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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, March 5, 1964.

MR. CHAIRMAN: Item 16, passed?

MR. FROESE: Mr. Chairman, I have one matter that I would like to refer to the Minister, and that is on the Manitoba Water Supply Board financial statement they have deficits from two previous years, one amounting to a 1962 deficit of \$45,288.92; and then another one from '63, of \$53,905.21. They total \$99,194.13. They appear in the statement as an asset and I wonder if the Minister could explain this to me. If that is the case I would suggest that we subsidize water in Manitoba so that we increase our assets instead of showing them as a liability. Normally, when we have deficits in a shareholding company the deficits are deducted from the share capital and act as an impairment on the share capital but here we find that they are treated as an asset and I would like to know from the Minister how come?

MR. CHAIRMAN: Item 17.

MR. PAULLEY: Mr. Chairman, just before we leave ARDA, the other day the Minister very kindly and generously gave us a yellow booklet called "ARDA Operations '63 - '65." Also the other day we had a fair amount of debating in connection with the Interlake area and the developments in the Interlake area -- the up and coming new Minister for Agriculture -- the member for Gimli entered into it if you recall. But I would like to ask the Minister, I was interested at that time, and I'm interested now, on the question of community development, and I note that on page 2 of the yellow epistle that the Minister gave us, that the question of community development in the Interlake area I presume is going to be handled by the Department of Agriculture and Conservation and Mines and Natural Resources. I've looked through the contemplated estimates for the Department of Mines and Natural Resources and I find nothing there dealing with the question of community development. The Minister this afternoon read off to us a number of items in this Appropriation No. 40 -- dealt with various floodways, etc. -- but I haven't heard from him anything on this question of community development. In speaking on the estimates the other day regarding community development, I thought this was an area in which the Department of Industry and Commerce should be vitally concerned with, because after all as I understand from past remarks of the Minister of Industry and Commerce that community development was to a considerable degree his baby and his department. But I see nothing in the Department of Mines and Natural Resources estimates for community developments and I find nothing in the Agricultural and Conservation estimates specifically dealing with the community developments -- (Interjection) -- Pardon?

MR. HUTTON: One hundred percent paid for -- 100 percent by Federal.

MR. PAULLEY: My honourable friend now tells me, Mr. Chairman, it's 100 percent paid for by the federal. As I understand ARDA, notwithstanding, whose going to foot the bill? Or does my honourable friend mean by this: is this the area in which the federal government has the right to come into the Province of Manitoba because it's 100 percent federal and tell us here in Manitoba what the Dickens we're going to do with our land or community developments -- (Interjection) -- What they're going to do -- Is this the area -- my honourable friend just interjected me to say that there's nothing in here as far as the province is concerned because of the fact as he said: "It's 100 percent federal."

MR. HUTTON: I can answer that very quickly. The federal government has agreed to pay 100 percent of the cost. The program is administered by the provincial government.

MR. PAULLEY: I appreciate this very much. Now we've got the answer -- partially -- that any expenditures of money is going to be done by the federal government.

Now, I want to hear from the Minister what community developments are going to take place in the Interlake area albeit that the expenditure or the cost is going to be done at the expense of the federal government. I'd also like to know from my honourable friend where does the the Department of Mines and Natural Resources come into this -- because, as I say, I couldn't find anything in the departmental estimates, or any indication in the departmental estimates for Mines and Natural Resources. So I'd like to know from my friend what this all means; what is going to be done respecting community development, and as I say, Mr. Chairman, I thought this was an area where the Department of Industry and Commerce would enter into rather than Mines and Natural Resources.

MR. HUTTON: The project is being carried forward under the direction of the Regional Development Branch of the Department of Industry and Commerce.

MR. PAULLEY: Why Mr. Chairman, if I may follow this through, do we find on this yellow epistle on Page 2, dealing with the special agreement, research Interlake, under Section 5, when we look down the page we find community developments and on the right hand side it mentions Agriculture and Conservation and Mines and Natural Resources insofar as community development. Now my honourable friend the Minister says it's to be done in conjunction with the Department of Industry and Commerce. Now, for goodness sakes let's know where we're going, and who's taking us where. I think we're entitled to know. If the Minister doesn't know whose going to do it, or if the authors of this epistle -- although I note, Mr. Chairman, on the front page it says it's by the authority of the Minister of Agriculture, the Honourable George Hutton. Somebody should know; and somebody should be able to tell me whose going to look after the question of community development and what they have in their mind. I don't care, Mr. Chairman, whose putting up the money. I want to know what's going to happen in Manitoba -- and I particularly want to know what is going to happen in the Interlake area.

MR. HUTTON: Well I'd better tell you the purpose and the description of the project. To study the feasibility of establishing industries that are suited to the region; to establish the economics of operating a particular industry at a particular location; to prepare a detailed prospective of the economics of operating an industry in the given community; to involve community people in active pursuit of business prospects to implement the findings. Development organization is suffering at the community level because there is lack of knowledge in promoting development projects. It is believed that the carrying forward of an economic feasibility study for an industry that could be operated in the community would develop awareness of the possibility of an interest in development. Further, that through involvement in the study process the communities would be very active in dealing with business prospects.

MR. PAULLEY: Mr. Chairman, may I refer my friend once again to Page 2 of the yellow epistle. Is there a -- (Interjection) -- Pardon? This area -- because it mentions economic development potential with the Department of Industry and Commerce, and then a little further on it mentions community development with the Agriculture and Mines and Natural Resources. The Minister has mentioned just now what the idea behind all of this is. Is this just a question then that actually this is one and the selfsame development, that, while he's got it broken down here in two items on Page 2, is this just more or less to fill up the page and actually it's Industry and Commerce that's going to undertake this study?

MR. SHOEMAKER: Mr. Chairman, isn't it a fact that about a year ago Professor Tyler in Brandon headed up a committee -- maybe it was only a one-man committee, but we will call it a committee -- to study the population change in the Central Plains. I note in the -- what the Honourable Leader of the NDP calls the yellow epistle, on the same page that he referred to, the fourth item from the bottom: "Population Change Central Plains, Agriculture and Conservation." Now I know that Professor Tyler made a statement on this and released figures at a meeting at Neepawa two or three months ago. Has he tabled a report, and if so, have we the report somewhere in our files?

No. 2. A pink propaganda sheet, dated February 11th, 1963, Page 2, says, -- talking on the sharing of costs on ARDA. "In practice the Federal Government will share with the provinces certain costs of ARDA projects. Local participation in cost will be necessary where there is a high local benefit in a project." I wonder if we could have some clarification on that particular paragraph. It's paragraph 3, Page 2, propaganda sheet dated February 11th, 1963 -- (Interjection) -- The red one. The green ones didn't come out 'til later on.

MR. CHAIRMAN: Resolution 40, passed.....

MR. SHOEMAKER: Mr. Chairman, are we not going to get an answer to the one question anyway as regards Professor Tyler's report? Has he tabled a report or hasn't he?

MR. HUTTON: I don't know whether the report is in or not in final form.

MR. PAULLEY: Mr. Chairman, I was discussing the question about the -- the Minister told me it was 100 percent paid for by the federal government and one of my advisers now has produced for me the Statutes of Canada, 1960-61 in respect of the ARDA Agreement, or The ARDA Act. It's very interesting despite what the Minister said that notwithstanding the fact that this was 100 percent paid for by federal funds, it was only in conjunction with the

(Mr. Paulley, cont'd) . . . department here in Manitoba. As I look at the Act here it deals with the question of rural projects for alternative uses of land -- this is the Federal Act -- and it states in the second section of the Federal Act, the Minister, meaning the Federal Minister, may cause to be prepared and undertake "directly," or in co-operation with the provincial government or any agency certain things, but specifically states that he can do it directly. Then it goes on in the next section to deal with rural development projects, here again under the Federal Act: "The minister, federal minister, may cause to be prepared and undertaken with the government of any province or any agent, any university or person." In other words, a literal translation of this would be that the federal government could come in here into Manitoba and do things without the approval of the Government of Manitoba. The same deals with the section dealing with Soil and Water Conservation projects: The Minister may cause to be prepared and undertaken directly, meaning the federal authority, or in co-operation with the government of any province certain things.

Now, I haven't had an answer from my honourable friend relating to this matter that I've raised as to what actually is the Community Development. He did say to me that the Department of Industry and Commerce were going to undertake an economic development potential study of the Interlake area. Now, Mr. Chairman, I can appreciate the fact that my honourable friend the Minister of Agriculture doesn't know all of the answers. I can appreciate the fact that he doesn't know the operation of all of the department and all of the ramifications of what is involved with his department. So, realizing this, I just suggest to my honourable friend, if he says to me: "Well, I can't answer the Honourable Member for Radisson. I haven't got the information, but I'll find it for him." Now, this is all I ask. I don't ask my friend -- I'm not going to delay the passing of this item; but I do hope, Mr. Chairman, that before the House rises my honourable friend will talk to his advisors upstairs who can't reach him rapidly enough, and give us the information of what is meant on Page 2 of the yellow epistle, Community Development in co-operation with the Department of Mines and Natural Resources.

MR. FROESE: Mr. Chairman, could we have the figure from the Minister as to just how much of this item is directly involved in the Floodway here in Winnipeg.

MR. HUTTON: . . . Mr. Chairman, I want to say while I'm thumbing through this that I'd like to correct the wrong conclusion that the Leader of the NDP has come to. Just because the Act, the Federal Act says that the federal minister may do certain things directly doesn't give him the power, to come in here in Manitoba and build some water-conservation project. He can do it if we let him. There are such things as provincial rights under The BNA Act. On the other hand, we can hardly stop him from coming in here and making a study, as long as he didn't interfere. -- (Interjection) -- Well, fortunately our government at Ottawa aren't quite that bad, even the one that's down there at the present time.

MR. PAULLEY: Oh, this is the one that was down there previously that put this legislation into effect. This is the Conservative Government that says that they can come into Manitoba and do what the dickens they like. -- (Interjection) -- Oh, you leave my friend, Curly John out of it!

MR. HUTTON: The breakdown on the 9 million, 259 thousand is as

A MEMBER: What's this -- that's floodway.

MR. HUTTON: Yes, isn't that the item we are talking about?

A MEMBER: Oh, 40 but ARDA is that passed now; we're into the floodway.

MR. HUTTON: Well there's nothing -- in item 40 there are no monies in that authorization being used for either the Red River diversion or the Assiniboine projects. All the monies in 40 are for lesser projects throughout the province, such as the Fish and Dennis Lake, Norquay floodway, Hespeler and so on.

MR. HRYHORCZUK: Mr. Chairman just one question before we leave this item. It would appear from what we have heard here and read about ARDA that there are at least three ways in which projects will be financed. There's federal financing 100 percent, there's federal-provincial sharing the cost of the project, there's federal-provincial local participation. There may be a fourth where the province goes it alone. But in the release dated Feb. 11, 1963, "ARDA support sought for the Interlake area," the Honourable Minister is supposed to have made the statement that in practice the federal government will share with the province certain costs of ARDA projects. Then it goes on to say: "local participation and

(Mr. Hryhorczuk, cont'd)...cost will be necessary where there is a high local benefit in a project." Would the Honourable Minister give us an example of this last type of a project, where the local community participates in the cost. Just what is meant by this?

MR. HUTTON: Well, there are certain projects that the province might sponsor and collect whatever federal participation is available under the Act. There are certain other projects of a purely local nature where the benefits are going to accrue to a particular community, and we would expect that community to put up a share of the cost of the project. It's just as simple as that. -- (Interjection) --

Well, let's take the Oak Lake project for instance, -- (Interjection) -- The Oak Lake project, between the province, and we hope that the federal government will contribute. They haven't given us a final answer. Where there's life there's hope, you know. But on the other hand, you might take a drainage project where the benefits are going to accrue to a particular locality. We would require the participation of the area benefitting from this drainage to contribute.

