was telling the truth and when he wasn't.

There is the suggestion in page after page that because these things are proved against Rawluk, his evidence is entirely not to be accepted. After all, so far as we are concerned, when there are documents such as Exhibit "R" in Allore's own handwriting, which indicate that he was calculating 40% on certain business that had been turned into the Government Insurance Office – if that is true, Mr. Speaker, then he is guilty of a worse offence than Rawluk. Yet there is no suggestion (and he has failed to explain Exhibit "R" totally) that his evidence should be scrutinized with great care. No! The attitude is

that he is innocent even though there are these incriminating documents, and that his evidence is to be taken at face value and should not be weighed with the idea in mind that he is most involved and has a great motive for trying to exculpate himself – a greater motive than Rawluk. Rawluk has made these charges; all that he is involved in is to tell the truth about them. He was told over and over again here, "if you tell this Committee the truth, you have nothing to fear in regard to what is going on in front of this Committee; but if you do not tell the truth, you are going to be prosecuted for perjury." And so his only motive before us, Mr. Speaker, was to tell the truth.

But can anybody say that that was the only motive that could have actuated the other witnesses, with the possibility hanging over them of being proved against them that if they didn't come forward with some explanation that they had committed this very grievous offence, that they hadn't the greatest possible motive to bring forward evidence to try to prove that they weren't guilty? Nothing of that in this report, which shows how completely and utterly biased it is.

Now then, we moved to strike out Paragraph "G" which refers to the evidence of Mr. Wilson, the person from whom this agency contract was purchased by Rawluk. I must say, when I read this, the thought that struck my mind was how pressed the people who drafted this report must have been to try to bolster up their case. Here the situation is that there are two A. E. Wilsons in the telephone directory. The man in question, who is supposed to be the insurance agent, has a household; the other A. E. Wilson, which is a business phone, is another Wilson altogether, and as I remember the evidence, A. E. Wilson, the man who is the insurance agent, isn't listed in the yellow classified pages of the directory. Isn't it then perfectly conceivable that a person trying to recall what had happened, might have said, "I tried to get in touch with Wilson and failed," because he would naturally phone the business number. Oh, but they say, "the evidence is that he was talking to Mrs. Wilson" and the point was made in that way. Well, talking to the wife was not talking to him, and between not getting in touch with him on his business phone and then only managing to get in touch with his wife, and then to find that for some unknown reason, without any motive whatever, that Rawluk would perjure himself in regard to this particular matter, it seems to me that it is certainly trying to make a mountain out of a molehill, and, therefore, it should not be in the report.

And then, for good measure, we have "H":

"Mr. Rawluk swore that he was being threatened by telephone calls from Dr. Shumiatcher, made periodically throughout the summer months of 1952. Documentary evidence was produced to prove that Dr. Shumiatcher was out of the province during the periods June 19 to August 30 and September 11 to September 16."

Now, during that period, he could have made periodical calls. He was home up until June 19th; we speak of the summer here in this country as including June, although some student of the almanac was very clear that it did not start until the 21st of June. Well most of us on the prairies appreciate June so much when it comes that we regard it as summer, and we also count August as part of the summer. I think most of us do, and Shumiatcher was in the city during two days in August. He came back on August 30th, and during 18 days in June, and thereafter, of course he was in the city. Now, a person, speaking roughly, could say, "yes, I received phone calls periodically during

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the summer." The anxiety to try to find something to somehow discredit Rawluk and indicate that his story was untrue in this regard, is written all over that finding. After all, with the evidence submitted in regard to Shumiatcher's action in June in regard to this affidavit, there was no reason why Rawluk should say that there were these periodic phone calls unless they did happen. What motive could there be? And then, to sum it all up:

"In addition to the above matters . . ."

This is the sort of 'omnibus' clause – 'if there is anything we have forgotten, then we tell everybody there is more in it'."

"In addition to the above matters, there were contradictions in Mr. Rawluk's evidence and further contradictions between the evidence of Mr. Rawluk and that of other witnesses called on his behalf, which will be dealt with later."

Well, Mr. Speaker, if you are referring to contradictions in the evidence of Rawluk, I wonder if there weren't contradictions in the evidence of Allore and the evidence of Hammond and the evidence of Bodnoff and the evidence of Shumiatcher, if there weren't contradictions in their evidence and between one another – and then there was the contradiction in the evidence of the Hon. Mr. Fines, which has been referred to.

But the report says: In addition to all of these there were other contradictions", in order to sort of make an omnibus smear charge. Well, there it is. Any unbiased person reading this would say there was only one object in mind in the writing of this report, because this final clause, I submit, when it does not say there was contradictory evidence in all the witnesses, indicates that.

Now then, the next item that we deal with, Mr. Speaker:

"The Committee, however, is of the opinion that Rawluk, who gave testimony for nearly 33 hours, and underwent close examination by counsel for the Committee, Mr. E. C. Leslie, Q.C. and the Premier, gave his testimony in a much more straightforward manner than did the witnesses Shumiatcher, Bodnoff, Allore and Cates, who, at crucial points of their evidence, were most evasive and at times contradictory in their evidence. This feature of their evidence will be dealt with later in this report."

In other words, it is an attempt to put into this report an impartial finding that others besides Rawluk gave evidence that was contradictory both within their own evidence and with other witnesses, and anybody who reads this evidence sees evidence of it right through. They see the evasion that took place. Different items comes to mind. For example, I draw your attention to Mr. Bodnoff's suggestion that he had others deal with Allore. And when I said to him, "What other deals?" – there was his positive evidence, "I had other deals with Allore." And I said: "What other deals?" "Well" he said, "I may have had some fire insurance with him." First of all he said positively that he had other deals, and then when it was a matter of what other deals, well then he may have written fire insurance, he thought he did. But in one case there is the positive evidence and then when asked about it, quite obviously it was a statement made that he did not want to amplify.



Then, for example, Bodnoff's evidence and the play-acting that went on here in regard to his attitude in regard to not wanting to reveal the reason why he wanted this alleged \$300 loan paid in cash. You remember it, Mr. Speaker. It was quite an act! He didn't want to give the evidence; it might incriminate him; and it was with great reluctance. His lawyer, Dr. Shumiatcher, wanted the protection of the Committee, that if he disclosed something that was going to incriminate him, he would have the protection of the Committee and then Mr. Bodnoff said, "Will I am going to tell the whole story." Then the Premier rose up and said, "Oh" indicating that this was quite improper that this man should be asked to tell the whole story, and there are two or three pages of argument, and by the time that Mr. Bodnoff got around to making this terrific disclosure what did it amount to, Mr. Speaker? I wonder if that is what he intended to say; I wonder at the time, or whether he thought better of it. One can only conjecture now; but anyway his terrific disclosure that he was getting the protection of the Canada Evidence Act about, and he was going to make a clean breast of it – what was it, Mr. Speaker? Well it was that he had had trouble with the income tax office. It is not something that people say 'I've got to have protection; I might involve myself in a criminal offence; I've got to solemnly get my solicitor to protect me'. He said, "I have had trouble with the income tax office. They asked me about various transactions. I didn't have documents to back them up, and so I had trouble." And this was the thing that he was afraid to disclose to the Committee.

The question naturally arose in, I think, the minds of most of us, if you got into trouble because you didn't have documents to back up your case, wouldn't it be natural, in future, to make sure that you had documents to back up your situation? That if you made a loan (we'll say) to an individual, you would give him a cheque and when he paid it back you would give him a receipt? But here is a story that because this man got into trouble because he didn't have documents, that henceforth he was going to have even less documents. Well, did anybody ever hear of such a silly story?

Then the suggestion was made that perhaps it would affect his income tax position, that if it came out that he had been repaid a loan of \$300 that this was going to have a fearful effect on his income tax position. The evidence is, during the same time, that \$2300 had been repaid to him on a loan that he had made to Rawluk; that that had been repaid to him and that that was done by cheque. I believe all of it, certainly \$1365 of it, went through Shumiatcher's books – and yet \$300 was going to have such a terrific effect on his income tax position, so why didn't he conceal the \$2365?

Well, what was the explanation of that? The Committee will bear it in mind. The explanation as to why it didn't appear on the books, as to why there was nothing in writing about it was this: Well, they said, the income tax position. Dr. Shumiatcher was asked, "why didn't you have something in your books about it?" Dr. Shumiatcher's answer was, "well, we were asked to handle this in cash, it was a friendly matter; we didn't charge a commission on it." The same thing was true, Mr. Speaker, in regard to the other collection of \$2365. There was no commission charged on that. It was a friendly matter, and yet it was in Shumiatcher's books; it was in his ledgers; it was covered by cheques – and it was exactly the same time. What are we to think of this story that there was \$2365, a friendly matter being put through the books in the ordinary way, but this \$300, although it was a friendly matter, was not put through the books; and Bodnoff didn't want to put through, because he wanted to protect himself on the income tax.

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I wonder if any Committee member here can really believe that story? Well then, why wasn't it in the books? I submit it wasn't in the books because, Mr. Speaker, it never happened! It was invented to explain the six cheques that Shumiatcher could not deny had come into his possession.

Let us now look at some other reasons why we have a right to say that that \$300 transaction never took place. We have the evidence that on April 28th, the directors of Financial Agencies met, Rawluk was there and they decided (and Rawluk agreed) that he should sell his car and he would no longer get any car allowance from the Company; and as of the same date, Mr. Rawluk signed a bill of sale which would enable anyone to take possession of that car, enable Financial Agencies to take claim to it themselves and give it to somebody else, or do anything they liked with the car. Now, Bodnoff said, "one of the reasons I gave him the \$300 loan was because Rawluk finally agreed to put the car in the car lot' sometime about two weeks after signing this bill of sale and after agreeing to do it. Another reason he gave why he gave him the \$300 loan, was because 'Rawluk begged him for it'; he said because his 'morale' had been restored because he had just got \$1,000 from Rawluk. But he knew, when he got the \$1,000 that Rawluk had put a charge against this car (which had been purchased with his money almost entirely) of approximately \$1,000 and that this \$1,000 which was supposed to have restored his morale had come out of borrowing on that very car, and so Bodnoff wasn't one cent better off by virtue of getting that \$1,000 and he knew it. Yet he comes before this Committee and says: "Because I got the \$1,000 my morale was restored and I was ready to let him have another \$300."

The Committee, reading that evidence, must be struck by another thing, and that is his evidence about this alleged loan. He said, "I gave it to him." Committee counsel questioned that – "You gave it to him?" He said, "I loaned it to him." At one time, in the evidence, he said, "I gave him some money; I don't remember how much." And then, later, when he was looked at by counsel – "Oh it was \$300; he wanted \$500 at first." If ever there was a case of a witness obviously fabricating evidence right before our eyes, it was Philip Bodnoff when he was talking about that alleged loan of \$300, and I am satisfied any court that was weighing the evidence would so find.

Then there is the evidence in regard to the repayment of this money. Bodnoff said the understanding was, "I was to get this money back at once, forthwith," and all that sort of thing. The loan was alleged to be made the middle of May; and then we have the evidence that he never asked for this money except once, and didn't get it – so they say – until sometime in November. Think of it! Trying to make this Committee believe that this matter that was so urgent, and then he only inquires about it once and does not pick the money up until sometime in November! As I recall the evidence of Dr. Shumiatcher, he said that this money was turned over in two instalments, one in October and another in November. Mrs. Cates said that it was all accumulated in an envelope . . .

**Premier Douglas:** – When did Dr. Shumiatcher say that?

**Mr. Tucker:** – Well, as I recall the evidence . . .

**Premier Douglas:** – I think your recollection is wrong.

**Mr. Tucker:** – Before we are though I will find the transcript on which I am basing my memory. I was trying to find it last night, and I didn't succeed, but I am satisfied in my own mind that it is there.

**Premier Douglas:** – Well, don't put it on the record unless you are sure.

**Mr. Tucker:** – That is my recollection, I am satisfied I can bring it forward, but we haven't had very much time to check the transcript; we haven't had it so very long and haven't had much time to do work on it since we did get it.

**Premier Douglas:** – You had lots of time to draft this thing.

**Mr. Tucker:** – It took some time, all right, I admit, but I don't think it took as much time as to draft this report that we are discussing. In any event that is my recollection of the evidence and as I say, I intend to check up on the matter and if it's wrong, if I cannot produce the transcript, I will get up and say so. I am just trying to state the evidence as I recall it.

In regard to this \$300 alleged loan, the evidence is that, although Rawluk had got all the money to buy this car and later put a loan against it for \$1,000, then give Bodnoff \$1,000, which means that there then is still against the car the original \$2300 – then he gives him \$300 to get possession of the car although there was a bill of sale still in the hands of his solicitor. Mr. Speaker, I ask, is that credible? Mr. Bodnoff said, "I didn't know about the Bill of Sale." Is it credible that when these people meet and have it agreed that Rawluk is to sell the car and on that day the bill of sale is drawn up, signed by Rawluk, in blank so it can be filled in to anybody, that Shumiatcher, who was acting in the matter for Bodnoff, wouldn't tell him about it? If a person wants to believe that sort of thing, they can; but that Bill of Sale was taken to carry out what was decided by all of them on April 28th, that the car should be sold and Bodnoff should get the money.

In regard to the repayment of the money, we are told that \$285 and some cents was collected from Mrs. Rawluk's cheques; that they got them cashed each time and put the proceeds in this envelope. The envelope wasn't even kept in the safe; it was kept in a drawer of Mrs. Cates' desk. Each cheque, when it was cashed, the money was put in that envelope and Mrs. Cates purports to have entered the date when it was cashed and the entry in that amount, and then she puts on the date in November when she was purported to have handed this cash over to Bodnoff. Now that is the sort of evidence that courts always look on with great suspicion, because it can be fabricated just before the evidence being given. You couldn't fabricate evidence in books, but you certainly could fabricate an envelope like that very easily, and there is no way of checking it. That envelope isn't worth any more than the sworn testimony of Mrs. Cates herself. It is completely self-serving evidence, and would not be accepted in a court as worth anything more than her uncorroborated testimony.

Then in regard to the story of the thing. We have the story that, before they even cashed the last two cheques according to Dr. Shumiatcher, when there was over \$100 of this \$300 still uncollected – and remember that the last two cheques were not cashed apparently until some time in November; there was no certainty at that time that they would be good – we have the evidence that, at the time Rawluk was given \$610 from the proceeds of this car, part of the \$300 loan was still unpaid and outstanding, if the loan was ever made. Now I ask you, Mr. Speaker, was that carrying out the instructions that Bodnoff and Shumiatcher both claim were given to Shumiatcher, that he should collect this money out of the car and get it as soon as possible? Sometime in August, while the \$300 alleged loan was still outstanding, Rawluk gets \$610 from Shumiatcher

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from the sale of the car. Nothing was said about the \$300 loan in any of Shumiatcher's memorandums. And we asked him "Why did you give him the \$610 when a substantial part of this \$300 loan was allegedly outstanding?" "Oh", he said, "he begged for the money" and all the rest of it.

Well, Mr. Speaker, in view of the dealings between this group of people at that particular time, in August of 1951, I ask you if Shumiatcher would violate his instructions from Bodnoff in regard to getting this money out of the car and getting it as quickly as he could, just because Rawluk said he would like to have the money.

I submit that no court would accept explanations like that; they are too far-fetched and too impossible. And then, the thing that could not be expected happened. Here was a story that had to explain the six cheques which came into the hands of Shumiatcher, because they were either deposited in his firm's account, or endorsed by people working for him. That bore out Rawluk's statement so completely, that unless it could be explained as repayment of a loan or something of the sort, then it would be absolutely conclusive; so we have this alleged \$300 loan not backed up by a shred of written evidence, relying entirely upon the sworn testimony of the people that were involved, and only backed up by this envelope which wasn't of any more value than the evidence of Mrs. Cates itself; no other documentary evidence that you would expect, no real explanation of why that documentary evidence wasn't there if it was a genuine loan. But, they said, "if we all" – and I think there is a fair inference from the evidence, that it was decided that "if we take the attitude that there was a loan made to Rawluk and these cheques were to repay it, then that will explain that away." And so they have the story – that people were going out and getting the cash and carrying it back and putting it in the envelope and keeping it – they kept it all for several months, until they got the \$285, which didn't even pay the \$300 – and then hand it over, according to Mrs. Cates, to Bodnoff.

The thing that they couldn't expect, and which often brings these nicely concocted stories to grief, is the evidence of Miss Fradette. That was the link in the chain that could not have been expected to break, because, after all, she had only worked there a month; it wasn't likely that she would have any recollection of any transactions that occurred there. But apparently, in regard to one of these cheques that she cashed, it was such an unusual proceeding that she did remember what happened and her evidence is that she was instructed by Mrs. Cates to go and cash that cheque and to take the money over to Rawluk, in Allore's office, in the Government Insurance Building. That would indicate that Mrs. Cates' story was not true, that one of these cheques did not go to Bodnoff – then, why find the other five did? In other words, she swears that \$285 went to Bodnoff, and if that cheque went to Rawluk in Allore's office there could not have been \$285 there. Her memorandum on the envelope is untrue; the whole thing is destroyed.

Now then, what do they have to do then? Well, they have to point out that Miss Fradette might have been mistaken. Here is the evidence, Mr. Speaker, of an absolutely unbiassed witness, a witness who had no motive whatever for telling other than the truth. She is brought in here and asked to tell her story. Does anybody here in this Committee, I wonder, in their own hearts believe that Miss Fradette, with no motive whatever, came forward and fabricated that story? Mrs. Cates had plenty of motive, Dr. Shumiatcher had plenty of motive; but what motive did Miss Fradette have? "Oh" they say, "she might have been mistaken." It is very interesting, at that stage, apparently Miss Fradette

made a deposit for Shumiatcher & McLeod in their bank, the Canadian Bank of Commerce, the very day that that cheque was cashed by her. The question must arise to every member of the Committee, why would she go to the Canadian Bank of Commerce and make that deposit for Shumiatcher & McLeod and then go to the Royal Bank and cash the cheque, unless she was definitely instructed so to do? Apparently the cheque was in their possession, and there was no reason in the world why she shouldn't have cashed it at the Canadian Bank of Commerce, unless she was instructed to go to the Royal and get it cashed and take it to the office.

Now her evidence, Mr. Speaker, is borne out by those facts and they are not explained; they are not explained at all; they cannot be explained other than that she got those instructions. Yet what does this Committee find? They find that perhaps she was mistaken. They could not bring themselves to accept that this woman knew what she was talking about, and what she swore to, she knew. No! That would destroy the whole fabric of defence against this case, and so Miss Fradette must be swept to one side; we must accept, at all costs, the evidence of Mrs. Cates and Dr. Shumiatcher.

Well, Mr. Speaker, it seems to me that this Committee has no right whatever to assume that this girl, who comes into the box and says, "this was the only time I was at the Government Insurance office; I was directed to Mr. Allore's office; there I gave this money to Mr. Rawluk," was mistaken. That happened – and if that happened, Mr. Speaker, then Mrs. Cates' evidence is untrue.

One bit of evidence that indicates just how conscientious Miss Fradette was, and every member of the Committee must have been struck by this – at least I was very deeply struck by it. Mr. Allore has been a very central figure in this matter, and if she had been going to any newspaper accounts or anything of the sort, in trying to fit herself into that, is it to be thought that she would not find out who Mr. Allore was, and have been able to identify him? And yet, she comes into that box, this young girl, tells this story, and then when an answer that might have been regarded as an absolute clincher is asked her, "Do you know Mr. Allore?" (he was sitting right there), she said, "No, I don't." Now could anybody think that she wasn't telling the truth when she said that? And that her whole evidence was not the truth? Because it would have been so easy for her to have known that he was Allore and say, "Yes, that's the man." But she wouldn't do that, Mr. Speaker. She just told what she knew and only what she knew, and then this Committee is ready to brush her evidence aside, evidence given with no motive whatever, given in a most convincing, straightforward way, brought in here to tell what she knew about it – and they are ready to brush it aside in favour of evidence of people who are deeply implicated and must explain this transaction at all costs. That is why I say this report is completely biased and not worth the paper it is written on.

Now then, I come to paragraph 7 of the amendment:

"That paragraph 10 be renumbered and amended by deleting 'pure' in the 10th line thereof and 'absolutely' in the 11th line . . ."

Now, when one is looking at a report like this, as to whether it is drawn in an unbiased and impartial way, or whether it is drawn by people trying to prove something, as is likely, when people are strongly politically-minded, words like this creep into documents to show the bias, and here is the proof. "Were it

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not for paragraph 41 the rest of the so-called affidavit, insofar as it affects Mr. Fines, would be pure hearsay." Just what "pure hearsay" is, I do not know. If this Committee had been just making a finding that this was hearsay, they would have said so; but they want to emphasize, to over-emphasize that it was hearsay, so they said it was "pure hearsay." I submit that that indicates just how anxious the Committee was to discredit that evidence, and so we move to strike out "pure" and say, as I think a court would:

"Insofar as it affects Mr. Fines, would be hearsay."

And then it goes on to say:

". . . not based on any personal knowledge of Mr. Rawluk and denied absolutely by all of the persons from whom he claimed to have received his information."

"Denied absolutely": is there anything more than simply saying that a thing is denied? But this report has to make out that it is "denied absolutely." Well, the drafters of the report indicated there how anxious they were. I am not surprised that they put this in, because the people that drafted it are political associates of Mr. Fines. It was to be expected they would feel strongly in the matter, and that was the very reason I brought forward as to why they are not fit judges of the matter, because they betray their bias by such expressions as that. And we move to strike it out.

Then we go on to deal with what reasons Mr. Rawluk might have had for telling this story in regard to Mr. Fines. Now, Mr. Speaker, I would draw to your attention the state of mind of Rawluk when he drew this affidavit on the 23rd of May. He had documents to substantiate his claim against Allore, such as Exhibit "R" and the cheque for \$90 and other documents in Allore's own handwriting, but he didn't have anything against the Provincial Treasurer except his word, so far as he knew. Now there must have been a temptation in his mind to leave the Provincial Treasurer out of it, because he would know that naturally it would be denied and that his word, with his background, against the word of a Minister of the Crown of this province was all that he had; that he was making an accusation there with nothing to back it up except his word, so far as he knew. The temptation must have been there, in his mind, to leave Mr. Fines out of it, and I think it must have been there very strongly. Why then did he put him in? Well I submit, Mr. Speaker, he put him in because, at that time, he decided to tell the truth about the whole transaction, and he felt that he could not tell the truth without telling it all, and that is why. It is a fair inference that that is the reason he put him in.

