

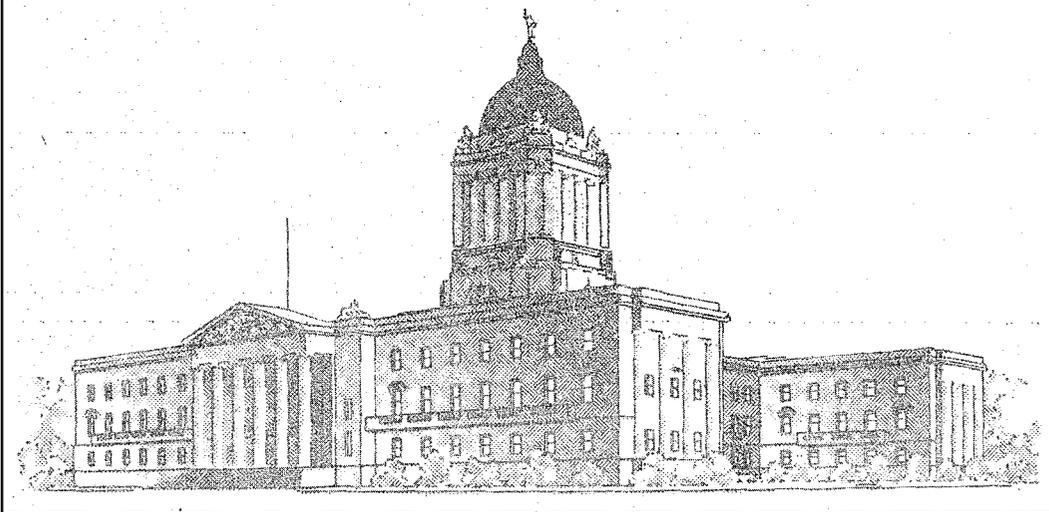


Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



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THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Wednesday, March 16th, 1960

Opening prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by Standing and Select Committees.

HON. STERLING R. LYON (Attorney-General)(Fort Garry): Mr. Speaker, I beg to present the fourth report of the Select Standing Committee on Law Amendments.

MR. CLERK: The Select Standing Committee on Law Amendments beg leave to present the following as their fourth report. Your committee has considered Bill No. 62, an Act to establish the incorporation of Metropolitan Winnipeg and to provide for the exercise by the corporation of certain powers and authority, and has agreed to report the same with certain amendments.

MR. LYON: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Industry and Commerce, that the report of the committee be received.

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

MR. SPEAKER: Notice of Motion

Introduction of Bills

Committee of the Whole House.

HON. GEORGE HUTTON (Minister of Agriculture)(Rockwood-Iberville): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Municipal Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following proposed resolution.

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

MR. SPEAKER: Would the Honourable Member for St. Matthews please take the Chair.

MR. HUTTON: His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed resolution, recommends it to the House.

MR. CHAIRMAN: Resolved that it is expedient to bring in a measure to amend The Veterinary Services Act by providing, among other matters, for payment of grants from and out of the Consolidated Fund to the boards of veterinary services districts established in local government districts.

MR. HUTTON: In the past, Mr. Chairman, the opportunity to form a veterinary services district under the Act was reserved to the municipalities. Under the Act, as amended, it would permit the same service to local government districts either by themselves or in cooperation and conjunction with municipalities. It is a very simple amendment. I don't think it requires any more explanation.

MR. CHAIRMAN: Will the committee rise and report? Call in the Speaker.

MR. PETER WAGNER (Fisher): Mr. Speaker, I'm sorry I'm a little bit late. The Minister said either by themselves or joining a municipality. He means by either themselves as a local government district under one administration, or it has to be two administrations?

MR. HUTTON: One or more.

MR. WAGNER: Thank you.

MR. CHAIRMAN: Mr. Speaker, the Committee of the Whole House has adopted a certain resolution and directed me to report the same, and ask leave to sit again.

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

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

MR. SPEAKER: The Honourable the Minister of Agriculture.

MR. HUTTON introduced Bill No. 124, an Act to amend the Veterinary Services Act.

MR. SPEAKER: Orders of the Day

Committee of the Whole House.

HON. DUFF ROBLIN (Premier)(Wolseley): Mr. Speaker, I have a message from His Honour the Lieutenant-Governor.

MR. SPEAKER: "Honourable Errick F. Willis (Lieutenant-Governor)--the Lieutenant-Governor transmits to the Legislative Assembly of Manitoba estimates of sums required for

(Mr. Speaker, cont'd.) .. the services of the province for capital expenditures and recommends these estimates to the Legislative Assembly".

MR. ROBLIN; Mr. Speaker, I move, seconded by the Honourable the Minister of Industry and Commerce, that the message of His Honour the Lieutenant-Governor, together with the estimates accompanying the same, be referred to the Committee of Supply.

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

MR. ROBLIN; Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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

MR. SPEAKER: Would the Honourable Member for St. Matthews please take the Chair.

MR. CHAIRMAN: Schedule A--Utilities Requirements.

MR. ROBLIN; Mr. Chairman, while the estimates are being passed around I'll just make a few very brief words of introduction in connection with them. The estimates are divided into several different schedules and will appear in the form of three different Bills, if approved by this committee. I would like to say, in the first place, that the total money asked for under this Supply Bill is a very, very large amount indeed. It is over \$200 million and I am certain that every member of the House, every member of the committee is well aware of the magnitude of that particular capital requirement. I think the size of the amount rises from a very particular situation which, God willing, will not reappear every year, and that is, that in this Supply Bill we are asking for \$150 million for the Grand Rapids Hydro-Electric project. Now it will be obvious to members of the committee that we shall not require all that amount in one year. In fact, it is estimated that this will do us for five or six years--it is a little bit hard to be certain--and should take in certainly the vast proportion of the cost for that Hydro-Electric development. It seemed to us that if we are embarking on a project of this size that takes this number of years to complete as this one does, it seemed advisable to secure authority for the whole project now because it is, I think, undesirable that we should even consider proceeding with the matter on a piecemeal basis starting one year and stopping the next. When you start this, you have to follow it through to its completion. So we are going to be asking for a separate Bill ultimately and the very large sum of \$150 million for Hydro-Electric development, which we estimate will be raised over the next five or six years. This, I may say, is a policy that was pursued previously when other large Hydro-Electric developments of this character were envisaged. The full amount was asked for at the time by means of one Bill, which we are doing on this occasion.

In connection with the other utility requirements, they are the normal ones that we usually have to present to the committee, plus a new one called the Manitoba Water Supply Board. That water supply board is the one that provides water delivered to the gates of the various localities in Manitoba who pay for it on a basis that covers the cost as provided for in the statute that was passed last year, and places this activity on the basis of a fully self-supporting utility; and we are showing it in that way.

The requirements for general government purposes are outlined here and members will require more detail as we come to them. They amount to some \$26 million and are down from last year by a small amount. Similarly, the advances and guarantees that we make to certain institutions are included in this Bill, and they also are down by a small amount from the previous year.

There is a new type of authority sought here which really does not represent new money. We are asking for \$10 million to be made available by means of a separate act for the purposes of the Manitoba Agricultural Credit Corporation and the Manitoba Development Fund. Now members will know that we are authorized to take money from the Reserve for Post-War Emergencies in order to support these funds, and there is a sum of over \$9 million available in the fund as it stands at the present time for the purposes of these two acts. However, in previous times, the funds included in this account were invested in various securities of one sort or another which, at the present time, are subject to a considerable market discount in view of the changes that have taken place in interest rates; and it seemed to us that we should secure alternative authority, that if it was deemed advisable not to liquidate this account in order to provide these funds in view of the discount that we would be subject to, that we should have

(Mr. Roblin, cont'd.).. authority to obtain the money in another way. However, what we obtain in this second way is offset against what we might have obtained in the other, so it represents an alternative way of doing the same things and really, in our view, does not constitute new money that will be raised by the province.

Those are a few very brief remarks, Sir, that cover the main outline of this estimate that is before the House, and we will do our best to answer any questions in connection with it.

MR. D. L. CAMPBELL (Leader of the Opposition)(Lakeside): Mr. Chairman, I think all of us will appreciate the fact that the Honourable the First Minister gave us a brief statement with regard to the Capital Estimates that are now before us. As he has mentioned, the total amount is enormous and we can recognize, of course, that the Grand Rapids project, listed as it is at \$150 million, makes up the large bulk of these Capital Estimates. And Certainly I think all of us would agree that a project of that sort, that is to be extending over a period of years as far as construction and equipment is concerned, should be voted at the one time though all of the money will not be spent for some considerable time. To do otherwise, as the First Minister has mentioned, would not be realistic, I think, because it is not a project that we could start and then either delay or certainly not abandon the operation. So that puts a pretty different complexion on the first reaction to the tremendous size of these estimates. If my memory serves me correctly, and I have not had the opportunity to check on these, I would think that the utility program is down--utilities apart from the Hydro-Electric Board--their votes are down from previous years. Perhaps they are taking some money from their own reserves as well.

The one that I particularly wanted to mention is the second main item of Schedule B, the road program of \$20 million. I had understood the Honourable the Minister of Public Works to say when his current estimates were before the House that all the money for the trunk highway program, as such, would be borrowed, and I had understood him to say that it amounted to something in the neighbourhood of \$33 million. It appears to me that there is \$20 million only provided for here. Was I incorrect in that understanding at that time? And if so, it would appear that the program that has been envisaged before has been considerably curtailed. And I would like to ask as well, and this can wait of course until we reach that item if my honourable friend prefers, I'd like to ask as well if that includes, and I suppose it does, the road to Grand Rapids, as I suppose it takes quite a large expenditure by itself.

Well, Mr. Chairman, we'll be interested in the discussion on these estimates. I have no objection to raise to the suggestion that the First Minister has made with regard to the Agricultural Credit Corporation and the Manitoba Development Fund because, of course, to repatriate the funds that are invested in the war and post-war reserve at this time would result in quite a diminished recovery. So, on the whole, this is probably just as good a time as any to at least take this alternative authority. I would think from what I have seen of the cost of money that the province has had to borrow recently--for which cost I give my honourable friends not as much credit as their colleagues at Ottawa, but still I think both of them because of their policies have to accept some share, the primary one of course going to the Federal government--with the cost of money that this government will have to incur in making these borrowings, I can see that they are going to have some problem in carrying on these two programs that are mentioned in schedule D. However, these details can be discussed as we proceed with the Capital Estimates in general. I am particularly interested in those in Schedule B which deal with the acquisition of land, land settlement projects; the natural resources and recreational projects; the soil erosion, water control and drainage projects; Seine River, Lake Manitoba, Red River Valley flood protection; agricultural research; and of course the highways. I am sure that we are going to have an interesting discussion on these capital sums.

MR. RUSSELL PAULLEY (Leader of the CCF)(Radisson): Mr. Chairman, I have not much further to add to the points as taken up by the Honourable the Leader of the Opposition. It does appear to me that we are going to have to pay a terrific price--by we, I mean the people of Manitoba--in interest rates for these programs, many or some of which may have been done previously and weren't. It does appear to me that, as illustrated in the debt picture on the estimates that we had before us, that it will not be too long before the Province of Manitoba may be in the same position as it was a number of years ago where a considerable amount of money of annual revenues will be going toward paying for debts, the sum of which or a considerable

(Mr. Paulley, cont'd.) . . portion of which is what we normally call "dead weight debt". I think that is applicable to most of the items contained in Schedule B. If memory serves me right, it used to amount to about nine percent in some years previous--I may be wrong on the percentage.

Now then, the First Minister mentioned to us, insofar as the items under Schedule A are concerned, an explanation on the Water Supply Board, I didn't quite get or write down. When we come to that item I'd like him to explain it again. But I do want to draw to the attention of the committee that which is obvious today, of the ever-spiralling rates of interest, and while I too agree that it is advisable at the present time to pass the authorization for the huge expenditure at Grand Rapids in order that the authority is there, I am sure that the Provincial Treasurer will only make expenditures from that as prudence requires; because no one in this committee, as far as I am aware, can tell us what interest rates may be tomorrow or the day after. It may be that--(interjection)--Yes, it is true that in the last week or two there has been some downward trend and I agree with the First Minister on that, but I think also though, is it not a case that while in the last week or two there has been a downward trend to some degree in interest, that the general level is still creeping up to what it was to say a year ago?--(interjection)--Yes, and I like too. However, Mr. Chairman, I won't delay the committee at the present time but I thought that I would just make those comments, and when we come to the items then we can have a more thorough discussion on them.