Now, most of these 100 percent studies that have been mentioned here, and I think I should comment on this, are being carried out to gather basic information on a region, on the central plains region for instance and the Interlake region -- information that we must have before you can develop studies peculiar to a community within that region, or action And when we get down to these more local studies we might ask for local participation. As a matter of fact, I would hope that when the municipalities become involved, more deeply than they have at this time, that we will be able to get the machinery for getting this local participation; and that is why we are putting a very great importance on the involvement of municipal councils because they are a sovereign body and will provide the machinery whereby the local effort can be financed.

MR. PAULLEY: Mr. Chairman all I ask my honourable friend the Minister -- I can understand what he means on the 100 percent programs, that we are only seeking information; that we are going to go after we have got this information -- all I ask of the Honourable Minister is don't fill up any of these reports that you give us, just simply say to us instead of as you have done in this "yellow epistle" as I call it, that these things are going on: "Projects assisted by ARDA 1963-64." Instead of listing them the way you do in the grandiose manner just say will you, that these are being done in a preliminary stage at the present time; that we don't really mean that the economic development potential is really anything other than a survey at the preliminary stages. We don't really mean that the special agreement in respect of research in the Interlake area was land utilization; all we mean is that these are things that are being studied and we will eventually report to you the results of the study because when you turn out an epistle like this -- and I'm sure my honourable friend, the Minister of Agriculture doesn't mean to convey to us that these are things that are really being dug into at the present time, but are just things for the future -- and if he'd only do this, Mr. Chairman, I think we'd be far more satisfied.

MR. HUTTON: That's what he thinks, but it isn't what I think.

MR. PAULLEY: I know Mr. Chairman, but I only want to look at them in the viewpoint of one of those who is interested not in personal aggrandizement or anything of that nature, but simply one who is interested in what is happening in the Province of Manitoba.

MR. MOLGAT: Mr. Chairman, on this same item, there are some projects where the municipalities contribute part of the costs. Is that included in this \$1,300,000 figure?

MR. HUTTON: No.

MR. MOLGAT: So any municipal contribution is not included in that?

MR. HUTTON: No.

MR. MOLGAT: So the padding that exists in this figure is strictly the federal figure?

MR. SHOEMAKER: Mr. Chairman, I have a letter before me dated June 5, 1963 last year addressed to the Provincial ARDA Co-ordinator, Department of Agriculture and Conservation, Administration Branch, 709 Norquay Building, Winnipeg. I will read the opening paragraph to indicate. . . .

MR. CAMPBELL: Oh, read it all.

MR. SHOEMAKER: I can if you like. It says: "We have your letter of May 17th sent out in the form of a circular letter and in view of the tenor of your letter in which you seek

(Mr. Shoemaker, cont'd)...to know of matters which would help town and community betterment and development, we would bring the following two proposals to your attention."

Now what does that suggest Mr. Chairman? -- that the co-ordinator of ARDA for the Province of Manitoba has mailed out a form letter to every municipality in the province and in addition I suppose to all the Chambers of Commerce in the province and other interested bodies asking for concrete projects. The president of NADCO, we call it in Neepawa, Neepawa Area Development Corporation, replied and listed two projects in reply to the request. I think it would be most helpful to the municipalities, to the Area Development Corporation and the Chamber of Commerce, if the province would say here are a number of projects and here is what we are prepared to pay as regards the sharing of costs. Now I think somewhere in my files I probably have an answer but I am certain as I stand here that they have not as yet received -- and this is seven months later -- any indication as to what the government will do in the sharing of the cost. The number one project they refer to is a Pioneer Museum. I don't even know whether it qualifies, or it could qualify. He spends two or three paragraphs on that and then goes into the subject of a camp site and beach on the eastern shore of the recently established PFRA dam at Neepawa. Now surely, when the government extends an invitation to the municipalities to submit these various projects, they should be able to send along with this invitation a list of projects and the grant structure for same.

MR. CHAIRMAN: Resolution 40 passed; Item 17 passed...

MR. T.P. HILLHOUSE, Q.C. (Selkirk): Mr. Chairman, I've kept out of this agricultural discussion up to now because the only claim that I can lay toward being an agriologist is the fact I have window box of double petunias under my bedroom window, but there are certain matters in connection with the Greater Winnipeg Floodway I think should be brought to the attention of the people of Manitoba, particularly insofar as they relate to some of my constituents who have suffered damage, and a great deal of inconvenience by reason of the construction of the northern outlet to that Floodway. This matter first came to my attention in June of 1963 and as a result of certain representations made to me on that occasion I wrote the following letter to the Honourable Minister of Agriculture and Conservation. It's dated June 3rd, 1963. It says: "Dear Mr. Hutton: Re Northern Outlet to Greater Winnipeg Floodway: I have received several complaints from residents of the Lockport area respecting certain blasting that was done at or near the above outlet on Sunday afternoon around 6:00 p.m. One of my complainants advises me that the debris from the blasting almost hit one of his boats on the west side of the river, and that at the time that this blast went off, there were practically 3,000 people fishing and picnicking in the area, to whom no previous warning of any kind was given. Would you be kind enough, therefore, to look into this matter and insist upon some ground rules being observed, such as, no blasting on a Sunday, and the giving of some notice or warning to the people in the area well in advance of the time when a blast would be set off. Thanking you in advance for giving this matter your usual courteous attention, I am yours sincerely." Subsequently I received a letter from Mr. A.G. Mensforth, professional engineer, Chief of the Floodway Division, dated June 5th, in which he says: "Dear Sir: Your letter of June 3rd, 1963, to the Honourable George Hutton, with regard to blasting in the Lockport area has been forwarded to me for acknowledgement. The amount of flying material and the distance covered was indeed unfortunate, " -- As a matter of fact the distance covered by that flying material was over half a mile -- "The matter has been brought to the attention of the contractor with the request that they lighten the amount of the explosive and try to pattern their blasts so that any flying material will go to the east." -- They never achieved that -- "The elimination of week-end blasting as far as is possible because of the recreation aspects of the area will be taken into consideration by the contractor. I believe that a solution to the problem acceptable to all parties concerned can be found and will meet with the contractor's people on the job to attempt to work this out."

Now for a short time after that there was no further complaints received from any people in that area but that situation didn't last very long. It wasn't very long until I had all the boatmen from the Lockport area down to see me to see if something could not be done to stop this interference with their trade, on week-ends particularly.

Subsequent to this I began to receive complaints from people in the area as to actual

(Mr. Hillhouse, cont'd)...damage being done to their homes -- and I wish to assure, and I think the Minister is fairly well aware of this, that at least ten people to my knowledge on the west side of the Red River did receive substantial damage to their homes. Now these people have all complained, either by letters written to the Minister or letters written to the Premier, and no doubt the Minister and the Premier have both referred their complaints to the Bird Construction Company. But so far the Bird Construction Company has not taken any effective action, either to ascertain the amount of their claims or to acknowledge these claims as being valid claims. Now I wish to assure the members of this committee that these claims are valid, and I don't think that it is good enough for the Bird Construction Company, or any other company which is employed by the Government of Manitoba to do the work at the northern outlet to the floodway, to treat these people in the manner in which they are being treated. Now it is true that they have sent down insurance adjusters -- and they have sent down numerous insurance adjusters. So far, nothing has been done and these people are getting to the point where they are going to take legal action. Now I have pointed out to the Minister that notwithstanding the fact that Manitoba has a contract with the Bird Construction Company, and no doubt there is a provision in that contract which indemnifies and saves harmless the Province of Manitoba against claims for damages, I have pointed out to him that notwithstanding such a provision in the contract, it does not relieve the province from the primary responsibility and all that I ask of this committee, and of the government, is to see that the people in that area are given the consideration to which they are entitled and that whoever is responsible for appraising their damage, and settling their damage, should be made to do so without any further delay.

MR. HUTTON: Mr. Chairman, I agree in substance with what the Honourable Member for Selkirk has said. I think it will be assurance to him to know that we are not making final settlement with the contractor until this matter has been cleared up to our satisfaction, and to make sure that the people in the area who have suffered legitimate damage have received fair treatment.

MR. MOLGAT:, Mr. Chairman, the latest cost estimates on the Shellmouth Reservoir on the Portage Diversion and on the Red River Floodway?

MR. HUTTON: Well I haven't any latest cost estimates. The only thing that I can tell the Honourable Leader of the Opposition is that in the case of the floodway so far, our contracts have been at or below estimates, and some of them substantially below estimates. It is still too early, however, to say that we are going to build this gigantic project at less than estimated cost. At the end of this year we hope that 50 percent of the Red River Diversion will have been completed. We'll have a better idea when the work that is to be undertaken this year -- when tenders have been called and we know the results of the bids received.

In the case of the Shellmouth Reservoir, as you know, it was estimated at \$7.5 million; PFRA are building it. It is true there is an Assiniboine River Advisory Committee made up of representatives of the Federal and Provincial Governments, and they may have firmer cost estimates but I have seen no official estimate, that is, that sets aside the original estimate made about two years ago.

In the case of the Portage Diversion, our estimates there will not be firm until the design has been completed. It was originally estimated that \$11.5 million, that is, a little over a year ago, and there are certain modifications that have taken place that may affect this but I don't think that I would want to venture an estimate at this time until at least the design on the new location has been completed.

MR. MOLGAT: The locations to which the Minister refers, Mr. Chairman, are going to cost more or less than the original estimates?

MR. HUTTON: They could be higher than the original estimates, yes.

MR. MOLGAT: Mr. Chairman, we have it then for the Shellmouth, the \$7.5 million stands; for the Portage the \$11.5 million the Minister says could be higher. Now surely the Minister must have some idea of how much higher, because these projects are based on cost benefit studies and quite obviously if the cost goes up, then the benefit goes down. So before the Minister can recommend to the House any project he must have a fairly accurate idea of the cost, otherwise it is impossible to recommend the project. Now if my honourable friend says he is making modifications, I agree that he may not have the exact cost but he should have a reasonably good idea. I wonder if he would tell the committee what this is likely to be, otherwise how can he recommend it to the House?

MR. HUTTON: We are working on a better than a nine to one cost benefit ratio. So I think it becomes obvious that a slight increase in the cost is not going to make any substantial difference in the cost benefit ratio -- nine to one, better than nine to one.

MR. MOLGAT: But Mr. Chairman, that still doesn't answer my question. Will the Minister tell us what the extra cost of his modifications are estimated at at this time?

MR. HUTTON: No.

MR. MOLGAT: Mr. Chairman, I am sorry if the Minister is not prepared to answer the question because I think this is very much a part of the decision that has to be made in this regard and of the decision that the people of Manitoba will make on the matter at hand. I can't understand why the government is not prepared to give this information. Surely it must have it. How can the government proceed on the project without having the information? It is inconceivable that they would. Why is the Minister not prepared to give this information to the House?

MR. HUTTON: Mr. Chairman, a very good reason. Because we haven't made a final decision in respect to certain factors on the route. For instance, the outlet right at the lake. In one case we have a long loop, and the other recommendation is to take it straight in. There is still the question of freshening up the little lake, the Crescent Lake in Portage. It's just a month ago, a little better than a month ago, that we finally found our location and for me to give out estimate figures at this time would be premature.