**Premier Douglas:** – Maybe the people who were helping him draft it suggested that he might put him in.

**Mr. Tucker:** – There is nothing whatever in the evidence, Mr. Speaker, to indicate that anybody helped him draft it, other than Mr. Heald. There is no suggestion of anything of the sort, and the evidence there is that it was dictated by Mr. Heald, based upon what Rawluk told him and the documents that he had. The suggestion of the Premier is entirely without foundation that anybody else had any part in this except Mr. Heald and Mr. Rawluk, and, again, the Premier, by making that interjection, shows his desire to smear this whole thing, if he can, by dragging something in that is not backed up by the evidence – it is just in his own imagination. I don't qualify his imagination, but I think everybody here knows what I think of the imagination of anybody who takes that attitude.

What motive had he (Rawluk) to implicate Mr. Fines? That brings up another question. It might be said, "well, he had a political motive." The evidence is that he took no great part in politics at any time. He acted as a scrutineer for the Liberal Party on June 11, but the evidence is that he took very little part in politics, that he was a great admirer of the Premier. We had the fact brought out that he even played golf with the Premier, and that he regarded it as a red-letter day when he was able to do that. I don't remember the year; my memory doesn't carry me in this regard. I think it was sometime in the fall of 1951 – I don't remember whether the date was corroborated in that regard. I believe, yes, it was the same summer as the money was allegedly paid to Mr. Fines.

**Premier Douglas:** – I think he said it was 1950.

**Mr. Tucker:** – My memory doesn't carry me in that regard. But in any event, Mr. Speaker, here is a man, a pleasant young man, who served in the Air Force, comes back and tries to establish himself, and like many people, wasn't a keep partisan, but he had conceived a great admiration for the Premier of this province. What reason would he have, then, to strike at his administration through his right-hand man, if he didn't feel that that was what happened and that is what he should tell.

The suggestion has been put about this province that this is entirely a political matter. It has been put about – as the Premier indicated by his interjection just now – that some people had drafted this up before the election the idea of making political capital out of it that there is no basis for the thing at all, that it was just invented by certain people undisclosed. Well, one of the interesting things about that is that August, who has quite a large income as an agent of Saskatchewan Government Insurance office – and I hope he won't suffer because of the fact that he has given evidence here; August comes forward, and if there was any motive at all in the matter that might activate him, it would be not to irritate the people whom he has to work for as an agent of the Saskatchewan Government Insurance office. And yet what does he tell us, Mr. Speaker? He tells us that, I believe it was in February of 1951, Rawluk had several conversations with him and while he wouldn't depose the exact words of those conversations, because he said that he wanted to forget them . . .

**Premier Douglas:** – He said he didn't believe them. He didn't want to forget them; he didn't believe them. Get it exact.

**Mr. Tucker:** – Well, that's all right. That makes it stronger still. When this was told to him by Rawluk, he didn't believe it; he thought it was something that he should forget, something that shouldn't be said. He didn't believe it, as the Premier said – I am glad he brought that to my attention; and yet he did tell him about it. He told him that he was under some obligation to make payments to Mr. Fines and Mr. Allore.

If that conversation took place, as August says – and there is no reason in the world to believe that it didn't – what becomes of this yarn that has been put around the province that this was all concocted just before the June election? At the time that Rawluk told August about this matter, he was the best of friends with everybody concerned; why, it was after that that Allore comes to the office and helps them fill envelopes for this advertising campaign. It was around that time, or after that, that Exhibit "R" was made out, in Allore's handwriting, showing the calculation of 40 per cent. It was after

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that that Bodnoff was so moved with friendship towards Rawluk that he gave him this alleged \$300 loan; it was months after that before they ceased to be associated together. And if he told August, in February of 1951: "I am under an obligation to make payments to Mr. Fines and Mr. Allore", pretty well as outlined in the affidavit; for August says the affidavit is along the lines of what Rawluk told him, doesn't that explode the story that has been put over and over again, trying to discredit these charges, that it is purely political and invented just before the election?

What motive in the world would Rawluk have to be telling this to August, in February of 1951, when he was good friends with everybody? When he was having to work with them and relied on them for getting help, why would he tell this to August? I am not referring to the other people he told, but to August, who is a reputable citizen and businessman. Why would he tell him that, Mr. Speaker?

Under pressure, Mr. August, later on, came back. He wouldn't detail the exact words of this conversation, and under cross-examination admitted that perhaps it might have some sort of a non-sinister import; but the fact remains, Mr. Speaker, that Rawluk did tell Mr. August about it and it was so bad that August didn't believe it. It was so bad that he didn't want to think about it, and so bad that he didn't want to tell us about it. Now, Mr. Speaker, what becomes of the story put out by members of the C.C.F. Party that this was invented and drafted up for political purposes before the elections of June 11, 1952?

In regard to the charge against Mr. Fines, the Committee will recall my reluctance to bring forward what Rawluk had put against the Minister and I took the attitude that the charges against Allore were backed up by documentary evidence. In regard to other people involved, they weren't; and if these things were to be looked into it would have to be on the initiative of the Committee. The reason for that was that I had carefully considered the matter, and I had come to the conclusion that Allore could not possibly make any defence to the charges because of Exhibit "R" and the cheque for \$90 and so on; but there was no such evidence against Mr. Fines, and I felt that it would be too bad for this charge to be made when there was no evidence to back it up – at least that was my own feeling.

Now I am prepared to admit that when I see what has happened since, it would have been quite impossible to have made the investigation we had without going into the whole affidavit, and I am not blaming anybody about that, because I didn't object; I simply said this must be the responsibility of the whole Committee in bringing forward this whole affidavit. I am not blaming anybody about it. I see now that what I had in mind was quite impossible. If we were going to have an investigation it would have been necessary to have gone into the whole matter. But at the time I raised this before the Committee, what I had in mind at that time, was that I would state the facts as they affected Mr. Allore, taken from this copy of the affidavit which I had, and then the motion was made that the exhibits be brought forward to this affidavit – not that the affidavit be brought forward, just the exhibits. That was concurred in by Mr. Fines and every member of the Committee; and what I had in mind was an investigation in regard to the charges against Mr. Allore. The attitude was taken by the Premier that we must investigate the whole affidavit and I said, "well, I am not opposing it; that must be the decision of the Committee." I go into that, Mr. Speaker, because it is sometimes overlooked just what actually happened



before that Committee. The Premier was not present, and during the course of the hearing he made a couple of statements which indicated that he did not know what had actually happened before the Committee. I repeat it again, because the members who were there know that what I say is correct.

Since this hearing has started, we have had something in the nature of corroboration of Mr. Rawluk's evidence against Mr. Fines and that is Mr. Tennant's evidence. Now nobody could ever have expected that any evidence would have been forthcoming of that nature. Certainly, I didn't know anything about his evidence until the morning he was called. Mr. Tennant was a law student I believe at that time, now he is a lawyer working for an oil firm, not practising his profession, but still a good many of our lawyers are in that position. It is not, in any way, discreditable to them. They file a declaration of non-practice and keep their standing as a lawyer and don't have to pay quite the same fees as a practising lawyer; but they still have that standing. When I was told that this gentleman, who had been working for Shumiatcher & McLeod, had overheard a conversation of the nature that he swore to in the box, I must say that I thought, 'Well, this is really something that one wouldn't have any right to expect would happen', because it was one of these things that, if it was true, would be done in a clandestine manner and it isn't likely that there would be witnesses. But it is a strange thing, Mr. Speaker, how often, with things that are attempted to be kept so secret, evidence turns up of somebody who knew something about it.

Now the evidence of Mr. Tennant in this regard was quite clear. Nobody knew about his evidence except himself and two or three people he had told. But apparently, as I remember the evidence, he had mentioned to somebody that he knew something about this thing, and that fact was conveyed to Mr. Embury. Mr. Embury got in touch with him and asked him what he knew about it and he told Mr. Embury exactly what he knew about it. So he was told to come here and "If you don't come voluntarily you will be subpoenaed," and so he appeared.

What motive could he have had to come into this hearing before this Committee and swear to that conversation having happened, if it didn't happen? Every human being has a conscience, and in regard to Mr. Tennant, if this was not true, if it was done for some ulterior motive, you would have to find that in order to serve that motive he was ready firstly to perjure himself, commit an offence in the eyes of the law as well as in the eyes of God, and then on top of that he would make a contribution that was untrue to destroy a fellow-citizen in the public life of this country. Well, I can't believe that a person of Mr. Tennant's education and background could possibly be so base as that, because that is going quite a length, with no motive whatever. If a person is in danger, as certain of the people involved in this are, of having it proved that they committed a criminal offence which shall do them terrible damage, then there is a motive to try and tell a story. But here is a man who is a trained lawyer and who comes forward and gives this evidence. What motive could there be? What motive that would actually explain that unless it actually happened? Think of how it would be on his conscience if there was any doubt in his mind as to whether it happened or not.

Well, one or two of the members laugh at that suggestion. I cannot think that any person who tries to understand fellow human beings, would think that anybody would do what he did except under the compulsion of telling the truth as they remember it. Now, what does Dr. Shumiatcher say – Dr. Shumiatcher, who has every motive in the world for contradicting it? Well, he says

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the conversation never took place at all, denied it in toto – neither to Mr. Fines or anybody else. I ask this Committee if in their own hearts, which they believe – a man who had no motive whatever, or the man who has every conceivable motive for coming forth and saying the conversation didn't take place?

If they suggest that perhaps this conversation took place with somebody other than Mr. Fines, well, if it did, why didn't Dr. Shumiatcher come forward and say what it was, instead of denying it altogether? Then in addition to that factor there is this: Is it likely that a conversation like that would be taking place to arrange for a business appointment? Well, that was the suggestion. Perhaps it was a business appointment. That Shumiatcher had phoned somebody to say, "This gentleman that you are going to meet is wearing a purple coat; is going to be walking down 11th Avenue and so on." If it was a business appointment, an innocent business appointment, it seems to me that such a thing as that couldn't possibly happen.

Something might be made of the fact that Tennant's recollection of the matter is that it was a 'purple' coat and Rawluk's evidence is that it was a 'mauve-coloured' coat. Well, to me, Mr. Speaker, these small discrepancies which are explainable by the processes and workings of the human minds, are proofs of the validness of the evidence rather than the reverse. If anyone was listening to that evidence and had in his mind that the coat he had seen Rawluk wearing from time to time was a purple coat and he heard it described over the telephone as a mauve coat, the difference between the two words would not register. Actually, as far as he is concerned, it is a description of that coat which was fixed in his mind as a purple coat. If they had been concerting the evidence together it would have been carefully on the basis that they were both mauve coats. And the very proof that the coat which he regarded as a purple coat and the coat as Rawluk describes as a mauve coat shows that there was no concerting of evidence; that this was given exactly as he understood it.

Now in this report a great deal is made of the fact that Rawluk says he was to go to the Government Insurance Office and there he would be contacted and told where he was to meet Mr. Fines. Tennant's recollection of the conversation is that he heard this: "purple coat, black hair, walking down Eleventh Avenue." Well, that is quite consistent with Rawluk's evidence. It might have been said in addition to him going to the Insurance Office that of course he will be walking along Eleventh Avenue – if you want to meet him there you can meet him there. There is no suggestion that Rawluk heard this entire conversation. In fact there is the suggestion there that he probably only heard part of it too, because we have afterwards the evidence of Tennant that he saw Dr. Shumiatcher with his hand on Rawluk's shoulder a few minutes after this phone call, telling him, "I described him to you, or you to him," and he drew the conclusion that an appointment had been made on behalf of Mr. Rawluk.

Now it is quite true that that does not directly implicate the Provincial Treasurer. It is quite true it may have been made in regard to meeting somebody else; but if it was, why doesn't Shumiatcher come forward and say so instead of denying the conversation ever took place at all? I submit in that regard that Shumiatcher is not telling the truth, that that conversation did take place. Now the question is – is it likely that two conversations of that nature took place? Well, it is not likely, it is possible. And that is why we in the Opposition here took this attitude. Here is the evidence of Rawluk; here is the corroboration of Tennant as far as it goes, and the denial of Mr. Fines and the denial of the other persons involved, as you might expect,

and we were faced with trying to make the finding that we felt was justified by that evidence. I would ask you to note, Mr. Speaker, that we don't go on saying we have no doubt about this matter, it's all made up out of whole cloth; nor do we go the other direction and say it is completely proved in regard to Mr. Fines. All that we do is say that these charges are here; we found that they are established in regard to Allore and the other people involved. There is no reason to think or to believe that he would involve Mr. Fines unless he was indeed involved; but it is denied by Mr. Fines; it is corroborated to some extent by Tennant. But nevertheless, we take the attitude here are the charges, here is the corroboration; we think that the denial of the people involved cannot possibly be held by us to have cleared Mr. Fines. That is what we find: that the charges against Mr. Fines are not disproved. We don't find them proved and we say that we find that they are not disproved, and we suggest to Mr. Fines, in view of the fact that his colleagues have refused to give him a chance to come before a judicial commission and have them rule on it, that some steps be taken by him in order to have the matter passed on by people who may be regarded as completely non-partisan.

**Premier Douglas:** – Where do you suggest that – where is that suggested?

**Mr. Tucker:** – I'll read it to you. Page 33 – it says as follows:

"The Provincial Treasurer has categorically denied receiving the money in the manner described. He stated before the Committee on the evening of March 10 (page 23 of the transcript) 'I will say something else, that at no time in my life until tonight have I ever seen Mr. Rawluk. This is the first time in my life that I have ever cast eyes upon the gentleman'."

Well, of course that was a positive statement and is sworn to by Mr. Fines:

"Later Mr. Fines stated that he had been mistaken, that Rawluk had introduced himself to two other men in his automobile in June, prior to the election in 1952. The Provincial Treasurer had been aware of the allegations in paragraph 41 of the affidavit ever since the morning of Tuesday, March 10. His evidence was given after his having had hours to consider and it is shown to have been untrue in this respect on his own admission."

Now had Mr. Fines said, "I never had any dealings with this man," then later on it was shown that he had picked him up and took him along for a drive or been introduced to him or something of the sort, I wouldn't have regarded it myself as of any great significance, because I know that constantly people who are in the position we are in are meeting people who said that they met us on previous occasions. As far as I am concerned sometimes I haven't the slightest recollection of it. But the thing that I find surprising is that Mr. Fines, looking at Rawluk, who is the kind of a person whom you might remember if you had seen him – I don't say you would – but he didn't say that he had never had any dealings with him of the sort indicated, but he said, "This is the first time in my life I have ever seen him" and he went on to say, "This is the first time in my life I have ever cast eyes upon the gentleman." Well, if you had really been careful about giving evidence under oath you wouldn't have sworn to that.

**Hon. Mr. Fines:** – Rubbish!

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**Mr. Tucker:** – The Provincial Treasurer says 'rubbish'. Sometimes people who are used to speaking, sometimes they take an affidavit and then they go on and talk as if they hadn't taken an oath, and I suppose it is capable of that explanation. We know how the Provincial Treasurer sometimes talks, and it may be that his explanation is – I don't know, he didn't give it, as to why he went so far in this particular evidence – but it may be that he forgot he was under oath this time. I don't know.

**Premier Douglas:** – Mr. Speaker, that is a most improper observation. What is possible is that he forgot seeing a man whom he had picked up in the evening, who sat in the back of the car. When you are driving a car you don't look people full in the face; the man was sitting in the back of his car and he drove for 5 minutes . . .

**Hon. Mr. Fines:** – No, five blocks.

**Premier Douglas:** – Five blocks – and was expected a year later, when suddenly confronted with him, to remember. It seems to me it was easier than to say he forgot he was under oath. That is a most improper observation for any gentleman to make.

**Mr. Tucker:** – Mr. Speaker, I am trying to explain the Provincial Treasurer's own evidence and the Premier is misunderstanding as he so often does when it suits his purpose. I didn't say that it was to be expected that he remember the episode.

**Premier Douglas:** – You said he forgot he was under oath.

**Mr. Tucker:** – Let the Premier sit down – he can speak later if he wants to.

**Premier Douglas:** – I'm certainly going to.

**Mr. Tucker:** – All right, sure. I have every expectation you will. But I suggest that what I was saying is that it is quite conceivable that the Provincial Treasurer should forget that he had picked this gentleman up and been introduced to him. That is quite conceivable, but what I did say was that I find fault with him not only saying in his evidence, "at no time in my life have I ever seen this Rawluk" and then going on to add to it, "this is the first time in my life I have ever cast eyes upon the gentleman." Now any person who meets people constantly, as we do, who is ready to swear when he looks at somebody, "This is the first time I have ever cast eyes upon him" is saying something that he must know might be untrue, and yet he swears to it. I was trying to put a charitable interpretation on the Provincial Treasurer's statement; I was saying he was talking while he was under oath as he often does in Committees and before this Legislature, and overlooked the fact that he was under oath. I was trying to put a charitable interpretation on it, then the Premier objects. Well, if the Premier thinks that it isn't capable of that charitable explanation, let him make the most of it, Mr. Speaker.

Now then, I go on:

"The Committee having come to the conclusion that Rawluk was telling the truth in regard to Messrs. Allore, Shumiatcher and Bodnoff sees little reason to find that he implicated Mr. Fines unless he was actually implicated. What conceivable motive could there be for his telling such a story to Mr. Ed. August in February, 1951, unless he believed it was true?"

"However the case against Mr. Fines lacks the corroboration that was available to such an extent with Messrs. Allore, Shumiatcher and Bodnoff, but the Committee finds it is sufficiently proved to require further action if he wishes to clear his name. His name cannot be cleared and has not been cleared where the issue has been tried before a Committee of the House of which he is a member himself, and composed as it is of a heavy majority of his political associates whose own political fortunes would be adversely affected by an unfavourable verdict.

"The Committee therefore finds that the charges made by Rawluk against the Hon. C. M. Fines have not been disproved."

That is our finding in that regard, Mr. Speaker, and I submit that it is much more of a judicial finding than the findings of the majority of this Committee in saying as they do in regard to all these charges, that they are absolutely and totally disproved.

**Premier Douglas:** – May I just ask my hon. friend a point I was trying to get clear when I asked him the question. What is meant by this: "The Committee finds it is sufficiently proved to require further action if he wishes to clear his name." What is implied by that 'further action'.

**Mr. Tucker:** – Well, that is a matter for the Government to decide. We suggested one way in which Mr. Fines wouldn't have to carry the exigencies of a libel action, an action for defamation, by the setting up of a Judicial Commission whereby the evidence could be brought forward on both sides . . .

**Premier Douglas:** – But that was repeated before you moved – what do you mean by this?

**Mr. Tucker:** – We suggested that, and now take the attitude that he should find ways and means of taking other action to clear his name. It is for him; we say that it is our opinion that his name is not cleared. We suggest that if he wants it cleared he will have to take some action. That is for him to decide. It is unfortunate, in my opinion, that his colleagues did not give the other protection or the other chance that we suggested.

**Premier Douglas:** – Well, you could give him the chance.

**Mr. Tucker:** – Well now, I don't know . . .

**Mr. Speaker:** – You didn't even give him a chance.

**Mr. Tucker:** – And in connection with what the Speaker says, I did give him a chance.

**Mr. Speaker:** – Order! In connection with the allegations.

**Mr. Tucker:** – Well now, I did. We have brought forward these allegations of Mr. Rawluk's before the Crown Corporations Committee. There is some suggestion apparently on the part of the Premier, that this was all concocted for political purposes. That is disproved by the evidence. And when we say that we neither find Mr. Fines guilty nor find that the charges against him were disproved, then there is the suggestion that some member of this Committee should

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give him the chance of proving that they are untrue. Well our finding is there. This is the finding that we made, and this is the one we stick behind. If he thinks that he can sue us in respect of a finding like that, in respect of an opinion like that, well then, that is our honest opinion and if we are to suffer for it, we are to suffer for it.

**Premier Douglas:** – Mr. Speaker, on a point of privilege. Let's not be absurd. Nobody suggested they can suffer for it. I simply said to my hon. friend that he can give to the Provincial Treasurer a chance to clear his name quite simply. If he believes the allegations all he has to do is make them in a proper place and he will get ample opportunity to substantiate his statement.

**Mr. Tucker:** – I say this to the Premier, that the man who made the charges communicated them to other people, and if Mr. Fines wants to bring an action for defamation he has got plenty to base it on. And that is the person he should go after – the one who made the charges. He is the man who can be sued if the Provincial Treasurer thinks the charges are untrue. There, I tell the Premier that. The Premier has asked for it, and now he has got it.

**Mr. Speaker:** – Order! Order!

**Premier Douglas:** – That's what I wanted – you finally came out of the bush.

**Mr. Speaker:** – Order!

**Mr. Tucker:** – Now to continue – "that paragraph 11 be stuck out." Now paragraph 11 indicates that because the members of the Committee (I haven't checked the transcript on this) didn't cross-examine Mr. Fines closely in regard to the matter, they have no faith in the allegations against Mr. Fines. Now that is an entirely unwarranted finding.

**Premier Douglas:** – Who says so?

**Mr. Tucker:** – Well, I'm speaking and I am the one saying it. I am just stating in these remarks of mine what is my opinion. It is an entirely unwarranted finding. The purpose of the Opposition was to bring out the facts in this matter, and so far as I am concerned I was not going to engage in any cross-examination of a person who is sitting on the opposite side of the House. He is a colleague of mine in this Legislature. My attitude was that he has given his evidence and the other people have given their evidence and when the time comes we'll try to balance the one against the other. I knew very well that the only outcome of my asking Mr. Fines again about this transaction would be that he would deny it again as he had already denied it, and I would have been told, by the members opposite who were so ready to intervene and find fault, "That we are wasting time; Mr. Fines has already denied this, so why are you going over it again?" Sure that would have been said, Mr. Speaker. And so I thought well, in this particular case and under all the circumstances I am not going to engage in any brawl over this particular matter. Because goodness knows, anyone who reads the transcript will find that over and over again when witnesses were brought to the point where they might have said something that was going to in some way be difficult to explain later on, there were objections from the other side and arguments to give them plenty of time to consider the whole situation. The possibilities of their answer were clearly laid before them, so when they came finally to answer they would find, if they were listening at all, they could take advantage of the fact that some people in this Assembly figured they were on the verge of saying something that it would

be wiser for them not to say. Now then, that happened. Reading the transcript shows it, over and over again, and it was one of the difficulties we had in making up our amendment, because wherever you came to the crucial point of the evidence so often their points of Order were raised and the evidence was buried in a whole lot of arguments.

So I say the failure to cross-examine Mr. Fines in this matter doesn't indicate that we have no faith in the allegations against him. We heard the allegations against him. We heard the corroborating evidence. We heard Dr. Shumiatcher coming into the box and swearing that the conversation did not take place. We saw Mr. Fines make the extravagant statement he did in regard to the matter, and we came to our conclusion on it that the charges against Mr. Fines had not been disproved. And the Committee has no right to suggest that we have no faith in the matter. I repudiate the suggestion entirely as unjustified and unwarranted.

Now then, the next . . .