MR. G. MOLGAT (Ste. Rose): Mr. Chairman, . . . . discussion of the individual items, I wonder if the government could advise us of the situation of the borrowings authorized last year. Last year, that is in July, when the Capital Bill was presented to us there were at that time some rather substantial unused authorizations from the previous, not necessarily the previous year, but from previous years, I believe. Now, could the government indicate to us whether the Capital Bill presented on July 27th last and the Capital Bill presented in the October 1958 session, whether all that was authorized at that time was borrowed and was there any unused authorization still outstanding?

MR. ROBLIN: Yes, Sir, there are always unused authorizations outstanding. I would guess we are usually about six months behind on raising money--that would be a rough guess. I know that my honourable friend opposite will agree that when we came into office we inherited a pretty substantial chunk of unauthorized appropriations, and they do carry forward in that way. I can't give my friend the exact details, I am afraid. I don't have them here but there are very substantial sums that have not yet been borrowed. Now I want to emphasize this point, that in making up our Budget for this year, we naturally take into account anything that has not been borrowed, as will appear when we get down to roads. We will be able to tell the members of the committee, and that's the one big item that I think my honourable friend would be interested in, that in the matter of roads there are unused appropriations and we can give the whole history of that. But it is true, generally speaking, that they are not used up in conformity with the calendar year but as the people who are doing the work call for the money. Now in some of the Hydro-Electric appropriations of last year, for example, the Hydro Board has not yet called for the money. They may be financing on Provincial Government Treasury Bills. They do finance a lot of their appropriations on our Treasury Bills which accumulate, and then when we get five or ten million of them outstanding, then we make an appeal to the market and try and raise the money. But that accounts for the fact that there is that lapse. We only provide the money when it is called for by the user.

MR. MOLGAT: Mr. Chairman, last July on the Capital Bill it was indicated to us at that time, particularly under the utilities section, the government at that time was asking for four million under the Manitoba Telephone System. As I recall it, there was an unused authorization of five million as well which I understood they intended to borrow in the subsequent period. Under the Manitoba Power Commission there was a million five being requested in July and I understand that there was a six million unauthorized from the previous period. In the case of the Hydro-Electric Board they were asking for 17 million, and I believe there was 14 million unused from the previous period. That meant that in addition to the \$22,500,000 which they were asking to borrow, they also had previous authorizations of 25 million. Now my question is this, at this stage we're being asked for the Utilities, exclusive of the Grand Rapids Development, for \$15,975,000. Now of this, 22 million five last year in the July Bill, plus the 25 million carried over from previous date, could the government indicate at this stage what the situation is?

MR. ROBLIN: Mr. Chairman, on the Telephone System, the carryover of unused authorizations was two million five; and on the Power Commission the carry forward of unused authorizations was one million one. As for what we borrowed in the meanwhile and all of that, I expect later on this afternoon, if we get around to it, I'll be giving full particulars.

MR. MOLGAT: That would mean then that out of the Capital Supply-Bill of last year 22 million five and of the previous unused 25 million, for a total of roughly 47 million, there is presently unused only something like four million. That is, we have caught up that previous 25 million unused plus the 22 million.

MR. ROBLIN: I can't guarantee my honourable friend's figures because I haven't got them in front of me, but I am advised by the commissions that the figures I have given as the unused appropriations are the correct figures. As for the other figures, I could look them over but I haven't got the confirming data here. I do know that in the telephones they did have their biggest year last year ever.

MR. MOLGAT: Now, Mr. Chairman, before we proceed with the specific discussion, I wonder if we could also have some questions on the general borrowing policies of the government. Last week, on the 7th of March, the Leader of the Opposition asked the Premier at that time some questions with regard to the borrowings of the government, and the Premier indicated then that there had been 15 million borrowed by the province last week. He said then it was done through our fiscal agents and not by the tender system. Now I wonder if the First Minister could indicate the change that has gone about there in the method of borrowing by the province.

MR. ROBLIN: Mr. Chairman, if the honourable member would allow me, I have prepared a full statement on that matter in the Budget and I'd prefer to give it then.

MR. MOLGAT: Well, Mr. Chairman, I would have no objections whatever to that. The only difficulty is that under the Budget we are limited to making statements ourselves and there are certain questions I would like to ask in that regard. Now, I don't insist on asking them now. If I can ask the questions later, it suits me. I just would like to know when I may ask them.

MR. ROBLIN: I think that in the Committee of Ways and Means my friend would have ample opportunity to ask them.

MR. J. M. FROESE (Rhineland): Mr. Chairman, in making some comments on the schedules before us, I note that there is roughly close to 16 million designated for the Utilities. No doubt this amount will be also charged to those utilities so that they'll account for it in due time. However, in Schedule B, I feel it is an entirely different matter and I think the amounts shown under that schedule should come out of current revenues. Surely we'll continue building roads year after year and we will be creating further debts at that time if we follow this same policy. So I feel that these amounts should come out of current revenue.

In connection with Schedule D, might I ask the First Minister on what were these requirements based? How were they arrived at? And what was considered under those expenditures?

MR. ROBLIN: These are--Schedule D, Sir, I think I should wait until we come to them. I'll be glad to answer my honourable friend then.

MR. CHAIRMAN: Schedule A--Utilities Requirements (1).

MR. CAMPBELL: That's the item where we'll have a statement from the Minister as to what is proposed here. Wouldn't we?

HON. J. B. CARROLL (Minister of Public Utilities)(The Pas): Under the Manitoba Telephone System--Yes, the breakdown of those figures is: the underground conduit, City of Winnipeg, \$676,000; underground cable, Winnipeg, \$1,293,000--

MR. PAULLEY: Mr. Chairman, I wonder if the Minister would go a little slower so we can have an opportunity of jotting them down.

MR. CARROLL: Underground cable--I'm repeating--underground cable, Winnipeg, \$1,293,000; aerial cable and exchange lines, Winnipeg, \$631,000; central office equipment, Winnipeg, \$2,296,000; central office equipment for the province, \$937,500; relay radio equipment, \$540,000; long distance toll equipment, \$1,129,000; radio telephone, \$101,000; buildings and land, City of Winnipeg, \$804,000; buildings and land for the province, \$361,000; toll lines, province, \$789,000; exchange plant, province, \$538,000; rural lines, province, \$1,496,000; subscribers' station equipment, \$1,887,000; autos, trucks and tools, \$818,000; furniture, \$96,000;

(Mr. Carroll, cont'd.) . . a total of \$14,401,000 to be spent during 1960-61. Transfer from replacement funds, \$3,901,500 less carryover of unused authorization, \$2,500,000, leaving an amount being required of \$8 million for this year.

MR. PAULLEY: Mr. Chairman, in respect of the long distance 'phones, does this achieve the interchange to direct long distance 'phoning from homes as is the case as the Minister--

MR. CARROLL: Which item was that?

MR. PAULLEY: The one dealing with the \$1,129,000 that I jotted down in connection with long distance exchange, I think it was that you mentioned. What will that accomplish?

MR. CARROLL: This includes a great many items, Mr. Chairman. Winnipeg-Selkirk and Winnipeg-Stonewall rearranged toll facilities by the installation of buried cable; direct new toll pole lines and new wire; rebuild toll pole lines and retranspose existing circuits to provide additional facilities at locations throughout the province; toll pole lines rebuilt due to highway reconstruction by the Department of Public Works. Excuse me, Mr. Chairman, that's probably included in the same item. Winnipeg-Brandon, addition of 36 L channels; The Pas-Snow Lake-Thompson, 45 BXCXR system--I think this is that new tropispheric scatter system, \$81,000; Winnipeg-Portage la Prairie, 60 channels of radio multiplex associated with the radio relay system; multiplex equipment additions to northern radio relay network, Winnipeg-Brandon-The Pas; Morden-Altona, cable multiplex; Altona-Winnipeg, 45 A carrier system; carrier system for CDO trunks between central offices and CDO offices in their exchange areas; toll test equipment; multi-channel carriers throughout the province to provide additional toll message facilities; central office toll carrier equipment throughout the province; Winnipeg-Regina and Winnipeg-US additions to the 60 channels and 24 channels respectively. Incidentally, in this item it includes not only the expenditure which is included for this year, but also takes into account requirements for future years. The actual amount to be expended during this particular year is 14 million but the authorization is intended to include items which will not be expended this year.

MR. DAVID ORLIKOW (St. John's): Mr. Chairman, I wonder if the Minister could give us some detail on--I think he said \$2,200,000 for central office equipment. What does that represent?

MR. CARROLL: This is the main office--500 PBX1-10 rotary services; 100 PBXLH rotary services; 5,000 in-dial PBX rotary and 102 party services; additions to the test and repair service centre; increases in 48 volt power plants from 1,100 to 1,400 amperes; renovate and remodel plant to full float; Transcona, 2,000 subscribers automatic services--this particular item here is actually not for the next year but the year after, but as you know, certain types of equipment must be ordered two years in advance. Therefore, it is mentioned in here but will not be required 'till the '61-62 construction year--100 subscribers automatic services and equipment rearrangement, final payment--this is in Transcona; Edison, 7,000 subscribers automatic services; Fort Rouge, 2,000 subscribers automatic services; Sherbrooke, 1,000 subscribers automatic services, 500 PBX1-10 rotary service, 200 PBXLH rotary services, 2,000 subscribers automatic services, 200 PBX1-10 rotary service; Sherbrooke, in-dial PBX switching equipment, diesel standby, engine alternator, additional 48 volt battery; St. John's, remodel 48 volt power plant to full float operation--this is a '61-62 authorization; replace 48 volt battery with 5,000 AH battery--also '61-62; Vernon, 32,000 subscriber automatic services--also '61-62; Alpine, 3,200 subscribers automatic services for '61-62; Norwood, 300 line circuits, rebuild of No. 2 charging machine; Elmwood, increase light load charger, government plant, to 24 amp; west, increase light load charger to 60 volt plant to 24 amp; Greater Winnipeg area, miscellaneous switching equipment, miscellaneous power equipment for '61-62, miscellaneous modifications to 48 volt power plant and ringing equipment, repeaters and bunching blocks in Winnipeg exchanges, Winnipeg area information and intercept trunks, mobile standby diesels, miscellaneous equipment and inter-office trunking, facilities for Winnipeg exchanges, '61-62; Fort Rouge toll office, 60BW Bell toll lines, 24 CLR switchboard positions; new circuit patch bay and control board modifications, miscellaneous equipment and modifications.

MR. PAULLEY: In connection with the underground cable program for Winnipeg, is that a general expanding program to put the telephone lines underground in the whole of the area? Or is it in the new areas? I wonder if the Minister could tell us.

MR. CARROLL: Well I think, Mr. Chairman, the only underground system that we've accepted as policy is the large underground trunking cables that are either polyethylene covered

(Mr. Carroll, cont'd.) . . or lead covered and have either 2, 121 pairs of cables; or the latest models--at least the latest cable coming out now has 2,700 pairs of cables together in one grouping; and it is mostly this inter-trunking equipment that is underground. There is one area in Fort Garry that is going to underground cable for residential construction. The developer himself is paying the additional charges. We understand that the additional charges are quite substantial and we don't expect that it will be a generally accepted policy for developers. It could be though.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, does the Minister have any data there indicating how many miles of such trunking cable are to be laid; and secondly, I was informed 14 months ago that trunking cable would be laid out through the East St. Paul-Narrow-Gonor area, and to my knowledge it still hasn't been laid. I wonder if the Minister would have any information at his disposal there on that?

MR. CARROLL: No, Mr. Chairman, I regret that we don't have the information with respect to this last enquiry, or the first one, which would indicate how many miles of cable are involved here. We only have the actual extensions that are being made.

MR. CHAIRMAN: Item (2)--Manitoba Power Commission--passed.