MR. JOHNSTON: Mr. Chairman, like the Honourable Member from Selkirk, I know very little about farming myself, but as the Minister knows, I have some thoughts on his project, namely the Portage diversion.

At the outset however, I would like to, thank him, perhaps is the word I'm looking for. If he will recall last year at about this time when I was making known some of the objections I had to the proposed location at that time of the Portage diversion -- and I'm speaking of the physical layout that was staked out at the time. I'm very happy indeed that most of our objections were met in the past year and just to enumerate them from one of the red sheets of January 17th, it says here the changes that were made and their advantages. Firstly, it says that by moving it 2-1/2 miles away from Portage it was not taking out of service potentially irrigable land north of Portage. It would have less effect on the potential development of the City of Portage by taking it 2-1/2 miles away. It would have no effect on the city water plant by moving it out. It would also avoid going near the three cemeteries or possible disturbance of same; and it goes on to say that the elimination of any likely seepage out of the channel into the city. For all these concessions I am grateful and the people of Portage I'm sure are grateful also.

Now Mr. Chairman I'm not qualified enough, I'm not an engineer, I don't know whether this diversion is the right thing or the wrong thing, other than that I have some doubts and some questions I would like to direct to the Minister. Now there has been much said about this work in the past and I have done some reading and I have before me here a publication; "Proposed Shellmouth and Holland Reservoirs and Portage Diversion" put out by the Department of Agriculture Prairie Farm Rehabilitation Administration, Canada; and on page 11 where this report is discussing between the Holland Dam Reservoir and the Portage Diversion, it refers to the Holland Dam Reservoir at great length and it states, and I'll quote this: "The Holland Reservoir has a storage capacity of 640,000 acre-feet at full supply. To obtain maximum flood control benefits or maximum conservation benefits, the reservoir is operated in a manner similar to that outlined for the Shellmouth Dam project." And in the next paragraph, speaking about the Portage diversion and the first line of the paragraph it says: "The Portage Diversion is a floodway connecting the Assiniboine to Lake Manitoba.

The point Mr. Chairman I am making here is that there is no mention made in this federal report of conservation. It's strictly a floodway. I see the Minister of Welfare is in his seat and he checked me up the other day for thinking or saying that there were many things, contradictory things, being said about this proposed diversion. Now I'd like to refer back again to one of the red sheets of January 17th when the Minister, that's the provincial Minister of Agriculture says here: "The Minister said the diversion is more than a flood control measure. It can provide irrigation for the land north of the city. Most important of all, it enables Lake Manitoba to be used as a water storage area."

(Mr. Johnston, cont'd)...

Well, Mr. Chairman, it seems to me that there are two definitions of what the Portage diversion is for. Now I want it clearly understood that I am certainly in sympathy with the people down river from Portage who are giving their full support to the diversion as the only method of flood control offered to them. I'm not arguing their thoughts on this whatsoever, but I am concerned about the way that this project is being referred to and some capital is being made out of calling it a conservation measure.

I would like now to refer the committee to the annual report on page 121, and there is a graph here of the Lake Manitoba level, the mean level; and has been stated earlier, the desirable level of this lake is between 811 and 813 elevation. Now in this graph it shows in 1962 in June the lake level was almost 812-1/2 feet elevation. Now we have heard earlier tonight the Minister say that if 5 inches were added or an inch were added it wouldn't be a great amount; but I am fearful that it would be quite an amount to some of the people in the area who have farms or summer resorts. How this can be called conservation I don't know, because further in another article I have here, which is a report in the Daily Graphic, of the meeting at Elie Feb. 29th I guess. Mr. Hutton says here: "The diversion will not affect the level of Lake Manitoba to any appreciable extent." Well I think we all know 5 inches is not much water in a bathtub or something like that, but in a shallow lake like Lake Manitoba this could be too much water when it is already at its desirable level, so therefore I know the Minister is going to say that the Fairford dam comes into play and will control this level and will empty the water out. Well now, this comes to the argument that the Portage conservation group are using that this is not conservation of water at all. This dumping the water out of Lake Manitoba to maintain this level by no stretch of the imagination can be called "conservation of water." So I'd like to hear his comments on that.

Also another item that was mentioned by the Minister on one of those propaganda sheets. He states that this diversion can provide irrigation for land north of the city. Well in the talk that I've heard at the meetings I've attended it was my understanding that this diversion was to operate only in the spring runoff, which would be around April I would imagine, early part of May, and while I haven't taken a survey I would imagine that there aren't many farmers who would want water at that time of the year for irrigation. Now, perhaps the Minister has other ideas on how this ditch would be used for irrigation later in the summer -- I'd be glad to hear of them -- but I thought that the people in the area were given to understand that this diversion would be dry most of the year, would be able to be crossed at other than points where there are bridges, there would be dry crossings; but if it is the intention to hold water in it for a good part of the year so irrigation can be carried on out of the ditch itself we would like to hear about it.

Upon reading again this Canada Department of Agriculture report, on page 6, it is speaking about the flooding that occurs between Portage la Prairie and Winnipeg on the Assiniboine River, and it says and I'll quote: "In this reach, the river flows on top of a self-formed ridge and in some places the riverbed is higher than the elevation of the land beyond the river banks." Now the question I have related to this statement is, has there ever been a study made to find out whether it was desirable or not to do some dredging or some work on the Assiniboine River in this area? It says further in the article if the water does get out, it can't get back in -- it flows away from the river itself. If there were ever any studies or any costs taken on dredging of this point along the Assiniboine River, where the water would flow below the level of the land, I'm sure this in itself would help some of the flooding that goes on in that area, and regardless of what method was taken to control the Assiniboine River I think this aspect of it should be looked into.

The biggest doubts in the minds of people in the Portage area wonder about the value of the Assiniboine diversion -- these doubts could be removed if this were a PFRA project. I believe from what I have heard talking to the people in the area that while they are willing to concede the diversion, to go in if this were the only answer, if PFRA were to take this job and do it, this in itself would answer the critics who are against the project as it is now outlined to us by the Manitoba Department of Water Conservation. I'm wondering if the Minister can give answers to some of these questions I have brought up?

MR. HUTTON: I thank the Honourable Member for Portage on behalf of the staff of the

(Mr. Hutton, cont'd)...Water Control and Conservation Branch for the finest insult they've been handed in a long time.

MR. WRIGHT: Mr. Chairman, this is the largest single item here, some 9 million, 300 dollars, and because I have been intensely interested since a boy in this subject of water conservation and flood control, I feel that I should put a few thoughts on the record.

First of all, I should state my position on the Red River Floodway because having had some experience in a supervisory capacity during the flood I was in a position to watch it. In talking to Professor Kuiper one Saturday morning, we discussed the cost-benefit studies of the Red River Floodway. I asked him did he think that this was the right thing to do and he gave me an answer like this, he said: "This is the best thing to do now with the money that we have. Fifty years from now perhaps our children's children will look back and say: 'Why did we dig this big ditch around the city?'" When I thought a little more deeply into the problem I could see the wisdom in this. For instance, how far is one generation expected to plan? No doubt 50 years from now we'll have a different tax structure; we'll have a lot more people here, more shoulders that could possibly build like they do in the United States of America, concrete walls through which they guide their rivers, playgrounds along the side, property is brought back for a quarter of a mile each side, and so on. So I believe for the present this is the right thing to do for the money that we are able to afford.

Now when I started to think about water conservation and flood control, the diversion of the Assiniboine into Lake Manitoba, the more I gathered on the subject, the more confused I got. And being a great believer -- I have great faith in our engineers; I have great faith in these cost benefit studies as engineering studies -- but there are times though that we as legislators must set the principle. I'm quite willing to go along with the idea that the Assiniboine diversion plus the Shellmouth Dam is the best thing to do for the money at the present time. But I'm just wondering in view of what's happening all over North America whether this isn't the short-sighted view; because no matter where I gather material for my file here, I find that this is a universal problem. I find, Mr. Chairman, that in Ontario last year dairy farmers were paying \$30 per day for water. An article here: "What Price Water?" in the Family Herald. "How much is water worth?" the article says. To some dairy farmers in Middlesex County it has cost up to \$30 a week this fall for enough for their cattle to drink. All over Ontario wells were going dry. At Belleville streams were so low the polluted water wasn't fit to use."

I see also, Mr. Chairman, in the west here at Tabor, Alberta, it's costing a dollar to three dollars per thousand gallons. Here in the west where we have never experienced water shortages such as this. And here in Manitoba we have the great paradox, as the Government bulletin says, that we are water rich and yet water poor. When we think of the great Saskatchewan River with its two branches, the north and south, both originating some 30 miles from Lake Louise in a little mossy hill and yet taking such a great different course only to join again just east of North Battleford and finally enter into Lake Winnipeg at the Grand Rapids site, one cannot help but be thrilled by the fact that 40 percent of this water that rushes out of the Nelson River into the Bay, 40 percent of that water is mountain water. Then it seems logical that we have to divert this water. We have to take this water from the mountains, bring it in on the west side of the Riding Mountain escarpment there and try and get it to southern Manitoba. Because we mustn't forget that lovely little town of Morden where we have our experimental farm, drinking water is at a premium. So we are water rich and water poor at the same time.

I was interested in the theory that we should, and I agree with the Honourable Member for Lakeside that we should try to stop this water as close to the source as possible, and that's why the Shellmouth Dam is no doubt the right thing to do. I notice the government in their bulletin have a map here showing where they propose to control a lot of this water. I'm interested especially in the Souris River where it takes a south-easterly direction and suddenly it takes a right angle turn and goes north-easterly. Some people have thought that this river could have been diverted into Pelican Lake and thence into the Pembina River, to try to get water as far south as possible for irrigation. When I mention irrigation, Mr. Chairman, we have the problem of irrigation now versus dry land farming, and I read where six-tenths of one percent of the world's land is irrigated. That is the amount of land in

(Mr. Wright, cont'd)...the world that is under irrigation -- six-tenths of one percent of the total land surface. This land supports 25 percent of the world's population, so I think that water conservation will be of paramount importance in the years to come. As I said before, how far is one generation expected to plan? I believe that we should plan as far as we can; as far as it's humanly possible to plan.

Therefore, I'm wondering just whether, because I remember the Honourable Minister did state, and he said the other day that he had changed his mind on the value of the Holland Dam, because I believe he did believe at the time that you could have both water conservation and flood control, but apparently the engineers tell us now you can't have both -- if you have water conservation, you can't have flood control. But I'm just wondering though whether or not the Holland Dam by holding great quantities of water upstream wouldn't also act as a flood control, especially when you look at the map and see the program for the future of dams along most of our rivers for irrigation purposes. It seems to me that the program of irrigation is not coming along with our thinking in flood control; and I know that once you go through a flood of the magnitude of the '50 flood, you can be forgiven for concentrating perhaps on flood control. I'm wondering though whether we shouldn't -- I went out three weeks ago to Portage la Prairie at the invitation of some friends because of my interest, and I was driven around all day in a car there looking at the different proposed channels, which didn't mean too much to me, but I was impressed by the sincerity of these people who have lived there a long time. And I get back again to the question of well I don't quarrel with the engineers as to the cost-benefit studies; I'm just wondering if we aren't shirking responsibility as legislators when we pass up this idea of emphasis on flood control rather than water conservation, because all over North America this is going to be -- because after all, Mr. Chairman, as the population explosion catches us here in North America, we will be faced with either having people move to the north where we have water supply, or moving our water supply to the south where the land is more fertile and where it would be put to the best use. As I said before, unlike the Honourable Member for Portage I'm not too sure whether the Portage diversion -- whether we shouldn't proceed with it, perhaps we should. But I'm just wondering whether we are giving enough thought to irrigation as part of the overall water conservation picture and flood control for Manitoba.

