

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8 o'clock, Thursday, April 11, 1963

MR. PAULLEY: Mr. Chairman, before we pass the Ministers' salaries I think it's only on this particular item I can ask him one or two questions. The Minister the other day was kind enough to give me a partial return to a request of mine showing copies of correspondence between the Government of Manitoba and the Government of Canada respecting the development of hydro power on the Nelson River. I perused the return the Minister gave me, and I'm interested in two or three points contained in the agreement, which was dated the 18th day of February of this year. I appreciate the fact, and I'm sure the Minister does possibly even more than I, that since the signing of this agreement between the Government of Canada and the Government of the Province of Manitoba there's been certain changes taken place insofar as the National picture is concerned which might affect the agreement that was signed between Canada and Manitoba. I don't know, Mr. Chairman, whether the Honourable the Minister might have a copy of the agreement before him but there are certain conditions contained within the agreement that I wish to ask the Minister a couple of questions on.

In Clause II of the agreement it refers to the fact that Manitoba will complete certain studies described in Part (a) of the schedule on or before March 31st of this year. If we turn to the schedule of the agreement we find listed a number of conditions, or a number of surveys or investigations that must be completed, or should have been completed I should say before March the 31st of this year. Among these in this phase I, as they refer to it, Section (f), initial investigation of the development of Lake Winnipeg reservoir capacity, and of the establishment of control structures for the regulation of the lake; (g) Study of foreshore problems along Lake Winnipeg and preliminary delineation of land acquisition problems for various ranges of regulation of lake levels; (h) Commencement of office studies with respect to possible diversion of Churchill River water into the Saskatchewan-Nelson basin and the likely effect upon the same -- likely effect of same upon cost of the Nelson River power and regulation of Lake Winnipeg; and (i) Preliminary studies and analysis of extra high voltage transmission requirements for various loads and markets; and (k) Preliminary economic appraisal as deemed advisable by the Board based on order of magnitude, cost data.

I would like to ask specifically of the Minister whether all of the requirements of phase I of the agreements were complied with by the end of March of this year; and whether there is available for the information of the committee the result of the studies referred to in this connection.

I also note, Mr. Chairman, that in the terms of the agreement, on page 2, sub-section V, or section V of the agreement, sub-section I, we find the phraseology which reads as follows: "Subject to funds being voted by Parliament and to the terms and conditions of this agreement, Canada will pay to Manitoba the lesser of (a) 50 percent of the cost of the study, or a total of \$500,000; and then sub-section II, the payments made under sub-section I shall not exceed \$50,000 before March 31st, of 1963." Now, then, Mr. Chairman, I think this is a very significant clause and is a matter that might be of concern to the Province of Manitoba in respect of its desirability of having a thorough study of the possibilities on the Nelson River Development, and I refer the Minister particularly to the section, "Subject to the funds being voted by Parliament and to the terms and conditions of this agreement."

Now we're well aware in this House, whether we like it or not, there has been certain changes taken place as the result of April the 8th in the Parliamentary lineup at Ottawa and this particular section refers to: "Subject to the funds being voted by Parliament." Of course there was no funds voted by Parliament -- that is, the last Parliament -- and I'm wondering whether or not because of the change of the complex in the political lineup at Ottawa, whether or not in the opinion of the Minister, that the funds are likely to be voted by the Parliament of Canada when it first meets with the new government, whoever it may be, at Ottawa. Because I have noted that in the terms of the agreement as tabled by the Minister reference is made to the possibility of the export of surplus power from developments such as the Nelson River, and if memory serves me correctly, there was a considerable difference of opinion insofar as political parties at Ottawa in the last Parliament of Canada, as to whether or not power should be

(Mr. Paulley cont'd) exported from Canada to the nation to the south of us.

So I would like to know from the Minister, if it is possible for him to do so, in view of the changed situation, will the agreement entered into and signed by the Province of Manitoba and the Government of Canada, still be valid in his opinion; and whether the conditions referred to in phase 1 of the agreement -- have they been completed?

MR. LYON: Mr. Chairman, dealing first with that portion of my honourable friend's question respecting the schedule attached to the agreement, and the work that has been done pursuant to that schedule I first of all wish to thank my honourable friend for courteously giving me notice of his intention to ask this question in order that we could get the material lined up for him. A brief rundown of this schedule would indicate the following: The aerial photography of approximately 1,500 square mile area downstream of the Kelsey Generating Station at a scale of 1,000 feet to one inch has been completed -- that's Item (a) under the schedule. Item (b) Preparation of photo maps at a scale of 1,000 feet to one inch showing 25 foot contours have also been completed. Item (c) Assessment of the above photo maps to ascertain tentative definition of power site location and to delineate detailed mapping requirements -- the answer to that is, that a tentative definition of power site locations has been made. An area of 542 square miles has been delineated for the production of photo maps at a scale of 400 feet to one inch, showing five foot contours. Maps of this scale covering an area of 296 square miles have been received and maps covering the balance of the area are to be delivered prior to the end of April. Item (d) Establishment of ground control for use in conjunction with detailed mapping requirements and initiation of preparation of detailed maps -- that item has been completed. (e) Definition of the detailed field investigation requirements as applicable to sites to be examined during 1963 -- that is March to October -- this work to be done in conjunction with engineering consultants. A definition of this program is well advanced in conjunction with consulting engineers. The field parties are expected to be at work prior to the end of May. Because of the difficulties of transportation in the area during the summer months a field party comprising Manitoba Hydro engineers have been in the field for one month checking on the availability of granular deposits, and the work of this party will terminate shortly after breakup. Item (f) Initial investigation of the development of Lake Winnipeg Reservoir capacity and of the establishment of control structures for the regulation of the lake. Office studies on this subject are underway on the various phases by consulting engineers and by Manitoba Hydro engineers. Item (g) Study of the foreshore problems along Lake Winnipeg and preliminary delineation of land acquisition problems for various ranges of regulation of lake levels. Office studies, including a review of the Lakes Winnipeg and Manitoba Board report are underway by the Manitoba Hydro engineers. Item (h) A similar answer. Office studies are underway by Manitoba Hydro engineers. Item (i) Preliminary studies and analysis of extra high voltage transmission requirements for various loads and markets. The report on that item is that office studies and primary AC network analyser studies are being advanced by Manitoba Hydro engineers, directed primarily toward the establishment of a transmission system for delivery of power magnitudes as related to the power site capacities for both Minneapolis and Toronto termination. Item (j) Such other studies or investigations as may be authorized by the Board. There are items being carried forward under that heading. Mention is made by Hydro of the drilling program recently completed at Kelsey Generating Station on the Nelson River, to determine the recession of permafrost under the forebay and sand dikes in of the forebay in 1960. This information is required to augment the data which has been recorded continuously concerning the sand dikes built on permafrost at Kelsey and will be invaluable in determining the procedures to be followed in dealing with permafrost on power sites on the lower Nelson. Item (k) A preliminary economical appraisal as deemed advisable by the board based on order of magnitude cost data. The report from Hydro on that is that economic appraisals are being advanced with only tentative conclusions reached to date because of the approximate nature of the information available. They will continue to be refined based upon more reliable information which becomes available as a result of the various studies and field programs which are presently being advanced.

Now with respect to the second portion of my honourable friend's question as to the likelihood of there being any hindrance to the promotion of the great development as a result of a possible change in government at Ottawa, I can only suggest to him that changes of government of course occur provincially and federally from time to time, and should a change in government

(Mr. Lyon cont'd) come about in Ottawa, it is our feeling and it would be our understanding and certainly we have no reason to believe otherwise, than that constitutional propriety and the constitutional usage which has been built up over the years of one government undertaking and fulfilling and accepting the obligations made by another would carry forward in this case. While it is true that there may appear to be some difference in philosophy with respect to the item of export of power between the present government and the party that might succeed the present government, we would take the stand, and I'm sure this would be agreed with by any government at Ottawa, that the constitutional usage and the constitutional propriety would override any particular viewpoint that a party might have, and that we would take our stand on this firm foundation of precedent that has been followed, I would say, almost without exception since the days of Confederation. And of course we would have working in our favour as well I would think, a very vocal group even within this House on the right of my honourable friend who would undoubtedly assist Manitoba in making any submissions that might be necessary to see this great project and this great study advanced. But I don't think that even that help will be necessary because we would take our stand and I'm sure any government of Canada would take its stand upon the great precedent of constitutional propriety of carrying out the obligations made by a preceding government.

MR. PAULLEY: I wish to thank the Honourable Minister, Mr. Chairman, for his reply and I hope that -- I'm not so much concerned with the group to my right -- but I think as far as the group that I happen to represent in the interests of Manitoba, even though they may have two members less at Ottawa than they had previously, will act in the interests of the Province of Manitoba, so I certainly will not answer for the group to my right in respect of this. But, the Honourable the Minister mentioned that some of these items which in a strict sense should have been completed by March 31st in accordance with the terms of the agreement are only under way because there's no doubt that insofar as the agreement is concerned that it says "Manitoba will complete that part of the studies described in Part A of the schedule on or before March 31st, 1963" and in reply the Minister says that some of them are just under way. Whether this or not might affect the agreement or could conceivably affect the agreement of course is problematical.

One other question I would like to ask of the Minister. He may not have the information himself and possibly the Provincial Treasurer will. I note that in accordance with the terms of the agreement that there was to be a payment of some \$50,000 to Manitoba before March 31st, 1961, in accordance with the agreement. I would like to ask of the Honourable Minister or the Provincial Treasurer as to whether or not this amount of money was received by the Province of Manitoba in accordance with the terms of the agreement.

MR. ROBLIN: see that the provision of the payment of \$50,000 was not more than before that date. In other words the purpose of mentioning the sum specially was to ensure that Hydro did not claim for more than \$50,000 by that date. Now I presume they have done so but it will probably be some time before any money is received; these accounts take quite a time to clear.

MR. SMERCHANSKI: Mr. Chairman, I'd like to ask the Honourable Minister while he was describing the matter of aerial photographs, and I believe he has that information before him, are these aerial photographs in 1,000 feet to one inch, have they been used as previous photography has been made of this area or were they specifically made for this particular project?

MR. LYON: Mr. Chairman, to the best of my knowledge at the present time there was a specific aero photography project undertaken last fall. Now whether it encompassed the whole matter or whether some older material was used in addition to the specific work that was done I couldn't say with accuracy at this moment but I do know that work was carried on this past late summer and fall in connection with this item.

MR. SMERCHANSKI: Mr. Chairman, the reason I asked that question is that the RCAF have a very complete library on all aerial photographs. Some of them have been known -- there's two types, the vertical and oblique, and they have got vertical photographs available in this area and I was just curious to know why a new survey was being made for the use of these photographs when there is a library from which photographs of this type are available.

MR. CHAIRMAN: Item 1 passed.

MR. MOLGAT: Mr. Chairman, I wonder if the Minister could outline for us at this time and I don't think he has so far in his remarks, the amount of expenditure that has been involved in the Nelson project to date. I think the figure that the First Minister mentioned, which is in here, that the expenditures authorized by the federal partner in this was not to exceed \$50,000 by the 1st of March, 1963, is relevant to the situation. How much has been expended?

MR. ROBLIN: Mr. Chairman, we haven't got that information. This is information that might certainly be available on the books of the Manitoba Hydro Board but certainly they're not kept by the Treasury or by the government. All that we have done is to authorize the expenditure of this money insofar as it comes within our purview to do so and sign the agreement. The Federal Government don't make agreements with the Manitoba Hydro; they make them with the Provincial Government, but in essence we are acting for the Hydro in this respect and the work is being carried out by the Hydro and is generally contained within their records. All I can tell my honourable friend is that the expenditure by the end of this year will be approximately half a million dollars but how much of it has been spent to date I don't know. I rather suspect about a third or so of that sum would be spent by the end of this month, but that's merely an informed guess and I wouldn't like him to take it as absolutely reliable.

MR. SCHREYER: Mr. Chairman, the aerial photography work that was done in recent months and allied surveys, I take it that this is part of the feasibility study that is being made of the development of the Nelson River. I would like to ask the Minister if this government is committed to the development of the Nelson or whether this is merely a hope that they have which depends almost entirely on the results of the feasibility study.

MR. ROBLIN: Mr. Chairman, perhaps I could make a few remarks about that. I think we have made it abundantly clear in all our statements about the prospects on the Nelson that it depends on being able to supply power at a sufficiently attractive price to a sufficiently reliable market, most of which would necessarily be outside the boundaries of the Province of Manitoba, before we can enter into any firm commitment or make a final decision about proceeding with the work on the Nelson River.

I have some information here that perhaps I could give to the committee at this time that would bring them up to date with the latest information that we have on the subject. I have a statement here, some of which -- one or two small items have been referred to by the Minister, but I think I'll give the statement in full so that members will have a consecutive story of where we stand on the Nelson. During the last session of the previous Legislature I made statements on one or two occasions which had to do with the power potential of the Nelson River and the action being taken to prove out the possibilities of the early development of that river with all its implications for northern development, the supply of electricity to the southern part of our province and indeed our future industrial and commercial development. Since I last mentioned this subject in the House there have been a number of quite significant developments which I would like to relate now.