MR. CAMPBELL: Is the Minister going to give us a rundown of this one? I must say that as far as I am concerned I always find the telephone equipment something rather strange and wonderful. I know that it's no doubt needed and I'm sure that it's tremendously expensive. I never got well acquainted with it. When it comes to the Power Commission, I feel a little bit more at home. What I would like to know particularly, although I'm not an expert there either, but what I would like to know especially is what is the rural program as far as this item is concerned? I assume that the major farm electrification campaign has been practically completed, but I know that there are always some fill-in areas and fill-in individuals, and I'd be glad to know what is proposed with regard to the farm electrification program. Then I'm sure that with the increasing load that there likely is a program of building some heavy service lines as well. Now I'm not uninterested in the Metropolitan area; I'm certainly not uninterested in the towns and cities; but what I was asking particularly at this time is the part that might be called strictly the rural program; that is, farm electrification and the smaller towns and villages and communities closer to the farms.

MR. CARROLL: I can give the general headings with the amounts covering each general item, and possibly go on from there to give some sort of a breakdown. Land and buildings, \$225,000; transmission, \$1,657,000; rural lines, \$420,000; substations, \$2,655,000; distribution, \$2,425,000. Now that distribution item, \$1,130,000, represents rural distribution. Now rural lines--farm lines, \$170,000. Under the third heading we have rural lines, and under that we've got farm lines, \$170,000; domestic and commercial, \$150,000; oil fields, \$35,000; and lines in general here--just a general heading, lines, \$65,000; for an item of \$420,000. If there is any particular area that you would be interested in I might be able to answer it.

MR. CAMPBELL: There is no particular area.

MR. PAULLEY: This \$7,700,000--from the items that the Minister has kindly read out to us, it seems as though all of that program will be--or all of the amount of the seven million seven is required just for these extensions. Is that to take place within the current year under review, or is it like the telephones? As I understood it, there was a total expenditure of \$14 million, of which they had some in hand and some they weren't going to use.

MR. CARROLL: Yes, all the items that I read off to you, it's expected that they will all be built this year. There is no authorization in here to anticipate the following year's requirements.

MR. CAMPBELL: Mr. Chairman, I was asking first about the rural and farm lines, and I gather from the figure that that program is pretty well complete. Then to come to the Metropolitan area, is that program broken down in any way? I asked when the question of Metro first came up here if there was any consideration being given in connection with that huge program by itself, to any further discussions re the linking up of the two systems. I got the reply that there is not, and I am not advocating that at the present time. On the other hand, there is a close tie-in between the two, I'm sure, and I was wondering if the inter-connection program that I know was under way sometime ago between the City Hydro and the Manitoba Power Commission has been fully completed. Or is there some of that still going on?

MR. CARROLL: The inter-connection between City Hydro and the Power Commission?

MR. CAMPBELL: Yes.

MR. CARROLL: The inter-connection of distribution?

MR. CAMPBELL: Yes.

MR. CARROLL: I regret that I don't have the information you request on that particular item. You did enquire about roads in the Greater Winnipeg area. I can give those items if you would care to have them. Distribution, including four KV feeders--a system improvement, new customers and street lighting, \$1,295,000; transmission, \$192,000; stations including terminal substation, customer substation improvements, \$1,303,000; land and buildings, \$225,000.

MR. CHAIRMAN: Item 3--passed.

MR. ROBLIN: I believe a little explanation on this one.

MR. MOLGAT: Yes, this is a new one.

MR. ROBLIN: Now this is to provide the money that pays for the water supply activities underway in the water supply districts of which, for example, the Altona-Gretna area is one. Now if the members will recall, at the last session we passed legislation setting up the general structure of these water supply districts, and the legislation provides that the water will be supplied to the consuming village or town at the price that covers the cost of providing it, and that is what this item is here for. There is an appropriation hanging over from last year of about one-quarter of a million dollars and this is required to complete the total installations which we expect will be done in this coming summer. This is a utility operation and it's on a self-supporting basis, according to the terms of the statute.

MR. CAMPBELL: There is one point there that I think my remembrance is not the same as the Honourable the First Minister. I'm sure there is a clause in that statute that gave the government or the Water Supply Board the authority to provide the water without charge. --Yes, yes, quite sure.

MR. ROBLIN: Then please let me say it's not the policy to do that.

MR. CAMPBELL: Well I understand it isn't the policy, but I noticed it particularly when the Act was going through, and I'm sure that there is the authority in that Act to provide this service, and I think there are some communities under some circumstances where it would be well to take advantage of that particular section of the Act; because this is usually a very expensive job for these small communities and where they have a water supply available it's a wonderful service for them. Now the question I was going to ask is how many of these districts have actually been established?

MR. HUTTON: Mr. Chairman, as yet there has not been one established because in order to have--there have been areas declared, areas under the Manitoba Water Supply Board Act, but there has not been an area established; because in order to establish a district or an area, we must be able to first offer them water at a given unit cost and the community involved then decides on a vote whether they will accept or not. So far in the life of the Manitoba Water Supply Board they have not reached this conclusion, although in the case of Altona and Gretna we are looking forward to very shortly establishing them as the first area in Manitoba.

MR. CAMPBELL: Mr. Chairman, how many have been declared?

MR. HUTTON: Offhand, I can't tell you. It's probably half a dozen.

MR. CAMPBELL: That many? Thank you.

MR. PAULLEY: Mr. Chairman, I'd like to ask the Minister what provisions have been made to obtain sources of water for this area? As I recall it, there was some discussion at one time of the possibility of extension from the Greater Winnipeg water aquaduct for some areas; other areas by dam or in co-operation with dams in the areas. I wonder if the Minister could tell us if any conclusions have been arrived at as to the source of supply say, for instance, in the Gretna-Altona area?

MR. HUTTON: Well, in the Gretna-Altona area--I have a report here on the work that has been done and it might be of benefit to all of us if I were to read this report. "During the past year consideration has been given to the ways and means of bringing a supply of potable water into the lower Red River Valley triangle and more specifically for the immediate requirements of the towns of Altona and Gretna. In the early part of 1959 a report was brought in showing that such a supply could be obtained by constructing a reservoir on the Roseau River

(Mr. Hutton, cont'd.) .. near Dominion City. Since the cost of transmission from this reservoir appeared excessive to serve only the towns of Altona, which appeared at that time to be the only town immediately ready to accept water, it was proposed that a temporary supply be obtained from the existing treatment plant owned by the City of Neche in North Dakota, which is situated about eight miles south of Altona. With proclamation on September 15th of the Manitoba Water Supply Board Act, it appeared advisable on the part of Altona and Gretna to deal with this water supply problem under that Act, and the town so requested it. The Water Control and Conservation Branch staff, on behalf of the Manitoba Supply Board, undertook negotiations with the City of Neche. It was originally expected that the only arrangements necessary with Neche would be to arrive at a price per unit of volume of water to be purchased by the board from the city for transmission and resale to Gretna and Altona. It became immediately apparent, however, that while Neche's water supply was designed considerably larger than necessary to meet the city's requirements, it had not been fully equipped to provide the additional output to meet the Canadian demands. Also, the City of Neche was unable to raise the additional capital required to add this equipment. There is also the capital investment required to increase the raw water storage capacity on the Pembina River at Neche in order to be reasonably assured of an adequate supply to meet the Canadian needs. It is estimated that Canadian needs will be approximately three times the present water consumption of the City of Neche. As an alternative to the unit of volume purchase price, the board is now nearing completion of arrangements with Neche whereby it will assume, during the initial ten year period of agreement, certain of the capital and interest payments to be made by Neche on the existing treatment plant and the additional capital works necessary to provide the Canadian requirements. With the anticipation of a formal agreement being entered into in the near future between the Board of Neche for the purchase of water and, in turn, between the board and Altona and Gretna for the sale of water, it is expected construction of the necessary additional works at Neche will be undertaken by that city, and the transmission and storage works by the board, during the summer of 1960; and in this event, water should be delivered to the towns in question before the end of 1960".

Now this about tells the story of the history of the Water Supply Board with regard to one community, and I expect that in supplying water to various communities throughout the province there will be, certainly in some cases, the problem of obtaining a source. And I do know this, that amongst the towns and communities that have indicated an interest in the program, surveys are being carried out and have been carried out in order to determine a source of water for the town. But as I said earlier, it is only in the case of Altona that we have reached a stage where we are fairly assured we can deliver water this year.

MR. PAULLEY: Did I understand correctly, that it appears that insofar as the Water Supply Board or the municipality of Gretna and Altona, that they are going to give capital assistance to the development at Neche for the creation of a reservoir or works large enough to supply Altona?

MR. HUTTON: No, they don't give anything. It is the Water Supply Board that must do this, and then in order that we can reach an agreement, first of all the board and Neche must agree; then the board and Altona, for instance must agree to the unit price, in order that we can consummate the agreement.

MR. PAULLEY: I suppose you have looked at all the legal terms. It's not for me to raise any legal question on this, but it's tantamount to an investment of provincial funds outside of Manitoba for a specific purpose, as I understand it. Did this require any international agreement because of the fact that it is a public utility of this nature?

MR. HUTTON: Not to my knowledge. It is, as I have said, it has not been consummated as yet, but it is the only approach which offered any hope of acquiring the water supply that is needed to satisfy the demands at Altona. The only other alternative was to build the water storage in Manitoba on the Roseau River, but in terms of the immediate demands and those that we can look forward to during the next ten years, this would require a greater cost per unit in order to amortize it than it would by taking the alternative source.

MR. PAULLEY: Mr. Chairman, I like our neighbours very much to the south of us, but I wouldn't like them to be in a position of being able to cut our water off. It was for that reason that I raised the question of the international agreement. I note that in respect of other

(Mr. Pauley, cont'd.) . . public utilities such as gas and electrical energy that that is necessary, or at least I believe that it is necessary, Mr. Chairman, and I was just wondering on this particular aspect, and it appears to me that from the Minister's remarks that negotiations are being carried on, I presume that the law officers of the province or the legal assistance to the Water Supply Board are looking into that aspect of it. Is that correct?

MR. ROBLIN: I'll just say, Mr. Chairman, that when we began these negotiations we took the International Joint Commission into our confidence. They regulate matters of this sort between the two states and we have their general concurrence, to the best of my remembrance, to proceed. They may wish to put the final stamp on our deal, but they have said "go ahead and see what you can do".

MR. SCHREYER: Mr. Chairman, I have a question which is slightly different. Does the province require approval from our Federal Government in this connection because, though I realize the laws aren't quite the same, the State of Minnesota required the approval of the Federal Government in Washington to expend money to build a road to the Northwest Angle--a somewhat similar situation. Does this government have to get approval from Ottawa?

MR. ROBLIN: That was included in my reference to the Joint Commission, Mr. Chairman. They cover all those angles; diplomatic, financial and the rest of it.

MR. CAMPBELL: Mr. Chairman, this is a case, I think, of where I get an opportunity to point out that in my judgment at least that our local experts are at least as good, and I think in this case a good bit better than some of the imported ones, because if I remember correctly we had some of these outside experts make a survey of the water requirements and the possible ways of meeting it in that area--(interjection)--I think perhaps it was, although I am not certain of that. I think it may have been. I believe that they found at that time, without of course getting down to the last detail, but they found that there are a couple of other projects that might be feasible. One was the one that the Honourable the Leader of the CCF Party has already mentioned, of connecting up with the Greater Winnipeg Water District line; and another one, I think, entailed a dam down in the local area there. I think it is a fact, and I'm not sure as I haven't been in touch with this lately at all, I think it is a fact that when our own local experts attempted to evaluate those other two projects they found that they just were not feasible. Is that correct? I think the idea to tie up with the United States is an excellent one. I wouldn't have the least worry--provided they get an assured supply--I wouldn't have the least worry of any international complications or them ever trying to shut off the supply or anything of that kind, because I think the logical development of that kind are to mutual advantage.

Now I mention this as an example, not only of my suspicion of the experts or my greater suspicion of the imported experts, or of my qualifications re experts in general, but just to point out that in our experience here our local people have had their feet on the ground a bit more firmly and are a little more practical, and usually have come up with better results than these people that we get in from the outside. So I hope that the Minister does proceed with this one on the basis that our own local people have recommended rather than the ones of the outside people. I would like to know from the Minister if my recollection in that regard is reasonably accurate. And then the next question I'd like to ask him, has he similar information with regard to a water supply for the town of Carman?