MR. PAULLEY: Mr. Chairman, just before we pass the item, I'd like to ask my friend a couple of questions dealing with the estimates -- the financial aspects of the floodway. I note that there was an appropriation for the year ending March 31st, which is just a few days away, couple of weeks away, there was an appropriation of \$7 million. I would like to ask my honourable friend if he can give us an indication as to how much of this \$7 million has been expended, or whether he anticipates it all being expended before the end of the current fiscal year?

I'd also like to ask my honourable friend to give us an indication of where he is going to get for the next fiscal year, ending March 31st, 1965, where he is going to get almost \$12 million from the federal treasury. I note that in the estimates that were laid before the House of Commons yesterday, that there is provision in the estimates for the next fiscal year of a sum of \$5 million in respect of the Greater Winnipeg Floodway, the Red River Floodway. It seems to me that the present government at Ottawa is cutting down to a considerable degree on many of its appropriations and they have stated, if the news items are correct, and they're usually correct, that all that the Government of Canada is going to allocate for the Red River Floodway is the sum of \$5 million. Now I don't know if this comes as a shock to my honourable friend the Minister of Agriculture, or not, or whether he has some other explanation, but if this is the case, if this is the case, then where is my honourable friend anticipating an additional \$6 million from the Government of Canada; and what does he intend to do if the news items only allocating \$5 million for the Red River Floodway are correct? That deals with the financial aspects, at least at this point, in respect of the floodway.

To recapitulate, first of all, has all of the \$7 million been expended? Secondly, where are you going to get \$11 almost \$12 million from federal treasury when they have already said that all that they would spend in the next fiscal year is \$5 million for the floodway? Are we going to delay the floodway still further as a result of not getting federal money?

Another question I would like to ask my honourable friend in respect of the floodway:

(Mr. Pauley, cont'd)... Has everyone whose property is affected as a result of the building of the floodway been satisfied so far as the price paid? Have agreements been made with all of the people concerned with the building of the floodway? Or, if not, how many individuals still have not come to terms with the Government of Manitoba respecting compensation for properties which have been confiscated by the Government of Manitoba?

And then there was a question -- I believe, however, Mr. Chairman, it was asked as an Order for Return dealing with the water table levels and wells. I had hoped that this information might have been before us before we got down to this question of floodways but apparently it is not -- that is, the lowering of the water levels in the wells. It's an Order for Return we've requested. -- (Interjection) -- Pardon? -- (Interjection) -- Gave no answer. -- (Interjection) -- However that satisfies me.

One other point is to get the viewpoint, Mr. Chairman. I note that in this appropriation we are carrying the Seine River. I presume that this originally was in connection with the Seine River diversion and possibly should be stricken out of the list of projects that are covered by the appropriations No. 41; unless my honourable friend the Minister has some other ideas in respect of the Seine River, possibly reclaiming all of the land in the City of St. Boniface where the Seine River flows. If that is what he has in mind I'd like to hear it from my friend. If he has no other plans for the Seine River maybe we had better drop the word Seine River out of this appropriation for future years.

MR. HUTTON: Yes.

.....Continued on next page.

MR. CAMPBELL: Mr. Chairman, I would appreciate it if the Minister would give us a breakdown of all the items that are covered under Vote 41. There's quite a number there. I'd like to know the portion that is appropriated to the Red River Valley, the part that's Assiniboine River -- if possible broken into the different projects there, the Seine River, Lake Manitoba Flood Protection -- I suppose that's a separate one -- soil erosion, the water control and drainage projects that are covered in this item. I think it would be interesting to the committee to have the complete breakdown and the amounts allocated to each of these various projects.

Then I'd like to ask the Minister, have the agreements that cover the Red River Floodway and the Shellmouth Dam and the Portage Diversion ever been tabled in the House? I would be interested in seeing the one dealing particularly with the Portage la Prairie Floodway. I assume that is covered by the one agreement -- the one agreement in with the Assiniboine River likely -- but I am not asking anything for myself that I wouldn't suggest should be given to all of the group, so would the Minister be willing to table those agreements with copies for the various groups in the House?

Then, Mr. Chairman, it is of course not possible that this large item dealing with such a list of projects would be passed without me saying a word also about the Portage la Prairie diversion. My honourable friend from Portage la Prairie and my honourable friend from Seven Oaks have both said that they are not certain whether this is good or not. They are both inclined to be doubtful of it but they are not certain. I once again must go on record as saying that, to the extent of my judgment, I am certain that this is not the best project. I am certain, as I stand here, that time will prove this to be not the best project that could have been put in. I am certain that time will show that what we should be doing at this period in our history is conserving water, not running it away towards the Hudson Bay. And while I am not in a position to argue with the experts on this matter, I simply cannot accept the statement that a series of dam projects can not be made to serve both flood control and water conservation. To say that they can't of course at the same time fully discharge both responsibilities, is obvious. You've got to take some chances with having full reservoirs for the ensuing summer in order to have your reservoirs empty enough to handle the flood control. But to come out with a categorical statement that they can't do both is, in my opinion, absolutely wrong.

It is admitted that the Shellmouth Dam will perform a considerable amount of flood control. If the Shellmouth Dam will perform flood control, why won't the Holland Dam, or why won't a series of dams? I can't see that it is beyond the capacity of an average man, let alone a professional engineer, to so arrange matters that they keep letting water out of the reservoirs in order to be in a position to take the flood when it comes.

I know that my honourable friend the Minister has recently had two delegations to see him, or rather one delegation came here to talk to the Premier and himself and the other one he and the Premier, I believe, went out to Elie to see them. I have never made any bones about the fact that as far as my constituency is concerned there are a lot of people who are unfriendly to the Portage diversion. There are a lot of people so far as my constituents are concerned, I think more people, who are in favour of the program as announced at the present time. But every one of those people that I have talked to -- and I have never made any attempt to pretend otherwise to them than that I was unfavourable to the Portage diversion -- I have never met a single one of those people, those constituents of mine, who favour the project as outlined at present but what admit that if they were sure, if they had assurance that a system of dams would be put in, that they would prefer that because they believe that a system of dams could be set up that would handle both flood control and water conservation, and they are conscious of the need of water conservation.

But the position they take with me is simply this, that we are offered this measure of protection, and goodness knows the people who have been flooded time and time again are anxious to escape from that hazard, so they say, we are offered this one, whether we like it or not we have the present government in office and the present government says that -- and a good many of them don't like it -- and they say the present government says they will do this job for us; they apparently won't agree to the system of dams; and consequently they are of course in favour of the Floodway. And for their sake, if there were nothing else, if there were no better alternative, I would say the same thing. But I insist that I simply can't be convinced that there isn't a better alternative even from the point of view of flood control. And

(Mr. Campbell, Cont'd.) . . . as far as conservation is concerned, then I don't think that any person can even attempt to argue the respective merits of the two proposals.

I've asked the Minister time and time again, what about the proposal to spread this water over the top of Lake Manitoba, increasing the hazard, even if it is only half a foot, increasing the hazard of the farmers who have suffered there for years and years and years because of high water. What the Honourable Member for St. George said this afternoon is perfectly true, even if your water level is not up close to the upper limits in Lake Manitoba you get the prevailing winds for two or three days from one direction and it piles the water up on the other side, piles it up because Lake Manitoba is a very shallow lake. There isn't room for an undertow and it piles up and it's tremendously hard to keep the level to a place where some flooding doesn't take place.

But apart from the hazard of flooding to the people around Lake Manitoba, what about it as far as conservation is concerned? It is admitted that on Lake Manitoba through the summer that two feet of water disappear by evaporation. Now of course this evaporation goes on anyway. It goes on every summer and there is more depending on the kind of a summer that it is, the temperature and the weather in general. But we are talking about the water that is coming down the Assiniboine River, the particular water that is coming down that river and what a way to conserve that water. Is it to spread it out on top of this shallow lake where all that evaporation takes place, or is it to put it into a series of dams, two or three or more dams, where instead of it being exposed over that 2,000 square miles that it is, in a series of dams that are comparatively narrow and deep, and the difference in evaporation is tremendous in that instance alone. And apart from that, even though my honourable friend's engineers say that it won't be needed for a long time, at least it is there.

If my honourable friend has ideas about irrigation, quite frankly I don't think we'll find the Portage plains responding greatly to irrigation in his lifetime or that of anybody around here -- I could be wrong on that -- but if he is thinking about irrigation, surely to goodness that is the place to start from. So I guess I've said enough through the years to prove that I don't agree with the proposal that is here.

I would just love to have my record judged in the matter of the future as to who was right about this matter. I'm so sure that the conservation feature is the one that we should be looking at, that I am very glad to go on record on that side of it. I don't expect to convince my honourable friend. He has shown through the years that he is not intending to change his mind and I suppose that he won't change now just because I tell him once again what I think about the situation.

But I see by the Free Press report of December 21st that my honourable friend the Minister of Agriculture was attending a conference in Regina where the urgent question of how best to use and perhaps increase supplies of water on the prairies was being discussed. My honourable friend was one of the ones there who took part with his opposite numbers in the other prairie provinces, and for a while I believe the federal Minister of Agriculture sat in and also the federal Northern Affairs and Natural Resources Minister, Arthur Lang. Yes, Friday's meeting was attended by Premier Lloyd, I. C. Nollett, Saskatchewan Agricultural Minister; Mr. Strome, Alberta Lands and Forest Minister; N. A. Willmore; Arthur Lang, federal Northern Affairs and Natural Resources Minister; Harry Hays, federal Agriculture Minister; and George Hutton, Manitoba Agriculture Minister; and various technical advisers.

The report says that it was felt there must be co-ordination and long range planning of major water projects in the three prairie provinces. Well if they discussed the proposal of my honourable friends to run this water, hustle it as fast as they could get it to go, out from the Assiniboine River and into Lake Manitoba and from there over to Lake Winnipeg and down the Nelson and out to Hudson Bay, I don't think that he would find many of them that would suggest that that was water conservation.

The ministers at the conference pointed out that steel mills and chemical plants and pulp mills, so many other things, require water in addition to hydro electric power generation. Pollution problems must be met. Water is required for irrigation and all the rest. Then they emphasize this, that 60% of the water on the prairies, the most arid part of Canada, flows north into the Arctic Ocean. Apparently they are even going to try and stop the water that nature decided would go out to the Arctic Ocean. They are going to stop that from going to the

(Mr. Campbell, Cont'd.) . . . Arctic, at least investigate the possibility of bringing some of that this way, but in the meantime my honourable friend is taking some water that does run through here and hustling it off to the Hudson Bay just as quickly as he can get it there instead of storing it up where we need it.

Saskatchewan feels that eventually water will have to be obtained from British Columbia also through diversions across the Rocky Mountains. Well I would think that Saskatchewan -- (Interjection) -- Pardon? Diversion -- but diversion to bring it into the prairies, not to run it away from them. But I would think that Saskatchewan's hope of getting that done, not only in our lifetime but a long time after, is about as good as mine is of convincing my honourable friend the Minister of Agriculture to change his mind on this matter.

MR. PAULLEY: Mike Pearson Columbia River.

MR. CAMPBELL: Yes, and I would think that if my honourable friend were in Mike Pearson's place, which Heaven forbid, that he would likely do the same thing. -- (Interjection) -- Yes, he would.

MR. PAULLEY: . . . too much intelligence to do that, to give it to the "Yanks."

MR. CAMPBELL: Why don't you show some of it here?