As my colleague has said, and in response to the enquiry of the Leader of the NDP, Manitoba Hydro has continued its office studies of the project. This has involved the study of all published material with respect to water supply conditions and prospects covering Lake Winnipeg and the Nelson Basin, studies of the regulations of the flows of the rivers and so forth. In addition, advantage has been taken of survey data, maps and aerial photographs which were compiled for other purposes. This answers the question raised by the Honourable Member for Burrows. I might say, of course, that we took photographs of our own because the information available was not completely satisfactory for Hydro purposes. This information has been collected, studied and collated also with respect to extra high voltage transmission and the costs, losses and reliabilities that are associated with this type of design. Manitoba Hydro and Ontario Hydro have arranged for and have been carrying out joint planning studies and have been exchanging data bearing upon the quantity and the timing of Ontario's forward requirements as well as the costs associated with alternative sources. Technical information and views with respect to the economics and costs associated with various transmission patterns have also been exchanged between those two utilities. In order to achieve the most realistic appraisal possible of the prospects of finding markets for surplus power within United States, Manitoba Hydro has employed the services of a noted United States consulting engineer, Frank L. Adams, until recently Chief Engineer and Chief of the Bureau of Power in the Federal Power Commission,

(Mr. Roblin cont'd) United States Government. Besides thorough knowledge of United States regulations governing international power transactions affecting that country, and a wide knowledge of the subject matter involved in a project such as this, Mr. Adams is helpful in facilitating direct discussions between Manitoba Hydro and the large neighbouring utilities in United States. Joint planning studies between the Manitoba Hydro and United States utilities have been under way since early last summer and have resulted in the exchange of a great deal of very useful information.

With respect to the Nelson River itself and beside the office studies to which I have referred, three other activities should be mentioned. In order to obtain a feel of the local problems with which Hydro might be confronted if this large development were undertaken, Manitoba Hydro arranged last summer for a group of senior engineers and geologists to spend some-thing over a week on the general field inspection of the more important possible water power sites on the Nelson River. Reports from this "high-level" inspection were quite encouraging. These men represented a wide range of experience in specialties, none found any obvious obstacles that were the cause of particular concern. All reported having been favourably impressed by this quick look with the possibilities of developing economic on site power. Following receipt of the generally favourable reports from the field inspection to which I have referred and with favourable reports being received from other fronts, arrangements were made by Manitoba Hydro to have quite extensive aerial mapping work carried out in the late summer of last year. This photography was carried out in such a way as to permit general maps to be prepared on a scale of 1,000 feet to one inch with contour intervals of 25 feet. After these maps have been examined in sufficient detail to permit the critical regions to be defined, these smaller areas can then be mapped from the same photographs on a scale of 400 feet to one inch and can show contour lines at 5 foot intervals. The first stage of this mapping has been completed, revised layouts of structures have been under study and drawings so far are generally favourable.

The second stage, large scale mapping is presently under way. Aerial photographs are now under study by photographic interpretation specialists for the purposes of determining the most likely location of construction materials and the most favourable location for access in construction roads. Information which has been collected by early reports from the field inspections, from the recently compiled maps, and from the photo interpretation, forms the basis for the instructions that will be given to field parties that will conduct a more intensive field investigation scheduled to commence early this summer. Organization for this work which will include foundation drilling, river soundings and close topographic surveys in critical areas is now well along. In order to take advantage of winter conditions which are more favourable than those of the summertime for overland travel, field parties have spent most of the month of March in the general area where they are engaged in materials exploration work. This work will continue throughout the summertime also.

In respect to our discussions with Ottawa, my colleagues and I were of course pleased to see in the Throne Speech which opened the last parliament reference to the policy of the government with respect to power export on a recaptural basis. This policy it seems to us offers good prospects for Manitoba in respect of this question of exports, and naturally our views on this point have been discussed with the federal officials on previous occasions. And has been mentioned already, I trust, and have no reason to believe that the new parliament will in any unsatisfactory way alter these undertakings.

With regard to the rather massive studies that are involved in preparing this scheme, we had made representations to Ottawa asking that the federal government contribute to the costs of the investigation, the first stage of which will cost approximately \$1 million and the subsequent stages of investigations if conditions warrant proceeding with such, about \$4 million additional.

A further aspect of our proposal was to the effect that if large scale development on the Nelson proves to be buyable on economic grounds and is proceeded with within ten years, Canada's share of the investigation cost will be reimbursed or treated as revenue-bearing investment on their part in the project. If it is not proceeded with then Ottawa will write off its share. The arrangement with respect of cost-sharing studies that provides for this first phase is estimated to effect approximately \$1 million. The federal government will contribute half of

(Mr. Roblin cont'd) the total cost, 50 percent or \$500,000, whichever is the lesser. If the results of the first phase studies which will be reviewed by the two governments on or about November 1st indicate the over-all scheme as of sufficient promise as to warrant its being proceeded with, the two governments will then confer about their respective contributions to the second phase of the studies which have already been referred to. Over-all direction of the surveys and the studies are being provided by the Manitoba Hydro.

Now I want to say, and this is a direct answer to my honourable friend from the constituency of Brokenhead, that it would be impossible for anyone at this stage to offer a concrete assurance about this project. But because of the immensely favourable effect which such a project could have on the economy of the province -- and incidentally on account of the encouraging development that we have seen so far in our investigations -- I am sure that it is our duty to press on with these studies and to come to final conclusions about them. I'm very happy that the federal government, present federal government, has seen fit to join us in this exploration, and candidly, in my opinion, I think their successors will do the same. I've no reason to doubt that that will not be the case. --(Interjections) -- Well, I've sufficient faith in the proper observance of the constitutional proprieties on these matters that I don't worry about any adverse developments that some may think about, and I urge my honourable friend -- (interjections) -- the Leader of the New Democratic Party, not to be so pessimistic, because I'm convinced, Mr. Chairman, with respect to this program, that if the economic and physical investigations continue to prove as interesting and as hopeful as they are, that any government in Canada, or indeed any government in Manitoba, would see the advantage that this great work has in the national interest in the development of such a tremendous natural resource, and I'd be quite willing to take my chances in pressing the merits of the claim with whoever happens to be in Ottawa. I feel that we certainly have no right to say -- indeed no right even to hint as some might do that another view will prevail that is not based upon the merits of the case. I don't really believe that will happen.

But in speaking to this matter previously in the House, I must admit that I referred to the difficulties which we are confronted with in the early development of this river. At the time I said that no one should underestimate the difficulties of the problems that lie before us before this immense and imaginative project can be brought to fruition, because we have all these questions of technicalities, hydro-electric generation and transmission, and we have the most important matters of the economics of the matter in providing power at a good price to prospective customers. So that we have to frankly face the problems that are before us. I can say now that I feel much better about the scheme, much more optimistic about its successful outcome than I did twelve months ago, and I only hope, and I've no reason to think any otherwise, that as we proceed with these investigations we will find that both the technical problems and the economic problems are capable of solution; because the physical development of such an enormous site as this must be based on sound technical and economical consideration, as I said on many different occasions. But the rewards of success here are enormous. They will make it possible for us to preserve Manitoba's favourable power-price relationship with other jurisdictions in the country. Somebody said on the other side a little while ago that Manitoba has the lowest domestic and farm electric rates in Canada, and that is so. But it's going to be an almighty struggle to keep it that way, and it is by the development of projects such as this that we have some hope -- the best hopes, I think -- of success in this matter. And also, it is going to open up what I think are truly staggering possibilities for the continued development of Northern Manitoba.

When I consider some of the problems we have in providing employment for Indian and Metis people in that area, and I have some reason to know that they're considerable, I can see what a possibility this tremendous public work will have for them directly on the spot, if we are able to bring it off. I realize it doesn't solve all their economic problems; but at least it will be a tremendous factor in improving that particular situation. When one thinks of what it will mean for communications in the north because of the necessity of the road building that will have to be done and railroad building perhaps as well that will have to be done in this matter, one can see what that might mean. And what it might mean if we can get on-site power in anywhere near the level of some of the estimates that have been given me today -- and I regret that I'm not in a position to be able to give them to the members of the House because

(Mr. Roblin cont'd)they're premature at this state -- but if we're able to get on-site electric power at something like the kind of rates that are being thought about as possible -- I don't say probable but as possible -- the effect that it will have in attracting high consumption electrical industries to Manitoba will indeed be most important and we mustn't lose sight of that fact. Those possibilities are there, and if we're able to secure markets for this amount of power, either in Canada or in the United States -- and a moment's reflection on the importation of American coal and things like that leads me to say "in Canada or in the United States" -- the effect that this will have on earning foreign exchange for the nation will indeed be very important as well. We believe that this can be done on a basis which makes this power available, when required, to the people of Manitoba, because it is fundamentally for that reason that we are proceeding with these things. The main thing is to produce a dependable supply of power for our people here. We think the Nelson can supply that power in the cheapest way up till the end of the twentieth century, and that its affect on our industrial development and our supply of power in this part of the continent is nothing short of fantastic.

Now that's painting the picture with a broad brush you may say, indeed it is, and we haven't got to the stage where we can claim any of those things as being the fact for us here. But we are making good progress, and I think encouraging progress, in clearing away the underbrush to find out just how far we can go with this tremendous development project. I am encouraged by it; I think we're on the right track; we'll have another round-up of the facts at the end of this year and the next time we meet I hope I'll be able to give further information to the members of the House.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. MOLGAT: I want to thank the First Minister for his statement on the Nelson River. We had discussion on this last year -- very interesting -- and I appreciate what he's told us tonight. It seems to me that there are two major factors in the matter of the development of any power development, and that is naturally the cost of developing the program itself, and then of transporting the power that that particular project provides to the source where it can be consumed. I'd be very interested to hear from the First Minister what have been the results of the studies on the transmission of power. This has been a problem over the years and I know that our American friends have done some particular studies in this regard, and in some cases have actually put in some long-distance transmission themselves. I understand that Russia has done a great deal in the way of long-distance transmission. I'd appreciate if the Minister could tell us at this time what developments and what are the ideas of the Manitoba Power Commission so far as the long range transmission, what their studies indicate to date as to be the economical distance over which they can transport power. I appreciate that this is directly tied in with the actual cost of production on site, because obviously the lower the cost of production on site then the greater distance you can transmit. But still and all this comes back to the very technical point of how far can you transmit power. And the second consideration of course is the market for it, and I'm sure before my honourable friend proceeded with this that a market survey was undertaken, because in order to develop this power on the Nelson, then there must be an adequate market to service. I understand from his statements today, and statements in the past, that there would have to be a substantial export of power from the Province of Manitoba, be that to other parts of Canada or to the United States. And I would appreciate if the Minister could tell us exactly what has been found so far in the market situation. Are there markets in Eastern Canada prepared now to accept power from our sites, or I should say prepared to accept power from our sites when they would be ready to produce; and equally in the United States are there markets there available?

MR. PAULLEY: Mr. Chairman, I found the statement of the First Minister most interesting in respect of the development of the Nelson River. I wonder though, Mr. Chairman, whether he has forgotten some of the statements that he made during the recent provincial election. Now he is telling us in this House that he is awaiting the results of the feasibility studies before we go into further commitments in respect of the Nelson River development. I think, Mr. Chairman, this is slightly different than what the Honourable the First Minister told the electorate of Manitoba prior to December 14th, because if I recall correctly, the statements of my honourable friend at that time, they were more to the effect that he was asking the voters of Manitoba to give him confidence in going ahead with this project, not going

(Mr. Paulley cont'd) ahead with the feasibility studies as to whether it was possible or not. So I think that the First Minister now is being practical when he is giving us the true situation as it is -- and a situation I would suggest that neither my friends on my right or we in this party had any disagreement with at all, that these feasibility studies should be proceeded with no matter what the government of the Province of Manitoba should be or was. And also -- my honourable friend from Brokenhead also says "Canada as well," and I think in that he is correct -- because notwithstanding the reply that I received from my honourable friend the Minister of Public Utilities as to the position in which Manitoba might find itself regarding the export of power, I think it is a truism, as I recall discussions that took place in the Parliament of Canada there was a considerable difference of opinion between the two large political parties of Canada respecting the export of power, and in the main agreement, and I appreciate the fact, and I'm sure the Minister of Public Utilities appreciates the situation that I'm in, but I haven't got all of the information that I requested in my Order for Return, but I would suggest that insofar as the agreement that has been tabled by my honourable friend, it doesn't enlighten us very very much on the over-all picture when we're considering the question of the export of power.

I note that in the preamble to the agreement it mentions the fact that in the development on the Nelson River that we would appear to have an approximate two million kilowatt of power which is liable -- which might be available for export requirements, I would like to ask my honourable friend the Minister of Public Utilities or the First Minister what effect, if any, the recent development in the Province of Saskatchewan at Squaw Rapids might have in the over-all plans of the Province of Manitoba insofar as the export of power is concerned, because again Mr. Chairman, if memory serves me right, that at least for a period of time as the result of the development at Squaw Rapids in Saskatchewan, there too there will be a surplus of power. Indeed, I believe Mr. Chairman, that it was as the result of the development at Squaw Rapids that we were able here in the Province of Manitoba to delay the -- or postpone, maybe that's a better word -- the completion date of the Grand Rapids installation for a period of a year. And when I say postponed, Mr. Chairman, I don't mean that the development has been postponed for a year as the result of Squaw Rapids, but delay the start of it because of the fact that Squaw Rapids was going to come into being ahead of the development at Grand Rapids.