MR. HUTTON: Mr. Chairman, you're correct in stating that alternate sources for water were looked into and it was felt that at the present time at least, at least for the next decade, that this was the reasonable and most economical manner of getting water to these people. I'd like to also point out that the agreement has not been consummated as yet, although we are in hopes that it will be, and I would also point out that there is no other way to encourage a city such as Neche to go to a great deal of expense to make the water available to us in Manitoba unless we give them some kind of assurance, some kind of an undertaking that we are not going to be just customers for a day.

The question of a water supply for Carman and that general area -- this is a question that is current and is one that has had, as I understand it, quite a bit of study in the past and one that we will get our teeth into as soon as possible. Of course none of these water supply problems can be divorced from one another; they hinge. Water is no respecter of boundaries, and even those boundaries which nature has laid down can sometimes be wiped out, depending

(Mr. Hutton, cont'd)...upon development in another area or community nearby; and the question of water supply for the Carman area is, for instance, closely related to the question of whether or not we decide to construct a dam at Holland. It is possible that through the construction of a dam in the Holland area that a good source of water could be available to this whole southern area. I don't know as there's any more that I can say about that at the present.

MR. CAMPBELL: Mr. Chairman, have the PFRA authorities decided that the Stephenfield Dam is not practical or is too expensive to perform that service for Carman?

MR. HUTTON: As I understand it, the PFRA are very concerned about the foundations that are available for a dam of that size on that site.

MR. CAMPBELL: Does the Minister know, Mr. Chairman, if that is a final decision? I know that they've been tending that way for a long time but it seemed to be that they hadn't finally made up their minds. I must say that although the plans of this kind are a way, way over my head, I would still give it as my opinion that, though I'm a great supporter of the Holland dam on its own merits, I would think the distance of transporting from there to Carman is such that the cost would be very high. On the other hand..

MR. HUTTON: It wouldn't have to be transported. It will run downhill.

MR. CAMPBELL: Yes, that's right, but it still takes, even though it's going downhill, it still has to have a lot of other assistance that seems to -- while it's running downhill it still runs into a lot of money.

MR. HUTTON: Mr. Chairman, I wasn't referring to piping it, I was referring to the fact that it could be used to firm up the flow in the streams in the south-central Manitoba.

MR. CAMPBELL: Even so the project is pretty big. Is Stephenfield written off completely?

MR. HUTTON: I wouldn't want to say that. I wouldn't want to say that. There are alternatives to the Stephenfield Dam. There is a possibility of a number of smaller dams on the river and I wouldn't want to say that it's written off; but I think I would be safe in saying that it is not impossible, but improbable.

MR. FROESE: Mr. Chairman, I appreciate the report that the Honourable Minister of Agriculture gave us here this afternoon on the Altona-Gretna water works, and I would just like to direct a few questions to him at this time regarding this matter. Through this development, will there be any less support to the Pembina Dam or to the Pembina project, as such, for the other towns west of Altona? In our local town of Winkler we have several industries who require a considerable amount of water, and who are at the present time depending on wells only and we do not know how long this supply will last or how long the supply will be large enough for these industries, so that eventually we'll have to look for another supply of water and, therefore, I'd like to know from the Minister whether there will be any less support for those projects?

MR. HUTTON: At the present time the question of water supply on the Pembina River is under scrutiny, and because it is an international stream, the investigation will be carried on through co-operation between Manitoba and North Dakota. And of course the people across the line are as vitally interested in water as we are. It is possible that this water in the Pembina River can be made available to our people in southern Manitoba, not only for potable water purposes but also there is the question of irrigation as well, and I will assure you that our Water Control Branch is right on top of this situation; and even as short a time ago as within the last month, there were members of the North Dakota authorities in my office on the question of development of the water resources of the Pembina River.

MR. CHAIRMAN: Item 3 -- passed.

MR. MOLGAT: Mr. Chairman, before we leave this item, I believe the First Minister indicated that in addition to this amount of \$275,000 there was a carryover from the previous year. I presume he's referring then to what was entitled the Lower Red River Pipeline in the Capital Bill of July last, and it was for \$250,000. Now are we to assume then that there was none of that raised at that time and no works begun?

MR. HUTTON: There was no money expended from the Capital Estimates because the work was carried on by the staff in Water Control and Conservation. All the preliminary work had been done without expending any of the Capital funds and we have a carryover of \$250,000.

MR. MOLGAT: That will give then, Mr. Chairman, a total of \$525,000. Now is that

(Mr. Molgat, cont'd)...the total amount that it is estimated that this project will cost? Will that be the final then?

MR. ROBLIN: We think so unless we run into something we haven't got notice of.

MR. MOLGAT: Now this will be strictly for the works at Neche and the actual pipeline to the vicinity of Altona. Now, insofar as the distribution within the two villages of Gretna and Altona, what is the policy to be there?

MR. ROBLIN: The policy there, Mr. Chairman, as I think was explained when the Bill was before the House, is that the local municipality puts in its own local distribution system. We bring the water to the town gate; after that -- we're the wholesalers; they're the retailer.

MR. MOLGAT: Thanks. At a certain period of time last fall, Mr. Chairman, there was quite a discussion about the supply of water in the town of Deloraine. I wonder if the Minister could indicate what has been happening in that regard and what the government proposes to do to supply water to that village, because it was subject to considerable discussion last November.

MR. HUTTON: Well, Deloraine was one of the towns, communities in Manitoba, interested in installing a water supply in their community. Here is another community whose plans hinge upon the development of a source of supply; and at the present time they are awaiting the outcome of negotiations between the Province of Manitoba in its recommendation to the Federal Government that the dam should be constructed on the Turtlehead Creek. Of course this dam is not being requested on the basis of its value to the community as a source of water supply. I would want to go on record as stating this: it has other value, notably to agriculture, for stock watering purposes; for water control and conservation purposes; and, as I understand it, and the council of Deloraine has contacted me on a number of occasions through their secretary asking for any progress reports on the possible construction of the dam, and I would gather from that that they are vitally interested in this project insofar as they depend upon it as a source of water for the town of Deloraine.

MR. MOLGAT: This dam then is to be a joint project with the PFRA, I presume. Is that the policy?

MR. HUTTON: No. PFRA has nothing to do with the Water Supply Board, but if it is possible to use a source of water which is constructed for other purposes by PFRA, then it makes it so much easier for the town in question. You must remember this, that the people pay for this water, and the more that it costs to develop a supply and to transport it, the more they are going to pay per unit; and so the interested community is vitally concerned that the cost of developing the overall project should be as small as possible, in order that when it's amortized over a 20 or 40 year period depending upon the type of construction involved, that they are going to get as economical a supply of water as they possibly can.

MR. MOLGAT: Well then, Mr. Chairman, what are these negotiations that the province is undertaking with the Federal Government on this Deloraine dam? If the PFRA are not involved, who is it that they are negotiating with?

MR. HUTTON: Well, under the 1942 agreement the province made and entered into with the Federal Government, there are certain projects in the province, specifically dams, which are built by the Federal Government on the recommendation of the Provincial Government. The Federal Government, however, are reserving the right to reject the recommendation, and I think that you are as well aware of the facts as I am, that it is up to the province to make as good a case as it possibly can for these projects, whichever they may be. That is our job, and that is the job that we're trying to do.

MR. E. I. DOW (Turtle Mountain): Mr. Chairman, as this is in my constituency I am somewhat interested in the fact that there seems to be a misconception within the area of Deloraine that the Order-in-Council designating a water area was set up; and they were under the thought that by having that set up, it did give them a source of supply of water. I take it from your statement, Sir, that the Order-in-Council actually doesn't mean anything unless the PFRA go through with their project. Is that correct?

MR. HUTTON: That's not correct. Under the Water Supply Board we can undertake to build the structure to impound water and we can transport it by pipeline, but we charge this back to the community. The community pays for it over a period of time. The concept of the Water Supply Board is not to give water to people, it is to make it available on terms such as

(Mr. Hutton, cont'd)...they can afford. Now the more costly the original structure or construction is, the higher necessarily is the per unit cost of the water which they are going to use; and because of this, the community involved would much prefer to have as little of the work done by the Water Supply Board as possible. Now it just boils down to that. There is no advantage to any community to have the Manitoba Water Supply Board go out and build a very costly project to bring them water. The more economically we can do this, the greater advantage it is to the community involved; and this is the case, not only at Deloraine, but in other communities in the province. They request that; to try and develop the cheapest source of water supply possible and still give them an ample and a good product. In the case of Deloraine, if we are to develop the source of water for them it means that their unit costs will be higher, and I don't think that Deloraine, any more than any other community, want us to do more than is absolutely necessary.

MR. DOW: I agree with that, Mr. Chairman. But the point that I would like to establish is, that in the event that the PFRA don't negotiate to build the dam, what position does it put the people of Deloraine in inasmuch as they have been declared a water area?

MR. HUTTON: Well, I think there is a bit of misconception here. The procedure that is followed for any community in the province that wants a supply of water is as follows: they ask to be declared an area under the Water Supply Board Act. Before this is done, nothing at all is accomplished; nothing can be investigated; no work, no preliminary work whatsoever can be done. Now once they are a declared area, then the Water Supply Board investigates the possibilities or possibly a source of water — or the development of a source of water; the transmission of that water from the source to the town. They carry out preliminary cost surveys to determine what the unit costs of water would have to be to amortize the cost of the construction of the various.....over the accepted period of time. They submit this unit cost of water to the community in question and the community then decides whether they want to accept that or not. They may decide that it costs them too much or they may decide that it isn't practical. Once they have made this decision, then they are in business.

MR. CHAIRMAN: Item 3 — passed.

MR. MOLGAT: Mr. Chairman, the Minister has indicated certain procedures there to be followed in the local area. Were these procedures followed in the case of the Deloraine district prior to the passage of the Order-in-Council?

MR. HUTTON: To my knowledge the community of Deloraine intimated that they wanted to be a declared area under the terms of the Water Supply Board Act.

MR. MOLGAT: This indication, Mr. Chairman, was it by resolution of council forwarded in the normal manner?

MR. HUTTON: No, it was not.

MR. MOLGAT: Well, is that not the normal procedure, Mr. Chairman, for these matters to be done? How else does the government determine the wishes of an area insofar as its municipal operations are concerned, if not by resolution of council?

MR. HUTTON: Well, there is nothing binding. There is nothing binding about the fact that a community wants to be declared an area. There is nothing binding under that agreement. It's just a basis for negotiation and there are many communities in the province who are interested in the opportunity that the establishment that this Water Supply Board has given. In the case of Deloraine, the establishment of the water supply through the construction of a dam had been a source of real concern with them. We knew this. We knew that they were waiting to get this source of supply and it was indicated to me that they wanted — and I was aware of this about a week or so that they were waiting momentarily for news so that they can get on with the job of supplying water to the town — and I took it upon myself, on the knowledge that they wanted this, to have this Order-in-Council put through.

MR. MOLGAT: Mr. Chairman, are there many other towns in the province that the Minister has the same feelings about -- out of the blue, that they have wishes in this regard to have a supply of water -- in which he is thinking about passing the same sort of an Order-in-Council in the future?

MR. HUTTON: There are none right at the moment but there are many that have indicated their interest in the program, and if I'm not mistaken, there is one community where we are carrying on surveys trying to determine a logical water supply, which I do not believe has been designated an area.

MR. MOLGAT: Mr. Chairman, I just want to clear one point though. The Minister indicated, as I recall it, that the PFRA was not involved in this. My honourable friend the member for Turtle Mountain when he was speaking, was also speaking about PFRA. Now, quite frankly, I was under the impression that on these water projects, and the one that I am thinking about at the moment is the one near Morden, where as I recall it, it was a PFRA project. Now I know it wasn't developed for the purpose of supplying Morden with water. That is one of the incidental advantages, but it was developed for other purposes. But as I recall it, it was done by the PFRA, and I was under the impression that these other projects in the province of damming and water supply were PFRA projects. Now it doesn't matter too too much if it's PFRA or if it's some other branch of the Federal Government, but just for clarification, I would like to know exactly what is the system. Is it not PFRA who does this?