Mr. Chairman, I admit that I haven't very much hope of changing the Minister's mind and it is getting along to half past nine and he really has spent quite a bit of time in the committee, and I'm inclined to propose that we should let him get finished with his estimates within a matter of a day or two, and if he would just agree that he will lay on the table of the House copies of these agreements -- I think we should have the opportunity of seeing them -- and then if he would break the items down here into the various categories and then -- naturally I wouldn't deprive him of the opportunity of talking once again on the Portage diversion and any of these other matters -- I'll desist for the moment in order to give him a chance.

MR. SHOEMAKER: Mr. Chairman, I think this will be the last time that I speak on the Agricultural Estimates even if we do carry on for two or three more days, but I just want to say this, that I thoroughly endorse what my honourable friend the Member for Lakeside has said and the Member for Seven Oaks as regards water conservation rather than hustling it off to the sea.

I recall asking my honourable friend two or three years ago how they proposed to pay for the floodway because we were talking about \$63 million, \$67 million, \$68 million and so on, and he said \$4.2 million a year for fifty years -- I think that was the way -- it was going to be spread over fifty years and the payments would be approximately 4.2 a year for 50 years, amounting to something like \$212 spread over 50 years -- 212 million in total.

Now I think I can find this in Hansard but not right now -- but I can find it if he gives me a day or two to find it -- so I recall at the same time saying this, wouldn't it be better to build, if it was necessary, 212 dams each costing \$1 million to conserve rather than hurry it off to the sea. And then I recall my honourable friend saying, where would he build the dams? And do you recall me saying it wasn't up to me to decide, that you happen to be the Minister at the present time? Well I'm still of the same opinion in this regard, that if you did build 212 dams each costing \$1 million you would have a conservation program. That's what I was trying to point out. However, I agree with my honourable friend that we are not going to change the Minister's opinion, I don't suppose, so let us make the best of it.

A year ago there was quite a splash in the Tribune, probably both papers, I recall headed -- I haven't got them here -- "Floodway to have Tourist Attraction. Horseracing in the Floodway? Tobogganing in the Floodway?" -- and so on and so forth. You will recall certainly the press printed them; they were headline stories. We haven't heard anything further in this regard and I was just thinking when we were talking about -- that comes under my honourable friend's estimates I suppose, the Minister of Industry and Commerce, because this will have to do with Tourists and the like -- but nevertheless there is a relationship here, and I couldn't help but think of the Portage diversion, talking about the triangle that is the diversion, the water running in at the one corner and coming out at the other one, that possibly as a tourist attraction you could establish a triangle tour for a Sunday afternoon and you could go up the diversion route to the lake and come back the sewer route and then back into Portage, and you could probably attract a lot of tourists in this way.

Now presently I'm reading -- the Sewer Tour they could call it. I am presently reading

(Mr. Shoemaker, Cont'd.) . . . a book "Wonders of the World" put out by a Leonard Cockrill, and this is a recent book -- in fact it's the last one he has written and he has written fifteen of them and they are all excellent books. -- (Interjection) -- Pardon? And in the introduction he tells you why the book was written. He deals with the seven wonders of the ancient world and then the seven possible wonders of the modern day. On page 13 of the book, of this Seven Wonders of the World - it's from the library here, you can go and get it. In fact the little card here indicates that it's in pretty good demand. It has been borrowed a dozen times since December.

But here's what he says. "Some years ago the American Society of Civil Engineers held a competition to decide which were the seven wonders of the modern world. The result provides a significant comment on our society and illustrates the futility of attempting to equate the ancient wonders with the new." Here is the list that was submitted by the American Society of Civil Engineers. 1. Chicago's sewage disposal system; 2. The Colorado River Aqueduct; 3. The Grand Coulee Dam; 4. The Hoover Dam, formerly the Boulder Dam; 5. The Panama Canal; 6. The San Francisco Oakland Bay Bridge; and 7. The Empire State Building.

Now of the seven it says here, "most are concerned with water and, of these, three are dams." Now I suggest that inasmuch as the Winnipeg Floodway compares in one aspect to the Panama Canal -- it's greater, according to my honourable friend, there was far more dirt removed. Right? I thought there was more dirt removed from the Winnipeg Floodway than the Panama Canal. -- (Interjection) -- Half as great. Well even so, it might still qualify as one of the Seven Wonders of the World, and if the Chicago Sewage Disposal System is listed as No. 1, surely the Winnipeg Floodway would come somewhere in between, and I recommend that he submit it to the Civil Engineers and let's get it listed here as one of the Seven Wonders of the World and, if we can, we'll have a tourist attraction here that will do wonders for the province.

MR. FROESE: Mr. Chairman, under this item we have the matter of erosion - soil erosion -- and I for one am all for to prevent soil erosion, save the soil, and I find that we are doing too little in Manitoba in this way. Mind you, in the past summer years, especially in the southern area, miles of shelterbelts have been planted and the farmers are employing good farming practices so that we have less soil drifting as we go along and also conserving more snow and therefore having more moisture in the spring to plant our crops and assure us of good germination, so that as far as the farmer is concerned, I think he is doing his part and he's doing his duty.

But we have matters closer to home where we have the Pembina River and we have the Hespeler and others. These are smaller contributories to the Red. We have the Pembina escarpment and the water is contained in these creeks until the point where they leave the escarpment and the water spreads out and cuts across the fields, and because of this we find that a lot of erosion takes places by the water cutting up the soil and leaving large gullies of three, four, five feet deep and even deeper than that. These fields are ruined and the soil can never be replaced, and actually we have thousands of dollars of loss every year through this very way of erosion. So I feel, Mr. Chairman, that we should spend more money in preventing this type of erosion and spend less on matters like the Winnipeg Floodway.

I've never supported the Winnipeg Floodway from the time the Act came into this House. I feel that the farmers south of Winnipeg are getting no protection from this floodway and they were the ones that carried the brunt in the 1950 flood. They lost a lot of feed grain; cattle were destroyed; their farms were soaked; and, as a result, did not produce so that these people had the loss at that particular time. And now we're constructing a big floodway costing a lot of money, yet these very people are getting no protection whatever. Therefore, I never went along, and I will not go along in the spending of these large amounts of money.

We also see that instead of capitalizing the money on the floodway as would be the normal practice, we see that he is taking that out of current supplies. He doesn't want to have this carry on over a long period of years and always pointed at as something they have to pay for which isn't worth anything. Therefore, I feel that -- I strongly support conservation projects and I think we should be building more dams and not provide for diversions to have the water flow away. We should conserve it. As I have already mentioned, we are constructing the Shellmouth. I think we should have other dams rather than construct the Portage diversion.

(Mr. Froese cont'd) I go along wholeheartedly with what the member for Lakeside has said, that this is a matter of conservation that we should practise.

I think the member for Lakeside also asked for a breakdown on this item of the \$9 million. I asked for it previously when I thought we already were on the item, but I'm afraid we were not. So I would ask the Minister to give us a breakdown on Item 41.

MR. JOHN P. TANCHAK (Emerson): Mr. Chairman, I feel that I should say a few things on this floodway. I also was one of those bad boys, I presume, who opposed the floodway in its inception. I won't say whether I do now or not. The reason I gave at the time was, I felt that it was too costly, too costly for Manitoba alone. Now when we say it is too costly, we can look at it two ways, if it is too costly for Manitoba alone, if the cost benefit isn't there it's also too costly no matter where the money comes from. But when I say it was too costly, I felt that Manitoba is not one of the "have" provinces, it's a "have not" province, and it was too costly, especially the kind of deal the Dief-Duff deal we got which was unsatisfactory. I didn't think at the time at the inception that it was justified. However, now it is almost half done so I'm not going to say that I'm objecting to it because -- laugh all you want -- because it's half done, there's half of the money, not quite half of the money spent, but to reverse it I think it's almost impossible at this time.

Now what I really got up for was the same thing that the Honourable Member for Rhineland mentioned. In the event of another flood in the Red River Valley, I understand that this floodway is a form of a premium, an insurance against future floods. Who pays for it? The people of Metro pay for it indirectly. It is not a direct tax but at the same time the people of Canada pay part of it through the Federal Government. Also, residents south of Metro, the residents of Morris, St. Jean, Letellier, Dominion City and Emerson, they're paying a premium for the protection of the City of Winnipeg. I have nothing against the protection that they're being offered if it proves to be so, but at the same time, I do not think that it is fair that all the people of the nation and all the people of the Province of Manitoba are paying this premium but a certain segment is not benefiting through it whatsoever.

The residents of these towns that I have just mentioned will get no benefit from it whatsoever. Therefore, I would like the Minister to give us some assurance, to show that there is value for the premium that these residents in my constituency and also in the neighbouring constituencies are paying towards this protection. I would like the Minister to give some assurance that these people will be compensated in the event of a flood, or some other protection. The Minister indicated last year when I asked him the same question, he said, "You know that we come and help." But that isn't enough because these towns are older towns. They would also like to see their towns built up. They would like industry to come into these towns, but industry shies away from these towns because they know that they have no protection, no insurance, no assurance of any kind. The Minister didn't come out with a definite policy so far.

I'll give you one example. There was a sheet metal industry in Morris; they moved out of Morris. Now they're situated here in St. James and the reason -- I asked them, "Why did you do it?" "Well it wasn't a safe place; they're susceptible to flooding, therefore we moved into the City of St. James." So this worked against these towns. The Minister of Industry and Commerce talks about decentralization of industry. How could you decentralize industry to a greater fact -- it would be if these towns were protected -- when there's no protection against flood; no assurance given to these towns. A lot of these towns instead of growing and expanding, they're slowly dying out, maybe with the exception of one. Therefore, I'd like the Minister to give us some assurance that compensation will be coming to these people so that they would have more confidence in their own towns.

A MEMBER: What about Ridgeville?

MR. TANCHAK: Ridgeville doesn't get affected. I'm not speaking on my own behalf. We are 75 feet above Emerson. The level is 75 feet higher, so we're not affected by the floodway. I'm not speaking for myself but for the constituents.

The Honourable Member from Gladstone mentioned something about summer resorts along the river, along the floodway. Now I don't think it's such a bad idea. Maybe his seventh wonder of the world is a good idea. It will publicize this floodway. But maybe it would be a good thing for us to consider maybe some other recreational facilities along this floodway;

(Mr. Tanchak cont'd) not just leave it as an ugly ditch for 30 or 40 years at a time. Maybe, as the Minister said, it will be beautified. I hope it is. Trees along the sides.

I'm not an engineer and this is just a suggestion not a recommendation. Why couldn't we find some -- I'm sure that where the floodway goes through there must be some depressions. It isn't flat country all the way through. Why couldn't we instead of piling the dirt from the floodway right alongside the bank, why couldn't we find some of these depressions and slide them farther back and make, not lagoons but make resorts, summer resorts where people could come, the poorer people of the City of Winnipeg who haven't got cars and can't go to the beaches far away, could come probably and spend a Sunday there. I don't know how it could be done, but maybe we could consider even tapping the Seine River farther back, somewhere back near Ile des Chenes, tapping it and making it flow into the northern part of the floodway, fresh water flowing through and thereby filling these little summer resorts that I am suggesting. I don't know if it's possible but it is worthwhile considering.

A MEMBER: Don't invest your money in it.

MR. TANCHAK: Well it would be an investment, a further investment of money, but it would be something probably that would bring revenue immediately, not just protection from the floodway. It could bring revenues and at the same time provide recreation for the poorer people of the City of Winnipeg and also of the Province of Manitoba. We know that summer resorts and these pleasure spots are getting more and more popular in Manitoba and I don't think we have enough of them close to the City of Winnipeg. I would say that this is worthwhile considering. Maybe it is possible to tap the Seine River and build a few of these summer resorts and at the same time make it more worthwhile.