And then Mr. Chairman there's another development which has taken place. My honourable friend the First Minister, I think referred to the possibility of export of power from Manitoba into the Province of Ontario as another possible consumer of Manitoba power, hydro power, but if I recall correctly, within the recent weeks there has been announcements made by the Ontario Power Commission that the day in which nuclear energy will produce power at a price comparable to that of hydro power is getting closer and closer to realization. I wonder if the First Minister or the Minister of Public Utilities might have any comments respecting this. I note that in Great Britain -- and of course they're not blessed with the same type of hydro sources or water sources of energy as we are -- I noted that in the United Kingdom that their power developed as the result of nuclear energy is being expanded rather rapidly and also rather economically. That coupled with the articles which I have read in respect of the developments in the nuclear power developments in the Province of Ontario raises a question in my mind as to whether or not developments might be taking place which will obviate the necessity of these other jurisdictions that we have in our mind as being potential importers of our power not requiring our power in their respective jurisdictions. Now I want to say to my honourable friend the First Minister, I'm not attempting in any way shape or form in my remarks at this time to throw a wet blanket on the development of hydro power in the Province of Manitoba, but I do think Mr. Chairman, in all seriousness that these are questions that must be answered, and I must confess that insofar as Manitoba is concerned as yet I haven't had the answers.

I appreciate the fact that through the co-operation of the Government of Canada as listed in the agreement that I have before me, a copy of which I have before me, that there is going to be the expenditure of \$1 million on the question of the feasibility of a development on the Nelson River, but I do think that we should take into consideration some of the points that I raise in conjunction with this. First of all whether or not the development in Saskatchewan at the Squaw Rapids site might, because as I understand it there is a surplus of power there; as

(Mr. Paulley cont'd) I understand an article read I believe just this afternoon that they are going to be in an exporting position for a period of time at least; that they may also as a province undertake developments with the objectivity in mind of being able to export power to other jurisdictions.

Now I appreciate the fact that at the present time there is a mad scramble going on in the Dominion of Canada between all the provinces in trying to look after the home plate first. I think this is very evident by the steps that the Honourable the Minister of Industry and Commerce is taking in respect to industrial development, and I think it is true that this is taking place. I think possibly that this is going to also take place in respect of hydro development and all of the provinces are going to be desirous of establishing a plant primarily, or not primarily but secondary for the export of power. We know what's happening insofar as the Columbia River is concerned in the Province of British Columbia. I would like to hear a more comprehensive statement from the First Minister or from the Minister of Public Utility taking into consideration the aspects of the whole situation that I'm attempting -- and I appreciate my deficiencies in this Mr. Chairman -- attempting to lay before the committee at this time.

MR. SCHREYER: Mr. Chairman bearing directly on the last few remarks that the First Minister is going to answer I just want to pose this question before he rises. Now, it seems that the development of the Nelson is postulated almost to a large extent on the assumption that we must export the power to make it an economic undertaking, now and in the short run. The First Minister seems to be very optimistic that if we have an agreement for the export of power with clauses allowing for the recapture that everything is fine, but I want to ask him if it is not a fact that in the past, despite ironclad guarantees or clause guarantees enabling us to recapture power -- in other provinces that is -- that despite these ironclad guarantees, commitments, agreements -- in fact they were not honoured. And why -- because once power is exported it becomes as it were, a life blood of industry that has built up in the area that has up to then been importing the power. So I would like to ask the Minister if this is not a fact about the past; and secondly does he think that there has been great change in this regard to make it any different now? He seems to be very optimistic and I would like to know the reason for his optimism -- that recapture clauses will be any more effective now than they have been in the past?

MR. CAMPBELL: Mr. Chairman, before the First Minister answers, and I realize that he has quite a few questions already laid out for him, but I would like to just develop this same point a little further. Before doing so though Mr. Chairman, I'd like to premise my remarks by mentioning once again that I've never esteemed it to be my responsibility to defend the First Minister, or make excuses for him, or anything of that sort, but I think I really should point out to the Honourable the Leader of the New Democratic Party that if the First Minister appeared to him to be a trifle optimistic in his statements just before the election, about how well things were going electrically, that I think the First Minister could quite properly blame it on my honourable friend the Leader of the New Democratic Party, because I recall that just a few years ago when a matter was before this House where I was trying to charge that some exaggerated statements had been made just before election time, my honourable friend the Leader of the New Democratic Party presented the argument here in the House that we all became a bit enthusiastic just before elections. He confessed that he had done it in his time and he rather pooh poohed the idea that we should take these pre-election statements too seriously. So I'm afraid he's the one that's responsible for leading the First Minister astray, if indeed he has been astray in any extent and I think instead of criticizing him he should recognize the blame that attaches to himself for having led this House into those paths of being too enthusiastic. -- (Interjection) -- Well, one that considers itself to be powerful at least and perhaps the First Minister is easier to lead astray in those regards than some others would be.

But having defended the First Minister and placed the blame, if there is any, where it really belongs, on my friend the Leader of the New Democratic Party, I would like to say in all seriousness that I think this is an extremely important discussion and I would like to ask the First Minister just what did the Speech from the Throne say? He mentioned that this government was quite encouraged by the announcement that was made in the Speech from the Throne and as I remember it -- I'm sure I didn't read it too carefully, but it was just something that indicated to me that the Government at Ottawa had changed or at least considerably softened the position that it took regarding the export of electrical power. I didn't think that there was

(Mr. Campbell cont'd) anything spelled out to the extent that would give too much encouragement in that regard and I do remember that some quarters were unkind enough to suggest that this was just a case of trying to get in the good graces of our friend the Premier of British Columbia. But it's a big question -- (interjection) -- Well, I gather that there was a disposition just at that time that my honourable friend the Leader of the New Democratic Party would tie it up to events that were expected to take place a little later on I suppose, but I'm making no accusations or imputations at all -- I am seriously asking what is the nature of the change, if any, that's being taken by either of the major parties in Canada in this regard, because it has been, it's well known, that for some years both major parties have taken a very strong stand against the export of power, for the very reasons that the Honourable Member for Brokenhead just mentioned a moment ago. I must say that I have never been greatly impressed by those arguments. I still am sufficiently optimistic to believe that it is possible to recapture provisions that could be lived up to, particularly in view of the rapid developing arrangements re alternative sources of power, because I think that is a factor that has to be taken into account these times, but regardless of the merits of the discussion, the fact is that until that announcement that my honourable friend speaks of, both major parties so far as I know have been on record as being opposed to the export of electrical power -- and they've had the support in that position of a very influential newspaper in this province.

Now I want to ask my honourable friend, did he have some discussions that encouraged him to believe that the government of that day, whether it's still in office or not, that the government of that day really was prepared to enter into an arrangement with Manitoba. I take it that at least there is no agreement in that regard -- no agreement either verbal or signed and that it would only be the question of discussions that we could go on. So that I think that is one of the key factors in this situation, and while I agree completely with what the First Minister and his colleague the Minister of Public Utilities have said, that once engagements are honestly entered into by one government I think they would be honoured by the succeeding government, but do we have any real basic grounds for optimism that the thinking of either of the major parties has changed to the extent that we could consider that we could proceed with some assurance on the search for power that would be necessary in the markets to the south? Now if, of course, Ontario is going to, in the foreseeable future, require huge quantities of power -- and I would think it would be not unlikely that they might -- the question of the export certainly doesn't enter in there in the same way. But this I think is a key point in the whole discussion.

MR. ROBLIN: Mr. Chairman, if I could deal with the interesting points just raised I would say to the Leader of the Opposition that I can say no more about his enquiry with respect to long range transmission and the question of markets than I have already said in the statement that I made a short time ago. I am sure a minute's reflection will convince him that it would be unwise for me to proceed further than that when so many of these things are very much the subject of negotiation. When it is possible to make firm statements on all these matters well then we'll be very pleased to put that information before the House.

Dealing with the Honourable Leader of the New Democratic Party and I think I would include the Honourable Member for Lakeside in these comments, I'm beginning to doubt that either of those two gentlemen ever had the advantage of hearing me speak in the election campaign on this question of power because if they did hear me they would have been quick to note I am sure that on every occasion, every occasion, on which I spoke about the Nelson River I was very much at pains to point out the status of the project at the present time and that what we were proposing to do depended upon a satisfactory solution of these technical and economic questions which we've been discussing tonight. Now I know that it may not always appear in the newspaper that way. We've had enough experience to know that newspaper stories necessarily don't repeat everything one says -- it's unreasonable to expect it. They pick out what they think are the highlights and sometimes the qualifying phrases or qualifying statements which are oftentimes most important, are not recorded in the way that the other perhaps more spectacular content of an address might be. That happens to be one of the facts of life, we might just as well get used to it. But the fact is that I took particular care whenever I spoke on these matters to make it clear that a satisfactory solution of the technical and economic questions was a necessary precedent to this project. But I must confess that I always said, just as I've said here tonight, that from what I know of it to date I think it can be done, and I repeat that point of view

(Mr. Roblin cont'd) here, that in spite of the difficulties -- and they are many that are still not resolved, and let's face it -- I still think the prospects are encouraging and that we must press onward until we can be positive as to the exact situation that we face. So I don't think there's much point in rehashing all that old -- you don't rehash old straw do you? -- but whatever the correct metaphor is, I was quite quite careful to qualify my remarks in this respect.

Now, what about Squaw Rapids? Well it's not germane to our main question here at all. It's a very fine power plant but it has no marked influence on our situation. We fortunately have an interchange of power with Saskatchewan. If they have extra power at Squaw Rapids we can use that's fine; we hope that they'll use some of our extra power in Grand Rapids when it gets built and that will be fine too. It's part of the normal development of power supplies within that province basically for their own purposes, just as Grand Rapids is basically for our own purposes here in the Province of Manitoba and I do not really think it enters in an important way into these considerations.

But I want to make one thing abundantly clear, and that is, that we are in the most direct and acute competition with other sources of power beside the water that God sent down that river. We are, and I have -- people nod their heads -- Mr. Chairman the very first speech I ever made in this House on the subject I took some time to discuss the relative merits of nuclear and "fossil fuels" as I've learned to call them now. That means coal to us ordinary folk but it's fossil fuel to the electrical technicians. I was at great pains to point out that one of the prime reasons why we must proceed now if we're ever going to proceed at all with the Nelson is to find out if we can put that power in place in the light of the competition that we face from coal and from nuclear power; because, as I said on those occasions -- and make no mistake about this, Manitoba cannot benefit itself directly by having our own coal plant, our own nuclear power plant here in this province. Technically they're both possible. We have some coal plants; we know that. Technically a nuclear plant is possible, but with a market of our size here we cannot build a plant of the magnitude either of coal or of nuclear power type to get the economies of scale -- and the whole thing boils down to the economies of scale when you're considering this question of coal or nuclear plants -- so that they're no good for us; they may be good for other people, they're no good for us. We've got to find something else. Water power is what God gave us. Let's make the most of that. But to do so, to repeat the argument or the statement that we discussed many times, we had to find somebody to share the use of that power with us for the first few years of its availability. We can't get into the Nelson, we don't think, as things stand now, just for ourselves. If we could it would be a mighty easy situation. We have to get somebody else. And if we go in with Ontario, or if we go in with the complex around Minneapolis or wherever you like, we are face to face with the coal power that can be generated there or the nuclear power that can be generated there, and our job, and the whole point -- the whole point -- of the economic studies is to find out if we can produce our power and lay it down in these other markets at competitive prices faced with local hydro power, faced with large scale coal plants, faced with large scale nuclear plants. That's the whole object of the exercise, to see whether we can meet that competition.

Now we still think we can but we're not certain and we're not going to be certain for some little while yet. But my honourable friend, the Leader of the NDP is absolutely right, the competition is there and we have to learn how to meet it. Now we know that right now the competition really isn't nuclear -- it's coal -- that's the competition right now. That's the kind of power prices that we've got to measure up to is what you can do if you install tremendous fossil fuel plants of tremendous size and get the economy And that depends on how near that plant is to the coal mine and all kinds of other considerations, which we needn't go into here now, but the fact is that it is coal-based electric power that is our big competitor in North America today. That's the big competitor with hydro power, and all depending on the various circumstances, that the members don't need me to repeat again, we find out just how we get along with that.

Now nuclear is coming along as well. It hasn't reached the stage in this country where it's really economic. It's economic in some circumstances in the United Kingdom because for the simple reason they haven't got cheap coal and they haven't got any hydro power to speak of except a few in Northern Scotland, so in their context the nuclear power plant is a tremendous

(Mr. Roblin cont'd) benefit because it does enable them to get power. Now even there I suspect they might have still been able to do better if they'd use oil, but again oil is naturally not in big supply in Great Britain and they have to import it. They've got defence problems and all things considered they went into nuclear, and defence had a lot to do with it. It wasn't just the building of an electric plant, it had to do with the supply of the basic fuel and water transportation and all that kind of thing. But in North America, to the best of my knowledge, nuclear power is not yet competitive with what good hydro can be. And as far as Ontario is concerned they have a good plant there, a very interesting plant. It's costs are high, it is I think -- they're negotiating feeding it into the Ontario system, but the Ontario hydro don't want to pay the price that it cost, they want it at a subsidized price. I guesstimate about half it's actual cost, maybe less than that. So those are all factors. They cannot be ignored. They are right like and they're the two great obstacles we've got to get around in making sure that our type of power, our hydro power is economic. We think that all things considered at the present time we've got a very good chance of providing our case; that that is what we're in the process of doing.

So much for that. Now what about the Honourable Member for Brokenhead. He raised the point about the recapture of power and that's raised as well by the Honourable Member for Lakeside -- and that's a very important point, let's face that. I think that it is probably a reference to the situation that arose in the latter stages of the first world war, 1918, 1919. That sticks in the back of my honourable friend's mind when he says you can't get your power back, because at that time there was power supplied from the Niagara plant, I think, to customers in New York State, and we wanted that power back for our own uses during the war and we couldn't get it back without sort of international incident, because the people who were using it in the United States said you can't cut us off, and in fact they were not cut off as I recall the situation.

