

MANITOBA SCANDAL

DISCLOSURES before the Royal Commission which is still probing all the circumstances surrounding the contracts between the late Roblin Conservative government and Thos. Kelly & Sons, contractors for the new parliament buildings in Winnipeg have revealed what is now generally accepted to be the most amazing case of deliberate robbery and conspiracy that has ever disgraced the good name of Canada. As this is written the commission is proceeding with its sittings at Winnipeg, after having held sessions at Minneapolis, in the State of Minnesota, where it heard the evidence of V. W. Horwood, provincial architect under the Roblin government and the man most closely in touch at all times with the Government and the contractors. Horwood left Winnipeg the same day that the Royal Commission was named, and went to a hospital at Rochester, Minnesota, where he was operated on for a long standing trouble. Being unable to return to Winnipeg, the commission met him at Minneapolis, where he voluntarily gave evidence. Horwood's evidence directly implicates several members of the cabinet of Sir Rodmond Roblin as well as the late premier himself.

Briefly, Horwood swore, at different times while he was on the stand, that there was a deliberate conspiracy, known to several members of the Roblin cabinet, to allow the contractors, Thos. Kelly & Sons, undue profits on the foundation caissons, out of which they were to give \$100,000 to the Conservative campaign fund for the general elections last July.

That this was carried out; that Sir Rodmond Roblin instructed him (Horwood) to recommend the letting of a further contract for \$802,000 before plans had been prepared; that Roblin warned him to do it carefully so that no commission or investigation later could find the facts.

That Hon. G. R. Coldwell told him Kelly had to be allowed to make enough out of the caissons to provide the Government with a campaign fund of \$50,000, and that later this was raised to \$100,000.

That Hon. Dr. Montague, when the investigation before the Public Accounts Committee began to threaten, instructed Horwood to destroy all letters and documents on all files;

That Hon. G. R. Coldwell advised the "fixing" and altering of the books of William Salt, government inspector on the work, so as to make these records agree with the money paid out;

That Hon. Mr. Coldwell advised that Salt be got out of the country before he could be got before the Public Accounts Committee;

That it was Dr. R. M. Simpson, President of the Conservative Association of Winnipeg for years, who supplied money to be given to Salt to keep him in the United States;

That it was Dr. R. M. Simpson who first suggested that \$50,000 campaign fund from

Kelly was not enough and that it would have to be \$100,000.

That when he wanted \$10,000 to send to Salt to keep him away, Hon. Mr. Coldwell undertook to raise it between himself and Hon. James H. Howden, attorney general.

William Salt, who also appeared at Minneapolis, swore that Kelly had been overpaid \$250,000 on the caisson work.

In view of the amazing nature of this evidence, a brief resume of the events leading up to it should be of interest to readers of the Liberal Monthly. The history really dates back to the special War Session of the Manitoba legislature last September, when Hon. Dr. Montague, Minister of Public Works, intimated for the first time that original estimates of the cost of the new parliament buildings would be greatly exceeded, in fact practically doubled. It was this that started the Liberal Opposition on a quiet investigation which brought ripe fruit before the Public Accounts Committee of the legislature during March.

The Liberal members of the committee, naturally in a minority, were fought at every step in their attempts to bring out the truth. The Roblin majority on the committee "steam rolled" motion after motion stopping investigation, even after it had been proved that important and necessary witnesses had been sent out of the province. Finally, just before the legislature adjourned, the committee presented a whitewashing report which was adopted by the Government majority in the house. From that point, events may be set out briefly in chronological order:

The Formal Charge Made.

March 30.—In the Legislature, in moving an amendment to the majority report of the Public Accounts Committee, Mr. A. B. Hudson, Liberal member for Winnipeg South, Seat "A," made the formal charge that the contractors for the new Parliament buildings had been allowed to make undue profits amounting to \$857,200, and at the same time demanded, on behalf of the Liberal Opposition, the appointment of a Royal Commission to enquire into the whole matter.

March 31.—Members of the Liberal Opposition presented a joint formal memorial to the Lieutenant-Governor, setting out the known facts and asking for the appointment of a Royal Commission.

April 1.—Just prior to prorogation of the Legislature, Sir Rodmond Roblin announced that after consultation with the Lieutenant-Governor, his Government had decided to appoint a Royal Commission.

April 20.—Sir Rodmond, after delay of 19 days, announces the appointment of the Royal Commission, consisting of Chief Justice Mathers of the Court of King's Bench (Chairman), Mr. Justice MacDonald of the Court of King's Bench and Sir Hugh John MacDonald, police court magistrate of Winnipeg.