MR. HUTTON: PFRA is not primarily interested in water supplies for towns, and that's why I wanted to make it very clear in the case of Deloraine. We are not basing our argument on the fact that the town of Deloraine needs a water supply. We are basing our argument on other factors which are of equal importance to that area. But I say that where it is possible to make use of a PFRA structure, it is to the advantage of the community interested in water supply to do so, because it reduces their unit cost of water. I don't know whether I've made it clear or not.

MR. MOLGAT: I agree with the Minister, Mr. Chairman, that if we can get the Federal Government through PFRA or any other means to do this, then naturally it is a saving to the people in the area. But my question was, if it is not PFRA who does these things, and I realize that they're not interested in supplying waterworks for villages and towns or even a source of water for them, but if it is not PFRA then who is it that we're dealing with at the Federal Government? I know of no other agency of theirs that does this. I'm under the impression that it is PFRA.

MR. HUTTON: Yes, but if it is not possible to make use of a water supply that is provided by a Federal structure, then we are quite free to move in as we are down here at Neche and expend money to develop a source of water supply for the community involved, but it is the community itself which would much rather make use of any existing water supplies or sources of water than to have the Manitoba Water Supply Board construct one.

MR. MOLGAT: In other words, Mr. Chairman, wherever we can get some Federal assistance, it does come through PFRA. Now I realize it must be hooked up principally for agricultural purposes, but that is the agency. Well now, my whole point in discussing this, Mr. Chairman, was to bring up this matter of the South Saskatchewan Dam. Now I have no objection whatever to the Federal Government expending money in Saskatchewan on the South Saskatchewan Dam. If they decide that that is a worthwhile project, well and good, but insofar as the Province of Manitoba is concerned, I think we have a just claim for further assistance from the Federal Government on projects of that nature here in Manitoba. If we don't require as large a project as that one single one in Saskatchewan, we certainly have a great number of small projects that are required in the province and which will be of general agricultural interest or advantage as well as an advantage to the province as a whole. We all realize, as in the case of the South Saskatchewan Dam, the by-products if we want to call them such, insofar as the Province of Saskatchewan is concerned, will be tremendous. Now here in Manitoba these many small projects, I think, should be proceeded with without further delay by the Federal Government. They're proceeding in Saskatchewan with the expenditures of well over a hundred million, as I recall the final figure, and what we're asking here in Manitoba is very much smaller than that and should not be the occasion of any delay. So on something like the Deloraine one, I think that they should be urged to make a rapid decision on this so that we can get these things done. We're not asking for anything like what Saskatchewan is, so our requests should be taken care of quickly.

MR. CHAIRMAN: Schedule A - \$15,975,000

MR. CAMPBELL: I was wondering if the First Minister was going to comment on the point that I raised where he and I had a disagreement about the powers under the Act. Did he find the statutory answer to that question?

MR. ROBLIN: I think my honourable friend is right about that. I believe that the powers are very wide in here. I seem to recall that this phrase was lifted from the other Public

(Mr. Roblin, cont'd).....Utilities we have, although it seems a bit strange that they should be in there, but I think it's a standard feature. However, our policy is that it should be self-liquidating.

MR. CAMPBELL: I just wanted to point out, Mr. Chairman, that the board has the powers to give the water if it wants to, and I presume that the Honourable the First Minister has seen the Act in that regard. It's in Section 6, subsection 1 (d), and reading only the first part, "without limiting the generality of section 5, the Board may" -- and then jumping to (d) -- "sell, give or barter water or dispose of water by agreement to a municipality or water district." All I wanted to remind the government of was the fact that that is a power within the Act and I think there are some, some areas where it might be well worthwhile because of the availability of water which comes very easily to them, and yet the small financial resources of the community, that they might even consider giving it to them.

.....Continued on next page.

MR. CHAIRMAN: Schedule A -- \$15,975,000 -- passed. Schedule B -- Other Requirements. (1) Provincial Buildings.

MR. ROBLIN: By and large, no, Mr. Chairman. This breaks down into a lot of -- \$125,000 for Brandon Hospital; \$170,000 for Selkirk; \$50,000 for Portage la Prairie; and a few odds and ends. Mostly -- (Interjection) -- That's provided for.

MR. MOLGAT: Mr. Chairman, I take it from the statement of the First Minister that there is no item here for the provincial building across the way.

MR. ROBLIN: I think that's provided for by previous authorization.

MR. MOLGAT: That one is now complete, is it? Well, I wonder if it would be possible if I could ask some questions with regard to that building? I'm just trying to get the figures straightened out here. It would appear to me from the estimates of two years ago, that at that time, a figure of \$2,700,000 was carried in the current estimates for the construction of this building. Then last July a further sum of \$6,460,000 was passed at that time. Now that may not all have been for this one provincial building -- (Interjection) -- I was under the impression that most of it was judging from the replies that we got at that time. Now that would give us a total figure for that building of something over nine million -- \$9,100,000 or so...

MR. ROBLIN: Maybe the Minister of Public Works could give you the exact cost, but I'm sorry to inform my friend that it cost more than the estimate.

MR. MOLGAT: Well, I have an answer to an Order from the Minister of Public Works, and the estimated cost originally apparently was five million eight and the present estimated cost today is almost six million one, so the difference is roughly 300,000 more. According to these figures here, the two million seven and the six million four we get a total of nine million one. Now I would just like to have the correlation of figures.

MR. ROBLIN: Well, I can't give that to my honourable friend. That's last year's figure and I don't have it in my head. I do know that it is not all for that building. It's for -- I think there were some buildings in there for the Mental Hospital at Selkirk and a few things like that. It's not all for that building, and we've only asked for whatever the estimate requires.

MR. CHAIRMAN: Item 2 -- passed; 3 --

MR. CAMPBELL: Could we have a statement of what is proposed here, Mr. Chairman?

MR. ROBLIN: Yes, Sir. These are to do with the land settlement projects of which the House is aware. There's \$200,000 -- a blanket sum for the acquisition of land. That's not broken down because that is available for opportunities that may come up to recapture lands that we feel should be in the hands of the Crown. We don't know exactly what we'll spend that for until the opportunity arises. \$100,000 is distributed among the Pasquia, Catfish Creek and Washow Bay projects.

MR. CAMPBELL: I wouldn't think, on the basis of what has been spent in past years, that anything like \$200,000 would apt to be used would it for getting lands -- recapturing lands.

MR. ROBLIN: Well, it's for a variety of purposes. The type of land that we acquire would be lands required for community pastures; marsh lands that we buy; roadside stopping places and recreational areas; and things of that sort. There's quite a wide variety of different projects.

MR. CHAIRMAN: (2) -- passed; (3) -- passed.

MR. PAULLEY: Mr. Chairman, is this where the figure of expenditure for the acquisition of Grand Beach is contained?

MR. ROBLIN: Well, I have to confess, Mr. Chairman, that that announcement was a trifle premature, in the sense that we are not asking for any money this year for it.

MR. PAULLEY: You're a little late in one instance and a little premature on the other.

MR. ROBLIN: It's a rather difficult situation, my honourable friend, here. One of those things which happen and we're not asking for any money in this year's appropriation, but we probably will be next year.

MR. PAULLEY: Well I wonder then, Mr. Chairman, if the Minister concerned would give us the outline of this expenditure.

MR. ROBLIN: This money is being used for further investments in Falcon Beach; roadside developments; campgrounds in Forest Reserves; recreational development in various parts of the province in the Forest Districts; and things of that sort.

MR. PAULLEY: .....how much is involved, and if the First Minister does happen to

(Mr. Paulley, cont'd.) ... have it there, can he give us an indication of the overall cost. Will this complete Falcon? And the second question would be, has he any figures that might indicate the overall expenditure of the province to date in respect of the Falcon development?

MR. ROBLIN: It's about \$130,000 for Falcon. I doubt it will complete it because every year somebody thinks of something new that should be done there. We had the ski thing last year and possibly there's still some money for that here. Now I haven't the exact figure. Maybe one of my colleagues has but my guess, my recollection is it's in the neighbourhood of 1 1/4 million dollars.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Mr. Chairman, is any part of this appropriation going to be used in the completion of the roads, etc., in the Duck Mountain Forest Reserve?

MR. ROBLIN: I can't answer that offhand, Sir. Maybe -- I haven't got that breakdown in detail.

MR. EDMOND PREFONTAINE (Carillon): Mr. Chairman, I wonder if there's any money there for the St. Malo Beach development?

MR. ROBLIN: No, I don't think so. I haven't got it on my list here. I'll look through this and I might spot it.

MR. PAULLEY: Mr. Chairman, going back to Falcon for a moment or two. Is the same method of disposal of lots still prevailing in Falcon? That is, as I understood it, by a bid -- tender basis. And is there an item of revenue, or will that be coming down on the revenue statement, as to the return from the development at Falcon?

MR. ROBLIN: I don't think there's any change been made in the method of getting lots at Falcon. There is a revenue from it and I believe it's in the revenue estimates.

MR. CHAIRMAN: (3) -- passed.

MR. MOLGAT: Mr. Chairman, I believe the First Minister has a list there of the projects covered under this item. I wonder if that list could be made available to the committee.

MR. ROBLIN: Yes, Sir. Falcon Beach -- do you want the amounts? \$130,000 -- I'm just rounding these figures out. Trans Canada Campground and Picnic Grounds, \$100,000, of which we recover 50; roadside development, \$67,000; campgrounds in forest reserves, \$60,000; roads and fire guards, \$67,000; buildings for Forest Protection \$97,000; improvements to subdivisions, new recreational developments, \$104,000.

MR. MOLGAT: Mr. Chairman, when we were discussing the estimates of the Mines and Natural Resources Branch, the Minister advised us that the government had been looking at this matter of wilderness areas, and that for the time being they were not proceeding with this. Now it would appear to me that this is an important development. As our population grows and as our roads extend -- for example, this year what has actually been wilderness for years in the section north of Gypsumville and the Interlake will become, if not a populated area at least a traversed area, and we'll be faced with this more and more as we go along; and certainly now is the time to take those projects in hand. What were the difficulties encountered by the government in the establishment of wilderness areas? Why is it that we cannot proceed now with this project?

MR. ROBLIN: I agree with my honourable friend that wilderness areas are desirable. We have at least one area in mind and I don't think I should state it at the moment because our plans aren't fully developed. The question of legislation required more consideration than had been given to it. A draft bill had been prepared, I'll tell my honourable friend, on this matter, but on looking it over we became aware of implications which were not obvious to the drafters which is going to require quite a lot of sorting out. So rather than bring in a bill that we weren't really happy with we thought we'd let it wait. But I expect next year, I'm not committing my honourable friend the Minister, but I think the chances are very good that we'll have something going on that next time.

MR. CHAIRMAN: ..... Passed.

MR. MOLGAT: Mr. Chairman, one of the policies established in the past insofar as the provincial government is concerned was that Crown lands in the vicinities of lakes were not available for resale. They could be out on lease but as I recall it, there was a reservation on the part of the provincial government on resale. Is this policy still in effect? And is there any

(Mr. Molgat, cont'd.) ... contemplation of changing that policy?

MR. ROBLIN: ..... Yes and no.

MR. MOLGAT: Well both words are very descriptive words, Mr. Chairman.

MR. ROBLIN: No I really mean -- you gave me two questions. I gave you two answers.

MR. MOLGAT: In other words there will be no change in that policy. We will continue--

MR. ROBLIN: None contemplated.

MR. MOLGAT: None contemplated?

MR. CHAIRMAN: 3 passed. 4.

MR. CAMPBELL: Mr. Chairman, in regard to 4. I have questions, almost more important ones with regard to what was done with last year's appropriation than what is proposed for this one, because last year's appropriation was three times the size of this one. And when we were discussing the current estimates the Honourable the Minister said that he appreciated the fact that I gave him advance notice of what would be asked on Capital Supply, and having had that advance notice I am sure he is ready to report on the one million dollar-plus that was voted under this item last year.

MR. HUTTON: Under soil erosion, water control and drainage projects; in drainage construction in or adjacent to drainage maintenance districts there was only \$294,281.20 estimated expenditure out of a total of \$894,281.20. For soil erosion and water control of a total authorization of \$498,629.54 the estimated expenditure is \$98,629.54. There are a number of reasons for this. One reason of course, was the bad weather. Another reason which accounted for large sums of money was the fact that some of the projects where provision was made were not undertaken, waiting for further recommendations as a result of surveys that were underway. You will note that we are pretty well bringing back the authorization, last year's authorization to strength.