I would like an answer from the Minister -- I would like him to give his policy on this insurance, or assurance for the people south of Metro which the floodway doesn't give any protection.

MR. HUTTON: Well, I would think, Mr. Chairman, that if the Honourable Member for Rhineland is against building floodways; that we could accommodate him on the Hespeler. Apparently he doesn't believe in it. Maybe we could substitute some reservoirs. For that I don't know whether his people would be very happy with that suggestion, however, because they want a floodway down there to protect them.

The only thing I can say in reply to the Honourable Member for Emerson is that he almost negotiated the bench but I think he caught his heel on the way over.

I would like at this time to extend an invitation to all the members to view a showing of the film "Our Rivers -- Masters or Servants". I will set up such a meeting for you and have a projectionist there and show you this film. The reason that the film was produced was to sharpen the resolution that Manitoba had once had that this sort of thing wasn't going to happen again, and it seems that the passage of time has blunted that resolution, and we have forgotten what the 1950 flood was like and all the very grave discomforts and disappointments and heart-break that was associated with it. I would be most happy to arrange it and I will announce it some of these days before the Orders of the House -- (Interjection) -- No, you don't have to listen to me. It is a twenty minute film and each picture is worth ten thousand words, so you can imagine how much more effective it is than I am.

It was suggested that instead of building the floodway we should have built 212 reservoirs over a period of 50 years -- or dams or reservoirs. That would have been a great deal of assurance to pretty well everybody that is alive in Metropolitan Winnipeg today --(interjection) --No.

I would like to answer some of the questions put to me by the Honourable Leader of the NDP. He asked me how we were making out in securing settlements with the property owners. There are 566 files. Thirteen settlements -- this report is as of February 14th -- 13 settlements have been agreed with owners but not completed; 455 settlements have been completed and compensation paid; 78 cases where settlement is outstanding, under discussion, or still to be discussed with owners and it falls into these categories. Twenty-eight of these files are for cases on the dike west of the Red River and the survey hasn't been completed. That is, the plan hasn't been filed in the Land Titles Office. Twenty-one files are for municipal claims and such like, that is, in respect to municipally owned lands. Twenty-nine cases are in the process of negotiation. Twenty cases are presently at a stand still.

MR. PAULLEY: Mr. Chairman, on these twenty that are still at a stand still have any concrete offers been made by the department to the individuals concerned?

MR. HUTTON: Oh, yes. Six cases where the one month notice has been sent, and the period for reply still open; ten cases where the sixty day notice has been sent and the period for reply still open; one case in arbitration; and three cases pending arbitration.

The total advances paid to date under the provision which permits us to advance 75 per cent of the appraised value: \$914,528 was paid out under that clause; and we have paid out a total \$5,210,255, that is as of February 14th -- (interjection) -- Pardon?

MR. PAULLEY: Is that \$5 million for construction costs?

MR. HUTTON: No, no, that is what we have paid out for property acquisition.

I'd like to, I think, say one last word on this question of the Portage diversion. I want to emphasize that I like conservation as well as any man or any person. If it had been engineeringly possible to build a reservoir in the Holland area which would have provided flood protection equal to the Portage diversion and have been able to give us substantial conservation benefits as well, I think that a different decision might have been arrived at. The PFRA were given orders not only to look at a reservoir which was the equivalent of the Portage diversion in terms of flood control, but were told to see if we couldn't get a larger reservoir, one which could combine substantial water conservation benefits with flood control. Unfortunately they found that they couldn't. They couldn't build a dam high enough in that area without running into very serious soil problems. That is at Holland. We had hoped that we might build a reservoir in that area that could back water up right to Brandon, or almost to Brandon, but this wasn't possible and so we had to make the decision between a relatively small reservoir and the Portage diversion. The reservoirs that we could build only left a pool of 50,000 acre feet for water conservation -- half an inch on Lake Manitoba will give you 50,000 acre feet of water.

The Honourable Member for Lakeside -- and I appreciate his sincerity in this -- maintains that because we have a high rate of evaporation on Lake Manitoba, if we put any additional water on that lake we are going to increase that evaporation. But that isn't so. It isn't so.

MR. CAMPBELL: I never maintained that, Mr. Chairman, I never maintained that.

MR. HUTTON: Any water that we put on the top of Lake Manitoba is going to be a net gain, except insofar as it widens or increases the area of evaporation. We have looked at this and from the engineering point of view if you relate the area of upstream dams to the increased area of Lake Manitoba that is going to be affected by putting more water on the surface, we find that we are going to lose less water off Lake Manitoba than we would by creating these narrow, deep reservoirs on the Assiniboine. Now this is the fact. I don't have very much success in getting the point across, but it's a fact. I had thought once of bringing in some chemistry equipment, or physics equipment into the committee here to demonstrate, but then I didn't think that would do any good either because I'm as convinced that I am not going to convince the Honourable Member for Lakeside as he is convinced that he's not going to convince me. --(Interjection) -- Yes, yes. But, we are not going to lose this water; we are not going to lose as much by evaporation on Lake Manitoba as we would if we created new reservoirs.

Now on the question of rushing this water off to Hudson Bay. We have a great asset in Manitoba in these three great fresh water lakes that we have and you cannot ignore these lakes, Mr. Chairman, in planning the long term water needs of this province. You just can't turn your back on the fact that we have Lake Winnipegosis, Lake Manitoba and Lake Winnipeg -- (interjection) -- and Lake Dauphin -- and we have got Lake Dauphin harnessed; we have got a dam on Lake Dauphin; and we are undoubtedly going to have a dam, a large dam on Lake Winnipegosis, and we must use Lake Manitoba as a reservoir in our future development of the water resource here. After all, Mr. Chairman, there is no doubt that in the future 65 percent of the population of Manitoba is going to lay down stream, or occur downstream from Lake Manitoba, and so this offers us a tremendous potential in the future. So when you are planning -- we are not doing anything here that is going to hurt the future development, and I would like to relate to you what Mr. McKenzie said to me when he informed me that there was no chance of getting the kind of a reservoir that we were looking for on the Assiniboine at Holland, Manitoba. He said: "You know, if you are going to get full benefit from your reservoir, on the Assiniboine, you are going to need the Portage diversion ultimately for flood control." This is what he said to me and I think if you stop to think about it, it makes sense. Yes, Mr.

(Mr. Hutton cont'd) Chairman, we need flood control when our reservoirs are full; when the ground is full; and we need those reservoirs for water conservation when there isn't precipitation. If we had a nice mean precipitation all the time, sure we could use these things, but our problem arises out of the tremendous variation that we have -- it is either too much or too little and we believe that the Portage diversion is the tool, if you like, to utilize Lake Manitoba as a reservoir, and remember that half an inch on Lake Manitoba is 50,000 acre feet of storage. That's a lot of storage and an inch is 100,000 acre feet.

Now, we are not rushing the water off to Hudson Bay at all. Certainly not when we need it. We are going to use the Portage diversion to direct flows from the Assiniboine not just in April and May, we expect and we are designing it to carry flows in June and July, and whenever the flows in the Assiniboine are such that we can divert a volume of water from it and still retain adequate balancing flow. If we use Lake Manitoba as a storage reservoir, we can develop the whole upstream area when it is needed, as and when it is needed. We can develop that whole area and use all of that water from Portage west and from Portage south and we can use Lake Manitoba and Lake Winnipegosis as a reservoir to supplement the flows of the river in the area east of Portage la Prairie.

I want everything that the Honourable Member for Lakeside wants and I want more. That's all, I just want more. I believe in everything that he believes in but I believe in more. Using the total potential that we have in this province, and if we do that, neither we nor our children nor our grandchildren for generations to come are going to have to worry too much about water. We have three reservoirs planned for development on the Souris. I have mentioned them before. The one at Antler, the one on the North Antler, the one on the main stem. We are going to need all of these reservoirs in the upstream area, and long after I am gone from here they'll be building many more, whenever the demand arises and the need arises for them.

To just give you a quick breakdown of this money, the total \$9,259,000 is being allocated here to the Red River diversion. The monies for the Assiniboine River, for soil erosion and water control and drainage projects are being supplied in the capital estimates. This past year we built control dams, three at Falcon Lake, one at Oak Lake and one at Manistikwan Lake. We have two control dams under construction at Cross and Betula Lakes and we built two bridges on the Icelandic River. This coming year we intend to construct control dams at Mallard and to reconstruct the Arbakka dam in south east Manitoba. We have several of these works still to complete. Then, in addition to that, we have the Assiniboine River works at Shellmouth and on the Portage diversion.

MR. PAULLEY: Mr. Chairman, I asked the Minister two specific questions and I don't think he answered. One was the question pertaining to the estimates for the fiscal year which ends at the end of this month. I wanted to know from him how much of the appropriation of last year of \$7 million that he anticipates may not be expended by the 31st of March of the current year.

Also, I asked him, Mr. Chairman, in view of the announcement as I read it of the Federal Government only going to make an appropriation of \$5 million in respect of the Red River Floodway, where does this leave us in Manitoba, because of the fact that the estimates of the Minister of Agriculture show that he anticipates recoveries from the Federal Government of almost \$12 million.

Now the Minister just said, as I understood him, that the appropriation of the \$9 million is only in respect of the Red River Floodway and that the other expenditures for the Portage diversion, the Icelandic River and the likes of that will be taken out of capital. Now if that is so, then the estimates that we have before us for Resolution No. 41 would indicate that there would be \$21 million for the Red River, of which \$12 million would be recouped from the Federal Government. The Federal Government on the other hand however, again qualifying this remark with it coming out of newspaper reports, says that the Federal Government only is going to spend \$5 million. I want to know where we are going to stand in the Province of Manitoba if this is so. If the reports are so that emanate out of Ottawa that we are only going to receive \$5 million to the contribution, how much are we going to do with the Red River Floodway?

Then again I am particularly interested as to the stand as of today -- the situation as of today I should say, Mr. Chairman, in respect of the \$7 million which he authorized as an

(Mr. Pauley cont'd)expenditure last year for this current fiscal year. Now the Minister hasn't answered these questions and I think they are pertinent.

MR. CAMPBELL: Again I realize that I will not convince my honourable friend and I'll not change the situation, but I simply could not allow his statement about the evaporation and the flood control through a dam structure to go unanswered to the extent that I can answer them, because to me it looks so simple that I can't believe that the Minister really is convinced of the figures that he gave us.

We are talking about a given amount of water that's coming down the Assiniboine River some spring or summer after he gets the floodway built, if that regrettable circumstance happens, and that amount of water, whatever it is, be it little or much, the question is, in the interests of conservation, where's the place to put it? Behind some dams or a dam on the Assiniboine River or running it out on top of Lake Manitoba? Now if he can bring me an authority that will tell me that more of it will evaporate behind the dam than spread out onto the whole of Lake Manitoba, I'll certainly get up here and apologize for taking the time of the House, but I don't think any expert will take that position.

He was careful to say, and I can't quote his words, but what he was careful to say was that the only difference this would make was by the little bit of extra surface that would be made in that, but this isn't the part that we are talking about, the little bit of extra surface. We are talking about the whole expanse of the lake. The question is, you have got so much water coming down the river, which is the better conservation, to hold it behind a series of dams or to spread it over the whole of the surface of Lake Manitoba. I maintain that the part that is spread over the whole of the surface of Lake Manitoba will have much more evaporation than the other.