Now there is a most important difference, however, between the plans that are on foot today and that situation. And the difference is this, that in 1918, or 1919, the power plant in Canada was supplying that power directly to the ultimate consumer and that fellow hadn't any other source of supply except what he was getting from Canada. He was the ultimate consumer. It was coming from the power plant to him, and if you cut him off, he was dead; so you couldn't cut him off. That is not the kind of arrangement that anyone would recommend for today. Any power that is sold from Manitoba today across the international frontier; and for that matter exporting it to Ontario is just the same, it makes absolutely no difference from the point of view of contract whether it's in United States or Canada, you're up against the same problem, exactly the same problem. So let's forget about this borderline, this 49th parallel it has no real meaning in this argument. If you send the power outside the boundaries of the province it's outside your control to that extent. Now how do you get around the difficulty? Well it's this, that under the present scheme the power is not sold directly to any customer; it is sold to a power utility and that power utility is not dependent on Manitoba power. Our power is an auxiliary source of power for them and it is only one of many sources upon which they rely. I am perfectly certain that if we were selling power either in Ontario or in Minneapolis, for example, we would be selling it to a combine of utilities in the States, or the one utility in Ontario, which had a manifold source of supply of power -- some might be coal, some would be hydro, there might be some nuclear worked in in the mix you can't tell -- we are just one of the streams that feed into the lake so to speak. So that the withdrawal of that power is not a critical matter in the same sense that it was in the former instance; and the utility itself knowing that that power is subject to recall and knowing that they have to have a continuous expansion of their own domestic supplies anyway, whether we're there or not, they're continually developing new supplies of the cheapest sort available, and after they've used up our hydro they'd be into coal or something else of their own, so that question of making a contract that you can make stick, about getting your power back, is on quite a different footing today than it was in 1919. Now, please believe me, I'm no expert in this matter. There are other considerations which reinforce the argument that I'm making about the recapture of export power; they're arguments that most substantially reinforce the argument that I'm making. I'm only giving you some of the most simple and elementary facts connected with it, that I know about; there are many other different aspects of the matter which are equally important, which underline and

(Mr. Roblin cont'd) guarantee the position of the seller, that I'm not in a position to discuss with the committee tonight but I give them that one basic distinction which is of some importance in dealing with this matter.

Now we're asked about whether or not the federal government will approve of the export of power and my conviction is they will, not they will, they have, because everybody knows that the Government of Canada has initialled an agreement with the Government of the United States to export a massive quantity of power either in the form of water or electricity -- it isn't quite clear which at the moment -- from the Columbia River system in British Columbia. So the question as to whether or not in principle you're going to export power in the United States is one that's already been settled. Also I'd like to point out that it isn't only going to be Manitoba only that gets into this export business in my opinion. I suggest that the Hamilton Falls in Labrador, the Province of Quebec, will be supplying power to the New England States before too long on exactly the same basis as we're going to try and do it here in Manitoba, and that we'll have a power grid that not only goes north and south but also goes east and west, and probably will eventually be a grid that covers the whole of the continent in the same way as in the continent of Europe today. Power grids are interconnected between all the main nations, even across the English channel. They use French power sometimes in England, and vice versa. And we'll find that sort of thing developing so I feel that regardless of the technical situation at any particular moment I think the question of the international use of power is settled. Columbia certainly settles it in my opinion.

Now what about our own case though, let's get down to the situation here. I haven't got the wording of the Throne Speech at hand, but it certainly did make a reference to his. My understanding is that the national energy board has made recommendations on this point which re-enforce the position that the Province of Manitoba is taking and that it is the clear policy of the Government of Canada to co-operate in this respect. And let me read two of the whereases from this simple little agreement that we've got so far that underline my point: "Whereas Canada considers that if this project were feasible a very large amount of power would be available for sale in the other provinces of Canada or in the United States; and that if made available for sale in the United States such sale could make a substantial and favourable contribution to Canada's international balance of payment." And this was another whereas which sort of leads the argument on, "and whereas the parties agree that the prospects of such large scale development of power on the Nelson River and its transmission to markets outside the Province of Manitoba, warrant a thorough investigation by means of systematic studies and surveys of the physical and economical potential of such development." Well it seems to me that those paragraphs make it quite clear that Canada is going into this venture with us in the clear expectation that if the economic destination of that power is south across the 49th parallel that's all right with them. I think that that is a clear implication from the statement and it is my understanding that the Throne Speech of which I spoke mentioned not only the export of power but also referred to this specific agreement as being one that would be entered into; and when you read the preamble to it, it clearly indicates that the export of power is contemplated by Canada in this agreement if the economic and technical factors work out satisfactorily.

Well now, I think that seems to be all the points I jotted down. I hope I haven't overlooked any one argument here, but I just want to reiterate that this is a tremendously hopeful prospect. I see no real road blocks as yet, and I look forward to being able to tell more about this when the House meets again.

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MR. CHAIRMAN: The Member from St. John's.

MR. SAUL CHERNIACK (St. John's): It's a novelty to be recognized this far back and I'll take advantage of it. I presume that by now the First Minister has realized that the one thing one should not rehash is hash, and I don't propose to rehash the discussion that has taken place until now except to inform the Honourable the First Minister that I did hear one of the addresses which he made on the question of Nelson River, and it was one I heard over television. I think it was the first announcement -- the first public announcement. I was struck by the foresight and the vision and the beautiful display in which this vision was brought to the people who listened to it, and I did hear the First Minister mention then that there are a number of problems that have not been clarified and that there is much to be sought and learned before a vision like this could become reality. I thought then that I was sure that the First Minister was not so naive as to think that the people listening to what he foresaw in the future would place equal emphasis on the problems which have yet to be solved before this vision would become a reality, and I think the election results have sort of indicated that the newspaper report was a clear report of what the people listen to rather than heard.

I want for a moment to deal with the statement made by the Honourable Minister for Public Utilities last night where he spoke of the competitive field with respect to the competition from gas, and mentioned the work of the Manitoba Hydro in attempting to sell the product that is produced by Manitoba Hydro. I noted that the First Minister in speaking this evening on the question of the competition from fossil fuel, which I think is a wonderful expression, that he referred to fossil fuel and nuclear energy but did not refer to hot air, I suppose it is, in terms of gas.

But I did read a section of the report of the COMEF and I would assume that the Honourable Minister of Public Utilities did not yet have an opportunity to read all of it so I thought I would bring to his attention some of the statements made in this dealing with the next ten years, stating that the demand for coal, and I'm relating this to what I heard the First Minister say just a few minutes ago, the demand for coal is likely to decline by about one-third while natural gas may undergo a three-fold expansion in sales. They indicate that from 1960 to 1975 they expect a growth rate in consumption of natural gas of 10.1 percent per annum; and, on the other hand, a growth rate of water power of 5.4 percent per annum. They state that Manitoba's coal requirements will likely drop from around 1,000,321 tons in 1960 to 865,000 tons in 1975. Natural gas will experience the highest rate of growth. Residential requirements of the cities and other built-up areas could double by 1965 and re-double by the early 1970's. They expect to see a three-fold expansion in demand during the forecast period of gas, that is as a result of these developments and contributions of natural gas, Manitoba's over-all energy supply could rise from less than 9 percent at present to around 24 percent in 1975. The table indicates that in the case of water power the rise would be from 10 percent in 1960 to 13 percent in 1975. They say the competitive advantage enjoyed by natural gas should increase therefore in the future.

Now I think that great cognizance must be taken of the forecast that we find in this report. Some of us are possibly too young to remember the need that was found by the far-seeing fathers of the City of Winnipeg when they found it advisable to bring in City Hydro to compete with the Winnipeg Electric Company, but I don't think any of us are so young that we do not remember the fact that it wasn't very long ago that the Province of Manitoba found it necessary to take over the power production of the Winnipeg Electric Company, which was then a private enterprise -- free enterprise organization using the resources of this province for the purposes of private gain. Now we are dealing with the problem of the competition that we are going to face with the gas industry. You don't have to be terribly far-sighted to see that if we wish to protect the energy resources of this province; if we wish to do all the things that this report indicates we ought to try to do; the production of energy at the cheapest possible rate for the consumer is going to be of major importance and growing importance, as is indicated by what has already been said this evening, and so glowingly and descriptively by the Honourable the First Minister.

Now I would like to feel that there is a serious consideration being given to this problem of competition with gas, not from the standpoint of maintaining competition to the detriment of power or gas industry, but rather from the standpoint of turning the privately-owned gas

(Mr. Cherniack, cont'd) producing or conveying industry into a public utility which is owned by the people of this province, so that the competition that we are talking about will be one of production and the best possible use of this in a way so as to benefit all of the province and the smaller towns of the province. It is not difficult to forecast that there will be a time in the not too distant future when this province will have to tackle the problem of taking over the gas industry as being a necessary adjunct of the energy supply for this province. I would suggest that it behooves us to study carefully the feasibility, the practicability of taking over this industry as quickly as possible, bearing in mind the cost involved and the ability of the people of Manitoba to pay. In the long run the people of Manitoba will pay for it anyway, but whether they pay the cost plus the profit to private enterprise or whether they pay for the cost over a period of time is, and remains, in the hands of the government which has the power to carry this out.

MR. GORDON E. JOHNSTON (Portage la Prairie): Thank you, Mr. Chairman. I'm rather sorry the First Minister isn't here because I was going to take issue with what he said. I find myself in the odd position of disagreeing with the First Minister and also disagreeing with the Honourable Member from Lakeland -- Lakeside -- pardon me. The First Minister said that in all his remarks, his government's remarks during the election, that he qualified his statements on the Nelson River proposed project. I found the Honourable Member from Lakeside being quite forgiving with him and agreeing that there were certain things said during the campaign that could be overlooked. But in an earlier debate this week I found myself at great odds with the Honourable Minister of Agriculture. One of the things that we did seem to agree on was that anything said during the campaign should be stood by, and he quoted at great length some of my advertising, and I think if I put my picture with my ad and signed my name, that I'm standing by it. Now I've come full circle and I find myself agreeing with the Honourable Leader of the NDP when he suggests that they should have to stand by what they say. As a matter of fact, there was someone over on the far side that -- I believe it was one of the government members -- said during that debate the other day that he felt very strongly that anything said in the hustings should be substantiated in the House.

Now I'm operating on the theory that from the Mother of Parliaments, England, that when a Cabinet Minister speaks he speaks for the government, and I have here a few quotations from someone who was then a Cabinet Minister. I must say at the time I didn't catch the Honourable First Minister on TV nor did I attend any of his meetings. I was rather busy at the time. But I do have here two quotations out of the Daily Graphic, one December 5th, 1962. This was by the former Member from Portage at a public meeting, and what he says here is quite reasonable. He described the Nelson River Hydro project as something that "stagger the imagination", but assures you of low-cost power. I agree with that. As a matter of fact I think this government has said quite a few things that stagger the imagination at times. But I have here the Daily Graphic, which has wide coverage in central Manitoba, of December 6th, 1962. There's a small headline built around this and it says here: "Christianson Boosts PC Power Program". Now if he had MPC, I might have thought of Manitoba Power Commission, but I understand it's called the Manitoba Hydro now so we can presume that "PC Power Program" means "Progressive-Conservative Power Program".

Now a few years back I was not very interested in politics but I did take a passing interest in reading newspapers and what not, and I always assumed that the powers-that-be that ran the power program for Manitoba, like the Hydro Electric Board, people like Mr. Fallis, were charged with the responsibility of planning ahead for future power requirements for this province. And I'm one of the many, I believe, that thought they did a tremendous job in doing this. They were planning years ahead at all times, and if I can recall former elections when the Honourable Member from Lakeside was the First Minister, I can't ever think of one time when his Party or his administration went to the people on the basis of the big things they were going to do for Manitoba in power -- power development. As a matter of fact, I'm pretty sure that places -- (Interjection) -- go ahead and laugh -- that places like Lac du Bonnet was done as a matter of course. The Grand Rapids one was planned out and would have been done, I presume, because it was planned out by the people who were charged with the responsibility of producing power in this province. Also, I would think that any future needs for power would have come about the same way. It wouldn't have been used as an election plank to attract the attention of

(Mr. Johnston, cont'd) the people of Manitoba.

I'm going to quote here how this was used to attract attention, and I'm going to suggest to attract votes. It was a definite promise; it wasn't hedged at all. Here it is: "A picture of low-cost power and ample Hydro Electric power for the people of Manitoba until the turn of the century was painted Wednesday night by the Honourable John Christianson as he spoke to an audience of 21 persons." -- (Interjection) -- That's not a misprint either -- (Interjection) -- 21 people. Then we go further down in the article, and this is all based on the power, the PC power program, and he says and I quote: "Manitoba has the lowest cost electric power in Canada bar none." I don't say he's taking any credit for that, but some people might think so. Further on down he describes why they are going to have to take expansion and he starts to discuss the Grand Rapids project, and he says and I quote this. He's talking first of all that they considered the purchase of coal or natural gas for thermal units. However, he says and I quote: "We accepted the challenge and within 18 months 300,000 horsepower will be generated at Grand Rapids project, enough to light the lamps of Manitoba until 1966 or 1967." Now he doesn't say that it's solely the PC power program that is doing this, however it's there.