MR. CAMPBELL: Yes, Mr. Chairman, I do note that, and I get a certain amount of fiendish glee out of pointing out to my honourable friends on the other side of the House that "we told them", -- we told them last year that a lot of these estimates were greatly exaggerated. We told them that about the road program, and I am assuming that my honourable friend the Minister of Public Works has the figures with him to check up on what I was trying to tell him the other day, in an effort to prove me wrong in that regard. We told him the same thing about these items and here we find that -- after the then-Minister insisting to us that he needed a million dollars, more than a million dollars and had plans and works to use it -- that he has used, if I took down the figures correctly and if my addition is right, less than \$300,000. Well, Mr. Chairman, I don't know that on the basis of a record like that, that we can view these present estimates with too much confidence because -- I'll have to move on though and give my honourable friend a chance. What is expected to be done this year? Another \$300,000 worth of work?

MR. HUTTON: Mr. Chairman, my honourable friend I think will have to allow for the fact that we did reorganize our department this past year. He will admit that the weather in many sections of the country was anything but conducive to getting a big program rolling. There were a couple of mighty big projects that didn't get under way because agreement hadn't been reached on them with the municipalities involved, and yet provision has to be made in the estimates for these probable projects, and it would be unfair to the municipalities and the communities involved if we didn't make provision in the capital estimates so that they can go ahead. With the increased strength that we have in the department now through reorganization and the acquisition of further staff, I am just hoping that there is enough money to cover all the jobs that we hope and trust that we will accomplish during 1960.

MR. CAMPBELL: Mr. Chairman, the fact of the weather we always have to take into account, and I certainly can't hold my honourable friends responsible for that. I would remind them of the time honoured expression of the honourable the First Minister of this House when he used to tell us about the roads -- that you have got to expect weather in Manitoba, and you have got to plan for that eventuality. And every year, just about every year, you find some delaying factors. However I'll give whatever credit is necessary in that regard. I really can't accept my honourable friend's explanation though with regard to the reorganization of the department, because I know the staffs concerned well enough to know that they are capable of taking the so-called reorganization in stride; it's just a case of moving from one jurisdiction to another, and I, am sure it wouldn't disrupt the activities greatly at all. Both the former Minister and the

(Mr. Campbell, cont'd.) ... First Minister pointed out that they needed and were getting additional assistance, particularly in the way of engineers. The former Minister used to lay great stress on the contributions that these engineers that he was getting could make. Well now, that's all water under the bridge or down the drain across the soil to erode it, whatever the occasion may be; that's all past and gone. And now the Minister wants to use that \$700,000, practically three-quarters of the amount that was voted last year that wasn't spent, by the department, wants to use that, and put this \$311,000 with it and go on with the program this year. So I am sure that I am not laying the fault at the door of the present Minister. No doubt we will vote him this money to go ahead. But he mentioned certain big projects that couldn't go ahead this year -- couldn't go ahead this past year, they want to plan on them for the year that's approaching now. Would the Minister outline what the big projects are and the smaller projects?

MR. HUTTON: One of them was the Whitemud diversion.

MR. CAMPBELL: Oh yes.

MR. HUTTON: The other one was the Icelandic River.

MR. CAMPBELL: What is the estimate on the Whitemud please Mr. Chairman?

MR. HUTTON: The total cost is \$200,000 and the provincial share is \$67,000. The Icelandic River Project is \$125,000 with the provincial share of \$41,500. These are the two that I mentioned that did not get underway a year ago.

MR. CAMPBELL: Those, Mr. Chairman, are only approximately a tenth though of the total estimate so far as the provincial share is concerned. Is it a case of putting the money in here to finance the whole project and then getting a recovery; or is this just the provincial share that's being voted there?

MR. HUTTON: The Provincial share.

MR. CAMPBELL: Then could the Minister give us the other nine-tenths of a large portion of it.

MR. HUTTON: No, I can't, Mr. Chairman -- I gave those two as examples of what can happen when you don't get underway. But I also pointed out that I thought that it was -- the only way that you can accomplish work is to have the Provincial Legislature approve the funds that will make it possible for the municipalities concerned to reach an agreement and undertake the work, because if we waited until the municipalities were able to reach an agreement amongst themselves and with the Provincial Government, with our branch, Water Control and Conservation Branch, then we would have to call another session in order to get the agreement of the House.

MR. CAMPBELL: Mr. Chairman that's a very good explanation of my honourable friend but here we have a government that laid great stress on the fact that they had a program, a real program; of soil erosion and water control and drainage projects. These were things that were greatly needed in the Province of Manitoba. They had a program and they had it last year to the extent of \$1,000,000 and only less than \$300,000 of that program was spent. Now they've got the \$700,000--odd left; they are asking for \$311,000 more and we still haven't any details of what we are going to do with it. Now, surely, Mr. Chairman, surely the Provincial Treasurer doesn't encourage his Ministers to build up estimates in that way. That we come here with a program -- even after the warning that I gave him my honourable friend, even after the advance notice that I gave him that we would be asking what was done. Well it's easy to answer what was done? Not very much. Less than \$300,000 out of more than a million. But surely by now we should be able to find out what other projects are here. Can we not get that Mr. ....

MR. HUTTON: Do you want the new projects for next .....

MR. CAMPBELL: Yes, oh yes.

MR. HUTTON: Oh, I see. The Park Creek drain is a new project in the Drainage Maintenance District "O".

MR. CAMPBELL: Could we have a rough figure on that one Mr. Chairman?

MR. HUTTON: A rough figure?

MR. CAMPBELL: Yes, estimate, provincial cost, provincial share.

MR. HUTTON: \$ 18,000. There's the Hespeler floodway, \$100,000.

MR. CAMPBELL: What was the last one, Mr. Chairman?

MR. HUTTON: Hespeler floodway, \$100,000.

MR. CAMPBELL: These are provincial shares in all cases, are they?

MR. HUTTON: Yes. The reconstruction of the Backman drain \$7,000; the reconstruction of Burns Street outlet \$8,000; Cook's Creek channel improvement and structures \$10,000; reconstruction of Manning Canal \$30,000; Morris River \$16,000; those are the new projects under that heading. No? Just a minute till I get these things straight. No that's under the drainage control -- the drainage and maintenance districts. Is that what you wanted or did you want them under the next one as well?

MR. CAMPBELL: Well, Mr. Chairman I was trying to build them up to the million dollars that we're voting here, and I think we're very far from that, but I don't want to . . .

MR. HUTTON: I can give you the remainder. New projects -- the Washow Bay Drain and Shorncliffe Drain \$75,000; . . . Creek improvement \$54,000; Broad Valley to Fisher Branch \$32,000; and I have already given you the Icelandic River project \$41,500; and the Whitemud. I'm not acquainted with all of the projects in the province and unless it is marked new project I wouldn't know it. Then there are also provisions for carrying on the projects that have been started in years gone by.

MR. FROESE: Mr. Chairman, I would like to ask the Honourable Minister just what happens to these unused authorizations? Is there no termination point, or do they carry on indefinitely as long as they are used for that specific purpose, let's say ten years from now?

MR. ROBLIN: Capital grants don't lapse, Mr. Chairman. They're still available.

MR. NELSON SHOEMAKER (Gladstone): Mr. Chairman, I was happy indeed to hear the Honourable the Minister of Agriculture tell us that included in the estimate here was the sum of \$200,000 for the Whitemud River program. I wonder is this the place to ask him -- (isn't that you said) -- is this the place to ask him has he devised a formula yet? He did tell us when we were on Agriculture estimates that they were devising a formula, that is what amount will the Whitemud River Watershed be expected to contribute in consideration of this \$200,000 that is set aside here?

MR. HUTTON: These figures are on the basis of existing conditions and existing grants and the existing grant structure in relation to the jurisdiction that we are now dealing with. Once the grant structure has been arrived at in relation to the watershed conservation districts there might be a difference in regard to the amount that the provincial government was contributing to a particular project. I wouldn't want to say now that it will be exactly the same in a watershed conservation district as it is under the present jurisdiction, because there may be quite a change in the concept of a given work. But I would like to point out that the Whitemud figure that I gave you was the total cost of the project -- \$200,000 was the total cost.

MR. SHOEMAKER: Mr. Chairman, I understood the Honourable the Minister to say that \$200,000 was made up as follows: the provincial contribution \$67,000 and the federal contribution \$133,000, in answer to a question put by the Honourable Leader of our Party. That was the figure that I understood him to give us. \$67,000 provincial, \$133,000 federal.

MR. HUTTON: The federal share is \$100,000. The federal share in any of these projects does not exceed 50%.

MR. J. M. HAWRYLUK (Burrows): Mr. Chairman, is there any of this money slated for curtailment of soil erosion of the banks of the Red River in Greater Winnipeg?

MR. HUTTON: Yes, some of the projects that come under this heading are the works in, I believe it's Pine Creek and Wilson Creek, experimental project in the Pine River headwater storage project in the Duck Mountains is under this item. And as the Honourable the Leader of the Opposition pointed out when water doesn't confine to a channel it soon erodes the fields. To the extent that drainage keeps water in a defined water course -- then it certainly contributes to mitigating soil erosion.

MR. HAWRYLUK: Further to that, Sir, I know that West Kildonan and East Kildonan for example, and I believe any of the adjacent municipalities along the Red River -- in Greater Winnipeg, I should say -- we know that some of the municipalities have had a great deal of difficulty and complaints coming from their own taxpayers regarding the erosions taking place on the property along the Red River; and I think they have asked for financial assistance to curtail that. I believe it was something under discussion last year, and I am just wondering if this government is going ahead with that plan particularly in those areas where they are affecting the property of the owners along the Red River just north of us here; that is in West Kildonan and East Kildonan particularly.

MR. HUTTON: This of course is along a navigable stream which is a federal responsibility and we are keeping our eye on the situation and it's been brought up in the legislature here during this session, and I gave an undertaking that we would be willing to -- I would be quite happy to meet with the people concerned and to take this under consideration, but I think it should be understood that the province generally speaking is not held responsible for navigable waters.

MR. SHOEMAKER: Mr. Chairman, just to pursue my question a little further, I want to make certain that I have this nearly correct. I understand that the Minister envisaged that we may spend \$200,000 in the Whitemud River this year, of which the federal will contribute \$100,000, the provincial \$67,000 and the municipalities \$33,000 to make the total of \$200,000. That is what we might expect? Thank you.

MR. SCHREYER: Mr. Chairman, I don't wish to open up the debate all over again on the matter of combatting soil erosion riverbank slippage in the Red River. However, one statement made by the Minister just now is one which is in direct conflict with a statement made in this House by his predecessor; and I think that surely if we don't get any promise of assistance, the least we're entitled to is at least not to have sit here and listen to conflicting statements which only add to the confusion. I would like to serve notice to the Minister that if he is willing to meet people who are thus concerned that there will be delegations from two municipalities to see him before too long.

MR. CHAIRMAN: 4 passed. Item 5 passed.

MR. PAULLEY: Mr. Chairman, I would like a breakdown of this, and I have one or two specific questions to ask in respect of the Seine River and the Seine River Diversion, and I imagine that this capital expense insofar as the Seine River is concerned, has something to do with the diversion. I would like to know whether the amount that's in there, whatever it is, will complete the Seine River Diversion? When it will be completed. And then as it's dealing with the question of flood protection, is the department concerned doing anything in regard to the lower reaches of the Seine River after the diversion is completed? I know that that will take a lot of the surplus waters. I don't know if the Minister is aware of the situation down in the lower reaches of the Seine River itself, where over the years the river has been -- the banks coming in and growth in the river itself -- accompanied with the large number of turns and twists in the Seine, it seems to me that in the lower reaches, just before it enters in to the Red that there could be a lot of cleaning out done there. Now whether that's the responsibility of the provincial authority or not I'm not aware. I don't think that the Seine is considered as a navigable river. As a matter of fact quite frequently you wouldn't be able to get up in it in anymore than a canoe, but I'd like to know from the Minister if he has any plans in connection with the lower reaches, and also the questions I've asked insofar as the completion of the diversion which is a little further up stream.