Similarly with the dams. My honourable friend says categorically, coached of course by his experts, that you can't have both conservation and flood control because your reservoir will be full at the time that you want to have flood control. But it won't be full then. This is where you have to have your arrangements made to -- (interjection) -- Of course, and I'm not suggesting that they are easy and I'm not suggesting that you will get complete accuracy all the time, but what you do is that through your drain you run the water out in the fall. You run it out when the river can take it and then you have got that place for flood control in the spring. This is so axiomatic that I'm amazed at my honourable friend trying to tell us that you can't do it.

MR. LISSAMAN: After the Honourable Member for Lakeside made this observation, I would like to point out that one of the purposes of these dams is to conserve and have an even flow of water. If you recall the days of the thirties, if we had those days again, with the growth of Brandon since then for example, if you used this practice of running your dams empty in the fall we might be very short of winter water during the wintertime, so the scheme won't work entirely as simply as is suggested.

MR. CAMPBELL: I'll admit that you don't get complete efficiency in either one. I admit that. It takes some figuring out and you have got to take some chances and you have got to be sure that you have enough to look after the various commitments and all that, but I do say it can be done.

MR. JOHNSTON: Mr. Chairman, I'd like to draw attention of the Minister that when I made the remark or the thought of the people in the area that they would like to see PFRA actively involved in the Portage diversion, I wasn't stating my own view. I told you quite plainly that I was stating the view of the people in the area; and further, in the brief they presented here two or three weeks ago, the nearly 300 people who took the trouble to come in here, took the trouble to prepare this brief and presented it to you and the First Minister, Paragraph 9 states this very view. If you feel I should go back to them and give them the answer that you gave me, perhaps you should have given that answer directly to those people at the time, plus the coffee and doughnuts.

Also during the course of the discussion this evening the Minister said that there was a possibility that the diversion would have water in it in June and July and August I believe he said. I hope that he will instruct the negotiators to make the people aware of this fact when they are negotiating this land and not be left in the lurch that the people were left in in Brokenhead constituency where one department of the government didn't know what the other

(Mr. Johnston cont'd) department was doing.

MR. HUTTON: jumping to conclusions.

MR. JOHNSTON: Am I jumping to conclusions? Did you not say that there was a possibility of water being in the diversion in June and July?

MR. HUTTON: Yes.

MR. JOHNSTON: All right, now it's no longer a dry land policy. Is that right?

MR. SCHREYER: Let's deal with the mundane matter like dry land crossings for a few minutes. I think that since the member for Portage has raised it, we might as well get some indication from the Minister just what he intends to do about this dilemma that he has placed himself in and the property owners affected down the floodway in the north stretch. I gave him notice during the Throne Speech that there was dissatisfaction about the way this matter was negotiated in the first place. He kindly asked me to send him the list of names of farmers who were misled in this way and he would see what, if anything, could be done about it. So I ask him now what has he done about it?

MR. HUTTON: Well, Mr. Chairman, I welcome the opportunity. When the honourable member put this question to me in the House he couched it in one set of terms, and when he put it to me on paper he couched it in a different set of terms. Now his question to me in the House, or his criticism was that we had led these people to believe, or the negotiators had led the people to believe that they were going to get a ford crossing and then subsequently they were told that they weren't, and that they had been beguiled of their property.

But when I got his statement on paper, it didn't say that. It said: "A number of these people, the following, had been put to inconvenience by the floodway and now have to travel some distance to get to their property on the other side of the channel." Well, of course they have to travel and are put to some inconvenience, but they knew this when they settled. And why? Well, because in some cases, in every case we paid severance, and when you pay severance, that is damage to the property; you pay for the inconvenience and the loss in value of that property. The very fact that they received severance indicates that this was taken into account.

I have the flat statement from the department on this that at no time were these people under this impression, I, myself, attended by members of the staff attended meetings. One meeting I remember in particular at Gonor School, at which time the whole question of access to property on the east side of the floodway was raised and there certainly was no indication by me or anybody else that there was going to be any ford crossings. There was no indication, no sir, and you can't produce any evidence to prove it either.

MR. PAULLEY: O.K. mister, you've asked for it.

MR. HUTTON: No settlement officer was ever authorized to suggest such a thing as that, or was authorized to negotiate a settlement on those grounds.

Now I have said that the Portage diversion may well carry water well through the summer. It may well do so. Those farmers out there or property owners will be under no misconception about the nature of that work, and they will be paid severance inconvenience and all the other compensations that bear on that question.

The Honourable the Leader of the NDP has asked about what are we going to do if the federal government doesn't pay up their share. Well, you wanted me to explain what we would do. Well, I'd like to say this about this question. In a project the dimensions of the floodway, it would be impossible for us to schedule our work each year to fit the arbitrary decisions of another government over which we had no control. But we do have an agreement with them and we expect them to live up to that agreement. So far they have. I don't know what the newspaper story is, but -- no I haven't read it -- but we have to plan this thing ahead and our plans this year calls for the -- (interjection) -- Yes, but I'll give you some idea of the physical dimensions of the work. --(interjection) -- Yes, but there is more to the question than finance. I just wanted to tell you that it calls for contracts on over 7 miles of channel excavation involving in excess of 30 million yards.

MR. PAULLEY: We've heard this before.

MR. HUTTON: I know, but we are working to a schedule to try and complete this thing by the spring of 1968, and therefore we have to schedule our program and then we have to make sure that we've got financing for it. The information that you have given me tonight-is something

(Mr. Hutton cont'd) you can be sure this government is going to look into, but so far we haven't had any difficulty in this regard.

MR. PAULLEY: Mr. Chairman, this indicates to me how the government of Manitoba operates. They want to tell us in this House about how many dollars they are going to spend and through this House they want to tell the people of the Province of Manitoba that they are such a forward-looking government that they are going to do this, that and the other thing. They are such an efficient government that they make decisions as to what they are going to do without taking into their confidence a partner in the job that they intend to do.

Now on this Red River floodway, and I don't give a continental who the government is in Ottawa, be it a Conservative or a Liberal Government, I'm "agin" them both in any case, but notwithstanding this fact, it does take the co-operation of the two governments in order to proceed with the joint program. Now I would suggest to my honourable friend the Minister of Agriculture that if there had of been a change of government at Ottawa, within the last three or four months or before these estimates were compiled, that there might be some justification for an item of almost \$12 million dollars being the contribution of the federal government to the building of the Red River floodway. My honourable friend said that he hadn't seen -- and I don't doubt this, because he must have been sitting up all night trying to get the answers to some of the pertinent questions that have been asked of him by this side of the House -- so I can understand why my honourable friend hasn't been able to read newspapers for the last two or three days or listen to the radio or watch TV. We are only here ourselves from 9:00 o'clock in the morning until 11:00 o'clock and we still have the opportunity, but I know my honourable friend must be a darn sight busier than we are.

But notwithstanding that, Mr. Chairman, when these estimates are compiled, surely to goodness the government of the Province of Manitoba should ask their partner in any venture as to whether or not they are going to continue the agreement, particularly in view of the fact that there was a change of government at Ottawa and in view of the fact of economies that are being made at Ottawa, to ascertain from them how much money they intend to put into the development such as the item under consideration of the Red River floodway.

Now my honourable friend says that he is working on a schedule. I would suggest that if this government that we have here in the Province of Manitoba had of set up a schedule when they originally entered into the agreement with Ottawa, that in the fiscal year of 1964-65 they intended to spend \$21 million, that in the original agreement with Ottawa this would have been spelled out. What, Mr. Chairman, will be the situation if the government of Canada next year says, well we are not even going to put \$5 million into this project, we are only going to put \$5 thousand? Does this mean that the target goal of my honourable friends opposite is going to be delayed another 10 or 15 years in catching up?

The pertinent question though that I directed to my honourable friend was this, that if in the event of the newspaper reports being correct that the Government of Canada is only going to put \$5 million into the shared program, are you going to cut down your program to suit the amount of contribution coming from the federal government? My honourable friend the Minister of Agriculture, and I want him to watch this very closely, what I am now going to say. When I posed this question to him, Mr. Chairman, I thought that I saw his head nodding to indicate that if there is only \$5 million coming from Ottawa that they are still going to go ahead with their planned expenditure for the floodway. I ask my honourable friend: Are you going to go ahead with the expenditures that are contained in the estimates for 1964-65 for which you anticipated a return from the Government of Canada of almost \$12 million irrespective of whether you get that \$12 million or no?

I also suggest, Mr. Chairman, that before my friend answers this question he thinks very very carefully, because if his answer is yes, we are going to go ahead with this program, then our estimates are going to have to be increased by almost \$7 million if the newspaper reports that I refer to are correct, and I believe them to be so on the amount of contribution from the Government of Canada. So I ask my honourable friend was he indicating to me by the nodding or shaking of his head that the Government of Manitoba will be going ahead to the degree of an expenditure of \$21,166,000 irrespective of whether they are going to get the \$11,907,000 from the Government of Canada? I want an answer.

Also, Mr. Chairman, my honourable friend has not answered my question as yet as to

(Mr. Paulley cont'd) whether he has, or he anticipates making the authorized expenditure for the current fiscal year of \$7 million before the expiration of the end of March next, I think it's very impertinent, or very pertinent to our discussions here on the matter -- (Interjection) -- Yes it is an impertinent question because it's a toughy, and I don't blame my honourable friend from Roblin for laughing. It was a slip of the tongue, Mr. Chairman, it's obvious. It is an impertinent question for an individual such as myself to ask a responsible member of the Crown because his answer can mean so much and I want to hear it; and I want to also hear how much have you got left of the \$7 million we approved for you last year? We haven't had an answer to that yet.

MR. HUTTON: Well that's part of the answer -- (interjection) -- how much we didn't spend last year. I think why I said earlier that the physical program is related -- you can't talk about finances without understanding the physical nature of this program. -- (Interjection) -- honourable member wants an answer, I can give it to him. --(Interjection) --

On a project of this magnitude, we have no idea really of what is actually going to be accomplished in any given period of time. This depends on the weather conditions. Now you can laugh. We have set a work schedule and this isn't unilaterally. We have an advisory board established with representatives from the Federal Government, from Water Resources, and from PFRA, and representatives on there from the Provincial Government. They have set out a work schedule that calls for completion of the project by the spring of 1968. Now everything must go well. We must have reasonable kind of weather conditions if we are going to reach this completion date. Now when we vote monies, we vote what we think is going to be enough without any knowledge of what weather conditions are going to be, and what working conditions are going to be.

Now last year we voted \$7 million provincial funds. --(Interjection) -- That's right. Of this \$7 million we spent -- I have two different figures here. I'll give you the largest one -- \$2,733,000.00.

MR. PAULLEY: \$2,733,000.00. Okay.

MR. HUTTON: Of a total of \$7 million. Now when we try to estimate our needs for this coming year, it's an estimate and it can't be very accurate. It's accurate if things go the way we hope they are going to go, but we can have a tremendous variation as you have seen in the monies that were voted last year. You can have a tremendous variation in your work schedule. I want to say something else here that we have established this work schedule and we have to stick with it because, can you imagine what would happen if we were to put ourselves in a position where we would have a big project started and then stop work.

MR. PAULLEY: It worries me.

MR. HUTTON: But we feel, we feel that we have a margin here and experience to date indicates a substantial margin in our estimates, and this is all we can do on a project of this nature.

MR. PAULLEY: Mr. Chairman, this is getting to be more interesting as we hear from the Minister and it's unfortunate, it's very unfortunate that we haven't got the Provincial Treasurer in the committee here this evening. Most unfortunate, because, Mr. Chairman, that when my honourable friend the First Minister, who is also the Provincial Treasurer, delivered his Budget Address he indicated to us in his surplus of \$10 million that there were \$4 million in under-expenditures. We have just found out tonight where this \$4 million is located. It's in an under-expenditure as announced in this committee by the Minister of Agriculture in respect to the Red River floodway.