Now I come to the part where he makes a definite commitment, and he says: "At that time"-- that is 1967 -- "At that time, said the speaker, the Nelson River project will be near operation." Now if that isn't a commitment, I don't know what is. Maybe it's only a hundred years near operation, I don't know, but I would presume that he was trying to get people to vote for him and his Party on the presumption that it was going to be a lot nearer than that. He pointed out the government is already investigating the river to select the best possible power sites. "The Nelson River, said Mr. Christianson, has the potential of three million horsepower, far more than we can use at the beginning." Now further on in the article -- he's already promised the construction of this near 1967, and he states here -- the speaker -- and I presume that it's the same speaker -- "The provincial government, suggested the speaker, will be able to sell" -- now note, will be able to sell -- "the surplus power to Ontario and the United States until it is needed in Manitoba."

Now in this article, I take that, and the people in Portage district and whoever has read this article took that as an honest statement made by a Cabinet Minister in this government, that this was a firm promise when he says that the Nelson River project will be near operation in 1967. I submit that if this isn't right it's out-and-out misrepresentation; but if it is right, then why is the First Minister, the Honourable First Minister qualifying it all the time when he talks about it after the election.

MR. SCHREYER: The Member from Portage la Prairie is so right in bringing out this point, because that is why I asked the question about an hour ago of the First Minister, whether this government felt itself committed to the development of the Nelson or whether its commitment was hedged on the outcome of the feasibility study. The reason I asked that in the first place was because I recall hearing very clearly the statement by the First Minister over television, not in the newspapers but over television, to the effect that he was going to the people for the reason that he wanted approval; he wanted the mandate to carry out the development of the Nelson; and there was no mention made whatsoever about a feasibility study.

I have to say that about three days later, on a midnight to one o'clock television panel show at which show were the Member for Selkirk, the Attorney-General and the Leader of the New Democratic Party, that the Attorney-General, when questioned on this point by the narrator of the show, did concede that all this did depend -- the development of the Nelson did depend on the feasibility study which was to be put into progress. But the fact of the matter is that in the initial address to the electorate, the First Minister said in fairly clear language that they wanted a mandate so as to enable them, among other things, to develop the Nelson River, and I dispute any kind of allegation to the contrary. This was precisely the way the matter was put, and I suggest that the ethics of it are questionable inasmuch as when you can put before the people a project of grandeur such as this is, it has tremendous electoral appeal. The only thing that can be said in favor of the front bench in that regard was the fact that the Attorney-General at least said that this depended on a feasibility study, but this was on a midnight to one o'clock show which I doubt very many people watched.

MR. PAULLEY: Mr. Chairman, I was one of those that were there and I can recall the ...

MR. CHAIRMAN: The Honourable Leader of the NDP.

MR. PAULLEY: I can recall quite well the statements -- (Interjection) -- Pardon? Thank you, Mr. Chairman. I was quite interested in the -- there's some "kibitz" going on to my right -- I was quite interested in the remarks of the -- we didn't meet the Cattlemen's Association again today, did we? I was quite interested in the remarks of the Honourable the First Minister in reply to the question of my colleague from Brokenhead. I'm sorry that the First Minister is not present now, because in reply to my honourable colleague talking about the recapture of power, the First Minister took us back to the First World War in the year 1918 and thereafter, but then he went on to talk about the question of recapturing of our power that we might export -- recapturing it back to Manitoba if it's required -- and he went on to describe the possible additional sources of electrical energy that may be available insofar as other jurisdictions are concerned and spoke of the link-up between thermal power and nuclear power -- or energy rather for electrical power.

He also, Mr. Chairman, made reference to two or three paragraphs contained in the agreement between the Government of Canada and the Province of Manitoba, but I'd like to also make one or two comments on the agreement itself because it seems to me that there's a little incompatibility with the remarks of the Honourable the First Minister and the contents of the agreement. In the initial "whereas" of the agreement we're talking of the fact that the Nelson River has a power potential to the order of four million kilowatts of firm power, approximately two million kilowatts of which would be surplus to Manitoba's requirements for a considerable period. In other words, I would interpret that as meaning that in the development on the Nelson River, it is presumed that the requirements of the Province of Manitoba would be somewhat in the order of two millions of kilowatts, and then if we have a development of four million kilowatts on the Nelson River, then we could consider the export of power.

But then when we get down to Clause 6 in the agreement, we're not dealing with the question of four million kilowatts or two million kilowatts, we're dealing with the question of a development of approximately a million kilowatts, for this Clause 6 says: "that if within ten years from date hereof there is commenced a development of no less than one million kilowatts of the electric power potential on the Nelson River, Manitoba will repay to Canada all moneys paid by Canada under the agreement." So I think this substantiates to a considerable degree the point raised by my honourable friend from Brokenhead and others that there's a lot of "balderdash" in the pronouncements of the First Minister.

But I would like to ask a direct question of my honourable friend the Minister of Public Utilities, whether or not, in accordance with the third clause of the agreement between the Government of Canada and the Province of Manitoba which states that, "Manitoba will proceed with joint planning studies and related discussions with power utilities outside of the Province of Manitoba to ascertain possible markets for large blocks of electrical power in the service areas of such utility, and will keep currently informed thereof the Nelson River Administrative Committee established under Section 8."

I would like to know of the Attorney-General or the Minister of Public Utilities or the First Minister, what studies have been made in respect of the potential or possible markets for the sale of large blocks of electrical power, because if we're only going to require in the Province of Manitoba, within the period of ten years, an additional one or two million kilowatts of power, it seems to me that unless the construction cost on a relatively higher producing plant that it might not be economical for us to develop the power on the Nelson River to any greater degree than it seems according to this agreement, or my interpretation of it, the requirements of the Province of Manitoba. As I mentioned, Mr. Chairman, the First Minister indicated -- at least I interpreted his remarks -- that other sources of energy are available or will be becoming available to potential customers, and then if we recapture them they won't be left without power. In addition to this, it raises a point in my mind -- a question in my mind I should say -- that in the light of the rapid advancement in science of these days, I somewhat question the statement of the First Minister that a cheap source of nuclear energy for the production of electrical energy is so far off.

I think the Honourable Member for St. John's, when he was speaking on this matter of gas for instance, Mr. Chairman, drew to the attention of the Committee some very valid and reasoned arguments. After all, it wasn't too long ago, Mr. Chairman, that we were amazed

(Mr. Paulley, cont'd) at a man being placed in orbit and now it's almost becoming an everyday venture. And science is developing so rapidly. We're talking here in the terms of the agreement, as I mention in clause -- I believe it's Clause 8 or Clause 6 -- if within the period of ten years there is commenced a development of no less than a million kilowatts.

The Honourable Member for Portage I think has quite clearly established on the record -- getting back to the question of the last provincial election -- that it wasn't a question of feasibility studies but we were immediately, or within the very close future, going to go ahead with these developments. I think he has established quite firmly and correctly that this wasn't the appeal that was made to the electorate in the Province of Manitoba. But I would like to ask the Honourable the Minister of Public Utilities what studies have been made insofar as potential customers at the present time.

MR. ROBLIN: Mr. Chairman, it appears I left the Chamber a little prematurely. I had some business to transact with one of my colleagues and I had thought when I heard the opening remarks of the Honourable Member for St. John's that we were moving on to another topic. This is rather painful for me to do because I didn't hear what some of the members said, but I take it from the remarks of the last speaker that some suggestion has been made that when speaking in the election campaign I did not qualify my remarks about the Nelson River. Now I'd like to state . . .

MR. PAULLEY: For the information of the First Minister, the Honourable Member for Portage was referring to an item that was in the paper attributed to the former Minister of Welfare, and also the show in which you appeared and also one in which the Attorney-General appeared.

MR. ROBLIN: Well I just want to say that I have told the Committee that that is not the case, and I expect my word to be accepted in this House as I would expect the statement of any honourable member to be accepted in this House when he speaks on a matter of this kind. I kept careful notes of my speeches. I speak from notes, and it's no trouble for me to go to my office and pick up those notes, just as I'm prepared to do on this charge of \$100 million which we will probably debate on some other occasion as to what I said or what I didn't say, as to whether it was truthful or untruthful. I'm prepared to do that although this is not the occasion on which to do it and I shan't mention it further here, but I'm sure that my honourable friend the Leader of the New Democratic Party and others over there would be expected to bring this matter up at some time and I'm ready to talk about it. I don't know, I can't make myself responsible for what everybody may have said in the election because it would be silly of me to pretend that I know. I don't know. But I can tell you what I as the Leader of the government said, and I can tell you what our policy is in that respect and that was our policy. I think that if I make that statement the issue should be sufficiently clear.

Now what about some of these other things here? We are told, I understand by the Honourable Member for Portage, that it isn't quite cricket for us to talk about electricity during an election campaign. Well I want to remind him that his Party most effectively campaigned on rural electrification for years and years, and quite properly so. One of the best policies that ever was brought into this province was rural electrification and the people that had the responsibility for it are entitled to take some credit for it. I don't begrudge them that credit, but to make a statement as I believe my honourable friend from Portage made is, I would think, of no great significance -- (Interjection) -- Well if I find that my information is incorrect I'll be glad to apologize to him, but I understand that he was critical that we used this as something to talk about during the election campaign. -- (Interjection) -- Well, if I find that I'm in error, I'm always glad to do so. I don't want to misrepresent anybody here, but I just want to make the statement that I don't think it is improper for us to campaign on power.

Now my honourable friend the Leader of the New Democratic Party talks about the men in orbit. Well he's in orbit tonight -- on this subject anyway. He asks me about the market studies -- (Interjection) -- in my opinion. He asks about the market studies. I've already reported on that in the statement I made to the House and there's nothing I can add to it. He asks about the fact that he disagrees with me that nuclear power is not a pressing competitor to electricity. I hope I haven't left that impression. I think it is a pressing competitor to hydro electric power. That of course is one of the reasons why I think we should proceed with it as fast as we can.

(Mr. Roblin, cont'd)

He makes quite a point of the fact that Canada -- I'm not quite sure what his point is, but he referred about the fact that in this agreement that is before us, that Canada gets her money back in one way or another if we enter into a million kilowatt development in the course of ten years. Well now, one can't draw any conclusions, as I think he is attempting to do, from that fact. All that we are attempting to do there is this, simply to establish a level of development on the river where Canada will be entitled to some money back and below which they will not be entitled to anything back, because it is quite conceivable that we might for example develop another Kelsey plant on the Nelson for some local use such as another nickel mine -- a very nice thing if we did -- and that would not require anything like a million kilowatts. We would not in those circumstances like to be obliged to pay any investigation contribution back to the Cominon of Canada, so it's only in the case of a major development on the Nelson River, that is based obviously on the success of the whole scheme, that we're obliged to pay the money back.

But let me tell honourable members that a million kilowatts is a major development because it is about the entire production of electricity for the Province of Manitoba today, so it means that unless we get into a major development, we have a million kilowatts which of course will ultimately lead to the full development of the river, then we're not obliged to refund the money or to allow it as an investment. It is to protect us against that kind of a development in the exploitation of the Nelson that we have that kind of a clause in the agreement. It has no other significance than that.

Now if there are other points that members think that I should be replying to in respect to this matter, I'd be glad to hear them.

MR. DESJARDINS: Mr. Chairman, the Honourable the First Minister spoke as well as usual, but he certainly didn't say too much this evening. He takes the attitude that he's hurt and insulted that we shouldn't take his word. I think we should stop here and study this for a little while. I think that it might be well to say that the newspapers aren't always right, but now all he's saying in fact is that many times during the campaign many newspapers misquoted him, and I'd like to know if it is true. If he can say here for sure was this or wasn't it one of the main reasons why the election was called, because if not -- if not, he certainly fooled the public. Maybe not by saying certain things, but he certainly knew and realized what the people thought, because they were certainly under the impression that this was one of the main reasons. If this wasn't the main reason, why did he subject the people to this election at this heavy cost a few days before Christmas, in the middle of the winter? Why? We'd like to know. We'd like to know. Now politically he was smart to go before Ottawa -- it was very smart. What spending a lot of money in the Province of Manitoba here and we heard so much about this great planning. If we let him talk again it'll be nothing. The balloon is bust -- it's nothing. He spoke here for a half an hour telling us about the different ways of obtaining power -- we know that; the competition with the nuclear power and so on -- we know that also.

Now we'd like to know about this big project. How much is being spent and who are we going to sell it to and for how long a time, because to pay for the cost I think that we'll need a contract and a long-term contract. Have we spent any money trying to find out about this, the possibility of nuclear power? I think this is what we're interested in knowing also, but I say that if the honourable -- I'm not going to call the Honourable the First Minister a liar, he said he'd get notes -- but I certainly was under the impression by reading this newspaper and some of the TV shows that I've seen and listening to other Cabinet Ministers. In fact, Mr. Chairman, I think that you should ask the Honourable Member from Portage to give his speech again. I think it's worthwhile. I think that when somebody is speaking as a Cabinet Minister he's speaking for the government. Of course we're all mixed up. We don't know. Even the Throne Speech lies because we're told by a Minister that it's in the Throne Speech but it's not a government affair -- it's not a government bill. Well I think that it's time that we find out, and if this election was called on this issue, I think we should know; and if not, well it's a little late, but let's inform the people of Manitoba that we had no reason to call this election.

MR. CHAIRMAN: Honourable Member for Burrows.

