

Privilege

I also lay before you the different bids: Project No. 926260 of \$9,630,000 and Cohole Construction of \$9,570,000.

It was also accused that my brother-in-law is a shareholder in the land. I would like to quote from a letter from chartered accountants, Cook Hawley Marks:

We have reviewed the shareholder records as presented in the attached chart, and confirm that Mr. Gary Watkins, through 510177 Ontario Limited and the First Watkins Family Trust, have a minority interest of 28.69% in Nelson Bros. Construction Limited.

This is the property I have been accused of having an interest in.

I would like to end by saying that the value of the property in question at DVA bid was \$500,000. In addition, we would have paid relocation costs for the Nelson Bros. operation which would be deducted from the \$500,000.

In December 1988, long before DVA, we had an appraisal done on the property. It was valued at \$558,600. We also have the option on the value of the land at \$810,000. On that basis it can be concluded that Gary Watkins is not getting any type of benefit from our involvement in the DVA project.

I feel very sorry for the individuals who were involved with Cohole construction. That development was strictly between Cohole and Public Works. The unfortunate part about it is individuals started to do work believing that Cohole had the financing in place.

If you have been in business for 18 years, you check to see whether your creditors have the funds or not. This was not done. I must say, Mr. Speaker, it has been a very difficult time for me and my family to hear allegations like this made against me, my family and the people that I have represented for nine years.

I ask you, Mr. Speaker, in fairness, allegations have been made in this House, and we should once and for all be able to clear such allegations and not allow them to happen.

Mrs. Diane Marleau (Sudbury): Mr. Speaker, the first thing I want to say is that the hon. member said yesterday, I gather, that I had made allegations with regard to him or his involvement in the termination of the contract for the DVA building in Kirkland Lake.

This inference is totally unwarrant. I asked a question of the Minister of Public Works and I will quote it:

"I want to know the real reason behind this nonsense", and it is in *Hansard*, as you saw, "is it because the owner of the second site and the member for Timiskaming just happen to be brothers-in-law?" It is a true statement. The owner of the site being considered is Nelson Brothers Construction. The hon. member for Timiskaming's brother-in-law happens to be a shareholder and the vice-president of that company. I do not for one minute infer any wrongdoings on the part of the hon. member, absolutely none. On the other hand, the brother-in-law is involved. I will tell you that no one believes that one can be responsible or be one's brother-in-law's keeper, especially not me. I have eight brothers-in-law and I will tell you right away that I do not pretend to have any say in what they do with their lives.

The whole question of this contract has very different sides to it. I will tell you the version that I have been told. Yes, there was one tender and it was turned down. I was told that it was turned down because the zoning was not in place when the people put in their bids. There was a second tender and on June 21, Cohole Development received a letter saying: "We have accepted your tender. Please proceed to construct the site."

On July 16 construction began. On July 18 there was a sod-turning ceremony. Let me remind the hon. members that there was no mention and no amount of a callable bond in the contract. The amount was just specified as an amount deemed to be reasonable in some way, shape or form and that is fine. Construction began on July 16 and continued until some time after September 23 at which time Cohole Development received a letter stating that Public Works Canada wanted a \$2 million callable bond.

Now if you come from northern Ontario, you know how difficult it is to deal with bankers. I will tell you that yes, Cohole Development had some difficulty in obtaining the \$2 million bond. There was no extension granted and no letters sent. There was a meeting held in October in Toronto at which time another alternative was put forward. The gentleman involved waited for an answer from Public Works and received no answer until November 15 when he was advised that the contract was terminated, period.

Since then, Cohole Development has come up with the \$2 million bond. I have made repeated attempts to question the Minister of Public Works to make sure that he treated this whole thing as fairly as possible, because