**Mr. Speaker:** – If you are going to deal with another clause I would be prepared to call it one o'clock.

**Mr. Tucker:** – Well, just a minute, Mr. Speaker, I'll see what . . .

**Mr. Speaker:** – If you are going to deal with another clause you will take more –

**Mr. Tucker:** – Paragraph 11 we struck out. Yes, this other matter is something that may take more than 5 minutes.

**Mr. Speaker:** – Well, then, we will call it one o'clock and the House will recess until three o'clock.

3.00 o'clock p.m.

**Mr. Tucker (resuming):** – At the outset of my remarks, this afternoon Mr. Speaker, I should like to revert to the matter of the alleged \$300 loan from Bodnoff to Rawluk, and to deal with the question raised by the Premier in connection with the evidence of Dr. Shumiatcher that the alleged loan of \$300 had been repaid in two instalments, whereas Mrs. Cates claimed that it had been paid sometime in November of 1951. I was arguing, Mr. Speaker, that if there was any uncertainty about this important matter it indicated on the part of Dr. Shumiatcher (and his evidence indicated) that it was such a vague and doubtful matter in the minds of the various witnesses that it is what one might have expected if it didn't happen at all. And the Premier asked me just what page of the evidence I had in mind in the matter, and I stated that I would give him the reference as soon as I found it. It is to be found on page 48 of the evening session of March 12, and here is what he said. I'll give the context. It first of all bears out the idea that they had collected this \$2365 for Bodnoff without charging any commission, as a friendly matter, and yet put it through their books. The question by Mr. Leslie was:

"Q. Dr. Shumiatcher, wasn't that a most unusual procedure? That is, you were collecting money for Bodnoff who was not, in that matter, your client.

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A. Well, no, that is precisely the point I should like to make. As a matter of fact in respect of these dealings with Rawluk, mainly in respect of the cheque for \$2365 – and on that I might say we did collect, or were instrumental in collecting the full cheque – we did not regard it as a client-solicitor relationship at all. We were dealing with Mr. Rawluk, who was a business associate of ours, and this was not set up – none of these transactions with Mr. Rawluk were set up or regarded as a solicitor-client relationship.

Q. The whole object of arrangements you say was to ensure to Mr. Bodnoff that he got the money. Well, wouldn't it have been just as easy for you to send this cheque out with Mrs. Cates and have it certified and turn the cheque over to Bodnoff?

A. Well, it would be almost so, but not quite, because we deal at the Bank of Commerce and I think that that was taken over probably by Mrs. Cates when she made her bank deposits.

Q. Do you know how long you held that cash?

A. I can't say with certainty."

This was the evidence given on March 12.

"A. (cont) I believe my recollection is – I didn't bring it tonight because I didn't think I was going to be called upon to give evidence tonight, but I think there were some notations on the envelope, the Bodnoff envelope, which would indicate the money that was put in and the money that was taken out, but I think this: My recollection now is that the money was left there until some time either in September or October. I think it would be about October. The proceeds of four cheques were then paid over and sometime in November, about November 8th or 7th, or sometime in there, the proceeds of two other cheques were paid over."

And then it goes on to ask in regard to the \$2365 if they had a ledger sheet: absolutely nothing about the \$300 except this envelope of Mrs. Cates. She swears positively the money was turned over in November and Dr. Shumiatcher said he didn't expect to give evidence but he is giving as his recollection that it was turned over in two instalments. Later on he may have conformed to Mrs. Cates' evidence. I don't remember that, but I do say that here is the evidence on this most important matter, and there is a discrepancy in regard to it as I see it.

Now just to come back to the amendment, paragraph 9, we proposed that there be substituted in paragraph 13, that the arrangement in regard to Mrs. Rawluk's cheques "was made for the fraudulent purpose of obtaining the proceeds of her salary cheques to build up a fund out of which these 'kickbacks' could be paid." Then it goes on to say:

"Rawluk so swears in his affidavit, and again in his evidence before the Committee he was corroborated in his evidence by the fact that Mrs. Rawluk earned nothing of this salary. This is clearly established by the evidence



of Mrs. M. Severson, Mrs. Dorothy Smibert, Mrs. Lillian Cariss and Mr. Ed August, who were also employed by the Company during part of the period in question."

And corroborated also by the six cheques being turned over to Shumiatcher and Company. Dr. Shumiatcher, in giving evidence, finally said: "We knew that she wasn't working full time. We knew that she had a child during the period of this alleged employment"; and their attitude was that they were not worrying very much about whether she earned this \$100 a month or not, because they were inclined to give some further income to the Rawluk household. Well, in view of the financial difficulties which had developed in regard to the company, according to the evidence, there were expenditures during the early part of the company's business of somewhere over \$1,000 and receipts of less than \$200 up to the first of October of 1951, this free and easy attitude towards the expenditure money of the firm, I submit, is not credible at all, and that the attitude towards Mrs. Rawluk's cheques indicated that they were not regarded as cheques that she had earned and was entitled to because of the explanation that they tried to give that she in any way had agreed to those cheques being dealt with in that way. They just dealt with them. The only evidence that they had that she was satisfied was that he endorsement appeared on them.

I submit that if the woman was working and earning those cheques, her husband and Dr. Shumiatcher and Mr. Bodnoff would not simply get together and agree that those cheques should be diverted from her for another purpose without her express consent, because, after all, they would know that she would have a right of action against the company later on if it wasn't proved that actually she was paid these cheques. It might be said that her endorsement might be an answer to that; but I submit that that would not have been accepted by a careful businessman like Dr. Shumiatcher. They would know that later on it might be said, "Well, I didn't realize when I endorsed those cheques that they were pay for my work." I submit that the whole deal with these cheques indicated that they were not bona fide payment for work which she did.

There is another thing about the matter. Dr. Shumiatcher was a signing officer of the company, and he tries to say that she did work there sometimes and suggests that she answered the phone at times. Now I suggest Dr. Shumiatcher being the secretary-treasurer of the company and being the signing officer and actually taking the interest he did in this company, that it would have been quite impossible for her to have been supposedly employed from December 13, 1950, until sometime in September – I believe the 1st of September, 1951 – during all those months, that he wouldn't have found out as he visited the office and never saw her there, apparently. At least he may have said he did see her there, but if he did it was contradicted by all the other witnesses, which makes it even worse. It is quite inconceivable that he would have thought she was really working there if she actually wasn't, and the suggestion that he was deceived in this thing by Rawluk, that actually they thought she was working when she wasn't working, I don't think that anyone can really believe that that is possible.

Now I come, Mr. Speaker, to the top of page 7:

"In addition to salary cheques . . ."

there would be a cheque to cover expenses of a trip to Vancouver, \$161.35. I think that a fair inference from all the evidence is that Rawluk made no such

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trip, and I also submit, Mr. Speaker, that a fair inference from the evidence is that Shumiatcher knew that he had made no such trip. There is no evidence that he brought forward to Dr. Shumiatcher any concrete results from that trip, no suggestion that Dr. Shumiatcher in any way looked into the question of whether this expenditure has borne any fruit or whether it was necessary or anything of the sort. It isn't as if there was constant travelling being done. As I remember it this is the only expense cheque during that whole period. So it was an unusual thing and I submit that Dr. Shumiatcher would not just hand out \$161.35 without making some inquiries as to what they had got out of it and whether it was necessary or not. But, according to him, at first he said he did not even remember seeing the statement covering expenses. Later that was produced, as I remember, out of Rawluk's papers I think, and he didn't remember actually having seen the expense sheet before he signed the cheque. I submit that a fair inference from that evidence is that this was another bogus payment in order, as Rawluk said, to make a payment to Allore.

There is another point I put to you, Mr. Speaker, in that regard. Is it to be expected that Rawluk would invent this particular item in addition to the salary cheques of Mrs. Rawluk absolutely out of thin air, make it up entirely? I submit that actually the thing is as sworn to by him: that this trip was not made and that the expense cheque was made out in order to provide Allore with some money as he said he needed money at that time. Your Honour will remember that there seemed to be a thought of the Committee that he probably was not telling the truth about this thing, and the possibility of him making the trip was going to be checked up on and so on. An investigator was put on the job. We heard nothing more about it. I think it is a fair inference that the investigator found nothing out at all. Had Rawluk made the trip, I think that it would have been found out that the sleeper stubs or records would have been available and, at any rate, we should have heard something in regard to the matter unless it was entirely negative. The results must have indicated from all the investigation that could be made that Rawluk in fact did not make this trip. And that bears out his evidence.

It is interesting to see the attitude of Allore to that matter in his first answer, page 29:

"His evidence in regard to receiving the proceeds of the cheque given for the trip to Vancouver, which was not made, was evasive. The evidence in part, was as follows:

Q. Now then you heard the evidence of Mr. Rawluk about the expenses of that trip to Vancouver – the expense cheque for \$161.35, which was cashed on June 28, 1951. You remember hearing Mr. Rawluk, and he said that he cashed it and give you the money. You remember hearing him give that evidence?

A. Yes.

Q. Now then, have you any recollection of any transaction like that?

A. I don't recall."

Actually, if there had been nothing of that sort he would say, "nothing of the sort ever occurred"; but his first answer was "I don't recall." Then he later

explained it, as I remember, by saying, "Well, it didn't happen so I don't recall anything like that." But if such a thing never happened at all he wouldn't say "I don't recall" about this trip and "I don't recall" getting money of that sort. In regard to the repeated evidence of Rawluk that Allore was in need of money and coming to him as he did here and wanting money over and above the money that was supposed to go from Shumiatcher, this is the evidence in that regard, Mr. Speaker, and I think that it is very significant – it is on page 29 of the report, as follows:

"He" (that is referring to Allore) "gave no conclusive answers as to whether due to gambling or other activities, he was under a heavy demand for money, which might have explained his desire to receive a secret commission. In this regard the transcript of evidence is as follows:

Q. Now then, on June 28, 1951, were you under any extraordinary heavy demands financially?

A. I don't recall any unusual (and then there is something apparently not understood in the transcript) "at that time.

Q. You don't recall? Well, this is quite important, Mr. Allore, and I suggest that you check up and see if you were under any extraordinary expense in regard to your – in regard to buying property or in regard to any domestic demands upon you of any sort, personal demands upon you of any sort, at that time. You say you can't recall whether you were under any demands in June of 1951. I suppose from your bank accounts and your receipts you could verify whether you were under any demands of that kind – of any heavy demands?

A. I don't recall any heavy demands. I could do some searching and see if there is anything that might be of value, but . . .

Q. I wish you would do that, Mr. Allore.

A. What period?

Q. June 28, 1951, is when Mr. Rawluk said you had indicated that you would like to have some money over and above these salary cheques of Mrs. Rawluk's and so this trip was figured out and the cheque was made out and signed and cashed, and he says he gave you the money."

Now as the amendment suggests, "no further evidence was given by Allore to contradict the evidence of Rawluk that Allore from time to time needed money and came to him, and indicated items of business on which he claimed to be entitled to a 40 per cent kickback." It is true that he denied getting the 'kickback', but he didn't come forward and deny that he was under any demands of any sort as he was asked to do, to look into his papers and so on. And I think that that is of some significance, Mr. Speaker.

In regard to the \$90 cheque, the evidence of Rawluk is that it was a \$90 cheque made out on Rawluk's own personal account and dated January 26, 1951. That cheque was cashed, went through the bank, the money was taken out of Rawluk's account. It had an endorsement on the back, 'M. F. Allore',

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which Mr. Allore admitted was his endorsement. It also had an endorsement on the back 'William George', and the question then was "You say that you didn't get any money from Rawluk? He says this was a part of a payment of \$153 which he made to you, \$63 in cash and this \$90 cheque." His evidence in that regard, I submit is most unsatisfactory. It is found on page 16 and 17 of this 'Votes and Proceedings', and I would just refer the Committee to it:

"In the case of Mr. Allore it is shown he was well acquainted with William George, familiarly known to him as 'Willie' George. When asked by Committee counsel whether he knew William George he answered, 'I don't recall who that is'. And to the question, 'you don't know William George?' he replied, 'I don't recall offhand who he is, no.' Then he was confronted later with the evidence of William George. He said he didn't associate Willie George with William George, yet William George who endorsed the \$90 cheque, Exhibit "J", was the only William George of his acquaintance. This Committee is of the opinion that in these answers Mr. Allore was not telling the truth."

Now dealing with that for a minute, the evidence is that George had vouched for Allore at this Prairie Athletic and Social Club so that he was able to cash cheques there long before this had happened. He knew Allore quite well, and yet Allore admits that he only knew one person of that name, Willie George, and he sees this endorsement after his on a cheque by a man who says that he knows Allore well and has vouched for him to get a cheque cashed for him at this Prairie Athletic and Social Club. He actually says, "I don't recall who that is." Here is an endorsement of William George on a cheque for \$90 made out by Rawluk to him, and he doesn't recall who that is; 'he doesn't recall offhand who he is, no.' When asked to explain that he gave the improbable explanation that this man was described as William George, and the only person of that name that he knew was Willie George, and that is why he didn't connect the two. Well, if anyone can believe that that evidence is credible then I would be surprised. It was something the same as his brother, who was known as 'Pat' George but his name was Patrick George, and it was just about the same to say if Patrick George endorses a cheque and he was asked "Do you know who that is?" and the only person of that name that you knew was Pat George, but you wouldn't think of associating the two together. Of course evidence like that is just not accepted in any court of law, it is so ridiculous; and if Allore is not telling the truth in this regard, well then . . .

**Mr. Gibson:** – Will the hon. member permit a question?

**Mr. Tucker:** – Yes.

**Mr. Gibson:** – Did you ever hear of a man called 'Pat' whose name was not 'Patrick'?

**Mr. Tucker:** – Oh yes I did. But if I only knew one person of the name Patrick so-and-so and I heard of a Pat of the same name I would naturally think of Patrick.

**Mr. Gibson:** – But you wouldn't be able to say under oath that it was, would you?

**Mr. Tucker:** – But if I had got a cheque for \$90 and I had endorsed it and got the money from a person by the name of Pat George and I only know one person by the name of Patrick George, is it suggested that, when I was asked

who the person is on that endorsement, I would say, "I don't recall who it is" because on the cheque it is Patrick George and I would know him as Pat George?

**Mr. Gibson:** – But if you frequently cash cheques it is quite possible.

**Mr. Tucker:** – Oh, well, that would be different. If I frequently cashed cheques for a person that might be different, but the evidence is that this was an unusual thing so far as Rawluk was concerned. The evidence of Allore was that he was surprised that he had cashed this cheque. When he found out about it, he said himself he was surprised he had cashed it. That doesn't show that it was a course of conduct or anything of the sort. This is an unusual transaction. I will read in regard to that matter:

"This Committee is of the opinion in these answers Mr. Allore was not telling the truth. Mr. Allore did not categorically swear that he did not receive the proceeds of the \$90 cheque given to him by Rawluk."

This is a very interesting thing. To begin with he more or less takes the attitude 'I must have cashed the cheque for Rawluk', then he even hedges on that. And I asked the Committee, Mr. Speaker, to observe this evidence. His answer was: "It can only be a cheque I have cashed for Rawluk when he probably said, 'have you any money?'" Here is a deal with this man that he saw constantly during these months, helped out over and over again, and when he sees this cheque he says, "it can only be a cheque I have cashed for him when he probably said, 'have you any money?'" And when he probably said, 'have you any money' he gave him \$90, like that. This is the evidence that we are supposed to pass on. And he goes on to say, "I was surprised to know that I even cashed a cheque for him." Well, that does not indicate that it was a course of conduct or anything like it, and he goes on to say, "until I saw it." Now, how can you explain that evidence except as an evasion? Is this man so well off, throwing money around, that he would cash a cheque for \$90 for a man by the name of Rawluk and forget all about it? Well, people can believe that if they want to, but I suggest that it is not credible. After all, if he takes the attitude that he can't identify William George, is surprised that he cashed this cheque, then he goes on to say this and this is the last answer:

"It will be noted that he finally does not even unequivocally affirm that it was this \$90 cheque which he claims to have cashed for Rawluk. The transcript from the evidence in this regard is as follows:

(Questions by Mr. Tucker to Allore)

Q. Then you did know that you had cashed that cheque? (Referring to the \$90 cheque given to Allore by Rawluk dated January 26, 1951).

A. Oh yes. At least I am not sure it was that one but I remember cashing a cheque and it's quite likely that one."

Here is a cheque produced for \$90. He starts out by saying, "I gave the money for that \$90 cheque" and then later on he says, "I am not sure it is that one." But he remembers cashing a cheque for him and it is quite likely that one, which means that this \$90 cheque could have been one that he didn't cash at all,

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according to his own evidence. Why did he make that statement if he wasn't trying to put himself in a position where, if it was later proved that he didn't cash this \$90 cheque, then he'd say, "Well, I said I wasn't sure about it, it could have been another cheque." Then we are supposed to say that this man gave unequivocal evidence, when he explained the \$90 cheque, that he gave this man cash for it; but here's his own evidence. Then he goes on to say:

"Q. I see. So that you may have cashed another cheque for Mr. Rawluk. Are you telling us now?"

A. I don't know."

There is the evidence attempting to explain the \$90 cheque by the only man it was up to to explain it, if it could be explained. Rawluk said, "I gave him that \$90 cheque as part of a 'kickback'." He starts out by saying, "I gave Rawluk \$90 for that cheque. I cashed it." Then he says, 'it may have been another cheque that I cashed for him'. Well, there's the evidence, Mr. Speaker. I made sure that he made no mistake because I asked him, "You may have cashed some other cheque for him?" And he said, "I don't know." And yet he was surprised when he was confronted that he had even cashed one for him.

Now you can imagine, Mr. Speaker, just how little that story would stand up in any court. That is the \$90 cheque with all the surrounding circumstances, and I submit it bears all the efforts of a man . . .

**Mr. Berezowsky:** – May I ask a question?

**Mr. Tucker:** – Yes.

**Mr. Berezowsky:** – I understand this was a personal cheque. Isn't that rather surprising? If the cheque was paid for a 'kickback' would it not be a company cheque? Is there any explanation of that?

**Mr. Tucker:** – I think that it is quite clear. It was the understanding that nothing of this should appear in any of the company records – and that was very definitely the understanding, that is why they made out these cheques payable to Mrs. Rawluk so that there would be nothing on the records, and as I remember Mr. Rawluk's evidence, he didn't have the cash to give Mr. Allore the \$163 or \$153 so he gave him the money he had on him, \$63, and gave him a cheque for the balance. Now then I understand, as I remember Mr. Rawluk's evidence, that there was an attempt made afterwards to get this cheque back. Of course, once it was cashed, given back to Mr. Allore, why then it could have been destroyed and that would have been the end of it. But it wasn't given back and it was produced here. There is the situation and I submit that Allore has not explained it by his evidence and his hedging around about George (whom quite clearly he knew) showed he had a guilty mind in regard to that cheque.

Something was made of the question that it had been made to 'cash'. Of course, people have different customs in these matters, perhaps, but I think most of us, if we were cashing a cheque for somebody, giving them the money, we would require them to make that cheque payable to us and put on it that it was to pay for cash given. When it is made payable to 'cash', well, of course, there is no indication there that in any way it is to get cash. When it is paid to cash the idea is that it is the same as cash and can be passed on by other people as cash. I don't say that that is conclusive, but it is one of

the things that occurred to me that it would be the natural thing that a man doesn't through \$90 around like that, and that actually, if he had been cashing a cheque for one of his agents he would have put on it, 'that is for \$90 which you received today'. There was nothing on it like that, Mr. Speaker, nothing at all. And here is this transaction between Allore and one of his agents whereby one of his agents has given him a cheque for \$90, and he comes along with this explanation about it.

In regard to Exhibit "R" and this, Mr. Speaker, is to me the final and conclusive evidence that Mr. Allore has failed utterly to explain. There are these five items of business done admittedly by Financial Agencies with the Saskatchewan Government Insurance Office. Mr. Rawluk's evidence is that from time to time Allore would come along and pick out certain items of business and say, "These are the items that I am entitled to 40 per cent on." Then a statement would be made up and Rawluk would initial it and it was given to Dr. Shumiatcher to show what was coming to Allore, and one copy would be kept by Allore. In regard to all such transactions there is almost invariably a slip, and apparently one of these statements, instead of being carried away, was left in the office, and Rawluk says he was looking through his wastepaper basket hunting for some other papers (which happens once in a while) and he found this slip, and he just took it out of the wastepaper basket and put it in his drawer. He couldn't create that Exhibit "R" out of thin air. According to the evidence, at some time Allore must have sat down and wrote down those items of business in April, 1951, put "balance March 31, 1951" and put down those five items of business, the premium paid in respect of each one, the commission payable in respect of each one, in his own handwriting; he took 40 per cent of that, carried that over, added it to the balance of March 31, 1951 and showed a balance at April 30, 1951. Now, at some time, according to the evidence – which must be believed because he finally admitted that "the figures are in my writing; it is all in my writing except those little notes at the bottom" which had nothing to do with it; at some time we have an uncontroverted picture of Allore putting down those items of business and calculating 40 per cent on them.

Now the first night he said undoubtedly, "Exhibit R is in my handwriting." Then later on he said, "It appears to be in my handwriting." I even invited him to say: 'in view of the fact that you swore it was in your handwriting when you first gave evidence, will you say now that you believe it is in your handwriting?' Now this man is under oath, Mr. Speaker. He wouldn't even say he believed it was in his handwriting. All he would say is, "It appears to be in my handwriting." Well, you remember, Mr. Speaker, I said, "All right, if you are now going to take that position, we are going to make a handwriting test," and then we have him appearing in front of us through counsel and admitting that it was in his handwriting. Why that attitude about Exhibit "R"? Well, because he realized, as everybody did – I believe you pointed out, Mr. Speaker, that that was most damaging evidence – and it is damning evidence unless it is explained.

**Mr. Speaker:** – May I explain that I was not a member of the Committee, and I did not make any remarks.

**Mr. Tucker:** – Oh yes, you made some comments, Mr. Speaker. I presume that it slipped your mind, but I will draw it to your attention. Here it is, page 26 of the evidence of Tuesday evening March 10:

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**Mr. T. Johnson:** Mr. Chairman, speaking from the position which I hold I think this inquiry is entirely different to any other inquiry that we have held, such as the Farm Implement Inquiry, but what is at stake is the integrity and the honesty of this Legislature, not only of the Government, but this Legislature. If this Legislature does not sift to the bottom and find out if there has been any irregularities or any misconduct of any member of the Legislature or any member of the Government, then it is our duty to find it out and pass judgment upon it. I do not think as a member of this Legislature that there has been made public – there has been made charges against members of the Government, also of a member of the Legislature, and unless that is cleared up the whole Legislature is under a cloud because it is our duty and our responsibility to see that the conduct of the business of the Government which is delegated by the Legislature is conducted in a proper manner with honesty and integrity of those whom we have signified to carry on the business of the Government and I think that every effort should be made to get to the bottom of this. If it can be proved that any member of this Legislature has transgressed then the Legislature will take action. If it is disproved then I think they are entitled to be exonerated and their skirts cleaned.