MR. SMERCHANSKI: Mr. Chairman, I for one might have some quarrel and might not have a quarrel with the Nelson project, but I unfortunately cannot completely agree with the

(Mr. Smerchanski, cont'd) idea advanced that we should export our power. Now I simply cannot reconcile this with the thinking of good people in the business world of Manitoba. I think that every businessman who is interested in Manitoba and who has the spirit to accept the challenge of exporting to the United States, which is one of the biggest markets that we can export into in the entire world, that we should be talking about the development of our own industry to use our own power. When you have a long distance like the Nelson for transmission, you have a tremendous power loss. Today we find in our province that we're paying almost twice as much for our power for the use of industry as compared to Ontario, and I would like to draw to the attention of a more positive approach to this matter instead of working against the basis of the pros and cons of the export of power. Nuclear energy and nuclear power is definitely coming, and it is definitely going to be competitive with electrical generation of hydro power.

I'd only like to bring to the attention of the members of this committee that originally when we commenced to look for uranium in Canada it was valued at something like \$24.00 a pound and we didn't seem to be able to find it, and when we found it, and started to mine it, the price went down to \$18.00 a pound, \$9.00 a pound, \$7.00 a pound and we even have certain costs of mining and production today that are running around \$3.00 and \$4.00 a pound. I dare say that if there is a shortage of uranium, and we have an over-production of it at the present time, and if there is an incentive to develop uranium, I dare say that we can develop it at \$2.00 a pound, and when we start talking of \$2.00 and \$2.50 per pound for uranium we are beginning to talk of nuclear energy that is comparable to any other source of electrical development either from coal, natural gas, or hydro electric power; because with a nuclear energy plant you do not need any long transmission lines, and you can locate these powers right in the middle of the heavy consumers of power in any industrial area because this is a clean type of plant and does not contribute to any pollution of the air nor to the water used for cooling.

I sometimes wonder, Mr. Chairman, and I have a great deal of respect for the members of this committee, but sometimes it seems to be politically expedient to make certain statements and draw certain conclusions, but I feel that it would be far more in the interests of better understanding and far more in the interest of approaching some of these problems on a very positive basis. And you know, I am an optimist of the first order and I am very proud of Manitoba, and I again say that with research and good ambitious businessmen in industry in Manitoba, we can develop and use this power locally. I do not think that for one moment, at any time should we look to the export of power, which is a natural resource of Manitoba, that we should export. If we have enough power that we feel we can develop and prepare for export, I recommend and I would suggest that we go out and develop enough industry and get our businessmen busy to develop industry and utilize its own power within our own boundaries. I know that Saskatchewan developed a certain amount of power; I know that Ontario developed a certain amount of power; and we are not in as fortunate a position as Ontario is possibly with having as extensive hydro electric developments, but that doesn't mean that we have to take a back seat to anyone. I still say, and I have proved it to myself in a very small manner, that I only wish that I could engage four or five top-notch businessmen in this province, in this city, and I'm not referring now to bringing experts in from the United States against which -- of which I do not agree, because it seems that we import experts from the United States and the Americans seem to think that they import the Canadian experts into the United States to advise them. I think that we should devote more of our time and energy in developing industry for the use of electrical power and less export into the American power, into the American areas which are available to us, which we as Canadians can out-produce and which we as Canadians can out-plan the average American industry, because we have many very brilliant, very capable people in the form of research and production people that we lose annually across the border. They are the ones that are developing industry on the other side; and we, on the other hand, are not able to move along in unison with this development.

MR. ROBLIN: I guess, Mr. Chairman, that I might just as well have saved my breath to cool my porridge as to make any comment tonight on the whole problem so far as the Honourable Members for Burrows is concerned. I'm not going to say anything about the Honourable Member from St. Boniface because I don't think there's anything that he said tonight that I care to respond to, but I will say this to the Honourable Member for Burrows. He's missed the whole point by a country mile. And what is the whole point? The whole point

(Mr. Roblin, cont'd) is to get cheap power for industry in Manitoba. That's the whole point of the exercise, as far as we're concerned. The question is how to do it. Well we've gone into the question of coal and we've gone into the question of nuclear power, and regardless of what he says, as of tonight and as of the facts we have before us at the present time, neither nuclear nor coal power in Manitoba offered economies or cheap power for our industries here.

The only way we can get it is by having a large scale hydro development, and in order to have a large scale hydro development we have to export a temporary surplus some place else, because the amounts of power we're talking about on the Nelson River, four million kilowatts, are about four times the total present consumption of power in Manitoba. If we have to try and bring it down here in dribs and drabs, we certainly can't afford the long distance power transmission costs of which he spoke. The only way in which we can get cheap hydro power, continuous cheap hydro power in Manitoba, is by a development of this magnitude.

Now if we don't do it, what is the alternative? This is what he suggests we do. He suggests we don't do it. The alternative is to build a coal or a nuclear plant right here. Well, we've got them right now and we can build more of them if we have to, but it isn't going to give us cheap power. It's going to give us relatively expensive power. You look at the cost today of producing non-hydro electric power in Manitoba and you have the answer to that particular point. So the whole aim of the exercise is to get cheaper power for the industries of Manitoba in order that our people may make the most of those natural abilities of which he so properly spoke. The idea of export is merely a means by which to help accomplish this fact, and the sooner we can use it all in Manitoba the better off we'll be and the better pleased we'll be. I want to try and produce some kind of proportionate balance to the discussion, because we're not trying to go into the business of exporting power for that reason alone. It's only because it enables us to get cheap hydro power. If there were the possibility before we get through this thing of nuclear power that is cheaper for us, that's another thing; but there's no sign of it on the horizon today and I don't think there will be.

Now he doesn't like exporting power. If you accept my main thesis that the plan is to get cheap hydro power here, why do you object to exporting the surplus to somebody else for the present time? We can't eat all the wheat that's grown in Manitoba and we haven't the slightest hesitation about exporting the surplus to other places. In fact, that's what we're in business for. Any nation that's opening up the development of primary industries must depend on the export of their primary products. In the case of northern Manitoba, power is the export of their primary product. If we don't export our power; if we don't export our wheat; if we don't export our minerals, sometimes in not too processed a form we don't exist as a trading nation.

I'm one of those who philosophically believe that we should try to process these things, whether it's using hydro power or refining metals or making use of our timber products, or whatever our natural resources are, as much as we can in our own country to provide the jobs and employment we need here. Much of our policy in this province has been dedicated towards that end, but we can't stop there. I've yet to hear of a credited spokesman of the Liberal Party of this province suggesting that that kind of export business is not a good thing, and I don't think that that is the position of the Liberal Party in this province today. As for electricity, it's not a wasting asset. Hydro power is there just as long as the river runs, turbines go round -- it's not like gas. There's a Liberal government that authorized the export of gas in very large quantities to the United States. It's a wasting asset going to supply somebody else's industry. Same with oil; same with any form of energy. And of all the products that might be subject to an export ban, I think electricity is probably the least eligible for that kind of treatment.

Coming back to the main point, however, the aim is to use the product in this country as far as we can, but unless we can provide ourselves with a cheap electric power, we're going to handicap the development of the province and of the industries that are here. The question of export is merely a means by which we hope to achieve that end. Now there's just the other odd thing that I noted from what my honourable friend said. He doesn't like U.S. experts. Well I'm glad to tell him that it is the Manitoba Hydro technical staff themselves who are making these studies. The only U.S. expert I know of is the gentleman whom I referred to in my remarks who is helping to open the door for us in some of our market studies with the utilities in the northern central part of the United States. As for the main jobs of investigating this

(Mr. Roblin, cont'd) river, solving the problems of long distance transmission, the main market studies and all the rest, that's being done by Canadians, and mostly by members of the Manitoba Hydro.

But I want to assure my honourable friend that the aim of the exercise is cheap power in Manitoba for our own industries here. The export is the tool by which that is made possible. Incidentally, let him reflect upon the fact that after some of this electric power is recaptured for the Canadian market, it will be pretty economic power, because the people who have been using it during the time it was exported have in their prices been paying the amortization costs and the capital cost of the installation. So to that extent, when the power is returned to us, it is after those amortization costs at present day prices are to a large extent absorbed by those who are using them at that time. So it seems to me that this is a sound proposition, especially in terms of development of the Province of Manitoba; and certainly to say that we are opposed to the export of power, being the kind of trading nation we are, doesn't to my mind fit the facts of life.

MR. DESJARDINS: the Honourable the First Minister has expressed the feeling that he doesn't want to answer me. He's certainly at liberty to do so. I'm not surprised. Whenever we're debating something, he usually answers me outside the House. It's a little easier when I'm not there. Nevertheless, I'd like to give that same challenge to the Honourable the First Minister to tell the people of Manitoba if this was the reason or one of the reasons why this election was called; and if not, to give us the real reason why it was called and why the people of Manitoba had to spend this money. I challenge the Honourable the First Minister to tell the people of Manitoba that the Honourable John Christianson was wrong when he tried to paint a picture of low-cost and ample hydro electric power for the people of Manitoba until the turn of the century. I also challenge him to say that the Honourable Minister -- ex-Minister John Christianson was wrong when he said that by 1966 or '67 the Nelson River project would be near operation; when he pointed out that the government was already investigating the river to select the best possible power site. "The Nelson River, said Mr. Christianson, has a potential of three million horsepower, far more than we can use at the beginning."

It's all right to say, Mr. Chairman, that I haven't said anything worthwhile. Probably it's true. That's the way I feel about what he's been saying all day -- or all night anyway. He's been telling us things that we knew in '45, and we knew it before that. There's nothing unusual about that, and I don't know why we had to go to the people of Manitoba to find out if we can study this or debate this in this House. I think that this is just a smoke-screen just to cover up the real purpose of this election. And I think that the First Minister is back-pedaling now. He's stuck with it and he doesn't know what to do about it. -- (Interjection) -- All right, let him answer this challenge then. Let him give us the real reason why it was called. Tell us that all the newspapers were wrong at all times when they quoted you. Tell us that everybody in Manitoba had the wrong opinion, didn't know what you meant. Tell us that you didn't know that, then maybe we'll believe you. But don't just take this attitude that - oh, this is what I'm telling you -- take my word for it. I for one will not take your word.

MR. ROBLIN: Nothing could disinterest me less than what my honourable friend thinks about my word. Nothing could matter less to me.

MR. DESJARDINS: that's right, Mr. Chairman. I remember a day or so before he called this election, there were certain things that interested him. If it back-fired, it's not my fault. Maybe this is why we have this smoke-screen. Isn't that right? And there might be other things that I'll be saying before this Session is over that ought to interest the First Minister very much, Mr. Chairman.

MR. ROBLIN: my friend possesses the capacity to interest me in any way.

MR. DESJARDINS: Oh, I was told -- I was told that I wasn't perspicacious enough; that one of these days the good people of St. Boniface were going to turn me out of office. I think I got just as good a majority as my friend the First Minister -- and I'm not finished. Maybe when he's out there trying for that big convention there in a little while, there'll be something that'll come up there to know of the real First Minister of this province, not just these flowery words that he's been giving the people around this province.

MR. ROBLIN: I have to admit, Mr. Chairman, that he certainly was re-elected in St. Boniface with a very handsome majority. I say it to my regret and my deep disappointment,

(Mr. Roblin, cont'd) and I assure him that if at any time I can alter that situation, I'll be more than pleased to do so. But as for taking that other job that he spoke of, if he's willing to nominate me for it, I might consider it.

MR. DESJARDINS: I think too much of my fellow Canadians to do that, Mr. Chairman. I think too much of my fellow Canadians to do that. But I will say that if he wants to try to defeat me in St. Boniface, the people there like somebody honest, even if they're not too bright. Let him come here and say the things right and not go from — you know, under the table and so on to try to make the odd promises here and there. Let him come straight -- maybe he'll defeat me there because I understand that and I believe that he's much more capable than I am. The only thing that I have going for me that he hasn't got is that I bring the things above board, Mr. Chairman, that's all.

MR. ROBLIN: Now, Mr. Chairman, I really think that when my honourable friend reflects upon that statement, he really won't be so proud of it. I'll have to admit that he's a hard man to beat in St. Boniface. As a matter of fact, I'll have to admit that east of the Red River I'd have a pretty tough time. I've got to admit that and I face up to these facts. I'm still going to try and give the people of this province the best government that I know with the help of my colleagues and friends, and they've given me a pretty fair endorsement of what we've been doing so far, including what we ran on in the last campaign, and I don't think there's anything there of which I need feel any cause to be anything less than satisfied with. I don't know whether I'll ever beat my honourable friend in St. Boniface. I'm not making any undertakings or pledges of that sort, but I tell him that it's going to be an awful lot of fun trying.

MR. DESJARDINS: That's right. That's right. Just a minute here, if he wants to have fun; so will I, because the last time, if I remember right, when he was on the platform, they had somebody there that was going to bury me, and I'm very much alive. They were going to bury the undertaker in St. Boniface. That was kind of comical too, but I think that we'll have lots of fun in St. Boniface, I agree with you, and maybe if somebody nominates you for this other job, maybe I'll try the future somewhere else also.

MR. ROBLIN: You know, I'm going to have to tell my honourable friend that I'm going to be around here a lot longer than he's going to like, a lot longer than he's going to like. I'll have to admit that somebody said they were going to try and bury him, but you know it's like that man Khrushchev -- he tried to bury some people too and it isn't always done that way. I certainly would never attempt to try and bury my honourable friend, because one day he'll bury himself.

MR. MOLGAT: Mr. Chairman, I'd like to make it clear that, in spite of my disagreement with my honourable friend, I really don't compare him to Khrushchev as he has done himself right now.