MR. HUTTON: I think that the amount of money for which we are asking authorization it is contemplated that this will complete the structure. There is here again a considerable carry-over because of the fact of the \$350,000 that was voted in the last session; we were only able to complete expenditures of \$158,000. And here I believe the Honourable Leader of the Opposition will agree that because the project has been under way for some time that the reason for the delay in getting the work done was due, almost entirely, to the weather conditions. There was a flood early in the year and then later in the fall we were held up and there was only a short time, an interval, during the dry weather of July and August when the work went along at any rate at all. I can give you a fairly detailed resume of the work that was undertaken, if you wish, but I think the figures speak for themselves. As to the question of any additional work. I can't answer that -- I'm not familiar with it.

MR. PAULLEY: Have you any idea Mr. Minister as to a possible completion date? I can appreciate the fact as you mention about the recurring flooding that has happened, particularly around Steinbach and right down into my own constituency. Of course that is our concern, and hope that when the diversion is completed -- I'm wondering if you can give us any idea of the completion date. We did get one last year from your predecessor that hasn't been achieved. And in addition to that I'd like to ask one more question in connection with this. You may not have the answer and I can appreciate that. I believe there was an arrangement with the former government of municipal participation in the cost factor. Is that still prevailing?

MR. HUTTON: Yes.

MR. PREFONTAINE: Mr. Chairman, you stated that there was lots of work done on the Seine River diversion project during last summer. I've been travelling on 59 Highway and might say that in the year 1958 two contracts were let between the Red River and 59 Highway and just about completed. The equipment had reached 59 Highway and the work was done fairly complete. But during 1959 there was no work done east of the 59 Highway, and I might say that we had some very nice months but there was no equipment working, no work done. I understand that there were two contracts let late last fall. But why weren't these contracts let early last spring? I think that we have lost practically the whole summer of 1959 with respect to the Seine River diversion project. I know that I can't blame the Honourable Minister himself for that delay in letting out the contracts, but I'm sure, Mr. Chairman, that those who know the situation down there like I do, would realize that there was very, very little action done. Twice, three times a week I was travelling to Winnipeg and I saw that nothing was moving at all right where the construction should have carried on in an easterly direction towards Ste. Anne.

MR. PAULLEY: Mr. Chairman, I might ask in connection with that: Isn't this a type of construction that could feasibly be carried on as a winter project? We do a lot of digging now with our new types of equipment of this nature, and I'm wondering whether we may not be missing the boat or causing the need for boats by not processing a lot of this work during the wintertime. It seems to me though that that would be feasible, and while we can appreciate some of the winters are pretty rough for this type of work, the type of winter we've had thus far in the general area of the diversion I think would lend itself to a lot of the work being accomplished.

MR. PREFONTAINE: Mr. Chairman, I do not think I agree completely with the Honourable the Leader of the CCF Party. In this heavy gumbo I don't know if it would be wise; I think it would cost more money. But I don't agree on the other hand that weather had so much to do because east of Highway 59 it's open prairie and I think that draglines could have carried on and done a lot of work even if it's rainy weather. They could have done a lot of work; much more than was done last year.

MR. HUTTON: Mr. Chairman, I didn't want to burden the members reading reports but I think I'd better. The 1958 contract to Simpkins Construction Co. for the excavation of the first section of the channel between the Red River and PTH #59 was completed. Two treated timber bridges were constructed on this section of the project under contract to R. Desautels; one drop structure was completed and the excavation for the second structure was completed, both these structures being at the outlet of the diversion just east of St. Mary's Road. The contract is held by the Harris Construction Co. In the fall a contract was awarded to Powell Construction Co. for the excavation of 5.6 miles of channel easterly from No. 59 highway. Only 1% of this work was completed prior to the wet weather during the first week of October and no further work could be undertaken up to freeze-up. All of the work in progress during 1959 on this project was seriously delayed due to bad weather. The heavy rainfall in early June during the period proceeding the Seine River flood delayed completion of the 1958 excavation contract as well as the drop structure, and until the former was completed it was not advisable to award the second excavation contract. Therefore only the three month period, July to September inclusive, was suitable for this project to proceed. In 1960 it is hoped to complete the contract awarded to the Powell Construction Co. last fall, and to award the third and last contract on the easterly end of the project about the middle of the summer, and again with the hope that weather conditions will permit completion of the excavation prior to freeze-up next fall. Additional bridges and control structure on the Seine River at St. Annes point of diversion, are also required to complete the project.

MR. STAN ROBERTS (La Verendrye): I think that the Honourable Minister's report bears out exactly what the Honourable Member for Carillon was saying, that during the three month period when the weather in the area was excellent there was virtually nothing being done on the Seine River, and that if contracts had been let and there had been an intent to do the work on the Seine River during that period, during that period when the weather was right, something would have been done during that period. It became quite the joke of the community, as a matter of fact, because there was just absolutely no machinery moving on a diversion that had been promised that it was going to be completed last year. And I think that the Honourable Minister

(Mr. Roberts, cont'd.)...should have a great deal more to say about it than just simply that the weather wasn't right, because the weather was right and it was perfect for a three month period and virtually nothing was being done. There was no excavation work being done, there was no grading, there was no sign of activity except for small crews working on bridges and things like that. This became quite a laugh and I think it's a more serious thing than you're trying to indicate. I think this whole Seine River diversion becomes ridiculous if you come in here every year and tell us that this year we're building this thing; we're appropriating so many hundreds of thousands of dollars worth of money and then the time comes when there's no machinery out to do it--and apparently contracts were not let until after the good weather period was over.

MR. HUTTON: Mr. Chairman, there's just one sentence I'd like to read again. It says that until the drop structure was completed that it was not advisable to award the second excavation contract, and as I understand it, the drop structure was completed largely during the time between the flood and the wet weather, and that would account for the fact that there was no one working. I know I don't read very well.

MR. CHAIRMAN: (5) - passed.

MR. PREFONTAINE: May I ask the Minister why he does not see it advisable to let the third contract early in the spring rather than wait for the middle of the summer as he has just stated or read from that report. He has stated that one contract, the second contract has been let; he's going to proceed in the spring. But why not let the third contract right away or as soon as possible so that the two contracts could be done at the same time and the job done?

MR. HUTTON: Mr. Chairman, when I'm not Minister of Agriculture, I'm a farmer, and I don't pretend to know the professional reasons or technical reasons why the department or the Water Control Branch would deem it advisable to wait, but I would imagine that in their wisdom and their experience they have determined that this contract should be let at that time or approximately that time in relation to the work that they, I imagine, calculate will have been done. I have no reason to offer why, other reason to offer, but I suggest that they make their decisions in the light of their experience and the facts as they relate to a given case of that kind.

MR. MOLGAT: Mr. Chairman, I wonder if the Minister could give us the breakdown of this amount over the different projects involved--the three million. Last year we were given a breakdown of the--it was then half a million. I wonder how the three million is proposed?

MR. HUTTON: There is \$300,000 for the Seine River Project and there is \$2,700,000 for the Lake Manitoba and Red River Valley Projects. Of that amount I think it is anticipated that about \$448,000 will be required by the Fairford River Dam. The remainder will be expended in the initial stages of the floodway.

MR. MOLGAT: Could the Minister give us the breakdown, Mr. Chairman, between what is proposed for the Lake Manitoba section. He has given us there the Fairford Dam that's 448. Is that correct? Could he give us the balance there of what's going to be spent on the Lake Manitoba diversion, and then the remainder I presume will be strictly Red River Valley. But what I am really interested in is what is the total spent on the Lake Manitoba and then what is the rest being used for?

MR. HUTTON: The total being spent for the Fairford River works I stated was \$448,000, that is the provision that is being made this year, and the remainder is to be spent in the floodway.

MR. MOLGAT: Oh I am sorry. I had understood that the Minister said this was to be for the Fairford Dam, but it's for other works as well as the Dam in other words--the 448? So out of this two million seven, in round figures 450,000 will go for the Lake Manitoba and the balance of two million two hundred or whatever it comes to, is for the Red River. Is that correct?

MR. HUTTON: Yes. I am sorry the figure I gave you was 448--it's 480. 480--so the remainder would be spent on the Greater Winnipeg Floodway. I think it's \$2,220,000. When you refer to the Fairford River works that is the channel and the control structure that is to be put in. A new channel is going to be constructed parallel to the existing channel because it was found that it is much more economical to supplement the existing channel by digging out a

(Mr. Hutton, cont'd.)....channel in the clay rather than to try and blast out the rock. In fact it will save something in the neighborhood of 30% or better. I think it should be clear that that is not for more than the Fairford River works; it is for the channel and the control structure.

MR. E. GUTTORMSON (St. George): Mr. Chairman, where is that channel going to be constructed, south or north of the Fairford River?

MR. HUTTON: North.

MR. GUTTORMSON: How far north?

MR. HUTTON: A few hundred feet.

MR. GUTTORMSON: Will this structure include a bridge then?

MR. HUTTON: Pardon?

MR. GUTTORMSON: Will this include the bridge as well? In the estimates given by the Minister of Public Works there is an item for Fairford River bridge and water control structure. Could the Minister explain the difference between these two items?

MR. HUTTON: Well I have a channel and a water control structure. I imagine that the Minister of Public Works is responsible for the traffic that goes over the dam and we are responsible --(Interjection)--Yes, over the dam.

MR. GUTTORMSON: Say that again please?

MR. HUTTON: Yes. They are responsible for a deck on top of the dam that will carry the traffic on No. 6 highway over the dam. We are responsible for building the structure which will control the flow of water through the channel.

MR. GUTTORMSON: Mr. Chairman, it was my understanding from the Minister of Public Works that there was a new bridge going to be constructed in place of the bridge that is now standing because it has not been safe for heavy traffic. I thought this would mean that there would be two bridges constructed, because the present one certainly isn't going to stand up to any heavy traffic, the one that's on the Fairford River now.

HON. J. THOMPSON, Q.C. (Minister of Public Works) (Virden): Mr. Chairman, this will constitute an alternative bridge. This will be the new bridge. We're building the deck over the dam for a new bridge.

MR. GUTTORMSON: Mr. Chairman, the Minister of Agriculture said that there was a new channel.

MR. HUTTON: The new channel joins the old channel before it gets to the control structure.

MR. GUTTORMSON: Well Mr. Chairman, would the Minister repeat that again please?

MR. HUTTON: The area that needs to be excavated is beyond the control structure, it is between the control structure and the lake, and before the water reaches the control structure it has joined with the old channel. There are two lines like this--there you have one channel--now you are going to have two channels. The block is between the control structure and Lake Manitoba and we are enlarging the channel between the control structure and Lake Manitoba so that when it gets to the control structure we have one channel.

MR. GUTTORMSON: Mr. Chairman, where the present bridge is located--are you going to change the location of the bridge then?

MR. HUTTON: Yes.

MR. GUTTORMSON: Where is that going to be constructed? --(Interjection)-- Well I'd like to, I'd like to know now.

MR. HUTTON: .....says it's 600 feet downstream from the present location.

MR. GUTTORMSON: Where will it be in relation to the railway track? East or west of the railway track?

MR. HUTTON: Well you should know.

MR. GUTTORMSON: I don't know. I haven't measured it by feet. Does the Minister know whether it will be constructed east of the railway track or on the other side?

MR. HUTTON: How far is the railway track from .....

MR. GUTTORMSON: I've never measured it. It's not very far but I'm not sure whether it's 600 feet or otherwise. (Interjection)

MR. MOLGAT: I am afraid, Mr. Chairman, that this subject isn't quite exhausted. When we were discussing the general estimates I think I made the point then that I would have some questions on this Lake Manitoba under capital. I think that was the understanding at the

(Mr. Molgat, cont'd.)...time that we would discuss it now. Now I think that the questions the Member for St. George is asking are very much to the point because there was a complete investigation made of this Lake Manitoba diversion. And as I recall the figures and we discussed them here about a year ago or so, it was something like a million and a half, that would be required to do what the Lakes Manitoba Board recommended. Now I realize that this is not necessarily a project that will take just one year, and if it is the intention to break it down over a number of years, fine. But the question arises if we're spending 480,000 is this considered to be the final project?