Now my honourable friend, and I don't blame him at all, has attempted to use the question of the weather to substantiate the lack of expenditure, -- (Interjection) -- Certainly it's a red herring because there was nothing wrong with the weather last year insofar as construction on the Red River floodway was concerned. There was nothing to stop full progress on the Red River floodway, and yet, Mr. Chairman, last year when we were considering the estimates in respect of the Red River floodway, we were asked to approve an expenditure of \$7 million. The Minister tells us this evening that it is anticipated that there will be an expenditure of about two and three quarter million dollars. I ask the Minister, how does this, or what effect has this reduction in the expenditure got on the recoveries that we estimated last year of \$8,360,000 from the Government of Canada?

(Mr. Hutton cont'd)

I also want to know, Mr. Chairman, whether with the agreement of the Government of Canada, the under-expenditure in respect of the floodway of last year of four and a third million dollars will be able to carry over into the estimates of the year that we are now considering? Because if newspaper reports again are correct, that the Government of Canada is only going to allocate so far as the Red River floodway is concerned, \$5 million instead of the anticipated \$12 million, then we are not going to come anywhere close to the schedule that my honourable friend has in respect of the completion of the Red River floodway. Because, Mr. Chairman, in a good year like we had last year for construction of the Red River floodway -- after we've approved in this House an expenditure of \$7 million, we can only expend \$2, 733, 000, what sort of a year are we anticipating for the fiscal year 1964-65 to make an expenditure overall of some \$21 million?

Mr. Chairman, I love the Minister of Agriculture but his figures and his reasoning do not add up to common sense at all. They're illogical; they're not based on facts as presented by the figures that he himself has given us here this evening, and I ask my honourable friend if he would prefer to await the return to the House of the Honourable the Provincial Treasurer

.

MR. HUTTON: Mr. Chairman, there is one factor that he's forgotten about completely and that's the carry-over down at Ottawa.

MR. PAULLEY: I ask my honourable friend -- I haven't forgotten it, Mr. Chairman, because if my honourable friend had been listening to me, he should have noted the question that I asked of him: does this carry over and what effect it has? If it does carry over, Mr. Chairman, let's say that it does carry over, and I'm just using your own figures, and I'm no mathematician -- (Interjection) -- Yes laugh. Certainly, but I did while I was going to school learn that two and two make four, and that if we had an appropriation of \$7 million, such as we had last year, we only spent \$2, 733, 000 on the floodway, that gave us \$4, 267, 000 to carry over, carry over to the fiscal year now under review to the end of March 1965, we deduct that or add that on to the fifteen million, three hundred of our total expenditure of last year which will give us \$19 million - odd instead of the 21 that's suggested in the estimates before us, with a recovery as estimated, of \$12 million, but the Federal Government say that they are only going to give us \$5 million. Now, will you please explain that?

MR. HUTTON: Before he gets away out in the wild blue yonder.

MR. PAULLEY: I'm not away out in the wild blue yonder at all.

MR. HUTTON: The total expenditures, the total expenditures last year were \$9, 065, 000, of which the provincial share was \$2, 733, 000.00.

MR. PAULLEY: What was the federal?

MR. HUTTON: Well it was the difference, and I don't know right at the moment, I don't know right at the moment. I can't tell you at the moment what monies have been carried over down at Ottawa but as I understand it, when they vote down there, when they make a vote for a particular project of this nature it doesn't lapse, it stays in the account for that project, and just because they have voted \$5 million now, as my honourable friend tells me, doesn't mean to say that \$5 million is the amount of money that is available down there. But I want to assure my friend right now that we went into this at very high levels last year with the government at Ottawa and we got it established that they would meet their commitments as they arose on the floodway.

Now when I get into high finance I am not altogether like my honourable friend the Leader of the NDP. I know that I don't know what I'm talking about and that is the difference between us. But let me assure you, I'm not nearly as worried about the matter as you are. I would suggest that if you are so concerned that you take the first occasion to ask the Provincial Treasurer about it. But I think my explanation is the correct one, that these monies don't lapse at Ottawa, that \$5 million is not the extent of the funds that are available for next year's work, and I want to also assure you that we thrashed this thing out a year ago with the federal government.

MR. PAULLEY: Mr. Chairman, I am so happy to know that my honourable friend thrashed all of this out with the Government of Canada at the high level -- not my level, but at the high level -- the fellows that are away up in the clouds as the Honourable the Minister of Agriculture is at the present time. He says that he thrashed it out or they thrashed it out, these fellows up here in the ivory tower. They thrashed it out. And as a result of them thrashing it out, Mr. Chairman, we have estimates before us that indicate that \$12 million is going to come in respect of the Red River floodway from the Government of Canada. I say to you fellows up in the Press Gallery, you get your stories straight because you said in your press that the Government at Ottawa announced that there were only giving us \$5 million. Here is the Minister of Agriculture in Manitoba saying to us here that at the high levels we are going to get nearly \$12 million.

Now there is something wrong in these figures and I am sure with your reference to the Honourable the Provincial Treasurer, that while he may not be listening, I'll bet he is properly informed as to the discussion that took place here this evening. I'm sure that he'll be properly informed, Mr. Chairman, that at long last the information that my colleague from St. John's wanted to get from the First Minister as to where \$4 million of the surplus of \$10 million came from has been revealed here in this committee tonight. It's under expenditures for the floodway. Certainly the Provincial Treasurer would not tell my colleague from St. John's when he was asked the question, but I am glad to know that we were able to find the answer here tonight.

Now, I'm going to cease chiding my friend or seeking any more information insofar as the financial aspect of the Red River floodway is concerned. I think that I've established firmly the contentions that I've raised that the estimates, to use a favourite expression of mine, in respect of the Red River Floodway are a bunch of gobbled gook and poppycock.

I do, however, want to say one more thing to my honourable friend in respect of the floodway. He mentioned to my colleague from Brokenhead about this question of dry crossings or ford provisions of the Red River floodway. He said to my colleague that provision or at least repayment had been made through severance pay and the likes of this -- a compensation of this nature. In this, Mr. Chairman, he was dealing with individuals. I want to say to him, however, that such is not the case insofar as the southern portion of St. Anne's Road is concerned. I want to say to him that when the floodway was first envisioned and the preliminary plans were first made for the Red River floodway, that the people in the south end of my constituency on St. Anne's Road were given to understand -- they were given to understand, Mr. Chairman, and you can interpret this the way -- the Honourable Minister can interpret this as he will, but this is the way I am just going to put it. They were not guaranteed but they were given to understand that there would be provision for dry crossings in low water periods at the end of St. Anne's Road in order to connect St. Anne's Road through Grand Prairie out to Highway 59.

Now this was an understanding, an impression that the people in the south end of my constituency of Radisson got at that time. And I want to make an appeal, Mr. Chairman, to the Honourable the Minister, because I don't think it is too costly to make provision for the likes of a crossing of the floodway of a low water level period which would be required to continue the length of St. Anne's Road south to the eastern part and La Verendrye constituency and Ritchot and the likes of that. Now I think this can be done and I appeal to the Minister to see whether or not this matter might be given consideration. I don't think it would be very costly but I do think, Mr. Chairman, and I know it would service a lot of people in that general area.

MR. SCHREYER: Mr. Chairman, I said last week and I say again that when the Minister gets cornered in something he becomes incoherent, and he did again this evening. Because incoherent -- that's what the Minister has become. That's what I said and I've several reasons for saying that. In the first place, in dealing firstly with the matter of the federal government's contribution, he says that perhaps the federal government is only allocating \$5 million in its estimates this year because it has a carry-over from last year, so I want to ask the Minister two questions.

First of all, is he absolutely sure that a federal carry-over doesn't revert back to consolidated revenue and is he sure that they don't have to re-vote by estimates the amounts

(Mr. Schreyer, cont'd)...needed this year? And the second question on this point is, even if there is a carry-over allowed without a re-vote, judging by last year's estimates here we see that the anticipated recovery from the federal government is \$18.3 million, of which he said himself a few minutes ago that \$7 million was recovered in fact, so that leaves a carry-over of \$1.3 million. That doesn't cover the discrepancy between the \$11.9 million estimated here and the amount suggested or the amount reported in the newspapers. So that still doesn't explain the discrepancy between what we have in the estimate book here and what was reported in the newspapers. I think that he should give us a better answer than the incoherent one he did attempt to pawn off on us a few minutes ago.

The second matter, Mr. Chairman, has to do with this problem again of the dry crossings. Now he said that in my written statement to him I did not show clearly that these people had been in effect led to believe and promised that they would have -- (Interjection) -- Beguiled -- yes, I'll accept that. He said that in my letter I didn't indicate that clearly, that they had been misled into thinking that they would be provided with at least one or two dry land crossings.

Mr. Chairman, I attended practically every meeting that was held in the Gonor-Narol area, the two meetings that were held at Transcona regarding this floodway, and I can honestly say that I at no time heard the Minister deny that dry land crossings would be provided. I never heard him deny it and yet the belief that they would be was rife among these people.

Now I know, like the Member for Gladstone, that this government is simply superb at press releases, at leakages, at planted stories, because if I saw it once I saw it four times or five times in the newspapers, little press reports to the effect that it was entirely likely that dry land crossings and fords would be provided in the floodway. Now I ask the honourable members if they recall seeing such stories. Who put them there? Why would a reporter want to dream it up by himself? Obviously he must have been led to think that this government, the Department of Water Conservation was thinking along those lines, and for a very real purpose, Mr. Chairman, because I insist that once the impression was created in these people's minds that there would be a few dry land crossings, they were less anxious as to the fate of their property on the far side of the floodway.

In the last three or four years, every year it seems we have had to thrash, argue, regurgitate and argue some more about the way this government and this department was handling, first of all, the initial expropriation notices and then the actual negotiations of land price and so on and so forth. And now down to the wire, we still have this problem. True, there aren't as many people involved. The fact of the matter is that there is a big principle involved. If the number of people is small, the principle is not, and that is in the impression created by this government. There was an attempt to mislead by means of a series of carefully leaked newspaper reports.

I don't want the Minister to tell me that the people there didn't actually come to believe that dry land crossings would be provided. I say to the Minister that if he is not going to do something tangible in order to give these people some kind of redress, henceforth I shall not have to take seriously whenever they make protestations of acting in good faith, bargaining in good faith, and so on. As far as those people there are concerned and myself, if they are not going to do something about this they might as well take these protestations of acting in good faith, no horse-trading and so on and ram it up their Portage diversion.

MR. EVANS: Mr. Chairman, I move that the Committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Madam Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and ask leave to sit again.

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

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

MR. D.M. STANES (St. James): Madam Speaker, before the motion to adjourn, may I have leave of the House to present a petition which should have been placed before the House before the Orders of the Day today, and unfortunately this is the last day for presenting such petitions.

MADAM SPEAKER: Agreed.

MR. STANES: Thank you, Madam Speaker. By leave, I beg to present the Petition of Trafalgar Savings Corporation praying for the passing of An Act to amend an Act to incorporate Trafalgar Savings Corporation.

MR. WRIGHT: Madam Speaker, in the absence of the Honourable Member for Inkster who is ill this evening, may I have leave of the House to present a petition?

MADAM SPEAKER: Agreed.

MR. WRIGHT: I beg to present the Petition of Allan Abraham Hoffman and others praying for the passing of An Act to incorporate the Winnipeg Hebrew Free School.

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Agriculture, that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Friday afternoon.