Which is quite proper. And then later on, or rather before that, Mr. Speaker . . .

**Mr. Speaker:** – Oh, it doesn't matter, but I have no recollection of saying it was in his handwriting.

**Mr. Tucker:** – I don't want to say anything that the Speaker does not recall. I don't want to put anything in his mouth that he didn't say.

**Mr. Speaker:** – It is immaterial anyway. But I don't remember making any statement in regard to the handwriting on the exhibit.

**Mr. Tucker:** – I won't take more than another minute or two. Here it is, page 47:

"Oh yes, there are some witnesses. There are some exhibits there that certainly will have to be explained. I think the witness should have the opportunity of finding out why he made that particular proposal in that particular. I think the most damaging exhibit is that one in regard to the 40 per cent. Mr. Allore said in all probability he made it to work out some of the indebtedness of the company and I think he should have the opportunity to look up and see what is exactly – that is exactly just the same as though some other witness had been called to substantiate and could never . . . and I move that we . . ."

In other words, my recollection was that you had said that Exhibit "R" where Mr. Allore had worked out his 40 per cent was in your own words the most damaging evidence in regard to the matter.

**Mr. Speaker:** – It's true, but I didn't say anything about the handwriting.

**Mr. Tucker:** – You said the damaging exhibit is the one in regard to 40 per cent. That is what I was referring to, Mr. Speaker, Exhibit "R", which



Allore had already admitted was in his handwriting, when you made those observations, and those observations, Mr. Speaker, were quite justified in my view; that is damaging evidence unless it can be explained by Mr. Allore.

Now what were his explanations? Well, there were different ones and he gave several. He said that perhaps he was asking Mr. Rawluk "to watch his collections or some other computation in respect of the profit of the business that he was discussing with me." If it was a business of watching his collections, why would there have been only five items of business instead of all the business? Obviously, that would not hold water – and why would you have a balance carried forward from a previous month? And why would you have these items of 40 per cent added on to that balance, the balance carried forward from the end of the month? Then, in regard to the other suggestion made by Mr. Allore. He says, "Some other computation in respect to profit on the business that he was discussing with me." Now then some of these items were contract bonds; one of them was a fire insurance policy. Why were those particular five picked out, if you were figuring out these profits on the business?

In other explanations he said this, page 8: "I assume they were computations made either in respect of the change in the rate of these policies." Later on that was entirely shattered. There was no suggestion there should be any change in the rate of these policies. They had already been issued. There never was any change of rate, and so that explanation did not hold water.

Then the next explanation: "computations made in respect of the agency that was in arrears at that time." Well, in regard to the agency being in arrears, January 29, 1951, the account of the agent was in credit in the sum of \$12.40 and a debit of premiums on the business written in the sum of \$1217.75 was carried into the account on February 28. A further debit of \$2254.13 carried into the account for insurance written on March 31. The account then stood at a debit of \$3471.88. This \$2254 of that the company would have 30 to 60 days to make good. And wasn't that made good on May 1? There was no suggestion that, at that particular time there was any arrears with which this had anything to do, and later Mr. Allore admitted himself that this suggestion did not hold water.

Then after the hearing started we have evidence that Mr. Ed August is got in touch with, and he is asked by either Mr. Allore or his counsel if he could explain this 40 per cent in regard to five items of business, in Allore's own handwriting. This Committee has made different observations about people not remembering things. Here is something in Allore's own handwriting that he says to August, "Has this anything to do with any money coming to you?" August say, "No, not at all; nothing to do with me at all." Well, that didn't help any.

Then further efforts were made to explain it, page 17, Exhibit "R" is set out there. The Committee can see it. There is a balance of April 30, 1951, \$374.44. Balance of what, Mr. Speaker, balance of what? Here is 40 per cent taken on these items of business, added on to the balance of March 31 of \$124.90 and a balance at April 30, 1951 of \$374.44. Rawluk says that is just one of the slips where he (Allore) figured out what was coming to him. Here it is in his own handwriting, and Allore doesn't explain it, can't explain it. And then this Committee makes a finding that he is completely exonerated.

Well, just let me read Mr. Allore's own statement where he admits that he cannot explain it. This is page 42 of March 10, evening session. There

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is a question that where he admits in the first instance that it is in his handwriting. Then it is an interesting thing in regard to subsequent attempts to show that he didn't direct Rawluk to people from whom he could get business. It was while we were on that thing, Mr. Speaker, that it was brought out over and over again by these contractors that while they were doing Government business they had a feeling that they should, where reasonably possible, give the Government Insurance Office the business of insuring them. And their attitude was that the first one there, as long as he was a Government Insurance representative, got the business. And here is what Mr. Allore said about this business of directing business. He was asked about this balance of March 31, of \$124.90, by Mr. Leslie:

"Q. Do you know what that means?

A. No, I don't, sir. (This is in his own writing.)

Q. April, Smith Bros. & Wilson, premium \$57.70 commission \$11.54.

A. That looks like a statement of this account here. Yes, there it is. It would appear to be an outline of those contractors to whom I had referred Mr. Rawluk in order to get their business and to indicate the extent to which he could develop this business. Now I do not know any more about it at this time without making a further study of it, but that is what it would appear to me."

There he is admitting, when he is dealing with this question of a balance, that he did refer – "contractors to whom I referred Mr. Rawluk in order to get their business." Then later on there is an attempt made to say that he did not refer Rawluk to different contractors. Then he goes on to say:

"I have examined that piece of paper, at least a copy of it which was made available to me, and I can't relate the balance shown at the top to anything that looks familiar or that I can understand."

But right on the face of it, it is 40 per cent of five items of business that was done by Rawluk or Financial Agencies with the Government Insurance Office. That's the 40 per cent, right on the face of it. And he went on to say:

"Though I think I have explored the thing from many angles to try to get some recollection of what it was about. The suggestion I related earlier is the most likely answer as to why that computation was made. And that is that with respect to engaging a man to concentrate on this bond business. I don't know whether I did explain that Mr. Rawluk had complained about the owners of this business, that is, his other partners in the firm, wanting him to concentrate on the collection end of the business. They decided the time to do all of the work – wasn't finding time to do all of the work at both ends of the business."

Now the first item was a fire insurance policy. Then what about this suggestion that this was business that could be got, or profit that could

be brought, out of the bond business if they took somebody else on? And later on he said – the question was this:

"Q. Well now, for the purpose of these calculations we were mentioning on Exhibit "R", you really don't know what you were calculating at all, do you, unless . . .

A. I don't recall the computations."

Now, note this, Mr. Speaker, the very thing that you said was damaging:

"Q. All you are suggesting to the Committee is a number of alternative possibilities?

A. That is correct.

Q. None of which you know to be true at all?

A. Correct."

And then this report that we are supposed to adopt says that Allore is completely cleared, while this calculation in his own handwriting of 40 per cent of five items of business and that is carried forward and is shown under the balance of April 30, 1951, remains unexplained. He said: "I can't explain it," and then the majority of the Committee says, "he has completely cleared himself."

Well, Mr. Speaker, that really is something, I must say. If the way to clear yourself in these days is to say "I don't know the answer to it," where there is an answer obviously on the face of it which everybody knows when they look at it is damaging, then they say that now you have cleared yourself because you can't figure out a possible explanation other than the one brought forward that you were getting 40 per cent, then he has cleared himself. Well, if people could so easily clear themselves of things like that there wouldn't be many people convicted of anything.

The next item that I wish to deal with for a moment is this. There might be some thought as to why a man in Mr. Allore's position would be ready to accept any money of this sort. Well, the only item in the evidence from which we can draw any inference is this frequenting of places where gambling is carried on. He admits that he played with dice, and it is easily understood that engaging in gambling would get many people into trouble. And that could not be denied, because this \$90 cheque was cashed by a man who worked for months and months in two different places where gambling is carried on, two different clubs. The fact that William George or 'Willie' George is the man who had cashed this cheque, on his own evidence, for Allore indicates the probabilities in that regard. And indicates, perhaps, Mr. Speaker, why this money was being picked up – to cover up gambling losses.

Mr. Speaker, paragraph 14: "That paragraph 18 be renumbered as 14 and be . . ." It deals there with the fact that Mrs. Rawluk wasn't subjected to cross-examination. We suggested in that regard, Mr. Speaker, that certain items be struck out of the paragraph as follows and here is the paragraph: Now this Committee – it was a favourite expression, "It is rather significant," and they start off with that here. When they are going to do a job on some

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witness they start out with, "it is significant":

"It is rather significant that one of these certificates . . ."

(That is one of the medical certificates, Mr. Speaker)"

". . . is dated March 13, 1953, prior to the time of her giving evidence and one of them is dated April 2, 1953, after the date she gave evidence. There is no information given in this certificate as to whether her condition was worse on April 2 than it was on March 27."

Now, Mr. Speaker, I must confess that I did not look at those certificates, but I took it from the Chairman's attitude that he was satisfied that those certificates went far enough that this woman should not be called back for cross-examination. And that was the decision based on those certificates. There was no question about it at that time, and yet here we have the majority of this Committee bringing in a report, raising the question afterwards. If they were not satisfied at that time, why didn't they raise it there and then? But no, everybody agreed then that the certificate was adequate – and then they bring in a report raising some question about it. Well, I don't think that is the right way to do business, Mr. Speaker, and if there had been any question about it, we would have all looked at the certificates to see if they were adequate. But we took it that they were adequate, because they were accepted as satisfactory. What we suggest is that that reflection on those doctors be struck out and that we just recite that she wasn't subjected to cross-examination and, therefore, her evidence must be accepted bearing that in mind. I think that that is the way it should be in the report.

The last point – or rather the second last point I shall deal with is whether or not a great deal of help was given to Financial Agencies beyond what would be given to the other agencies. Mr. Allore, said, when first giving evidence – page 20:

"What we do in those cases where we get a list of potential bidders, we ask one or more of our agents to get busy and try and get the business. I do not recall in this particular case whether Financial Agencies were asked to visit them or not, but on every large project we like either one or more of our agents to go after the business."

Now Mr. Rawluk said that in regard to this Administration Building where the lowest tender did not get the job (the second lowest won) he got advice and was able to approach these people and some of the sub-contractors. They did not know they had the contract. He was able to tell them they had the contract and to get the business. And they said quite frankly, "we gave the business to the first one coming." Now then, can it be said in the light of Allore's own evidence and Rawluk's evidence that he did not get a list of the contractor and the sub-contractors? And it is to be noted, Mr. Speaker, that Financial Agencies got all but one of the bonds in regard to that whole project – the main bond, and all the sub-contractors except one. And Allore said, "It was our practice to give this information to one of our agents." And he wouldn't say that he did not give it to Rawluk. Then Rawluk says he comes along and takes 40 per cent of it. There was an attempt made to show that he did this exactly with all the agents. Well, how could he give this information to all the agents at the same time – seventeen of them in Regina? The thing speaks for itself.

Then there is that item, Exhibit "Y". I am not going to go into any more of that because I think it is quite clear: the work that was done in regard to getting that insurance on that boiler that Foster Wheeler Company Limited were going to put in at Moose Jaw. What do we find there? Well, we find there that there is a memorandum in Allore's handwriting indicating that the Deputy Minister of Public Works had indicated that they were going to require insurance on this project; they were going to require 100 per cent. Allore admits that he got this memo ready to notify Rawluk that this business was there. We further find that he helped to draft up a long letter to Foster Wheeler and Company of Winnipeg, stating that this insurance was going to be required, stating what it was going to cost – right in there on the ground floor by direct intervention of Mr. Allore, in his own handwriting, who got the information from the Deputy Minister of Public Works. He even goes so far as to work with Rawluk on getting a long letter ready to ask for this business. Well, is it suggested that he does that for all the 16 or 17 agents he has in Regina? And if he didn't do it for all of them, why did he do it for Rawluk? Well, there is only one fair inference for that, Mr. Speaker, and I submit that it should have been drawn.

Then there is the question of blotters; this is the only case where blotters were printed especially for one company. In other cases the blotters advertising the Saskatchewan Government Insurance Company had room for the Agency name to be imprinted on them, and it was stamped on. But this was a case where these blotters could only be used by Financial Agencies and they were paid for by the Saskatchewan Government Insurance Office. Now they said, "Well, this cost less than if we had supplied large blotters." But I submit that that wasn't done for any other agent; it was a special concession for Financial Agencies Limited.

Then, Mr. Speaker, there were these highway bonds of Vadeboncoeur and of Beattie Ramsay. Out of the first seven items of business of the Government Insurance Office highway contract bonds in the year 1951, Financial Agencies got six. Then they got no more, except two more at periods during the rest of the year, and that was the Vadeboncoeur business and the Beattie Ramsay business. On examining the transcript of the evidence, I think one must come to the conclusion that he got those items of business by virtue of the fact that Mr. Allore told of these people and helped him out in the matter. The evidence of Mr. Allore is, "I was helping agents out all the time; maybe I did help him out in this regard"; and Rawluk said, "He did help me out in regard to getting those items."

The last item of the amendment was, "That the expression 'so-called affidavit' be struck out wherever it occurs and be replaced by 'affidavit'. I have already dealt with that, and I submit that this Committee does not do itself justice in the light of this Assembly in putting in all through this report 'so-called affidavit' when it is an affidavit on the face, and we know that repeatedly affidavits are taken like this, and when we have had the spectacle of it being taken by members of the Legislature of the C.C.F. Party in exactly the same form.

So, Mr. Speaker, I intend to vote for the amendment because I think that the evidence clearly indicates that the charges of Rawluk in regard to Allore getting 40 per cent of some of the business turned into him have been proved, mainly by Allore's own handwriting and by other corroborative evidence, by the cheque for \$90 and by admissions by Allore; the evidence of Rawluk in that regard, the cheques that went through Shumiatcher's office, the complete improbability of the alleged loan for \$300 to try to explain those cheques away. I think the charges are proved in regard to Allore and the others who worked with him in bringing that about, and as I stated before, I think there is enough evidence to indicate – and not adequately and conclusively answer – in regard to the Hon. C. M. Fines to warrant the finding that the charge against him has not been disproved. Therefore, I intend to support the amendment, Mr. Speaker.

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**Premier Douglas:** – Mr. Speaker, the speech of the Leader of the Opposition like the amendment which is now before us, is more noted for its length than for the soundness of its argument, as I think any one will find upon perusing both of them. I do not propose to follow the Leader of the Opposition in either the length of time which he has taken or in the numerous irrelevancies which have taken him into various highways and byways.

I want to begin by suggesting that those of us on the Government side of the House who sat on the Crown Corporations Committee had two underlying principles in mind as we approached this legislative inquiry. The first was that the acceptance of commissions or 'kick-backs' either by a Minister of the Crown or by any public servant would undoubtedly be a corrupt practice. I want to say here, clearly and categorically, that the Government has not and will not condone any such conduct. If the allegations could have been substantiated or if at any time any allegations can be substantiated, the persons responsible will be removed from office and punished to the full extent of the law. Every minister of the Crown here knows, as do most of the senior government officials, that I have said to them repeatedly that if they become entangled in any corrupt practice, God have mercy on them because I will have none! I do not propose, nor have I ever suggested that I would be prepared to 'cover up' for any public official or any Minister of the Crown who abuses the privileges and responsibilities of his office.

The second principle underlying our approach to this whole question is a very fair and proper one, namely, that the onus of proof, in this case as in any other case, is upon those making the allegations, and not on the accused to prove that they are innocent. The very basis of British justice is that a man is innocent until he is proven guilty. The cardinal principle of British law is that no man is asked to prove a negative. If some psychoneurotic decided to swear out an affidavit to the effect that some time between 1st July and 1st September he saw me beating a child, on the corner of Retallack Street and Nineteenth Avenue and the child had red hair and a purple coat, how do I prove my innocence? How do I prove that I was not on that particular corner some time during that particular time and that I did not beat the said child so described? The law says I do not have to prove that. The law says that the responsibility is upon the accuser to prove the allegation, and not upon the person accused to prove his innocence. Mr. Speaker, in this inquiry the Opposition has accepted a new concept of the law. It is the kind that was found in Nazi Germany, the kind that sometimes is found in the Soviet Union, and the kind that is sometimes sponsored by Senator McCarthy in the United States. The Liberal amendment to the Report ('Votes and Proceedings', April 13, 1953, page 5) states:

"The Committee therefore finds that Rawluk's story as given in Paragraph 41 of his affidavit, supported in some measure as it is by the disinterested witness Tennant, has not been disproved."

In the last paragraph, on Page 33, the last words in their amendment are:

"The Committee therefore finds that the charges made by Rawluk against the Hon. C. M. Fines have not been disproved."

Surely that is a new concept of law! That is the concept of law which Senator McCarthy has – trial by smear and newspaper headlines.

Senator McCarthy of Wisconsin says that Mr. "X" is a Communist and Mr. "X" is a bad security risk. He always says it, of course, within the privileged sanctum of a congressional committee where he cannot be sued. It is not the responsibility of Senator McCarthy to prove that what he is saying is true. Well, Mr. Speaker, that concept of justice may suit Senator McCarthy, but I want to say, to the credit of the people of the United States, that there are thousands of them who are raising their voice in protest against trial by smear and association. But I see this principle of law being accepted by the Opposition. They say, when someone comes forward and makes allegations – it does not matter how badly he is discredited; it does not matter how unreliable he is – that the responsibility is not his to prove his allegations; the responsibility is on the accused to prove that they are innocent. They say:

"The Committee finds the charges made by Rawluk against the Hon. C. M. Fines have not been disproved."

Well, we take the position, and I think most people will support it, that the onus of proof is on Mr. Rawluk, on his counsel and on some of the gentlemen opposite who sponsored his case all through the inquiry. The onus of proof is on them. Our contention is that the allegation have not been substantiated. As is pointed out in the Report to which my hon. friends object, we contend that the credibility and the character of the persons making the allegations are important factors in deciding how much credence we can place upon those allegations. That is always true. Any court will naturally look at the kind of person who is making charges. This is particularly so in cases where it is simply his word against some one else's word because, as I pointed out before, no man can be asked to prove a negative.

Now what has this inquiry revealed with reference to the credibility of Mr. Rawluk, the witness whom the Leader of the Opposition brought before the Crown Corporations Committee to substantiate the statements contained in this so-called affidavit? Well, I do not need to go into them at great length.

**Mr. Tucker:** – Mr. Speaker, on a question of privilege in regard to the suggestion of the Premier's that I brought Rawluk before the Crown Corporations Committee. He was brought before the Committee, as the Premier well knows, on a motion of myself and Mr. Fines.

**Premier Douglas:** – I shall prove, before I am finished, that the Leader of the Opposition went to Rawluk's house two days before the Committee even met, and threatened him with a subpoena if he did not come!

**Some Government Members:** – Hear, hear!

**Premier Douglas:** – My hon. friend will get lots of changes to go into this thing, before I am finished.

**Mr. Danielson:** – Don't stick your neck out.

**Premier Douglas:** – The first thing that was brought out with reference to Mr. Rawluk was the matter of forgery. It is interesting to note

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a statement in the amendment which is now before the House ('Votes and Proceedings', April 13, 1953, page 5). The gentlemen opposite, speaking of Mr. Rawluk, say that he:

". . . gave his testimony in a much more straightforward manner than did the witnesses Shumiatcher, Bodnoff, Allore and Cates . . ."

". . . he gave his evidence in a straightforward manner." Mr. Speaker, I propose to show that it took hours and hours of the time of the counsel for the Committee to get from him the facts that I shall put before the House. The House will remember that I did not get this information from him. Nor did anyone here; nor did any cross-examining counsel. It was wrested from him by Mr. E. C. Leslie, Q. C., legal counsel engaged by the committee, a man whose conduct throughout the investigation was beyond reproof, and who acted in a most objective and gentlemanly manner. Yet what had he to do? He had to probe Mr. Rawluk's memory. He had to go back again and again. Only when Mr. Rawluk was confronted at last with documentary evidence did he finally shift his position and admit to some of the things that are now in evidence. Every time he was caught in one lie, he simply took refuge in another. This is the witness who is referred to by the Opposition as being "Much more straightforward in manner . . ."

Well, let us look at this straightforward manner. Let us look at his straightforward manner with reference to the forging of cheques. I refer now to the evidence on the morning of March 19th, page 16. Mr. Leslie examining Mr. Rawluk, asked:

"Now then, Mr. Rawluk, I have to put to you a perfectly plain suggestion. The first one is that that cheque" (that was the cheque of J. Anderson, dated April 12th, 1952) "was written by you."

Rawluk answered: "I do not believe it was, sir."

Q. "You don't believe it was?"

A. "No, it doesn't look like my writing."

Q. "You deny that the face of that cheque, including the signature, 'J. N. Anderson', is in your handwriting?"

A. "I don't remember any circumstances on this cheque; and I would, therefore, say that it is not my handwriting."

Q. "You say that that is not your handwriting?"

A. "That's right."

On the evening of the same day (page 1) Mr. Rawluk said: "On checking over my records . . ."

Now, Mr. Speaker, may I pause there? He later admitted that he had not been to the Clerk's office where his records were. The only records he had at Pedersen and Norman's law office were records which his own counsel



had told us were of no importance. They otherwise would have been brought here, because we had asked for all the records. But Mr. Rawluk said:

"On checking over my records, I admit – I'm sorry, but I do admit that I did resort to your suggestion of this morning. I did attempt to bring my bank balance up for a few days, and I feel certain I did discuss it with my bankers. I know it wasn't fair to them. The accounts were later made up. I did satisfy my bankers with that, and I will state that a short time after that date I was successful in arranging with the same bankers for an overdraft. That also has been looked after. No harm has actually been done to anyone in that regard. I will state, sir, that I have made all my records bare for anyone to check. I will admit of my wrongdoings."

There is no need for me to labour the point about those cheques. In the morning, the denial; when faced with the possibility of a handwriting expert, in the evening, a confession. The Leader of the Opposition at one stage in the course of the investigation, tried to say that this was not really forgery. It was just 'kiting' cheques, because this did not involve real persons. But they were real persons! Anderson was a real person; Miss H. Irvine of Edmonton; Mr. R. Palmer; Mr. W. Huber of Lipton – they were real persons. The Leader of the Opposition, on the evening of March 19th (page 7 of the transcript) said:

"Mr. Chairman, I suggest now that Mr. Leslie has established that the witness here has issued cheques which were forgeries, now that he has established this in regard to the witness, how much longer are we going to belabour this thing? I think we should get on with the centre of this investigation, as to whether Allore actually got a 'kick-back' or not. Now then, I think that's why we're here – to investigate, not to belabour this point after the witness has admitted that he committed forgery."