MR. SCHREYER: I take it that the First Minister came back to the Chamber on call. He was told that at least two members here were making reference to what he did or did not say during the election campaign pertaining to the development of the Nelson, and since I was one of the two and since what I said was said in his absence, I feel it no more than right and courteous to say it in his presence, namely this, that during the election campaign at the outset, the very outset, I got the distinct impression watching television and reading one or two news articles -- although I don't put the emphasis on them -- I got the distinct impression that he was calling the election for two major reasons, one of which was to get a mandate from the people to develop the Nelson. It could well be that he qualified it, but certainly if he did, with his capacity for clarity, he wasn't very clear, and I can't help, although I accept his word, I can't help but feel that it was certainly unclear if not unstated. As I said when he was out of this Chamber, the one saving grace for the government was that the Attorney-General for one did admit when pursued on a television panel show that, yes, but this was subject to the results of a feasibility study. But this was after midnight and I don't know how many people heard it. I think it's important because projects of grandeur like the development of the Nelson do grasp the peoples' attention; they do become a factor in an election campaign and I considered it unfortunate that the First Minister, at least on that one occasion, if he did intend to qualify that statement all of a sudden, or at that time at least, was not very clear. That's what I said when he was out of the House and I say it again -- although I say that I accept his word, it could well be that it was qualified on every other occasion that he mentioned the Nelson. On the occasion

(Mr. Schreyer, cont'd) that I saw him it wasn't stated to my satisfaction. I

MR. ROBLIN: The television speech?

MR. SCHREYER: Beg your pardon?

MR. ROBLIN: Is it the television speech you're talking about?

MR. SCHREYER: Yes, yes.

MR. ROBLIN: Half hour speech?

MR. SCHREYER: I believe so. I couldn't swear for it. Now while I'm on my feet, Mr. Chairman, since the Member for Burrows and the First Minister are having a pretty technical debate back and forth about the desirability of the export of power I just want to say one more thing about that. I put forward one objection to the export of power, namely the difficulty in having the recapture clauses honoured. The First Minister completely demolished that argument. I feel that in the light of what he has said that this is no longer an argument in the present day. But there is a second argument -- there is a second argument which the First Minister has not come to grips with and that is that exporting energy -- and I admit that the export of power should be the least likely of having export restrictions on. Export of expendable fuels -- fossil fuels -- should have export restrictions sooner than power; but nevertheless all energies -- the export of any energy has the effect of exporting jobs in this sense that when you export energy you are helping to have your competitor build up industry in labour intensive secondary manufacturing endeavours and this is the second argument against the export of energy and I suppose in the light of the present day developments perhaps the last remaining argument against the export of energy. I don't know, perhaps the First Minister has come to grips with that argument but if he has I haven't heard it and I think it does merit consideration.

MR. SMERCHANSKI: Mr. Chairman, I appreciate what the First Minister has said except that I must completely and wholeheartedly disagree with his viewpoint that cheaper nuclear power is not on the horizon. Another thing that you will find in reference to the export of power is that it will be most difficult to arrange for the export of power when you're going to be trying to sell something on a very short term because unless you can guarantee the sale on a long term proposition it's not likely that your customer is going to be interested in a short term arrangement. Now I appreciate exactly what has been said and I would only like to leave this type of a suggestion, that I am firmly convinced that large scale proper planning of our industrial development and of our industry not unlike outlined in the report on the economic future of Manitoba, that there is going to be valid reason why the Nelson River should be developed. Nevertheless, in the same way that it may work against the remarks that I have made I think that winds of change are blowing and what may appear to be impossible today will be expedient and necessary tomorrow.

I also would like to make this remark that quite innocently and by chance, I think, the First Minister made a remark that if there is some other mine developed in the area of the Nelson that we may have another Kelsey development. Well I think that there is more fact than just supposition in that because there's an excellent chance of seeing development south of the Nelson, and not too far south, something that will be comparable to the development of the Thompson mine and I only hope that this is able to be completed and brought about so that we may start the development of the Nelson possibly in the form of a Kelsey plant.

MR. CHAIRMAN: Item 1 -- passed.

MR. MOLGAT: No, Mr. Chairman, I think that there are some important matters in this regard. Some of them have been aired this evening. I frankly am not satisfied with the answers the First Minister has given me with regard to the market for our Nelson River power. I don't have the written statement that he read from this evening and I have to work from memory but I believe that his statements were rather vague on the market potential. Now my understanding is that in the northern United States at the moment they are not looking for power. Now possibly he has different information but the latest information I have is that they have a surplus of power in the northern United States and therefore are not a potential market for the Province of Manitoba. If he has other information I think he should acquaint the Committee of this information. Similarly I asked him a question about the long distance transportation and obviously if we are going to be dealing in particular with eastern Canada, where certainly there is a long-run potential demand, then we are dealing with actually very long distance transmission -- I would guess something in the order of 1,000 to 1,500 and possibly 2,000 miles --

(Mr. Molgat, cont'd) certainly not less than 1,000 I would think from our closest Nelson sources to the large markets of eastern Canada. Insofar as the United States the distance would be roughly the same to the large markets of Minneapolis-St. Paul and possibly later on Chicago.

Now before undertaking this sort of a project it would seem to me that these very important technical aspects would have to be settled because unless there is feasibility of transportation then how can we hope to be competitive. Could the Minister then give us the details on this. He mentioned that he didn't think he was in a position to do so. Mr. Chairman, if we are considering proceeding with this I think that these are basic elements that the government must have in mind at the moment or it wouldn't be talking about these projects.

MR. ROBLIN: I think we've pretty well exhausted the topic, Mr. Chairman. I'm not sure whether the Honourable Member for Burrows and I are getting closer together or farther apart. I kind of hunch it's closer together. Yes, I know of that mineral prospect of which he speaks and there is ample provision in the Kelsey plant for expansion so that can quite possibly come about and I hope that it will do so.

I don't know what to say to the Honourable Member for Burrows because I can't really make myself responsible for the impressions that he gets from what I say. I can make it clear what I said -- I'm sorry, Brokenhead -- I can make it clear what I said because that's on the record. I imagine there's a kinescope of it, certainly there're my notes for it which are quite complete. At least the Honourable Member for St. John's recalls my making those reservations although he wasn't quite sure whether the people who heard them really understood what I meant. Well I think I made myself quite clear; I certainly tried to and I think I usually manage to do that.

Now there's nothing further I can say to the Honourable Leader of the Opposition. When there is something further it will probably be at the next session -- we can say more to him then -- because naturally the points that he raises are the points that are under discussion. Now it is perfectly true that we have some pretty fair ideas as to what our costs are, pretty fair ideas for long distance transmission and on the site but we're in the process of negotiating with possible customers and of course it would be quite wrong for me to give any further information on that except to give the facts that I have been able to state tonight. Just a passing comment upon his view that there is no demand in Minneapolis. I assure him there is -- not now, but then we can't supply anything now. It's going to be a number of years before supply becomes possible and that is why the negotiations are taking place at the present so that we can marry supply and demand at the point in the future when the supply becomes available. But I think he'll understand that it's quite impossible for me to enter into a discussion of costs at this particular stage for the simple reason that it would undermine the whole of our position.

MR. MOLGAT: Mr. Chairman, really in view of the very bold statements that the Minister was making during the election -- and I'm not going to get involved in what he said or what he didn't say during the course of the election -- all I'm interested in is the impression that the people of Manitoba certainly got during the course of the election, that my honourable friend was calling the election to get a mandate to develop Nelson River power. Well now if this -- and this was the impression that I think the majority of Manitobans had, or at least many of them, then I think my honourable friend is not only entitled but the House demands that he should explain to the House at this time exactly how far he has gone. Was this strictly an electoral vision at that time or did he have sound facts to back him up? I think that the essential facts are those that I have asked him, the question of market first. I can say that I have done some checking in the northern United States and I am told that at the moment they have a surplus of power. I have done some checking in the northern United States and I am told that insofar as long distance transmission, their analysis is that if it's any distance over 400 miles then at the moment they're not interested. They tell me that some years ago studies were made on the Missouri River and that their analysis was in the Minneapolis area that if it meant transportation beyond 400 miles that even if they got the power at cost -- that is free, at the dam site -- or at the power site -- that by the time it was transmitted into their system it didn't fit in. Now surely these are essential elements in this whole discussion and my friend made a big pitch of this and now isn't the time, after the election is over, for my friend to start back-tracking and saying, oh well, we have to investigate this, possibly it isn't quite as

(Mr. Molgat, cont'd) clear as it used to be, and then two years from now come along and tell us, oh no, this isn't a feasible project. If he was prepared to speak as brilliantly as he did before the election then I say now is the time to tell the Committee exactly where we stand. Give us the details. What have you found out? Have you got firm commitments or at least reasonable expectations for the purchase of power in those markets? Are you sure that you can transmit it over those distances, because unless you can then the whole project doesn't stand up.

MR. ROBLIN: We've each made the same speech now, I think about six times. I'm not going to make mine any more. I've given my friend a clear and explicit answer and that's all the answer he's going to get from me tonight.

MR. MOLGAT: Well, Mr. Chairman, then I'll have to read into the record a number of things going back over the history of power in the Province of Manitoba, because I think that it's about time that the people of Manitoba got off the electoral vision that my honourable friend put before them and got back down on the facts of the situation, because my honourable friend before the election went around making great pitches about Nelson River power as if he had discovered this suddenly out of his own little mind and that this was a new and novel development unheard of before and he needed a mandate from the people of Manitoba to proceed with it.

Mr. Chairman, I would like to refer to the report of the Manitoba Power Commission, 1948, some years back, commonly known as the "Hogg Commission". This commission as indicated in the foreword is as follows: "In the pursuance of its terms of reference the commission enquired into all matters pertaining to the supply of electrical energy in the Province of Manitoba. The result is presented in the various sections of this report." Mr. Chairman, I'm not going to read all of the Hogg Report, and if I skip some sections it's not because I don't want to read them in the record, it is because I am going to read those that are particularly relevant to the point that I want to make this evening.

On page 3 of the report we have the following statement: "The rivers flowing into and from Lake Winnipeg together with the Churchill River are the source of most of the potential hydro-electric power resources of the province. These two river systems, the Nelson and the Churchill, are capable of producing between three and four million horsepower depending upon the stage of river discharge. While most of the power resources are located in the northern parts of the province there has been sufficient power available in the south to meet requirements to date. As the country develops and power demand increases the interconnection of power from different river systems can by proper planning be achieved. The important sources of potential hydro-electric power in Manitoba are concentrated on four main river systems namely: the Winnipeg, the Nelson, the Churchill, and the Saskatchewan-Dauphin system." It goes on then to give some others, smaller rivers, the Bartwood, the God, the Grass, the Island and so on. Further on on page 5, "Full realization of the power resources of any river is only attainable by a power system in which each developed site forms a component link in a comprehensive scheme looking to the development of the entire river. Development of the Winnipeg River to date is such that at moderate cost all present and future development can be interconnected and operated as units of a comprehensive system. In this the province is fortunate for by such planning future development on the Winnipeg River as well as power developed from other sources such as the Dauphin and the Nelson Rivers can be readily integrated and utilized for the greatest public benefit." Further on again, referring to the Winnipeg River; "Two undeveloped power sites remain on the Winnipeg - Pine Falls with a potential head of 37 feet, McArthur Falls with a potential head of 18 feet." -- and so on. This is 1948; of course. "The proper timing for the development of power at McArthur Falls would depend to some extent on the measure of agreement between the actual power demands in the next few years and the estimates herein. Plans should be prepared and all steps taken so that the construction of this development will follow in proper sequence after that at Pine Falls." Then we come to the next step. "There remains the necessity of planning the development of other sources of future power supply. This involves consideration of the development of additional water sites and likewise the development of power from fuel-fired plants. In this consideration the rate of growth in power demand and the amount of additional power required within a given time will determine the size and type of power plant required. As has already

(Mr. Molgat, cont'd) been indicated in this report there are large sources of potential hydro-electric power awaiting development on the Dauphin, Nelson and Churchill Rivers.

Map No. 1, page 4, shows how as development proceeds each development may be tied into or interconnected with earlier developments to serve all parts of the province. If the demand for new power development remains in the southern or central part of the province then the Dauphin River development is the logical one to follow the completion of the Winnipeg River."

At this point I would stop, Mr. Chairman, to make a comment here that subsequently the Dauphin River development was found to be not as economic as the Grand Rapids development, but essentially this is the same development because you are dealing in effect with the flows from the Saskatchewan River, because under the Dauphin development proposed by the Hogg Report, it involved diverting the Saskatchewan River into the northern part of Lake Winnipegosis and thereby through its normal channel through the Waterhen into Lake Manitoba and out through the Dauphin River, so the change from Dauphin River to Grand Rapids has been one of economics in the meantime.

So as Dr. Hogg then says: "If the demand for new power development remains then the Dauphin River development is the logical one to follow the completion of the Winnipeg River. This in turn would be followed by the development of power at various sites along the Nelson and the Churchill Rivers."

Then he goes on and details the Dauphin River development and repeats once again: "Next in the line of development depending on industrial and mining requirements are the power sites of the Nelson and Churchill Rivers, with from two million to two and a half million horsepower available on the Nelson and over a million horsepower available on the Churchill River the power requirements can be met for some years to come providing the organization and planning are conducted on a sound basis."

Then later on he says: "The cost of developing power from the more remote power sites such as the Dauphin River power project, or on the Nelson River will be very considerably higher than those experienced on the Winnipeg." I skip again: "The cost relationship between Nelson or Dauphin River developments on the one hand and Winnipeg River developments on the other will probably be accentuated by the present perspective high level of construction costs."