MR. HUTTON: No. We have carried on further investigations and as I pointed out we have found that by creating an auxiliary channel north--a few hundred feet north of the existing channel we can effect quite a saving, in fact, half a million dollars, and that it will be just as efficient as the original intention or plan of improvement. This will not, of course, the 480,000 will not complete the project, but we are asking for that authorization to undertake it, we hope, during this summer, the middle of the summer.

MR. MOLGAT: Well, this project, Mr. Chairman, is it the same project as was recommended by the Lakes Manitoba Board? I am not too concerned whether it's done by a channel to the north. I realize that the topography there would recommend that procedure, but my real interest in this is, will this work actually permit the control of the lake between the low and the high level that was recommended by the Lakes Manitoba Board? If that is done, if it can be done for less money, well and good, but the real interest is that question of the control of the lake now--

MR. HUTTON: We're doing exactly the same thing as was recommended by the Lake Manitoba study. The only difference is that instead of deepening and enlarging the present channel we are going to construct an auxiliary channel which will have just as much capacity as the recommendation, but it has been found by further study that we can effect quite a saving over trying to blast out the present channel.

MR. MOLGAT: Well, Mr. Chairman, in addition to this work right on the Fairford. As I recall it, when the investigation was conducted, it was found that this would put more water in the Lake St. Martin, and that a further difficulty arose at the mouth of the Dauphin River where it flows out of Lake St. Martin because it did not take enough water out of there. Now is there anything planned there to protect the residents along Lake St. Martin from the additional water coming in? Is that....

MR. HUTTON: Not to my knowledge.

MR. MOLGAT: Well this project then, Mr. Chairman, will there be further expenditures next year? What is the total cost of the project?

MR. HUTTON: One million, one.

MR. MOLGAT: One million one is the completed project. I presume then that we will be asked next year for further expenditures to complete it.

MR. HUTTON: Yes....

MR. HAWRYLUK: Mr. Chairman, I believe that a month or so ago a statement was made that there was no danger of flooding regarding the Red River, but we are aware since our major flood of 1950 that we've had frequent floodings taking place in the areas of Elie, Ste. Anne, and Ste. Agathe, and I am just wondering if there is any danger up in that area this coming spring.

MR. HUTTON: Elie, Ste. Anne.....

MR. HAWRYLUK: And Ste. Agathe. We've had two or three since 1950 up in that area where quite a lot of land was under water.

MR. HUTTON: You mean floods on the Red, the Assiniboine and the Seine River? At the present time the flood forecasting committee has indicated that unless there is a marked change in the weather, that there is no danger of flooding this spring. They have brought in their initial report for 1960 and they will be bringing in a further report I believe about the 24th of this month, I'm not sure of that--but they will bring in a further progress report on conditions as they exist in the watersheds of the Assiniboine and Red River.

MR. SCHREYER: Mr. Chairman, before we leave this item you will recall that when we were on the estimates of the Department of Agriculture I had wanted to raise for discussion here the matter of the Red River diversion channel in the area north of Winnipeg between

(Mr. Schreyer, cont'd.)...Winnipeg and Lockport, and at that time the First Minister said that the opportune time would be when we come to capital. Now I shan't take the time to tell this House why the people in my constituency living north of Winnipeg are so concerned about the route that the channel shall take; let it suffice to say that they are very concerned. I would appreciate it very much if the First Minister would take a few minutes to tell us more about just what has transpired in finalizing plans for the construction of this channel. Does the government intend to go ahead with the route as outlined in the survey report, or do they intend to make some alterations? There is a considerable amount of anxiety among the market gardeners north of the city and they have reason to be anxious. They are wondering if the channel that's going to be constructed as outlined in the report--they are wondering if, they are shall I say concerned that this will take away the major portion of their intensively farmed market garden land. They are also wondering when the government is intending to start negotiation of purchase procedures and so on. All these things are of concern to them and I would appreciate some comment.

.....continued on next page

MR. HUTTON: Mr. Chairman, when the Royal Commission on Flood Cost Benefit recommended in its report that the intake of the Greater Winnipeg floodway be located so as to have St. Norbert included in the protected area, there was no preliminary survey carried on by this Royal Commission; and so it became necessary for the Water Control and Conservation Branch to undertake this preliminary survey. In relocating the intake it was also necessary to relate the previously proposed location into the other recently completed public facilities such as the Symington yards and the perimeter highway. During the summer and fall of '59 an extensive program of field investigations was undertaken for the purpose of establishing the best route for the revised location. Several lines were run from a point southeast of Transcona on the Trans-Canada Highway southwesterly to the Red River in the general area between St. Norbert and St. Adolphe. Preliminary investigations narrowed the choice down to two routes. Included in the field were subsurface investigations along the routes and more particularly at each of the proposed control structures. These were necessary to determine the depth of rock which in turn determines the foundation design of the major control structure. Office studies resulted in the selection of one route which is considered to be the most satisfactory and economical of all those studies. A report is now being prepared by the Water Control and Conservation Branch and which is being reviewed by the Federal Government engineers designated for this purpose. Following any changes necessitated by this review, the report will be received by this province for approval. On the basis of this report it will then be possible to initiate a program of acquisition of property. And I might say that until such time as this it would be very unwise to reveal in any way where this floodway is going to go. (Interjection) Yes.

Now these are the steps that will have to be taken when we get the approval of the Federal Government to the proposed route: A reservation possibly in the form of an expropriation plan of the lands required for the floodway estimated as closely as possible at this time. We'll have to carry out negotiations for purchase of lands with owners and incidental planning with owners for removal or disposal of buildings, for which some reasonable notice must be given. Detailed engineering surveys are required for preparation of contract plans in the office work in connection with the preparation of these plans and specifications for the project. Detailed soils and foundation analysis for all structures along the floodway and along the floodway route itself; this latter being required to insure proper earth work design such as site slopes, depth and proximity of waste material. A study carried out by the Water Control and Conservation Branch, and possibly with consultants, of the methods of excavating the floodway. This would include a study of the merits both physical and economical of dry land, tractor scrapers, shovels, draglines, etc.; excavation as compared to underwater excavation by hydraulic dredge. From this study we would hope to determine the most advantageous methods of tendering the excavation of this channel. We consider this study important in view of the fact that construction of this channel will involve the excavation of one hundred million cubic yards of material -- among the largest excavation projects ever undertaken anywhere.

And so you can see that this is a tremendous project. It may seem to you that it's lagging a little bit in getting underway; but in a project of this size the amount of planning and replanning before any actual steps can be taken, before a scoop of earth can be moved, is tremendous, because no one wants to make any mistakes on the method of construction or on the location, because not only is it of tremendous importance to a very great number of people, but it involves a tremendous expenditure of money, and therefore all care must be taken. It has been calculated by those who were experienced that the very soonest, earliest date that we could hope for completion of this structure would be seven years, and that more likely it will be 10 years. (Interjection) Pardon? The commencement? I don't think that there can be any hope of starting excavation on this project until 1961 at the very earliest. Even taking advantage of every minute it is impossible to give the people time to make the move that is necessary, because this involves the purchase of a great deal of real estate, people have their homes there for years, you can't just go in with a bulldozer and push them off. And it is really a prodigious undertaking. I didn't give any details, and no one asked me to, but I would like to say a few words about the Holland Dam and the ---

MR. PAULLEY: Mr. Chairman, before we go into the Holland, could we get any

(Mr. Paulley, cont'd) . . . information from either the Premier or the Minister of Agriculture insofar as how negotiations are proceeding with Ottawa in respect of Federal contributions to this floodway?

MR. ROBLIN: They're carrying on, Mr. Chairman. I think that we will get a satisfactory result. I have had a number of discussions with those concerned on some points that required clarification on this matter. They have not all yet been resolved, and I expect it will take a little while yet before they are. However, what has been decided as the House already knows, is it will be a shared proposition, and that what we have done is to take those steps that are necessary to ensure that our rather prolonged negotiations on the financial end of it don't hold up the actual work. I think that's the important thing. And so you can see from the Minister's report that is not the case, that the work is proceeding just as fast as we are able to get it done. Now having arrived in our own minds at what we think is the right engineering solution on the very sort of basic points on this, where it's to go -- I think that's pretty well settled in the mind of the department and general principles about engineering, although all the details that are mentioned have certainly yet to be resolved -- as soon as that appeared to be approaching a state when we are prepared to talk with other engineers about it, we immediately asked the authorities at Ottawa to nominate and send to us their engineers, because if they are taking some part of the expense here it's only natural that they would expect to at least have the right to look at our plans and make any comment so that we can arrive at a mutually agreeable solution from an engineering point of view. I'm glad to say that that arrangement has been made, the engineers have been here; they know our preliminary plans; they have taken them away and we expect quite soon to have their approval, and without being able to commit them in any way, my understanding is that they think our plan is a sound one and in principle I believe we're going to come to a very quick agreement on that point. So that part of it is proceeding along at a satisfactory pace. I'm, as members will understand, just about as anxious as anybody to get the financial end of it settled. We have made certain offers and counter offers as one does in a matter of this sort, and we're at the negotiating process where we're trying to get the two parties as close together as we can. And we've made some progress there but I think it would be in the best interests of the province that we would continue those negotiations until we come to an agreement as to the exact details.

MR. CAMPBELL: Mr. Chairman, the First Minister says that we've made some offers and counter offers; but actually it's requests, isn't it, the province is making rather than offers? There's just one main thing -- I've enough confidence in the engineers from our own province here to have no doubt at all that the Federal engineers can't improve on their plans, and I would have no doubts that what our folks decide on will be satisfactory to them. But the thing that seems to be in just the same state that it was away back in 1958 is: what's going to be the contribution of the Federal Government? On that I think my honourable friend the First Minister is even less specific than he was in October of 1958.

MR. ROBLIN: Well, it isn't exactly October 1958 because my honourable friend will know that we submitted our suggestions on this matter to Ottawa just about a year ago on March 16th, 1959, and those negotiations are proceeding. My aim, of course, is to get what I ask for. I don't know just how successful I'll be, but I think I'll have a substantial measure of success.

MR. CAMPBELL: I repeat, Mr. Chairman, that the Honourable the First Minister doesn't appear anything like as optimistic as he did away back in October of '58.

MR. ROBLIN: I don't want to let my honourable friend suffer under misapprehension. I'm optimistic. I always am, and I'm going to work for this as best I know how, and I know that I might as well be quiet because he's the sort of man that insists on the last word, so I'll have to let him have it or otherwise he'll be here a lot longer. (Interjection).

MR. CAMPBELL: No, I don't mind a bit, don't a bit, my honourable friend having the last word. All that I want to put on the record is the fact that away back in 1958 the Honourable the First Minister put on the record a more optimistic statement than he does now. Now, what are we likely to get out of the Federal Government?

MR. ROBLIN: The statement that I put on the record was on March 16th, 1959, and it was a statement of what this province would like to have. That's what we're aiming for. When I know what the final answer to that is I'll be glad to give it to the honourable gentleman

(Mr. Roblin, cont'd) . . . . because we're still negotiating it.

MR. CAMPBELL: Not very optimistic, eh?

MR. PAULLEY: All I want to say, Mr. Chairman, is simply this. We've heard this argument back and forth between our honourable friends and I think the First Minister has made a fairly clear statement of what they're after, both then and now, and I'm sure that he will understand if I say -- notwithstanding the debate between my two friends -- that when the final arrangement is made if it's not up to expectations of us all then we'll have a full debate on the question. But I think for the meantime we've had all of this before.

MR. ROBLIN: The point I want to make though, is that progress is being made. I wouldn't like the committee to think that we're not doing our best to get on with the actual engineering aspects of it which are the fundamental thing.

MR. CAMPBELL: Mr. Chairman, we'll still have some discussion on this matter.

MR. ROBLIN: Mr. Chairman, it's 5:30 and you'll be leaving the Chair in a minute. I'd just like to say that I must confess that we have our signals a little crossed on tomorrow's business. I think the Law Amendments Committee will be meeting at 10:00 o'clock and therefore it would not be practical for Public Accounts to meet on the same day, so Public Accounts will be on Friday and we'll have the Law Amendments tomorrow at 10:00.

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

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Honourable Member for Winnipeg Centre that the report of the Committee be received.

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