Well, if I were responsible for calling a witness who had just confessed to forging cheques, I think I would be wanting to get on to the next item of business, too. I am not finding fault with my friend in that regard. But I ask you to note that this witness who answers in a 'straightforward manner' had to have drawn out of him, as it were like a dentist pulling teeth, the fact that he had been forging cheques.

Then, of course, there was the matter of his father-in-law's cheque – a cheque for, I think, \$3350, made out on a bank in Dawson City in the Yukon. In the evening of March 19th (Page 12), Mr. Leslie asked Mr. Rawluk:

Q. "When had you received the cheque from Mr. Parckan?"

A. "I had made arrangements with my father-in-law, on previous occasions that worked out to satisfaction. That cheque is in order, sir."

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Q. "Well, then, did you receive the cheque from Mr. Parckan?"

A. "I made up that cheque."

Q. "You made it up?"

A. "That's right."

Q. "And you signed Parckan's name?"

A. "Yes, sir."

Then he explained he had his father-in-law's permission to sign his father-in-law's name to cheques if he happened to be in financial difficulties. He also admitted he had not seen his father-in-law since 1947 or 1948. he signed his name on a cheque on an account which did not exist. When Mrs. Severson, his sister-in-law, was on the stand, I put the question to her. This was recorded on Page 31 of the transcript of the evening of March 24th. I said:

"I would like to ask you just one question, Mrs. Severson. Mr. Rawluk, your brother-in-law, has said on the stand, that your father had given him permission to sign your father's name to cheques any time he needed money. Has your father ever given you that permission?"

Mrs. Severson answered: "No".

We are supposed to believe that Mr. Parckan, who has never given his daughter permission to sign his name to cheques, had given it to his son-in-law, whom he had not seen since 1947 or 1948.

I refer also to the matter of the "NSF" cheques which Mr. Rawluk had signed from time to time. He admitted on the stand that he had written so many of these worthless cheques that he could not remember how many there were. He had given the Government Insurance Office one for \$3,000, on which it has never been able to collect. He gave one as recently as December, 1952, to Miss Wagner, who was employed by him in his office. She cashed it at a store, and it is rather significant that Mr. Rawluk, said, "Well, she got paid – she got the money." Of course she got the money, but the store, when they found the cheque was "NSF", asked their solicitors to get it back from her. She was threatened with suit if she did not pay back the money. Up until the time that Mr. Rawluk was being examined on March 20th, that cheque had not been made good. This is the man who, the Opposition say, answers in a 'straightforward manner'.

I deal now with the question of the misappropriation of funds. Again I need hardly remind those who were members of the Committee of the long hours which the counsel for the Committee spent going over the records of Financial Agencies, trying to pin this man down. There was no straightforward manner about it. It was only when he was finally put in a corner with documents all around him and his own accounts staring him in the face that his own counsel, Mr. A. W. Embury, got up and admitted that his client, Mr. Rawluk, had spent trust moneys, which belonged to his (Rawluk's) clients, and that he had spent

them improperly. He said he may not agree about the amount, but there is not any doubt that he had spent money belonging to Drs. Mesbur and Kraminsky, Dr. Steele, and others. The evidence further showed that he had spent trust moneys belonging to the Saskatchewan Government Insurance Office. One case in point was the cheque for \$1,462.50 from the Beattie Ramsay Construction Company, which he had deposited in his general account. Mr. Speaker, there was some argument the other day in the Committee as to whether or not he was not perfectly entitled to put this money into his general account. Well, I have here what is on file as Exhibit "B". This is an agency contract which each Government Insurance agent must sign. Condition 6 of this contract, which Mr. Rawluk as well as all other Government Insurance agents must have signed, states:

"The Agent shall be responsible to the Office for all premiums due to the Office in respect of all business transacted by the Agent on behalf of the Office. All money received or collected by the Agent for or on behalf of the Office less the Agent's commission thereon shall be the property of the Office and shall be held by the Agent as trust funds and shall not be used or applied by the Agent for any other purpose. Such funds shall not be subject to any lien, charge or claim by the Agent or anyone claiming through him."

That was specific. It was brought forth in evidence that a trust account had been kept by Financial Agencies up until October 5th, when Mr. Bodnoff and Dr. Shumiatcher left the firm, but from that time on Mr. Rawluk deposited his money in a general account rather than putting the money which belonged to the Government Insurance Office into a trust account. Seventy-five per cent of the cheque for \$1,462.50 belonged to the Government Insurance Office, 25 per cent belonged to Mr. Rawluk. But it all went into the general account, which made it possible for Mr. Rawluk to draw out \$1100 in the month of October for his own personal use. He would not have had that money in the account if he had not been spending money which belonged to the Government Insurance Office. The Government Insurance Office never did get that money! It is a clear case, as the Report says, of fraudulent misappropriation of funds.

There was also the case of the delinquent accounts. When this man was in financial difficulties, as was pointed out, the officials of the Government Insurance Office tried to help him. He gave them a list of clients who were delinquent; that is, people who were supposed to have taken out insurance but who had not paid their premiums. These delinquent accounts were supposed to amount to \$2,000. The Government Insurance Office wrote to these people. What did they find? Less than \$500 — \$494.05 to be exact — was all that was delinquent. In other words, \$1500 of insurance money had been paid to Mr. Rawluk which he had simply put it in his own pocket. This is the man who has been a "very cooperative witness" and who has answered in a "straightforward manner", when he was on the stand.

It has also been shown that he continued to take insurance premiums even after he had lost his agency with the Government Insurance Office. In one glaring case a person, thinking he was insured after paying his premium to Mr. Rawluk, was in fact without any protection. Again I ask the House to look at this 'straightforward manner' in which the witness conducted himself.

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I refer now to the evidence of the evening of March 11th (page 31). Mr. Leslie asked Mr. Rawluk:

Q. "By the way, did you ever issue any policies of insurance which you did not report to the Saskatchewan Government Insurance Office?"

A. "No, I have not, sir."

Q. "You never have?"

A. "No."

In the evening of March 17th (page 44), Mr. Leslie shows a receipt to him which indicated that W. Brian McDonald had paid Financial Agencies \$17.50 for a package policy on March 31, 1952. Mr. Rawluk had written the following letter dated November 5, 1952, to the Government Insurance Office. (This was put into the exhibit.) It is headed"

"Re: Mr. B. McDonald."

Dear Jimmy: (That was referring to Mr. J. W. Paige of the Government Insurance Office.)

"Attached herewith is two cheques and one postal money order totalling \$17.50 covering payment made by Mr. B. McDonald for a package policy which he paid for to our office. Trusting this account is now brought to a successful conclusion.

Sincerely yours,  
J. O. Rawluk

FINANCIAL AGENCIES LIMITED."

On November 5th he is sending in money which he had collected on March 31st for a policy for which he was not entitled to collect any money at all, and having held that money all that time, he left this man McDonald without any protection. After denying that he had ever given insurance and not notified the Government Insurance Office, it is only when he is confronted with this letter that it becomes apparent what he had done. This is the man who conducted himself in a 'straightforward manner'.

Now it would take too long for me to go over all the . . .

**Mr. Loftson:** – Mr. Speaker, on a point of order. I do not think the Premier is fair in saying that the Leader of the Opposition said that Rawluk conducted himself in a straightforward manner. He simply said that the evidence illustrates –

**Mr. Speaker:** – That is not a point of order.

**Premier Douglas:** – I am simply saying there is the man who, on the stand, was supposed to have given his testimony in a straightforward manner. I am pointing out that his evidence reveals the fact of forging cheques, the fact of misappropriating funds, the fact of taking money to which

he was not entitled for policies for the Saskatchewan Government Insurance Office after he ceased to be an agent, and the fact of not turning in that money when he got it. All of these facts were wrested from him only after long and tedious and tiresome examination.

**Mr. Danielson:** – Mr. Speaker, may I ask the Premier a question?

**Mr. Speaker:** – Would the hon. Premier be prepared to answer a question?

**Premier Douglas:** – No, I think I prefer to go on. I will answer my friend later on. I listened to him make a couple of speeches yesterday. I prefer to go on with what I am speaking of at the present time. I will answer any of his questions later on.

There are many other misstatements of fact which were made by Mr. Rawluk on the stand by which one can test his credibility. I have just referred to a few of them. Let us take the matter of the cheques which his wife signed – the so-called 'salary' cheques. We find on morning of March 11th (page 33) that Mr. Rawluk makes a categorical statement: "I don't believe my wife cashed any of the cheques." But later on (page 34) Mr. Leslie (referring to the cheque dated December 29, 1950) asked: "So far as you know, your wife cashed it?" Mr. Rawluk said, "That's right." Next day, the morning of March 12th, (page 2) Mr. Leslie (referring to the cheque dated February 27, 1951) asked: "So it would be right to say that Mrs. Rawluk cashed that cheque?" Mr. Rawluk answered "I would say so." Later the same morning (page 2) Mr. Leslie said: "The next one is a cheque, similar on its face to the one I just read, and it is dated March 15th, and that cheque, I presume, was prepared in your office. You cashed that cheque yourself?" Mr. Rawluk answered, "Yes, sir." Yet paragraph 24 of the affidavit which Mr. Rawluk presented to the Committee, states:

"That commencing with my wife's salary cheque for the last two weeks in February, 1951, I was instructed not to make the payments to Mr. Allore myself but was instructed by Dr. Shumiatcher to make out my wife's salary cheques and to have her endorse them, and to then turn over the endorsed cheques to pay Mr. Allore and Mr. Fines, and from and after that date I turned all of my wife's salary cheques over to Dr. Shumiatcher or someone in his office."

That is his statement in his affidavit. On the stand he admits that he cashed some of those cheques. His wife, on the stand, said that she cashed none of the nineteen cheques. Mr. Rawluk, on the stand, said that his wife cashed two of the cheques. Mr. C. C. Riach, Manager of the Bank of Commerce, Regina, gave it as his opinion that since she was the only endorser on the back of three others, it looked as though she had cashed them also.

I also remind the members of the House that this witness, who gave his testimony in such a 'straightforward manner', wrote a letter to the Government Insurance Office, on November 20, 1951, in which he asked for more time because they had just suspended his agency contract. He wanted an extension of time before that final cancellation. He wrote the letter of November

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20th and stated that he had to be out of the city to attend his deceased brother's funeral. Of course, confronted with the facts on the stand, he had to admit that there was no deceased brother; that he and his wife were going to Toronto to attend the Grey Cut final game and that they were going on to Buffalo on what was called, I think, a 'second honeymoon.' Despite the fact that the gentlemen opposite have been trying to prove that the Financial Agencies was bankrupt, he seemed to have a very adequate amount of money to make a trip.

There was also the statement with reference to Mr. A. E. Wilson. The Leader of the Opposition, this morning, tried to talk about whether his name was in the yellow part of the 'phone book or the white part. That is not the important thing. The important thing is that Mr. Rawluk came on the stand before the Committee and tried to tell the Committee that it was Mr. Allore who got the agency for him. He said that because Mr. Wilson's name was not in the 'phone book, Mr. Allore had said that he would see Mr. Wilson and get it fixed up. Mr. Wilson came before this Committee and made it abundantly clear that Mr. Allore had nothing to do with getting the agency for Rawluk; that Rawluk himself got in touch with Wilson and said that Rawluk himself had arranged the discussions and made the approach. It was only after Mr. Wilson had decided to sell that he went to Mr. George Bothwell in the Government Insurance Office to ask if the Government Insurance Office would approve the transfer of the agency, and Mr. Bothwell then sent him to Mr. Allore.

Then, of course, there is the matter that my friend, the Leader of the Opposition, tried to make so light of this morning – the matter of the threats. It cannot be made light of because, when the Leader of the Opposition first brought this matter to the Committee, he said that Mr. and Mrs. Rawluk were living in a state of mortal terror. They were so frightened, so worried. Well, Mr. Leslie asked Mr. Rawluk about this. On the evening of March 20th (page 13) Mr. Leslie asked:

Q. "Well, what is it that you fear? What is it that you fear will happen to you?"

A. "We've had threats."

Q. "Threats of what?"

A. "Well, I would like to tell you my story, sir."

Q. "Go ahead, Mr. Rawluk."

A. "Well, we've had threat in our home by telephone verbally, from Dr. Shumiatcher."

Q. "When?"

A. "All during the last year, since I think it was June 4th, when Dr. Shumiatcher and Mrs. Cates were in front of our home."

Q. "When was the last time Dr. Shumiatcher threatened you?"

A. "It was all during the summer months, sir. I don't know the exact last date of anything."

Q. "All during the summer months of 1952?"

A. "Yes, sir."

That same evening of March 20th (page 15) I asked Mr. Rawluk:

Q. "And were there any threats all summer?"

A. "I said there were 'phone calls all summer from Dr. Shumiatcher – not every day, but periodically all summer."

Q. "Through June?"

A. "I don't remember the exact dates, sir."

Q. "June, July, August and September, say?"

A. "During the course of that period, I was getting 'phone calls, yes."

Mr. Leslie questioned Dr. Shumiatcher on the same matter. in the evening of April 1st (page 22) Mr. Leslie asked:

Q. "Now, where were you in the month of July, August and September?"

A. "Well, practically during the whole of that time I was out of Canada. I was in England."

Q. "What date?"

A. "I left Regina for overseas on June 19th. I returned to Canada after spending the balance of June, the whole of July and practically all of August. I returned to Regina on August 30th."

Q. "Of 1952?"

A. "Of 1952. I stayed in Regina from August 30th until September 11th and left from September 11th to September 16th for Eastern Canada. I again left for England on September 30th, and did not return to Regina or to Canada until after November 13th, 1952. I have here the itineraries which I followed and some of the 'plane vouchers which were used during that trip."

The Leader of the Opposition, this morning, said: "Why, it would be quite possible to have been threatening him all summer." Well, the witness said, "after June 4th." That was the day on which they had had this little get-together outside of Mr. Rawluk's house. From June 4th to June 19th (the day Dr. Shumiatcher left for England) is fifteen days. Dr. Shumiatcher got back on August 30th; so there were two days in August – the 30th and 31st. That is seventeen days out of June, July and August in which Dr. Shumiatcher was in Regina. Yet Mr. Rawluk states that he was being 'phoned periodically

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all during June, July, August. Well, Mr. Speaker, the Leader of the Opposition may cast that aside, but I think any impartial court would recognize either that Mr. Rawluk had been and still is suffering from a persecution complex in which he imagines people are threatening him and seeking to intimidate him, or he was deliberately perjuring himself in his representation before this Committee with the idea of putting Dr. Shumiatcher in a bad light.

**Mr. Tucker:** – Mr. Speaker, I did not want to interrupt the Premier when he was on another matter, but, if I followed his remarks correctly, I understood him to say the important matter was Mr. Rawluk saying that Mr. Allore had made the arrangement with Mr. Wilson. Now on page 7 of the evidence of March 11th, Mr. Leslie put paragraph 17 of Rawluk's affidavit to him, that Wilson called at Rawluk's office on behalf of the company – "I made a deal with him, whereby the company would pay him \$150 for his agency with Saskatchewan Government Insurance Office and there being no assets involved in the sale, or any other kind." Now who drew up the contract? "You made the deal with Wilson?" Answer – "That's right. The contract was drawn up by the firm of solicitors, Messrs. Shumiatcher and McLeod." Now that is the evidence on page 7, March 11th, morning session.

**Premier Douglas:** – Oh, but there is no question about the argument that he put before the Committee – that he had not been able to get Mr. Wilson in the 'phone book and that Mr. Allore had 'phoned and made the arrangements. No argument about that!

**Mr. Tucker:** – He has arranged . . . not made arrangements about the contract.

**Premier Douglas:** – Yes, but Mr. Wilson denied that completely. He said that he had never seen Mr. Allore until after all the arrangements were made. That is, Mr. Wilson's evidence.

I want to look at one or two other contradictions in this evidence. A great deal was said this morning by the Leader of the Opposition regarding the fact that this story of Rawluk's could not have been concocted in the last little while, because of the people he had told it to previously. I would like the House to look at some evidence with regard to that matter. On the morning of March 20th (page 36) Mr. Leslie asked Mr. Rawluk:

Q. "Now, Mr. Rawluk, prior to the 23rd day of May, the day you swore this affidavit, to how many people did you – how many people did you tell of this arrangement that you say existed about Allore's and Mr. Fines' 'kick-backs'?"

A. "Prior to the 23rd day of May, the day the affidavit was drawn up?"

Q. "1952, yes."

A. "I don't rightly know, offhand."

Q. "Well, how many? Can you give us any idea?"

A. "I believe there were only three, sir."



Q. "I beg your pardon?"

A. "I believe there were only three."

Q. "Only three?"

A. "That's right."

Q. "Who were they?"

A. "Mr. Heald, who drew up the affidavit, my wife, Georgina, and I had discussed it with Mr. Tucker."

Mr. Rawluk's story is that those were the only three people who had ever been told about this alleged 'kick-back', and yet, when Mrs. Cariss was under examination by Mr. Embury, Mr. Embury put this question to her:

Q. "During the three months that you were there, Mrs. Cariss, did you ever hear Mr. Rawluk at any time suggest that he was having to pay a 'kick-back' to Mr. Allore and Mr. Fines in the business he did?"

A. "I don't remember that he ever used the term 'kick-back', and insofar as I know, I don't even remember for sure whether he mentioned any names; but he did tell me at one time, I think, that he had some arrangement whereby he turned back a certain percentage of the commissions in order to obtain business."

Mr. August also has been referred to. During the evening session of March 23rd Mr. Leslie asked Mr. August:

Q. "Did he tell you he was making any 'kick-backs' or commissions?"

A. "Well, the general gist of my remembrance is that there seemed to have been a commitment on his part for returns of some kind."

Q. "Did he tell you anything about giving any money to Mr. Fines – that's in the affidavit."

A. "He mentioned both."

And when Mrs. Severson, Rawluk's sister-in-law, was questioned by Mr. Embury on March 24th (page 29) Mr. Embury asked:

Q. "During the course of your employment, did you know anything about, or were you ever told by Mr. Rawluk or anyone else, anything about the matters which concern the Committee?"

A. "I think he did mention it to me once."

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Q. "Who did?"

A. "Mr. Rawluk."

Q. Mr. Rawluk mentioned it to you once, about these matters? Well now, can you say exactly what he said to you?"

A. "It's so long ago I don't remember what his exact words were."

Q. "Well, do your best as to an honest recollection of what was told you."

A. "As far as I know, he said something about paying a commission to Mr. Allore for the business that Mr. Allore was bringing in."

Here is Mr. Rawluk, one day on the stand, telling us that nobody had been told about the alleged 'kick-backs' except Mr. Heald, his wife and Mr. Tucker, and then . . .

**Mr. Tucker:** – In his evidence, Mr. Speaker, he said he did not recall any one else, but I do not think that he swore that he did not tell anybody else.

**Premier Douglas:** – That is what he said.

**Mr. Tucker:** – He said he did not recall –

**Premier Douglas:** – He said he had told only three persons. I refer also to the fact that, on March 12th, he denied having a gun when I asked him. Yet on March 20th, question by Mr. Leslie, he admitted that he had a gun. Those are just a few of the contradictions. I shall refer to others in the course of my remarks: a whole series of contradictions, in which he took refuge in one misstatement after another. When he was caught in one, he ran to another. When caught in the story about his deceased brother's funeral, he said, 'Well, I put that in the letter because the Saskatchewan Government Insurance Office told me to put it in.' Why would they ask him to tell them a lie to give them an excuse for not cancelling his agency? The whole thing is absurd. In the face of this kind of evidence of forgery, of passing worthless cheques, of misappropriation of funds, of having been found making misstatements of fact on the witness stand, the Liberal members of the House come in and say that he gave his evidence in a most "straightforward manner"! What the Liberal Party has done is to announce to the world that if any man, though he be a crook or a deadbeat, will only malign and vilify the C.C.F., he can count on their support.

**Mr. Speaker:** – Order!

**Premier Douglas:** – Now, Mr. Speaker, I would like to turn to the affidavit itself. I want, first of all, to look at the allegations contained in paragraph 41 with reference to the Provincial Treasurer. These allegations have been read so often that it should hardly be necessary to read them again, but probably I ought to do so. Paragraph 41 says:

"That sometime during July or August of 1951, I was in Dr. Shumiatcher's office in the afternoon, and Dr. Shumiatcher told me that Mr. Fines wanted some money that day on account of his share of the kick-back on commissions which he and Mr. Allore were getting on business given to the company through Mr. Allore's efforts, and Dr. Shumiatcher gave me an envelope containing \$100 or \$200, the exact amount I cannot remember, and Dr. Shumiatcher then called Mr. Fines, in my presence and told Mr. Fines that I had the money for him and would be at Mr. Allore's office in the Government Insurance Building at his convenience, and since Mr. Fines had never met me, Dr. Shumiatcher described my appearance to Mr. Fines and told him that I was wearing a mauve-coloured jacket. That I went to Mr. Allore's office and after I had been there awhile, Mr. Fines telephoned and informed me that he would meet me at the corner of Cornwall Street and Eleventh Avenue in about fifteen minutes, and that I waited for him there and he came along and picked me up in his car and drove me to the corner of Rose Street and Eleventh Avenue and during the process of that ride, I gave him the envelope containing the money from Dr. Shumiatcher."

The Opposition have taken exception to the fact that in the Report we are suggesting that this story is highly improbable and fantastic. Well, Mr. Speaker, I ask any sensible person to stop and think for a few moments as to whether or not it is not highly improbable. Here is a man handling millions of dollars in his responsibility as Provincial Treasurer of this province; a man who has under his jurisdiction the Liquor Commission and, as most members know, this is one of the few provinces in Canada where liquor interests don't have to pay a 'kick-back' to the Party of the Government in power.

**Some Government Members:** – Hear, hear!

**Premier Douglas:** – If any of my friends want to investigate that matter, they will find it to be true.

**Mr. Tucker:** – How do you know?

**Premier Douglas:** – I know because I have been told.

**Mr. Tucker:** – By whom?

**Premier Douglas:** – I have been told by people in the liquor business who have said that this is one of the few places where they do not have to pay 'kick-backs'. Here is a man handling millions of dollars of public money, and I ask anyone in his right mind, who has not become biassed with political partisanship, whether or not it is likely that a man in that position would be taking a bribe of \$100 or \$200 from a man whom he had never seen. Is it likely that a public man would lay himself open to blackmail for the rest of his days by meeting someone he did not know and had never seen before, and taking from him money (which might be marked money) and thereby putting himself completely at his mercy for the rest of his life? What makes it even more improbably is that if Dr. Shumiatcher wanted to give the Provincial Treasurer a

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'kick-back', surely he would have given it to him directly. He knows the Provincial Treasurer; could have gone to his office or to his house; could have met him on the golf course or any one of a dozen places and given him this \$100. But we are asked to believe, in this sequel to a Grade 'B' movie, that a Provincial Treasurer, wanting to get money from a solicitor down town, used as an intermediary a man whom he had never seen and did not know. If any intelligent person is prepared to give credence to a highly improbably story such as that, I would say he would believe almost anything.