But all the way through this report, Mr. Chairman, a report made in 1948 to the government of the day, there's clear indication that this was a planned proposal, in fact the development of our power project in the province, the developments on the Winnipeg River, the take over of the plants on the Winnipeg River and the integration into one system evolve on the basis mainly of this report. But all the way through this report clearly indicates that the steps after the Winnipeg River, the logical steps in conjunction with fuel-fired plants, true, but the logical steps then are the Dauphin River and/or Grand Rapids which is its counterpart and then subsequently the Nelson and the Churchill. So, Mr. Chairman, when the First Minister of this province launched last December, or was it November, into a great election campaign on the basis of a mandate to develop the Nelson River, I submit that this was nothing more than a pure "electoral vision", that there was no need for any of this; that this has been laid on for a long time; that this wasn't a sudden new development that my honourable friend had dreamt up overnight. The basis was there; it's a sound development provided that the economics are there; and what we're asking my honourable friend now -- what we're asking my honourable friend now is to outline the economics, not the political visions about this, but let's get down to the facts. Let's get down and tell us exactly where we stand. There was no need to call an election for the purpose of proceeding with this development. There's what was reported to this government, to the previous government some years ago. My honourable friend could simply proceed on this basis, his vision was unnecessary.

MR. ROBLIN: well talking about vision, there's none so blind as those who will not see; and also none so deaf as those who will not hear, because the main points of our position have been put before the public quite clearly and they've certainly been put before this House on many occasions starting back last year when we first introduced this matter, but none of it seems to have penetrated into the usually rather acute intelligence of the Leader of the Opposition, because you see -- well osmosis only works between eggshells I understand, so it won't work with ordinary brains, at least that's the only experiment that I ever worked

(Mr. Roblin, cont'd) on. But you see he misses, he just -- I don't -- I must say that I think he misses it deliberately because he's far too intelligent not to see what the point is. Now everybody knows that there's a power potential on the Nelson. Surely you wouldn't accuse me, Mr. Chairman, of trying to pretend that I invented that idea, that thought. After all, I read the Hogg Report when it was issued in 1948 or thereabouts and we've always known that there was power on the Nelson River. The trouble is, how to get at it; how to use it; how to make something out of it; how to prevent it from running down to the Hudson Bay till the end of time; with the competition of other types of electric energy breathing down our necks as the Honourable Member from Burrows is so fond of pointing out. That's the question. That's the question. And under normal circumstances if we had to depend on load growth in the Province of Manitoba alone, we would never in this wide world get to the Nelson River, never -- it's a long long time never -- but we wouldn't get there because we would be burning coal plants, we would be using coal fuel here in the Province of Manitoba. Well let me say if people don't like the word never I could certainly say that not within the foreseeable future, perhaps that's a more conservative term, and I ought to use it, but that is the problem that depending on the load growth in the Province of Manitoba alone the chances of getting to the Nelson are very remote. It's a question of being able to find a way to develop it economically. And why is that so? The reason is that it is not economic to take a plant like Kelsey, for example, and develop it on the Nelson for use in Winnipeg. It is quite all right to develop it on the Nelson for the use at Thompson because the transmission distance isn't too far and it's a normal proposition, but you can't bring that kind of power the distances that we have in Manitoba and have a source that is economic with coal even at present day technical development, or perhaps even with nuclear as far as that goes as present day technical development. You have to get the advantages of scale, you have to get the volume, and that is the problem that has to be solved in developing the Nelson River. So what point is it to read into the record what Dr. Hogg said. I'm at a loss to know because what he said there is a well-known fact that there's power in the Nelson River but that you're not going to use the Nelson River unless you can do so economically. And the point that was made to us was that you can't use it economically unless you can develop it on a large scale and that in turn means a market that is bigger than the market outside Manitoba. So the question of the developing of the Nelson is bound up with the question of getting economical supplies of power into Manitoba itself and that in turn is not as feasible through nuclear or coal than it is on the Nelson, provided we can get someone to use the surplus that can be developed on that great river until we are ready to use it ourselves.

So there is a very big issue here because there isn't any use starting out on a program if you're not prepared, if it proves to be satisfactory, to carry it through. Now the advantages, the problem of developing the Nelson is no small thing. It's going to cost \$5 million, which is a lot of money in my books to find out if this project is one that we want to continue to the scope that it promises to us. It's going to cost \$5 million just to find out. And I made that clear to the people of Manitoba -- I made it clear in the statements that I made that this whole business of finding out was indeed a major undertaking in itself, and then when that has been accomplished and you find that you can succeed and go ahead with the major program, and as I say, I'm not backing down from anything I've said before. I have in my hand here the statements which I made in the House last year at this time, in which I used the same cautionary language. In fact, I quoted it again tonight to make sure members wouldn't forget that I said it. I used that cautionary language and, in spite of what some honourable members think, I used it in the campaign as well.

But if you go through with this thing, you're going to find yourself involved in a tremendous and absolutely breath-taking investment and construction program on the Nelson, and you certainly have to know that that is the kind of thing that the people of the province can contemplate if you're going to start; you don't start these things if you're not prepared to carry it through, other things being equal. And that is the position that we are resolving at the present time.

So I say to the Honourable Leader of the Opposition that he's quite welcome to read Dr. Hogg into the report. I doubt that it adds anything to the discussion. It certainly doesn't deal with the main problem that we had to solve, we had to face up to, and the main problem we had to decide upon when we put forward the proposition that the Nelson should be developed. It

(Mr. Roblin, cont'd) can't be developed economically on a piecemeal basis; it has to be done on a large scale basis; to do it on a large scale basis results in a supply that is more than this market can absorb for many years. Therefore, you have to have an export market to guarantee your cheap power in Manitoba.

Now you say, why bother with the whole thing if it's all that trouble, and that essentially is a point that some members seem to be putting. Why bother with it, if it's all that trouble? The reason why we bother about it is this, that it offers us a prospect of cheaper power for our own people -- and no one else at this stage -- a prospect of cheaper power for our own people than either nuclear power or coal. Now, I don't want to rehash all the thoughts on that, because he's got some difference of opinion on it, but it all boils down to that, and it seems to me that the position's quite clear, I don't know how much more clear I can make it. I certainly think that it ought to be now well ventilated before the Committee.

MR. PAULLEY: Mr. Chairman, I'm somewhat amazed at some of the statements that the Honourable the First Minister has just made in his last oration, because as I listened to the honourable gentleman he seems to indicate to me that we are not going to require this power of the Nelson insofar as domestic purposes are concerned, at least to any appreciable degree. But when you read the agreement that has been entered into between the Government of Canada and the Government of the Province of Manitoba, we find we deal with the power potential on the order of four million kilowatts, which is the figures contained in the report on The Manitoba Hydro Electric Board on page number 9 for the joint developments on the Nelson River and the Churchill River. The Honourable the First Minister, if I heard him correctly, said that we would find it more feasible to develop energy from other sources such as thermal and gas or what have you, and yet when we read the agreement we find that with the development of the four million kilowatts on the Nelson River, approximately two million kilowatts would be surplus of Manitoba's requirements. Now then . . .

MR. ROBLIN: May I ask my honourable friend, did I hear him correctly -- is he suggesting that I said that it would be cheaper to have gas or to have coal or some other source of power than Hydro?

MR. PAULLEY: to take care of our immediate requirements, or our near-foreseeable requirements, if we were just going to require the amounts of energy that could be produced by these other sources of power. Now, that was my interpretation, and I can assure my honourable friend that I will . .

MR. ROBLIN: Cheaper than what?

MR. PAULLEY: Cheaper than developing on the Nelson. Now then, when I read the agreement. . .

MR. ROBLIN: Can I try to explain that. I want to make sure I get this idea across correctly. What I am saying is that if we are going to provide for the next increment of power in Manitoba, for Manitoba only, then we wouldn't go to the Nelson for that power, we'd be building more steam plants -- if we're providing it for Manitoba only. Is that the point?

MR. PAULLEY: Yes, but to me, Mr. Chairman, there is the implication, and I would like to hear from the First Minister in respect of this. In the agreement that has been signed between the Government of Canada and the Government of the Province of Manitoba that half of the four million kilowatt production will be surplus. In other words, we would require for Manitoba's own development, two million kilowatts, which would be as I understand the situation, almost twice the amount of power that is being used in the Province of Manitoba at the present time. Now I can't reconcile the figures that the Honourable the First Minister gave as to the expenditures and as to the source of powers with the phraseology that is used in the agreement that has been signed between Canada and Manitoba; because if it is a fact, as I interpreted the Honourable the First Minister's remarks, that the power requirements for the Province of Manitoba in the foreseeable future are less than two million kilowatt hours, I wonder whether or not this isn't just simply a great vision of my honourable friend or not. The expenditure of the taxpayer of the Province of Manitoba one way or the other will not be justified in the light of the information that I gather from the agreement between Canada and Manitoba.

MR. ROBLIN: I think that the estimate is that we will require all that Nelson River power ourselves by, let me see, this is '63, in the next 20,25,30 years, so that ultimately it

(Mr. Roblin, cont'd) will all be used in Manitoba.

MR. PAULLEY: More than the four million kilowatt hours? In other words, four times the amount, as I understand it, that we're using at the present time? Have you any justification for that, or is it just a guesstimate by a politician?

MR. ROBLIN: No, it's not a guesstimate by a politician. I'd be awfully foolish if I allowed influence of that sort to interfere with decisions of this nature, because they're extremely serious. These are the estimates that are provided to us of the forecasts of the consumption of electrical energy in the province, and they're based on the best knowledge available, and particularly upon our rate of growth. We've doubled the use of electric power, I think, in the last 5, 6, 7 years, some remarkably short period like that; we've already doubled it once, and this process will continue for some time.

MR. PAULLEY: Might I ask whether there's any compatibility with the remarks of the Honourable the First Minister with the -- and I must say, Mr. Chairman, I haven't the figures with me -- with the estimate as contained in the COMEF report?

MR. ROBLIN: No, I don't remember what the COMEF report said. I should rather imagine they got their figures from the same source I did. They're the most competent people to -- that's from Hydro.

MR. CHAIRMAN: Item 1 passed.

MR. MOLGAT: No, Mr. Chairman, no, there are still some matters here. Mr. Chairman, I don't want to go over the Hogg report again. My point in bringing out the Hogg report was to make it clear to the people of Manitoba that my honourable friend's vision which he pretended he had hatched himself and certainly made great noise of during the course of the election campaign, and asking for a mandate to develop the Nelson project, was in fact just part of the long range power development of the Province of Manitoba, that this is a perfectly normal development. My questions to him are -- and I repeat once again, that in order to convince the committee that he should proceed on these, he should make clear to the committee exactly where he stands now on two essentials on this project -- and that is, what guarantees has he got for markets. He tells us that he cannot proceed unless he has more than the present Manitoba markets. And this may well be true. Now what guarantees has he got for markets elsewhere. Secondly, what assurances have we now that there is economic long distance transmission. Now this is entirely apart from the costs of developing the project. This is a question of getting the power once you've developed it, into the hands of the consumer. Now is this settled, or is it not settled? Mr. Chairman, the Minister has not said this to the House as yet.

MR. ROBLIN: I've given the House, Mr. Chairman, a very clear explanation as to what stage in this process of solving the technical and economic questions we have reached. A very clear statement. When he reads Hansard tomorrow I think he'll find that it's clear. And that is as far as I intend to go at this moment. When other information is available I'll certainly give it to committee. When it is proper for me to divulge it I will certainly do so. But you know I'm rather interested in the sudden rash of concern about this whole Nelson scheme, and what was said in the election, and what wasn't by the Leader of the Opposition and others like him, because I don't know what he really thinks about the Nelson -- I don't know whether he's for it or against it. But I do know that during the election he was in the unusual position of running on the slogan "People Before Power Plants". So if it was part of the regular development of the electrical system of the Province of Manitoba he wasn't very concerned about it at that time because "People Before Power Plants" was his slogan. And of course what puzzled me was, is what did he think we were building the power plants for anyway, if not for people. If they were not for the employment and the comfort and the convenience of the people of Manitoba, what on earth were we doing in the power plant business? Of course the question answers itself -- "People Before Power Plants", is what he said. Well, I must say that we're not going to rehash the election again tonight, because there isn't time to do much more, although I'm going to sit down in time to give my honourable friend the last word because I know he likes that. But I'm simply going to say that -- (interjections) -- as far as the relative programs of our stand on the Nelson River and his slogan of "People Before Power Plants", I think we got a pretty clear decision from the electorate. --(Interjections)

MR. S. PETERS (Elmwood): I didn't know the Hogg Report existed or that there was such a thing, and if I had of known, I would have used it in the election. --(Interjection) -- The Hogg Report. I didn't know that there was one in existence, and if I had of known about it I would have used it. My honourable friend over there he knew all about it and didn't say anything about it so he was holding out on us.

MR. MOLGAT: I can assure the Minister, the Member for Kildonan, that I spoke about it on many occasions, and I might point out, Mr. Chairman, it's one of the reasons that we are the one party in the province that substantially increased it's vote. My honourable friends, both on my left and across from me, substantially decreased their's.

MR. ROBLIN: You know, Mr. Chairman, oddly enough I'm rather satisfied with the results in spite of what

MR. CHAIRMAN: Item 1, passed.

MR. MOLGAT: No, Mr. Chairman, there are many other subjects still on the Minister's salary that -- (Interjection) --

MR. ROBLIN: more discussions, Mr. Chairman, I suggest the committee rise.

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

Madam Speaker the Committee of Supply has directed me to report progress and ask leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member for Dufferin, that the report of the Committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Public Utilities our debate be adjourned, the House be adjourned.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until Monday at 2:30 o'clock.