As a matter of fact, the main weakness in this story is the complete inability of Mr. Rawluk to give any approximate date when this money was turned over to Mr. Fines. He was very careful about that. It was somewhere between July 1st and September 1st; he would not say whether it was before the Regina Fair or after it. It might be in June and it might be in September. He said, 'somewhere between the 1st of July and the 1st of September', and would not budge one way or the other. Why? Well, every one knows why. The Provincial Treasurer, like most Ministers has an appointment book in his office; it is a matter of record where they are, and the different public engagements they have to keep. The same would be true with Mr. Allore, the manager of the Government Insurance Office. In order to make his story 'click', therefore, Mr. Fines, Dr. Shumiatcher and Mr. Allore all had to be in town on the same day – and it had to be a good enough day to permit him to walk down the street without wearing a raincoat over his mauve jacket. So he had not much choice. If he picked any week, he was in trouble – they might not all be in town; for if it could be shown that single one of them was out of town, his story, of course, would be blown sky-high. So he gives himself a nice latitude of sixty days.

Now, Mr. Speaker, here is a man who did not just put his case together on May 23, 1952. When Mr. Rawluk brought his case to the Leader of the Opposition, he had all these exhibits. He had the cheque of which there are photostated copies here. He had even retrieved from the wastepaper basket (so he says) Exhibit "R", although on examining the original I could not find a crease on it. How you get things out of the waste-paper basket without finding them creased, I do not know; but that is another matter. He had taken the writing paper, for a year; he had saved the cheques; he had saved old pieces of paper. He had taken all those precautions, but yet had not taken enough precaution to take out his pencil and put a circle on the calendar around the day on which he bribed the Cabinet Minister. I ask how any intelligent group of people can believe that a man who prepared his case with such thoroughness, did not keep a record of the day, or even the week, in which he had joined with the Provincial Treasurer in an alleged act of corruption.

Now, as the Leader of the Opposition said when the matter first came before the Committee, there was no documentary evidence to substantiate Mr. Rawluk's story. That is true. But now the Opposition are saying that he has been corroborated to some extent by the evidence give by Mr. Tennant. Well, first of all it should be pointed out that the conversation which Mr. Tennant alleges that he heard does not involve Mr. Fines. He nowhere says that it was Mr. Fines to whom Dr. Shumiatcher was supposed to have been talking, or that Mr. Fines' name was ever mentioned. That is purely inference. The second thing is that if Mr. Tennant's story is true, then it flatly contradicts Rawluk's story on two very important points. The first is that, according to Tennant, he heard Shumiatcher saying over the 'phone, "he had dark hair; will be wearing a purple jacket". It has gone from mauve to purple. We seem

to specialize in purple coats, purple dye, purple faces; purple has become a favourite colour of the Liberal Party.

"He has dark hair; will be wearing a purple coat and he will be walking down Eleventh Avenue", said Mr. Tennant. But that is not the story that Mr. Rawluk tells in his affidavit. In his affidavit, all that was decided in Dr. Shumiatcher's office was that he was to go to 'Allore's office.' There was no decision in Dr. Shumiatcher's office as to the place of meeting according to this Paragraph 41 which I read. It was not until he got to Allore's office that Mr. Fines 'phoned him, not Allore; he 'phoned **him**. Mr. Fines did not know him, yet Mr. Fines 'phoned him and talked to him. He had never seen Rawluk before; but Mr. Fines talked to him on the 'phone and told him to meet him at the corner of Cornwall Street and Eleventh Avenue. Tennant said the decision was made in Dr. Shumiatcher's office that Rawluk was to go straight down to Eleventh Avenue and meet him there. Allore's office was not mentioned.

The other point on which Mr. Tennant's evidence contradicts Rawluk's evidence, is that Tennant's evidence seems to indicate that Dr. Shumiatcher talked in his own office to someone, described as Rawluk, said he would be walking down Eleventh Avenue, and then went out to the general office, put his hand on Rawluk's shoulder and said, 'I've described him to you. I've told him you've got dark hair, you will be wearing a purple coat, and you'll be walking down Eleventh Avenue.'" Rawluk says that he was with Dr. Shumiatcher when the latter made the 'phone call. You would not need to describe the conversation to a man who had been sitting-in on the 'phone call. As a matter of fact, Mr. Speaker, the evidence of Mr. Tennant does not corroborate anything. If ever I saw the demeanour of a witness that would make me doubt the credibility of his evidence, it was the demeanour of this man Tennant.

This morning, the Leader of the Opposition objected to the clause in the Report which said that "it is a cardinal principle of cross-examination that a cross-examining lawyer must put to the witness those parts of his evidence with which he does not agree and that, therefore, Mr. Embury and Mr. Tucker, having failed to put to Mr. Fines any questions with reference to the alleged ride down Eleventh Avenue, did not really believe the allegation themselves." The Leader of the Opposition says that is not true, that he just did not want to embarrass the Provincial Treasurer. He was very sensitive about his feelings, but he cross-examined him about many other things.

**Mr. Danielson:** – Sure, and that statement that he did not want to embarrass him is false.

**Mr. Speaker:** – Order!

**Mr. Danielson:** – Well, have him withdraw that statement.

**Premier Douglas:** – The Leader of the Opposition . . .

**Mr. Danielson:** – I am asking you to tell the gentleman to withdraw that statement.

**Mr. Speaker:** – Order! Have you a point of order?

**Premier Douglas:** – He hasn't any point of order.

**Mr. Speaker:** – Well, I'll decide. Have you a point of order?

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**Mr. Danielson:** – Yes, I have –

**Mr. Speaker:** – What is your point of order?

**Mr. Danielson:** – He is telling us here that Mr. Tucker said that he did not want to embarrass the Provincial Treasurer. That is not the truth, and he knows it.

**Premier Douglas:** – That is no point of order.

**Mr. Speaker:** – Order! The hon. gentleman for Arm River will kindly keep his seat.

**Premier Douglas:** – I do not wonder the gentlemen opposite are getting a little touchy. They must be beginning to realize how ridiculous they look in the eyes of the people of Saskatchewan.

**Some Government Members:** – Hear, hear!

**Mr. Speaker:** – Order!

**Premier Douglas:** – Now Mr. Speaker, the Leader of the Opposition . . .

**Mr. Danielson:** – That statement was false.

**Mr. Speaker:** – Order! The hon. member for Arm River will take his seat.

**Mr. Danielson:** – That is what I am going to do.

**Premier Douglas:** – Mr. Speaker, the Leader of the Opposition did cross-examine the Provincial Treasurer. He cross-examined him about the theatre, about the Bodnoff loan, and about the workings of the Government Insurance Office, but he did not ask him about the trip down Eleventh Avenue. Neither did Mr. Embury, the counsel for Mr. Rawluk. Why? As the report said, it is a cardinal principle in cross-examination that you indicate to a witness that you doubt evidence which he has given; that you ask him for further corroboration or further substantiation or for an outright denial. Yet neither of the gentlemen who were carrying on the cross-examination ever asked Mr. Fines one word about that trip down Eleventh Avenue, and in a way I think it is to their credit. I, frankly, do not think that either of them believed that story about the trip down Eleventh Avenue. I do not think the Leader of the Opposition really believed that Mr. Fines rode down Eleventh Avenue with Mr. Rawluk and got from him \$100 or \$200.

**Mr. Tucker:** – Mr. Speaker, has the Premier any right to say what I believe? I have already indicated what I believe, and at the time that Mr. Fines was being cross-examined first, Tennant had not given his evidence, and I had not even heard that any evidence like that was available.

**Premier Douglas:** – Mr. Speaker, I would like to know how many members across the way believe that Mr. Fines took that trip down Eleventh Avenue? I would like to see all the ones who believe it, stand up.

**Mr. Speaker:** – Order!

**Premier Douglas:** – I would like to see how many really believe it. I would like

to see them come out of the bushes . . .

**Mr. Speaker:** – Order! Order!

**Mr. Tucker:** – Mr. Speaker, we have already stated our position in the matter. We believe that that story has not been disproven.

**Premier Douglas:** – Mr. Speaker, that is not the question I asked. I asked how many of them really believe that this fantastic crime-comic story about a Minister of the Crown making a rendezvous with a man he had never seen, riding with him down Eleventh Avenue and getting \$100 or \$200 slipped into his palm. I doubt if there is a member across the way who, down in his heart of hearts, thinks that story is anything but a figment of a distorted imagination. I would like to see them come out and make a statement as to what they do believe about it, and not hide behind this negative phrase that it has not been disproven. Not been disproven! Do they believe it? I do not think they believe it or that they do not believe it. What I do not want them to do is to go around the corridors and up and down the back streets saying to people, "Of course, I don't really believe this about Fines," while at the same time they move an amendment which leaves a smear on his name. Come out of the bushes and let's see the colour of your liver!

**Mr. Tucker:** – There stands the expert on going around the bushes smearing people. The leader of the greatest smear campaign ever put on in this country is right there talking.

**Mr. Speaker:** – Order, order! We will have to have a little order here or I'll have to empty the House. Let us have a little order.

**Premier Douglas:** – Well, Mr. Speaker, I have dealt with the matter of the charges against Mr. Fines, and I cannot find anybody over there who is prepared to come out and say that they believe the charges. The best they will say is that they have not been disproven, which means that they have returned to the principle that if somebody makes a statement about you, it is up to you to prove that you are innocent. That, Mr. Speaker, is a complete negation of the fundamental principles of British justice, as I have said. And I say, Mr. Speaker, thank God we still live in a country where the principles of British justice do obtain, and where that kind of thing will not be condoned by the people of Saskatchewan.

Let me now turn to the charge with reference to Mr. Allore. The allegations against Mr. Allore are that he received 40 per cent on the commissions on all the business which he directed to Financial Agencies Limited, and that this money was paid through some fake salary cheques of Mrs. Rawluk's, some nineteen in number, the proceeds of which were turned over to Dr. Shumiatcher to be paid, in turn, to Mr. Allore and to Mr. Fines. The first thing worth noting is that the evidence of the contractors (and I am going to quote that evidence as we go along) indicates that there was no influence used by Mr. Allore to get business for Financial Agencies that was not equally available to any other Government Insurance agent; that Financial Agencies were not in possession of any information regarding contracts that was not also available to other Government Insurance agents.

Much has been said about 'favours' that were given Financial Agencies Limited. They got some blotters of a different type from those given

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to any other company. Yet it was shown that the blotters they did get cost about one-third of what those given to other companies cost the Government Insurance Office – but they were different. As a matter of fact, since the appeal went out from this Committee suggesting to any one of the more than 600 Government Insurance agents in this province that, if they had any information regarding 'kick-backs' and if they would communicate with Mr. Leslie, the counsel for the Committee, their information would be treated in confidence. I have had dozens of agents write to me and tell me of the help which Mr. Allore gave them. They point out in their letters that if Mr. Allore had been the district manager of a line company and helped them get business, he would be entitled under their contract to 15 per cent; that they had often said to him, "Do we pay you anything?" and he had answered, "No, it is part of my business to help you." I can imagine what gentlemen opposite would have said if he had not been helping the agents; if he had not been doing everything possible to get business for the Insurance Office. I want to point out that, even with him doing all he could to help agents get government business, two-thirds of the business which contractors did in connection with government contracts went to companies other than the Government Insurance Office. Two-thirds of the business went to line companies; only one-third came to agents of the Government Insurance Office. If Mr. Allore had so much influence, so much 'drag', with the Department of Public Works and the Department of Highways, why didn't the Government Insurance get all the business, or even half of it? They simply got one-third of it; yet so much is made of these favours. The real fact is, Mr. Speaker, that Mr. Allore undoubtedly helped Rawluk as he helped Mr. August and as he helped other agents who were getting started. The only difference is that sometimes when you help people they appreciate it; in other cases your assistance is repaid by base ingratitude.

Much has been said about the \$90 cheque. Let us look at this matter of the \$90 cheque. Mr. Allore said that he did not remember cashing it, did not remember where he had cashed it, but that he had cashed it as an accommodation. The Leader of the Opposition has laboured that at great length, but if any member of this Legislature had set before him all the cheques he had cashed for other people and then had to prove that he did not get the money from those cheques, he would have quite a job. I have cashed cheques for people; people have cashed cheques for me, and I did not (as the Leader of the Opposition said) have them make the cheque out in my name and then marked "paid in cash". I am not in the habit of dealing with crooks. I deal with people that I trust. When somebody wants to cash a cheque for me, I make out a cheque to 'cash' and I sign it and he endorses it, and he gives me the money – or vice-versa if I am cashing a cheque for him.

It is quite conceivable that a man could cash a cheque for \$90 for someone who comes in and asks him for an accommodation. But I point out the fact that Allore, at that time, is supposed to have got \$153 – \$63 in a bribe, and were going to get \$153, why would you take \$63 in cash and \$90 in a cheque? Surely, any man who was conspiring to commit a corrupt act would say, "I want the whole \$153 in cash. You take your \$90 cheque and go and cash it; I don't care where you cash it – the corner drugstore or anywhere else – and bring me the \$90. I am not taking your cheque." But Rawluk wants us to believe that he went in to bribe a man and he gave him \$63 in cash and \$90 by cheque. What could be more ridiculous? Why did he not give him all of it by cheque? Or why did he not give him all of it by cash?



The other significant thing is that in his affidavit, Mr. Rawluk states that at the meeting of December 13, 1950, Dr. Shumiatcher informed the directors of Financial Agencies that Allore had said 'no cheques – it has got to be cash'. Yet here he is on January 26th, six weeks later, accepting a cheque and putting his name on it. That just does not hold together, Mr. Speaker. If, on December 13th he had notified them that he wanted no cheques, why would he accept \$90 by cheque and \$63 by cash on January 26, 1951? I submit that the case with reference to the cheque just is not corroboration of the charges.

Much has been made with reference to Exhibit "R". Exhibit "R", which Allore admitted was in his own handwriting, is a piece of Salvation Army stationary on which five names have been written down, and most members, of course, have copies of Exhibit "R". Now any person who looks at this affidavit becomes immediately aware of the fact that the whole affidavit has been built around this Exhibit. That is why the Opposition have made so much of this Exhibit; their case rises or falls by this Exhibit.

The first thing to notice about this Exhibit is that every one of the contractors whose names appear on it denied that Mr. Allore had anything to do with Financial Agencies getting the business which is on this scrap of paper. So much so, indeed, that when these contractors were called and we had got through the first evening of them, Mr. Embury, the counsel for Rawluk, was quite agreeable to not calling the remainder, as hon. members know. For instance, there was the Henderson Brothers. They are at the bottom of the list on Exhibit "R". On March 17 (page 16 of the transcript) Mr. Leslie asked Mr. Rawluk:

"Q. Allore had nothing to do with the Henderson Brothers Policy at all?

A. No."

And on the evening of March 20 (page 27) Mr. McLeod asked Mr. Rawluk:

"Q. And how about Henderson Brothers?

A. I had approached Henderson Brothers in the Government Insurance Building. I do not believe Mr. Allore ever saw Henderson Brothers, but he claimed his commissions on that and received them.

Q. Mr. Allore had nothing to do with it – is that what you say?

A. I claim that the only thing he had to do with Henderson Brothers was claiming the 40 per cent 'kickback'."

So the contractor, apparently, had nothing to do with that. Then, when Mr. Burton of Henderson Brothers was on the stand, March 25 (page 41) Mr. McLeod asked Mr. Burton:

"Q. Did you see Mr. Allore, the manager of the Government Insurance Office, while you were there?

A. No.

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Q. Did you know him at that time, at all?

A. No."

Poole Construction Company is also one of the contractors appearing on Exhibit "R". Mr. Rawluk was questioned in that connection by Mr. Leslie on March 17 (page 18):

"Q. What intervention was there of Mr. Allore's, in connection with Osterried's policy?

A. His suggestion was sub-contract bonds, I guess you would call them. He went down to discuss it with Mr. Foley. Therefore, Mr. Allore felt he was entitled to his 40 per cent commission on that."

Here is what Mr. Foley of Poole Construction Company, said in that regard on March 25 (page 1):

"A very short time afterwards, I forget the reason why, Mr. Rawluk called on me again and wanted to see if we had any further business to offer him. I told him, at that time, we were requiring a bond from Mr. Osterried and that he was anxious to get the sub-contractor's award and signed and sealed, and that if he pursued the subject and got this bond fixed up for Frank Osterried as quickly as he had done for us, we would be most happy. The next thing I knew was that the bond came through the mail to us from Frank Osterried and it was a Saskatchewan Government Insurance bond with Financial Agencies' stamp on it."

Mr. Allore's name is not mentioned; no reference to Mr. Allore having gone down to see Mr. Foley as Mr. Rawluk had claimed. Mr. Foley denied that and said that the negotiations were carried out entirely by Mr. Rawluk. Mr. Embury asked Mr. Foley, on the evening of March 25 (page 6):

"Q. Now can you suggest any other reason than that he might have covered the whole field, why he came to you?

A. I can see his right in 'phoning the architect and getting the information to the best of his ability.

Q. He might have got some information he shouldn't have had from the architect.

A. The architect would be quite within his rights to disclose it to his sub-contractor or anybody else."

And on the same evening (page 8), Mr. Embury asked Mr. Foley:

"Q. In other words, you are saying it would be all right for him to tell Rawluk, but it would not be all right for him to tell you?

A. Yes.

And Mr. Embury, on the same day (page 23), asked him:

"Q. In the process of your negotiation, would you have any contact with Mr. Allore; that is, Mr. M. F. Allore, manager of the Saskatchewan Government Insurance Office?

A. The only contact I had with the Government Insurance Office was the letter I received from Mr. Paige. I never wrote directly, and I certainly never had any telephone conversations with any member then. I made my first contact – or Mr. Rawluk made his first contact with myself, and from my own standpoint, I kept it that way, right up until September."

Let us look at Mr. South, also named on this Exhibit "R". This is the evidence of the evening of March 17 (page 13), Mr. Rawluk had said:

"I haven't told you how he (Allore) was instrumental in receiving that particular business."

Mr. Leslie asked: "Well, how was he?"

Mr. Rawluk answered:

"When the bonds were all open – the bids were all opened, I had returned to the Government Insurance Office and seen Mr. Allore. He advised me to go and see Mr. South and attempt to procure the business. I had gone to his office on Albert Street. I spoke to Phil South – I think it was Phil South, yes – and discussed this particular type of business. He advised me that all his bond business was placed through another insurance company. I had attempted to sell this particular bond to him. I wasn't successful. I went back and saw Mr. Allore, and Mr. Allore 'phoned Mr. South and discussed it further with him on the telephone. There were rates mentioned and eventually Mr. South agreed to put the business through Financial Agencies for Saskatchewan Government Insurance Office."

Then on the same day (page 5) Mr. Leslie asked Mr. Rawluk:

"Q. Now are you suggesting there was anything wrong in Mr. Allore advising you about it? (That is advising him about the fact that the South Bros. had the contract.)

A. The only thing wrong with it, sir, is the cut-back he received on it."

Then on the morning of March 26 (page 41) Mr. McLeod asked Mr. Phil South who was referred to by Mr. Rawluk as the man Mr. Allore was supposed to have telephoned:

"Q. Did Mr. Allore ask you to take out this bond or put it through the Financial Agencies, or anything like that?

A. No, there was never any discussion in that respect. The preliminary work was done at the buildings here, at the time the contract was closed."

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And then on the same day (page 42) Mr. Embury asked Mr. South:

"Q. Do you swear positively, that you didn't talk to Mr. Allore about this?

A. Absolutely."

On the same day (page 48) the Leader of the Opposition is still not satisfied. He asked Mr. South:

"Q. Now then, I say that the evidence given here was that Mr. Allore 'phoned to Mr. South, which might have been you or your brother. He understood that that is who Mr. Allore 'phoned. Now I'm asking you if you've any knowledge as to whether he 'phoned your brother or not?

A. To my knowledge, no. I am not at liberty to answer for him, but to my knowledge, no, because I take care of all that business."

The next one on this Exhibit "R" was A. Young, and the first reference to Mr. A. Young is on page 10 of the transcript for the evening session March 17. Mr. Leslie asked Mr. Rawluk:

"Q. Do you know if Mr. Allore saw Mr. Young?

A. I don't think so. I don't know."

Then on the same evening (page 11) Mr. Leslie asked Mr. Rawluk:

"Q. Do you say that that business was turned in by Mr. Allore?

A. He was instrumental in us receiving the business.

Q. You see, in your affidavit you said that Allore was to get 40 per cent on business turned in by Allore. Do you say that the business was turned in by Allore in a roundabout way?

A. All I know, sir, is that he claimed his 40 per cent on that, and he received it."

Then on the evening of March 20 (page 26) Mr. McLeod asked Mr. Rawluk:

"Q. What about A. Young? (That is the same A. Young as is on Exhibit "R".)

A. A. Young is one of the ones that I had prior knowledge to them knowing before it was made public. I walked into Mr. Young's office and informed him that he was a successful bidder. I congratulated him and he was pleased, and I got the business. He wasn't aware that he had got it. He said he was never informed."

And on the morning of March 25 (page 4), Mr. McLeod asked Mr. Young:

"Q. Did Mr. Allore, the manager of the Saskatchewan Government Insurance office, get in touch with you at any time with respect to this bond?

A. No, I never saw him before."

And the same morning (page 4) I asked Mr. Young:

"Q. I just want to ask a question. I notice that in the report of Mr. Rawluk's testimony with regard to your particular sub-contract, Mr. Young, that Mr. Rawluk says, 'Mr. Allore was instrumental in getting that business'. Do you know if Mr. Allore was instrumental in getting your business?

A. I never saw Mr. Allore before."

Then, again on the morning of March 25 (page 7), Mr. Embury asked Mr. Young:

"Q. And you knew then, that you were the low bidder?

A. That's right.

Q. Yes, so you knew that if any Regina contractor got the general contract, you then would have the sub-contract?

A. Well, I had a good chance for it.

Q. Yes, well being the lowest bidder, the likelihood was that you would have it?

A. That's right."

Those are the contractors named on Exhibit "R" with the exception of Smith Brothers & Wilson. Mr. Rawluk's evidence was given with reference to a Mr. Barre of Smith Brothers & Wilson who has since died and, of course, could not be called. All the contractors who were called with reference to Exhibit "R" gave evidence to the effect that Mr. Allore had nothing to do with their giving their business to Financial Agencies. How, therefore, could he be 'instrumental' in getting the business? And how, therefore, would he be entitled to a 40 per cent 'kickback'?

Now let us have a look at Exhibit "R" itself. The Leader of the Opposition says, and has said several times, 'there's only one interpretation can be placed upon Exhibit "R" and that is the interpretation contained in the allegation of Mr. Rawluk'. Well, Mr. Speaker, that is a pretty biased way to approach a document like this.

**Mr. Tucker:** – Mr. Speaker, in regard to the general, sweeping summing-up of the Premier about this fact, that all . . .

**Premier Douglas:** – If you want to make a speech you can make all the speeches you want later on. I listened to you for five and one-half hours without interrupting you. If the gentlemen opposite want to dispute any of these

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statements, they can get the evidence and go ahead with it. I have quoted from every one of the contractors except Smith Brothers & Wilson and Mr. Barre, in that connection, is dead. Every other witness was called.

**Mr. Tucker:** – But in that regard, Allore said that he did everything to get that business . . .

**Mr. Speaker:** – Order!

**Premier Douglas:** – Mr. Speaker, that is not a point of order and I refuse to be interrupted by a man who uses five hours of his own time and now proposes to use mine. He has had all kinds of time up until now, and he can have all the time he wishes, later on, when we get back to the main motion.

I come now to the question of this Exhibit "R". I say it is a biased attitude to say that the only possible interpretation is the interpretation which is placed upon it by the allegation of Rawluk. It is quite true, as has been said, that Mr. Allore has not given any explanation as to this piece of paper on which his writing and these figures appear. In that regard, I would say that I doubt if any one of us, confronted with a piece of paper taken out of a wastepaper basket, and on which we had scribbled some figures one or two years ago, would be in the position to say exactly what we were trying to figure out at that time, whether we had been trying to add up our wives' grocery bills, or to figure out our income tax. It is not so simple – and remember that the onus is not on the accused – it is on the accuser. I also want to say that, in my opinion, it is to Allore's credit that he did not come before the Committee and try to concoct an explanation for Exhibit "R". It would not be a difficult thing for a man to get an accountant and, between the two of them, work out some 'cock-and-bull' explanation for this. The fact is that he came very honestly to the Committee and said, 'I don't know what this computation is for'. He gave a number of conjectures as to what it might have been; but he did not try to state what it was.

I repeat that the onus is on the person making the allegation as to the interpretation of Exhibit "R" – and what is that allegation? That allegation is that this represents 40 per cent of the commissions for business which Mr. Allore directed to, or was instrumental in getting for, Financial Agencies Limited; that it was the 'cut-back' which was coming to him and to Mr. Fines. Well, if that be true, then it ought to stand up. Let us look at it. At the top it says: "Balance at March 31, \$124.90." There was no attempt made by the counsel for Mr. Rawluk or by Mr. Rawluk himself to explain what that \$124.90 meant. It can only mean one thing if this Exhibit "R" is what it is alleged to be: it must be the amount of money owing to Mr. Allore for his share of the business turned over to Financial Agencies during the month of March, less what he had already been paid.

If you go through the evidence, however, there is no possible combination that you can work out that makes Financial Agencies owe Allore \$124.90 on the basis of the allegations. For instance, if you take the amount of money for the deals on which Mr. Rawluk claims Mr. Allore was demanding payment, taking the amount for the month of March, on the basis of the date of billing, but leave out Smith Brothers & Wilson because it was a fire policy, and subtract from it the amount of money which Mr. Allore had already received, the amount ought to be, at the end of March, \$160.67. Or if you take the accounts on which Allore was claiming a 'kickback' and include Smith Brothers & Wilson, then deduct the amount which Mr. Rawluk claims to have paid to Mr. Allore, then the amount should be

\$336.21 – that is, if you take it on the date of billing. The argument might be that they did not work on the date of billing, they worked on the date of application. All right. If you take it on the date of application, the amount ought to be \$520.95. By no possible combination can you make the amount which, (by Rawluk's own evidence) he was supposed to pay to Allore, work out to a balance of \$124.90 at March 31. While, naturally, every member of the Committee would have been much more satisfied if Mr. Allore could have come in and said, "Yes, I remember this computation" I say that the fact he did not try to concoct one, the fact he could not remember what it was for, leaves the onus on the accuser. The onus is on the accuser to prove that this fits in with his allegations. But it does not fit with the allegations, because \$124.90 would not be the balance owing to Mr. Allore, if the other statements in Mr. Rawluk's evidence are correct. As a matter of fact, Mr. Speaker, I think any person who reads this transcript with any degree of objectivity whatsoever will be increasingly convinced that what happened is that this whole case has been built around this Exhibit "R". They had to make the names fit because the names were there; but they could not make both the names and the figures fit, so the figures were allowed to go 'out the window'. They do not fit and this was a very crude and clumsy attempt to build a case against a public man on the basis of a piece of paper containing his handwriting.

The Leader of the Opposition has said that this charge is 'borne out' by the cheque for the expenses of Mr. Rawluk to Vancouver. Mr. Rawluk comes before this Committee and says he made out a cheque for his expenses for a trip to Vancouver that he had never made. It is true that the Steering Committee suggested to the counsel for the Committee that we have the R.C.M.P. investigator check with the railroads and the planes; but that investigation was never made because the R.C.M.P. investigator had so many other demands on his time. I think most of us did not think it was necessary to make it. I do not think any of us believed for a moment that Mr. Rawluk ever made the trip to Vancouver. What does it bear out? What does it prove? My friend takes it for granted. He says, "it bears out the evidence that this \$161.35 for his expense account went to Allore." Where does it prove that? It could prove equally that Mr. Rawluk deceived his two partners by telling them he was going to Vancouver, by producing later an agency contract with a firm in Calgary which he claims to have got for them, and that he was simply cheating his partners out of \$161. There is just as much evidence for the one as for the other. The Leader of the Opposition cannot see any other conclusion but that this expense account cheque which Rawluk made out for a trip he did not take, went into Allore's pocket. There is no proof it went into Mr. Allore's pocket. There is just as much likelihood that it went into Mr. Rawluk's pocket. As a matter of fact, if one goes back over his other transactions, it is not at all improbable or unlikely that that is where it went.

Now, Mr. Speaker, I wanted to start on another point. I think it is hardly worthwhile starting in at ten minutes to six – would you be willing to call it six o'clock?

**Mr. Speaker:** – It is agreed we call it six o'clock.

(Agreed.)

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8 o'clock p.m.

**Premier Douglas (continuing):** – When the House rose at 6 o'clock, I was dealing with the report of the Crown Corporations Committee and the amendment which has been moved to it by the members of the Opposition. I had dealt with the reasons why, in our opinion, the charges and allegations made against the Provincial Treasurer had not been substantiated in any way whatsoever, and why we felt the allegations and charges against M. F. Allore had not been substantiated or corroborated by the evidence presented in the course of the past five weeks.

I want to turn now to the matter of the cheque issued allegedly to Mrs. Rawluk for salary and the matter of the Bodnoff loan. There is hardly any need for me to remind the House that the allegation made by Mr. Rawluk was that his wife was put on the payroll of Financial Agencies Ltd., although actually she did no work for that company; that 19 cheques in all were issued to her as salary cheques, and that the proceeds found their way eventually to M. F. Allore and were passed on by him or by someone else to Mr. Fines.

The first question that occurred to me, when I read the affidavit and listened to the evidence of Mr. Rawluk, was why three men in a company such as Financial Agencies Ltd. went through this elaborate and tortuous method of paying \$100 a month to Mr. Allore. If Financial Agencies wanted to give Mr. Allore \$100 a month, it seems to me difficult to understand why it was necessary to put Mrs. Rawluk on the payroll thereby making her an accomplice to an act of Code, and why it was necessary to go through the machinery of taking the cheque to her, having her endorse it, having her or her husband cash it, and then take the money to Dr. Shumiatcher. Or they could have taken \$100 a month and set it aside for advertising or good-will or donations or any one of a number of things for which companies are allowed to set money aside. Or they could have had Dr. Shumiatcher & McLeod charge an extra \$100 a month for their legal services, in addition to any legal services they were giving, and to have taken that \$100 a month and see that it was passed over to Mr. Allore.

Instead of that, all this tortuous story is built up – of someone being on the payroll who is not doing any work; whose cheques are made out to her and taken to her and she endorses them and then they are brought back, are cashed either by her or by Mr. Rawluk, and the money turned over to Dr. Shumiatcher, who, in turn, sees that it gets to Mr. Allore. It just does not make sense, unless one is trying to build a story around a series of cheques, just as a story was built around Exhibit "R".

In connection with this matter there is, of course, the story which Dr. Shumiatcher, Mr. Bodnoff and Mrs. Cates gave. They say that, of these 19 cheques, 13 were cashed by Mr. and Mrs. Rawluk, and that they got the proceeds; that the other six cheques were cashed by Shumiatcher & McLeod, or someone in their office, and went into an envelope to pay off \$300 which Mr. Rawluk was alleged to owe Mr. Bodnoff. I notice that the Opposition, in the amendment which they have proposed, rule that out of court immediately. They say that the \$300 loan by Bodnoff to Rawluk is a pure fabrication. Well, what they are saying is that they accept Mr. Rawluk's statement, but they do not accept the statement of either Dr. Shumiatcher, Mr. Bodnoff or Mrs. Cates.



In the arguments that have been presented, yesterday and today, what reasons do they give for saying the Bodnoff loan of \$300 is a pure fabrication? They say, "Why there was no receipt given . . ." "Why was it paid in cash?" . . . and why did he want it paid back in cash? Well, Mr. Speaker, that seems to me to be placing a sinister interpretation on very ordinary and everyday events. I can quite easily conceive of three people being in business together, one of whom, out of town a great deal because he is buying cattle, says to the second of the three, "Joe owes me \$300 and he is going to be dropping in from time to time and leaving these cheques. You cash them, put them aside and I will pick them up." When people are doing business on that basis they don't get receipts and give receipts. Many times people have left money with me and said somebody else would be picking it up. You do it as an accommodation. As a member of Parliament going over my constituency, many times somebody would say that so and so would be coming into town and "I may not see him; I will leave this envelope." That's a common thing among people who are on a friendly relationship. But to put a sinister interpretation on it for the purpose of trying to destroy the evidence with reference to this loan, seems to me to be stretching it a bit far.

I was even more impressed with the fact that both Mr. Embury, the counsel for Rawluk and Mr. Tucker, the Leader of the Opposition, spent the best part of two days trying to get Mr. Bodnoff to say that he could not possibly have loaned Rawluk the \$300, because he must have known that he was so unreliable, so untrustworthy and so undependable, that surely he wouldn't lend him any money after knowing the kind of man he was. If ever I saw two men blacken the reputation of their own witness in order to make another man's case seem weak, it was them; they did just that. The Committee will remember Mr. Embury saying to Mr. Bodnoff, "Well, you didn't believe this story that he would pay you back, you didn't believe this story that his father-in-law was sending him some money and that you would get this money back. Surely you knew by this time that, in the language of the street, it was all 'malarkey'?" And so Mr. Bodnoff was to be condemned because he was simple enough to believe Rawluk! The people of this province are being asked to be simple enough to believe Rawluk! Yet Bodnoff was virtually told that he was a fool because he believed his story that he was going to get some money, and, on the strength of that, loaned him another \$300.

Now, Mr. Speaker, the matter of this Bodnoff loan, it seems to me, hangs on the matter of the cheques. I have had a charge made of these 19 cheques. They are all listed here – their date, payee, first endorsement, second endorsement, and so on; when they were deposited. These are the 19 cheques issued by Financial Agencies to pay Mrs. Rawluk for services which Rawluk alleges she did not perform. All the evidence seems to show that she did not perform any material services to Financial Agencies, but the fact that she did not perform any material services does not necessarily prove what the Leader of the Opposition has been trying to stress, namely, that that money went to Mr. Allore. It could just as easily have gone to Mr. Rawluk or to Mrs. Rawluk, because 13 of those cheques were cashed by either one or the other of them.

The first thing that impressed me, when I looked at this chart, was this: If the Bodnoff loan is a pure fabrication as the gentlemen opposite say, why were six of these cheques treated in a totally different manner from the other 13? Now remember, Mr. Speaker, here were 19 cheques being paid to Mrs. Rawluk for alleged services, but really for the alleged purpose of getting money over to Mr. Allore and Mr. Fines. This was a 'kickback'; this was a corrupt

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practice for which these people could be prosecuted individually and collectively under the Criminal Code. Why were six cheques treated differently from the other 13? If this was a 'hush-hush' thing, why were not all the 19 cheques treated alike? Why were not all the cheques endorsed by Mrs. Rawluk and cashed by her or Mr. Rawluk, and the cash turned over to Dr. Shumiatcher who, in turn, would see that it got to Mr. Allore? Why wasn't that done? Mr. Rawluk says it was not done. He says 13 of the cheques were cashed by him or his wife, and that the proceeds were turned over to Dr. Shumiatcher and then to Mr. Allore or to Mr. Allore directly, although there is no proof of it. He said the other six cheques were treated differently. These six cheques went to Dr. Shumiatcher's office, and Dr. Shumiatcher or a member of his office staff endorsed them and cashed them. Why? If this was a 'hush-hush' arrangement, why would Dr. Shumiatcher or anybody in his office be endorsing these cheques? Why would they want to have any part of them? Why wouldn't they insist that these cheques be treated in exactly the same way as the other 13 cheques, namely, that Rawluk or his wife go and cash them and bring back the money. But no! On six cheques either Dr. Shumiatcher or someone in his office, unashamedly and open, put his name and his stamp on the back of them and cashed them!

Mr. Speaker, if the allegations contained in Rawluk's affidavit are true, how does anyone explain these six cheques going through Dr. Shumiatcher's office? How does anyone explain the different in the treatment of these six cheques from the other 13 cheques? I suggest that the only possible reason that Dr. Shumiatcher and the members on his staff would be willing to endorse those cheques would be because, as their evidence shows, the proceeds from those cheques were being set aside to pay off the debt owing by Rawluk to Bodnoff. It is not so difficult to imagine that Bodnoff had loaned Rawluk \$300; he had loaned him \$2365 not long before.

Another significant thing, as one looks at these cheques, is that the cheques of July 31st and August 14th – those are the last two cheques that went into Dr. Shumiatcher's office – were cashed by Mrs. Cates. They weren't cashed until November 6th; but the last two of Mrs. Rawluk's salary cheques, of September 1st and 14th, were both cashed on September 17th by Mrs. G. H. Rawluk. Now why would the last two cheques issued be cashed by Mrs. Rawluk before the two preceding cheques had been cashed? If the two preceding cheques, the cheques of July 31st and August 14th, were also going to go to Mr. Allore, why weren't they cashed, instead of being held until November 6th? I think the only fair inference is that those two cheques were held because that was the time when Mr. Bodnoff was to come in and pick up his money, and that they were cashed just about the time that he came to get the \$300 which was being collected for him.

Some reference has been made to Miss Fradette, and certainly, the Committee had no intention whatsoever of reflecting on Miss Fradette's credibility. The fact remains, however, that, if her story is true, Rawluk's story is wrong. She said that on the cheque which she cashed on August 16th, she took the money to the Government Insurance Office, took it into Mr. Allore's office and gave it to Mr. Rawluk. Of course, she thought the time she went to the bank was about 4.15 in the afternoon, when actually the bank closes at 3.00 p.m., and she couldn't recognize Mr. Allore. Those things could be due to oversight and excitement on the stand. But the interesting thing is that Rawluk said, in paragraph 24 of his affidavit, "that after the middle of May all of these cheques went to Shumiatcher and were cashed by Shumiatcher or someone in his office." That is the paragraph I read to the House, this afternoon.

Now, if Miss Fradette is not confused and if she did take the proceeds of the cheque to Mr. Rawluk, then this cheque went to Rawluk and not to Shumiatcher, as alleged by Rawluk Surely, when Mr. Rawluk was writing paragraph 24, he would have said that the cheque of August 16th was cashed by Miss Fradette and 'brought up to me and I gave the proceeds to Allore'. But he did not say that. He says in his affidavit:

"That commencing with my wife's salary cheque for the last two weeks in February, 1951, I was instructed not to make the payments to Mr. Allore myself . . ."

Yet here he is, on August 16th, making it – if Miss Fradette's evidence is to be believed:

". . . but was instructed by Dr. Shumiatcher to make out my wife's salary cheque and to have her endorse it and then to turn over the endorsed cheques to Dr. Shumiatcher and Mr. Fines; and from and after that date I turned all my wife's salary cheques over to Dr. Shumiatcher or someone in his office."

Both statements cannot be correct, Mr. Speaker. Further, I point to the fact that Mrs. Cates notes these cheques as she got them. That could not have been done afterwards, because she did not have the cheques. After they were cashed, they would go back to the payee. The fact that she marked them on the envelope, writing noted at different times, seems to me to bear out: (1) that Mr. Bodnoff made the loan; (2) that the six cheques that were treated differently from the other 13 were used to pay off that loan, and that it was paid off by Mrs. Cates taking that money and turning it over to Mr. Bodnoff.

The suggestion was made, not by Mr. Rawluk but by the Leader of the Opposition, that maybe another reason why Allore was getting a 'pay-off' or a 'kickback' was because Mr. Allore had had something to do with helping Mr. Bodnoff negotiate a \$75,000 loan on his two theatres at Weyburn. In that connection it was shown that Mr. Allore was not the person responsible for recommending the loan. But the more important fact is that if Mr. Bodnoff wanted to give \$1100 to Mr. Allore, surely it would have been much simpler for him to go up to Allore's office or to meet him somewhere and hand him the \$1100 than to set up Financial Agencies, set up a lot of fake salary cheques to be cashed twice a month, and go through all this cloak-and-dagger performance in order that Mr. Bodnoff could end up by losing \$2,000. It would have been better for him to take the \$2,000, go down and give Allore \$1100 out of it and thus save himself \$900 and all this trouble.

Let me come now, Mr. Speaker, to what I think this House must look at very closely. I ask this House to look at the history of this affidavit upon which all these allegations and charges are based. Where did this affidavit come from? How did it get to be here? Who is responsible for it? Well, we know a lot more about that affidavit now than when we started this inquiry on March 10th. We know now that Mr. Rawluk first showed his exhibits (I presume that by exhibits he means these cheques and the piece of Salvation Army notepaper and a lot of other little things he had collected) to Mr. Heald. The evidence shows that Mr. Heald and he journeyed all the way to Saskatoon to show them to the Leader of the Opposition (Mr. Tucker); and we know that Mr. Tucker then suggested that something be done with them. I am not putting it in my

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words; I will put it in Mr. Rawluk's words. On the evening of March 21st (page 1), I asked Mr. Rawluk these questions:

"Q. You mentioned, yesterday, when you were on the stand, that you took these exhibits or documents to Mr. Tucker?

A. Yes, sir.

Q. Was that after you had shown them to Mr. Heald.?

A. Yes.

Q. Did Mr. Heald suggest you take them to Mr. Tucker?

A. No, I took them to Mr. Tucker to get his advice on them.

Q. What advice did he give you?

A. He couldn't give me any advice outside of the fact that he said he couldn't follow the story from the documents and if I had them in some sequence or some sort of story form, that he could follow it; it would be better."

So they proceeded to get it into some sort of a story-form. What a story! A fairy story form! Well, Mr. Rawluk testified that when Mr. Heald and himself had completed the affidavit which is the basis of this inquiry, a copy was given to Mr. Tucker, a copy was given to Mr. Diefenbaker, a copy was kept by Mr. Heald and the original and the exhibits were kept by Mr. Rawluk, and deposited, I understand, in a safety deposit box.

The next thing that happened was that Mr. Rawluk then wanted to have the contents of the affidavit made public. The Leader of the Opposition said that he is surprised that, in this report, we should suggest that it is significant that he went to Mr. Diefenbaker's meeting and to Mr. Benson's meeting but did not go to any Liberal meetings. Well, Mr. Speaker, I think it is significant. I think it is significant because, as the Leader of the Opposition himself says, the moment he saw Exhibit "R" he was convinced of the case against Mr. Allore. It is significant in the light of that statement that, instead of any publication of this affidavit taking place at a Liberal meeting, Rawluk was sent out with a very prominent Liberal to Mr. Diefenbaker's meeting, out of Mr. Benson's meeting . . .

**Mr. Tucker:** – Who is the 'prominent Liberal'?

**Premier Douglas:** – Mr. Rawluk said that Mr. Ron. Havard took him out.

**Mr. Tucker:** – Is he a prominent Liberal?

**Premier Douglas:** – I can tell my friend the date on which he addressed the Liberal caucus in 1952, if it will do him any good.

**Mr. Tucker:** – Well, I can tell the Premier that he is stating a falsehood, an absolute falsehood. That is absolutely a lie – a statement like that.

**Mr. Speaker:** – Order! Order!

**Mr. Tucker:** – The usual nonsense! Lying . . .

**Mr. Speaker:** – Order! If the hon. Leader of the Opposition wishes to rise on a point of privilege to make a contradiction or something pointed to him personally, why it will be recognized; but it has to be done in a proper manner.

**Mr. Lopton:** – Mr. Speaker, I have been at most of the caucuses and I don't know this man Havard at all, and I am sure if he . . .

**Premier Douglas:** – Well, Mr. Speaker, I am always compelled to accept the word of the hon. gentlemen opposite, but one former Liberal member of the Legislature told me that on February 2, 1952, in the Northern Crown Building, Havard met most of the members of the caucus opposite, including the member for Saltcoats (Mr. Lopton).

**Mr. Tucker:** – There were no Liberal caucuses of the Liberal Party of Saskatchewan in the Northern Crown Building, in 1952. That is just utter nonsense. I have attended all the caucuses of the Liberal members that have been held since I was elected in 1948, and Mr. Havard has spoken at no caucus of Liberal members.

**Premier Douglas:** – It was just an informal . . .

**Mr. Tucker:** – Mr. Speaker, formal or otherwise!

**Premier Douglas:** – Mr. Speaker, on a point of order. This gentleman is again up making speeches; he has made three or four of them when I have been speaking.

I am suggesting that it is significant that, instead of this man making his disclosure to corruption (of which the Leader of the Opposition has said he was already convinced by Exhibit "R") at a Liberal meeting, he was sent out to a Conservative meeting and an Independent meeting, so that if there was going to be any defamation of character, if there was going to be any bad odour come of out the situation, the Liberal Party would not be involved.

**Mr. Tucker:** – There is absolutely no evidence whatever that he was sent out to any of these meetings. The evidence is that he went out himself, Mr. Speaker. Again that is a misstatement.

**Premier Douglas:** – Well, he went out.

**Mr. Tucker:** – He went out. He wasn't sent out at all.

**Premier Douglas:** – The fact is that he went. The fact is, also, that he was not invited by the Leader of the Opposition or any of the Liberals to come and get this thing off his chest at any of their meetings. If there was going to be a bad odour, they were going to make sure that it was someplace else.

Then, after the election on June 11th, the whole thing quietened down. Now here was a public man in possession of a document, or a copy of a document, tainted with criminality. He had a responsibility. He says today, "Well, of course I wasn't even a member of parliament"; he had not been sworn in. Well, that is finding refuge in a technicality.

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**Mr. Tucker:** – Mr. Speaker, again the Premier is misstating my evidence. I said that, at the time the documents were given to me, the Legislature had been dissolved and I wasn't a member of the Legislature. I was not speaking of after the election; I was speaking of before the election. If the Premier had been paying any attention he would have known that.

**Premier Douglas:** – All right then, let's get to 'after the election'. After the election, the Leader of the Opposition had a copy of a document tainted with criminality, a document which purported to prove corrupt practice on the part of a Minister of the Crown and a senior Government servant. He had just been elected for the constituency of Rosthern; he was still Leader of the Liberal Party and was expected to be Leader of the Opposition in the coming Legislature. He had a responsibility to do something about that. What did he do? What could he have done?

As I pointed out, yesterday, it was not necessary that he come to me on a friendly basis at all. He could have come to me and said, "I have a copy of an affidavit; I'm going to give you this copy, I have another, and if by the time the House meets, or if within 60 days (or whatever time he wanted) you haven't appointed a Royal Commission to investigate this matter, I propose to tell the public about it." He could have done that, Mr. Speaker; or if he believed (as he says he believed) that Exhibit "R" was absolute proof of the built of M. F. Allore, he could have advised Mr. Heald or Mr. Rawluk to swear out an information against him before a magistrate, under section 158 and 156 of the Criminal Code. He could have done that; he could have advised them to do that. Or, when this Legislature met on February 12th he could have said: "I have in my possession a document which alleges corrupt practices in the administration of the Government Insurance Office. I want the Government to appoint a Royal Commission so that I can place this matter before them."

I want to point out, Mr. Speaker, that he did absolutely none of these things. What did he do? He waited until a Standing Committee of the House was appointed, where he could bring in a copy of an affidavit without having to accept any responsibility for a single allegation contained therein, and where he could throw those allegations around behind the privilege and immunity of a Standing Committee of the Legislature.

Now, Mr. Speaker, there are times when men's ghosts come back to haunt them. I have in my hand the unrevised Hansard of the House of Commons, of Friday, June 28, 1946, page 3,040. Mr. Fair, the Social Credit member from Alberta, had proceeded to read a letter in the House of Commons, claiming that one man in his constituency had had a very raw deal from the Soldier Settlement Board, and making certain charges against those on the Soldier Settlement Board. The Leader of the Opposition, who was then parliamentary assistant to the Minister of Veterans' Affairs, got up to his feet (I want you to note the dignity and the hurt in his voice) and said:

"As a matter of public decency, here is a letter making virulent charges against a prominent public servant. The hon. member does not undertake to vouch for the correctness of these charges. I submit to you, sir, that it is improper; that it would be a shame and a disgrace if the hon. member, without taking any responsibility for what he is about to read, should be permitted to spread upon the pages of Hansard an unjustified attack upon a prominent public servant."

Why, what a disgraceful thing! A member to come into the House and read a letter, for which he is accepting no responsibility, reflecting upon a prominent public servant. But it is all right . . .

**Mr. Tucker:** – Mr. Speaker, on a question of privilege. This is a letter that I was referring to. What I had in my hand was an affidavit; if it wasn't correct, this man was liable to be prosecuted for perjury. The man who wrote the letter that I was referring to was not liable in any way. The cases are not the same at all, Mr. Speaker.

**Premier Douglas:** – Mr. Speaker, this was not an affidavit. It was a copy of a so-called affidavit, and the Leader of the Opposition came in and accepted no responsibility for anything in it. On the night of March 10th, right in this Chamber, I asked him if he wouldn't table it. He said that Mr. Rawluk would table it, because he wanted to accept no responsibility whatsoever.

There is another point, Mr. Speaker, and it is this. During the nine months between the election day and the time this House opened, what steps did the Leader of the Opposition take to inquire into the credibility and the reliability of the man who made these charges? He said he had no facilities for making inquiries. Why, an any time in that nine months, if he had called any one of half a dozen prominent Liberals in this city (I could give him the names of a dozen of them) and said, "A man called J. O. Rawluk has given me a document with serious allegations in it; will you make some inquiries as whether he is the kind of person whose word can be relied upon?" –he would have had a reply in three days. He could have called any bank manager in the city. He could have called any one of the prominent businessmen, because he had a responsibility, Mr. Speaker. Before he brought these facts before a Committee and took up five weeks of the time of this Legislature, he had a responsibility to ascertain the kind of person upon whose allegations he was asking us to base an inquiry. But he didn't; at least I presume he didn't. It was not until the man come on the stand here that we discovered him guilty of forging cheques, misappropriation of funds, passing out N.S.F. cheques, again and again changing his testimony when he was cornered in one lie by taking refuge in another.

**Mr. Tucker:** – Again, Mr. Speaker, it was brought out in the evidence by the Premier himself that this man was a close associate of his executive assistant, that he was a close associate of Dr. Shumiatcher, who was his legal assistant for many years; and if this man was on such close terms with people so close to him, if he can suggest I should have been suspicious . . .

**Premier Douglas:** – Is that a point of order, Mr. Speaker? My hon. friend wants to jump up and make speeches. He's made five hours of them, surely he can take a rest for a while.

**Mr. Tucker:** – Well, again . . .

**Premier Douglas:** – Mr. Speaker, make him sit down. You're not monopolizing the floor here; just sit down!

**Mr. Tucker:** – The Premier has stated that I spoke for five hours in regard to this amendment. Again he is wrong. I didn't speak five hours; I spoke slightly over four.

**Premier Douglas:** – Well, Mr. Speaker, it is four hours and twenty minutes by our figures here – but it seemed like five hours.

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The Leader of the Opposition has tried and tried again today, he tried two or three times during this inquiry, to get out of the responsibility of bringing this affidavit of Mr. Rawluk's before this Committee. He jumped up today and said, "I was not responsible for bringing this man here; the Committee was responsible for bringing him here." Well, let us see how responsible the Committee was. When we opened our inquiry on the evening of March 10, (page 2 of the transcript) Mr. Tucker is reported as saying: "However, Mr. Chairman" (speaking of Mr. Rawluk) "he is anxious to absolutely lay all the facts before this Committee and he is now represented by counsel." Let us see how anxious he was. I look at Mr. Rawluk's evidence of the evening of March 12th (page 12). I asked him this:

"Q. Mr. Rawluk have you ever expressed the attitude that you would not appear before this Committee unless you were subpoenaed?

A. Yes, sir."

On the evening of March 21st (page 11), again I asked him:

"Q. It was, I think you said, a week ago Sunday that Mr. Tucker came to your home, and did Mr. Tucker suggest that you should come before this Committee?

A. He stressed the importance of bringing the matter up. Mrs. Rawluk told him why she didn't want it brought up; and he stated that it was his duty to do so; he was forced to do so because he had the knowledge of it, and he thought that the matter was very important and would have to be brought up before the Committee, and Mrs. Rawluk and I mentioned that it was against our wishes, and he said that a matter such as that just had to be brought up and I had to do it. He had the knowledge of it, and he was representing the people who had voted for him and placed him in the House, and the knowledge had to be placed before the people. Therefore, mention was made that the only way we would appear would be to be subpoenaed."

Again, on the evening of March 21st (page 12), I asked him:

"Q. In other words, you are saying, Mr. Rawluk, that despite the fact that you and Mrs. Rawluk were most reluctant to raise the matter, Mr. Tucker insisted that it was his duty, as an elected representative of the people, to have you subpoenaed before the Committee?

A. Mrs. Rawluk was terrified when the matter was brought up. She mentioned some of the prominent people that are in here, and she was terrified of what could happen to her.

Q. And you were not anxious to bring it up either?

A. I was not anxious to bring it up, because I had begun to re-establish myself in the business world. I was ready to forget the whole rotten mess."



On page 15, I asked:

"Q. But you told Mr. Tucker you wouldn't come unless you were subpoenaed?

A. It wasn't our wish to appear.

Q. And you told Mr. Tucker you wouldn't come unless you were subpoenaed?

A. I think, as I just mentioned a while ago, Mr. Tucker mentioned it was his duty to bring this before the Committee; we would have to come. And I told him that we did not want to appear and he said if we didn't come we would have to be subpoenaed.

Q. He told you that if you didn't come, you would have to be subpoenaed? That's what Mr. Tucker told you – is that right?

A. That's right."

And on the same date, page 20, Mr. Walker (Hanley) asked him:

"Q. Are you satisfied what is being done with the affidavit?

A. I have mentioned that I am here against my will."

This is the man of whom the Leader of the Opposition said, "he is anxious to lay absolutely all the facts before the Committee." This is the man for whose appearance here, the Leader of the Opposition said he is not responsible, the Committee is responsible. Mr. Rawluk's evidence showed that, two days before the Committee had even met, Mr. Tucker had gone into their home and, despite the fact that Mrs. Rawluk was terrified, in spite of the fact that Rawluk said he was becoming re-established in the business world and did not want to appear, the Leader of the Opposition said, "if you don't come, you will be subpoenaed." Who gave the Leader of the Opposition the authority to say that a Committee of this Legislature would subpoena anyone? Before the Committee had even been set up, was even in operating, the Leader of the Opposition is telling someone, "unless you come, we'll subpoena you."

I ask you, Mr. Speaker, are these the actions of a man motivated by a sense of public duty? Or do they represent the actions of a discredited politician, repudiated by the people of this province, repudiated by his own Party, so that, today, the Saskatchewan Liberals want him to go to Ottawa and the Ottawa Liberals want him to stay in Saskatchewan? I ask you, Mr. Speaker, if these are not the actions of a political leader who is trying to retrieve his political forces by smearing the name of men in public office on the basis of a thoroughly discredited and unreliable witness?

Mr. Speaker, if you look at this affidavit, you will find that it was conceived in sin and born in iniquity. It started with Heald and Rawluk and Tucker, and was finally brought forth by Tucker here, on March 10th, and given support by the counsel for Mr. Rawluk, Mr. Embury.

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Mr. Speaker, it can be said of this affidavit and all these allegations that the hand may be the hand of Rawluk but the voice is the voice of the Liberal Party. The Liberal Party are the ones who have played Faust to this miserable Mephistopheles. Here is the trio – Mr. Heald, a member of the executive of the Liberal Party who shared the scrutineer's booth of the Liberal Party with Mr. Rawluk on election day; Mr. Embury, former Liberal candidate who, out speaking, last year, in the elections, said at Wapella, as reported in the 'Leader-Post' of May 29th: "Premier Douglas has said we will not rest until capitalism has been abolished from Saskatchewan. Our aim is to see him wiped out." That explains this affidavit better than anything else that has been said up until now. And I say, Mr. Speaker, that these three – Mr. Heald, Mr. Tucker (who were in on the 'ground floor' when this was being prepared) and Mr. Embury, who has supported them so ably . . .

**Mr. Tucker:** – Mr. Speaker, on a question of privilege, I was not in on the ground floor of this being prepared. I had nothing to do with preparing it; nothing whatever. The Premier is again saying something that he knows to be untrue.

**Premier Douglas:** – Well, Mr. Speaker, I quoted Mr. Rawluk's evidence that the Leader of the Opposition saw the exhibits and told him to put them in story form. He would not be telling him to put it in story form so that he could read somebody's children to bed at night. They were not preparing this affidavit to put children to sleep. This was being prepared because it was to be used, as it has been used, for fabricating one of the dirtiest political smears in the history of Saskatchewan.

There is one thing I want to say in conclusion and it is that this affidavit and the five weeks of inquiry that has taken place, demonstrate very clearly that character assassination is always the last resort of desperate men. This thing is not new. For the first four years after this Government took office in 1944, we faced a constant campaign of trying to destroy confidence the Government, not only in the press in our own province but in the press in other parts of Canada, in which people were frightened away from the province by threats of expropriation. The bogey-man of expropriation was held up to frighten investors away and to frighten the capital away. That was carried on for four years. When we were re-elected in 1948, in our next term of office we saw a different type of campaign. The campaign was to keep prominent public servants upon whom we depended for our administration, and every member who sat in the House will remember the attacks on Dr. Mendel and Dr. Cecil Sheps – and the attacks on Dr. Mott and Dr. Rosenfeld, who were referred to by a prominent Liberal, now a member of Parliament . . .

**Mr. Tucker:** – Again the speaker is stating something that is absolutely untrue. I was in the Legislature of 1948 and none of these attacks took place after I was elected. Again he is stating something that is untrue, and that he knows to be untrue.

**Premier Douglas:** – Mr. Speaker, if the hon. gentleman has forgotten Dr. McCusker referring to Dr. Rosenfeld and Dr. Mott as the 'foreign office' of the Saskatchewan Government, then he has a very short memory.

**Mr. Tucker:** – Not after 1948.

**Premier Douglas:** – After 1948, absolutely.

**Mr. Danielson:** – Not in this House.

**Premier Douglas:** – They will remember also the constant reference to the 'backroom boys', the constant reference to Mr. Cadbury and to any person whom they could belittle. The impression was created that there were some sinister forces behind the Government running the affairs of the Government.

**Government Member:** – McLeod!

**Premier Douglas:** – Yes, McLeod. When he was working in my office and later became head of the Budget Bureau and later Deputy Provincial Treasurer, he was another one of the 'backroom boys'; one of the sinister influences behind the Government. When they made things so hard that some of these men left, of course, they felt they had accomplished their purpose; they had weakened the Government administration.

Now we are going through the same thing, and it has been going on for some time now – an attempt by innuendo and smear to cast reflections. First of all it was on the Minister of Natural Resources – oil leases, uranium leases, Hershorn, Rhubbra. Then it was the Provincial Treasurer and myself on the Bodnoff loan to the Weyburn theatres. Well, Mr. Speaker, I thought that the Liberal Party had got their answer to that kind of tactics. I travelled over this whole province, last May and June. People told me that Liberal speakers discussed these matters. As a matter of fact I picked up a pamphlet in one constituency and it was libellous. It stated, not the true facts but the fabricated story that \$75,000 had been loaned to Bodnoff, Shumiatcher, the Provincial Treasurer and myself to build a Drive-in.

**Mr. Tucker:** – Mr. Speaker, I just wonder if the Premier can produce any such Liberal pamphlet. I doubt very much if he ever saw such a pamphlet.

**Premier Douglas:** – I certainly did see such a pamphlet.

**Mr. Tucker:** – I doubt it.

**Premier Douglas:** – Well, you may doubt it; but if you will get in touch with Mr. John Banks and look at what was put out in Pelly constituency, you will find it.

**Mr. Tucker:** – I saw the literature, and there was nothing like that about it.

**Premier Douglas:** – Well, that was certainly there.

**Mr. Tucker:** – Produce it then.

**Premier Douglas:** – Up and down this province they went with stories of that kind. Frankly, Mr. Speaker, I made up my mind that I was not going to go around trying to defend my integrity or the integrity of my colleagues . . .

**Mr. Danielson:** – It would be an awful job.

**Premier Douglas:** – If the people of this province are going to believe smears like that, then a man would be much better out of public life. I made up my mind, then. I was prepared to leave it to the highest court in Saskatchewan, the court of public opinion. When the people went to the polls they gave this Government not only an overwhelming vote of confidence, but they cut the membership of the gentlemen opposite almost in half. And the member for

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Arm River who has just said it would be hard for me to defend my integrity, got in here by the skin of his teeth, due to the fact that they got John Dixon to run as an Independent. I came in here with a majority of over 2,000. I think the people of this province have as much respect for my integrity as for that of the gentlemen opposite.

Now, Mr. Speaker, there can only be one effect of carrying on a campaign like that. The Liberal Party found it out; they were almost annihilated. You would have thought they would have learned something. It was said once of the Bourbons that they forget nothing and learn nothing. This puts the Liberal Party in the same position. Instead of having learned from the debacle of last June that the people of this province don't like smear campaigns, that they don't like person vilifications, that they want Governments and public men to devote themselves to constructive issues of our day; instead of learning the lesson, here they are back to the same type of campaign, wallowing in this sort of thing. And now, to top it all, they have moved this amendment. Mr. Speaker, I never was so glad to see a document in my life as that amendment. If ever a group of people revealed themselves, it was in this amendment. If the affidavit of Rawluk dug the grave of the Liberal Party, this amendment will have filled it in.

A campaign of character assassination may get headlines; it may fool a few people. But I wish to say that I appreciate most than I can tell the fact that many people have taken the trouble, in the last four or five weeks, to get in touch with me, by mail, by telephone, by calling, to express their confidence in the Government and in some of the people being attacked. One thing about an ordeal like this is that it separates the men from the boys. These expressions of confidence have not come solely from C.C.F.ers. I have had many Liberals get in touch with me, some of them very prominent Liberals, not only of the city of Regina but from outside the city, to say how thoroughly disgusted they are with the performance that has been put on during the past five weeks.

There can be only one effect of carrying on a campaign like this, and that is to hurt the people who start it. There is also a second consequence, however: it is bound to have a deleterious effect upon men going into public office. I noticed a little editorial in the 'North Battleford News', of March 12th. I think it is worth putting on the record. It is headed, "Who can win?"

"It is not for the editors of this newspaper to judge whether J. O. Rawluk's charges against Provincial Treasurer C. M. Fines and M. F. Allore, general manager of the Saskatchewan Government Insurance Office, are justified. We will be surprised if either Party prove their point and therein lies the injustice of the charge. Unless we are greatly mistaken – and we sincerely hope that we are – the charges now being made in Saskatchewan's Legislature will end in some kind of stalemate. In that case, the only thing it can do is cast an evil light on the men charged; we will be left with doubt, not facts. This is politics at its dirtiest. One side of the fence must be wrong – but which?"

"How can we expect good men to represent us if they are open to such attacks? Surely we western Canadians aren't so deprived of amusement that we have to be entertained while our politicians attempt to make each other appear as villains.

Let us not follow our American cousins into the realm of smear politics. Government is serious. We have enough troubles to overcome without listening to charges which will, in all probability, never be completely substantiated."

Mr. Speaker, I think that is the feeling of an increasing number of people. I am amazed at the kind of rumours that have spread. I get reports that Mr. Fines lives in a \$50,000 house. Well, I am sure that if anybody would offer him a third of that for it in cash, they would have a sale tonight. The rumours is spread that he drives a Cadillac car – as a matter of fact he drives a Dodge. And you get the report that he has a safety deposit box in New York with \$150,000 in it. Sometimes the story is that I've got one; we keep switching on this safety deposit box. And that last statement, Mr. Speaker, I think was made by a pretty responsible man in this city. What position does that sort of thing put a public man in? If you sue the person in court, you spend half your time in court; if you don't sue him, he keeps on peddling that kind of story and gets away with it.

There are some thing about Mr. Fines that they don't tell; probably they don't know. Not many people know of the young men and the young women whom Mr. Fines has put through college with money out of his own pocket. They don't know that Mr. Fines, last year, came to me with three or four very good offers from financial concerns in eastern Canada and suggested that, as he had had eight years of hard work, he would like to drop out and take a position to build up some security for his family and for himself. I prevailed upon him that he had a responsibility here; that we were entering into one of the greatest expansion periods in the history of Saskatchewan, when we needed a steady hand in the Treasury. And at my request, and at a good deal of personal sacrifice, he stayed here in the province of Saskatchewan to do what he conceived to be his public duty.

They don't spread that kind of story. It is this other kind they spread. Whatever kind of stories they may spread, these or any others, they have been tried in this court. Whether my friends opposite agree to it or not, this could has made a finding; but there is a higher court than this court. There is the court of public opinion in Saskatchewan. I am convinced . . .

**Mr. Danielson:** – Try it out!

**Premier Douglas:** – My friend says, "try it out." My friends ask whether or not these men, like Mr. Fines and others who have been attacked, are doing their job conscientiously, whether or not they are men of integrity. On the other hand the people have to decide whether or not the person who made this affidavit, the person making these allegations and those associated with him are the kind of people who can be believed. We are prepared to leave it to the people; and I say that the gentlemen opposite are the ones who will have to answer to the people for the fact that, in a Session in which this Legislature ought to have been concerning itself with the great period of expansion upon which we have now entered, five weeks have been taken up over these charges by irresponsible and discredited individuals. Not one word of debate on the export-of-gas policy, which involves millions of dollars! Little or no time spent . . .

**Mr. Tucker:** – Mr. Speaker, again the Premier is saying something that is incorrect. We dealt with the question in the Crown Corporations Committee one whole morning, and his own followers were constantly protesting they didn't want time wasted on it.

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**Premier Douglas:** – Mr. Speaker, I was talking about a debate in the House on policy, and that was talking about the sale of gas. I am talking about the export of gas . . .

**Mr. Tucker:** – We talked about the export of gas . . .

**Premier Douglas:** – . . . one of the most important matters, and it comes under the Department of Natural Resources . . .

**Mr. Tucker:** – . . . and he was there.

**Premier Douglas:** – Here is a province in which oil is coming in; here is a province in which new mines are being developed, in which new industries are coming into operation, and the very best that the Opposition can do is spend their time sniffing around this mess of garbage.

All I can say, Mr. Speaker, is that the time will come when the people of this province will give them the answer they deserve.

The question being put on Mr. Horsman's amendment, it was negatived by 38 votes against 10.

The question being put on the motion for Concurrence in the Second Report of the Select Standing Committee on Crown Corporations, it was agreed to by 38 votes against 10.

### **10.50 o'clock p.m.**

His Honour the Lieutenant-Governor entered the Chamber, and having assented to certain Bills, was pleased to deliver the following Speech:

Mr. Speaker and Members of the Legislative Assembly:

It is my duty to relieve you of further attendance at the Legislative Assembly, and in doing so I wish to thank you and congratulate you upon the work you have done. I wish also to express my confidence that the approval of programmes and plans presented before you will always be regarded as of the highest importance to the future welfare of Saskatchewan.

A new Department of Mineral Resources has been established to serve the needs of Saskatchewan's expanding oil and mining industries. Provision has been made for the extension of the programme to supply gas to domestic and industrial consumers.

The electrification programme you have approved will be welcome by our citizens living in rural areas. Plans for the expansion of the programme of nursing care and legislation to provide for the expanded handicapped persons rehabilitation programme have been approved. I again note with satisfaction that the plans for the celebration of the Fiftieth Anniversary of the establishment of our province have been advanced and that communities and citizens have displayed keen support of the success of this undertaking.

A considerable amount of your time was devoted to investigating certain allegations regarding the Saskatchewan Government Insurance Office. Your prompt response and unremitting attention in this matter has been in the highest parliamentary tradition. Your report on these allegations has maintained the honour and integrity of the public service.

I thank you for the provision you have made to meet the further requirements of the Public Service, and assure you that the sum of money voted will be used economically, prudently, and in the public interest.

In taking leave of you, I desire to thank you for the manner in which you have devoted your energies to the activities of the Session and to wish you the full blessing of Providence as you return again to your respective homes.

The Assembly was then prorogued.