

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, April 23, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

REPORTS BY STANDING COMMITTEES

HON. OBIE BAIZLEY (Minister of Municipal Affairs, and Commissioner of Northern Affairs) (Osborne): . . . report the second meeting of the Standing Committee on Municipal Affairs.

MR. CLERK: Your Standing Committee on Municipal Affairs beg me to present the following as their second report. Your Committee has considered Bills:

No. 6 - An Act to validate an agreement between The Metropolitan Corporation of Greater Winnipeg and the Canadian National Railway,

No. 46 - An Act to validate By-law No. 2259 of The Rural Municipality of Rockwood. And has agreed to report the same without amendment.

Your Committee has also considered Bills:

No. 34 - An Act respecting The Town of Morden,

No. 37 - An Act to Vest Title to Land in The City of Brandon.

And has agreed to report the same with certain amendments.

All of which is respectfully submitted.

MR. BAIZLEY: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Tourism and Recreation that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Notices of motion.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we introduce the bills, I'd like to introduce our young guests in the gallery today. We have 90 students of Grade 8 standing from the Beliveau School. These students are under the direction of Mr. Pitcairn, Mr. Domarantzky, Mrs. Keen and Mrs. Renaud. This school is located in the constituency of the Honourable Leader of the New Democratic Party. We also have with us 53 students of Grades 6, 7 and 8 standing from the Grand Marais Elementary School. These students are under the direction of Messrs. McDonald, Borgford, Mrs. Sanderson and Miss Anderson. This school is located in the constituency of the Honourable Member for Lac du Bonnet. We also have with us today 30 students of Grade 11 standing of the Steinbach Bible School. These students are under the direction of Mr. Kroeker. This school is located in the constituency of the Honourable Member for Carillon. On behalf of all the honourable members of the Legislative Assembly I welcome you all here today.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable the Minister of Finance.

HON. GURNEY EVANS (Minister of Finance) (Fort Rouge) introduced Bill No. 60, An Act to amend the Motive Fuel Tax Act. (His Honour the Lieutenant-Governor recommends the proposed bill to the House.)

MR. EVANS introduced Bill No. 59, An Act to amend The Gasoline Tax Act. (Mr. Speaker, the Lieutenant-Governor recommends the proposed bill to the House.)

MR. SPEAKER: The Honourable Member for Roblin.

MR. WALLY MCKENZIE (Roblin) introduced Bill No. 82, An Act to enlarge the Boundaries of The Town of The Pas.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Finance.

MOTIONS FOR PAPERS

MR. EVANS: Mr. Speaker, before the orders are called, may I lay on the table of the House Return to an Order of the House No. 38 on the motion of the Honourable Member for Churchill.

MR. SPEAKER: The Honourable the Minister of Education.

HON. DONALD W. CRAIK (Minister of Youth and Education) (St. Vital): Mr. Speaker,

(MR. CRAIK cont'd) before the Orders of the Day, I'd like to table the annual report of the Public Schools Finance Board for the year ending December 31, 1968.

MR. SPEAKER: The Honourable Member for St. James.

MR. DOUGLAS M. STANES (St. James): Mr. Speaker, before the Orders of the Day, may I remind you, and I'm sure you need no reminding, that today is a most important day, a red letter day in the history of man. Today is the 23rd of April, St. George's Day. I think that one of the most interesting things about our province and our country as a whole is the mixture of people, and I just want to bring emphasis on this occasion to those who have also played, and will play a great part in our community.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I'm very pleased that St. George's Day should not pass unnoticed. I think that it is a great custom or tradition to honour the patron saints of the countries of our forefathers. I think it makes for even more fellowship to see, for instance a Scotsman honouring St. Patrick and I think it is appropriate that I should salute my Anglo Saxon friend at this time. But I can assure you I'm not the only one from our group, Mr. Speaker. The Honourable Member from St. George in his usual generous mood suggested that he wanted to do something to salute the patron saint of his constituency also, and he asked me to pass along the invitation to you, Sir, all the members of this House and his colleagues from the press, the coffee will be on him this afternoon.

MR. SPEAKER: The Honourable Member for St. George gets more generous as he gets older.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I do have a question I'd like to direct to the Honourable the Minister of Industry and Commerce. I note from a press report dated April 21st where the statement is made that Metro's attitude has driven more potential developers away from Winnipeg than any other single factor. Is this a fact and is the Minister aware of any industries or developments that have not come about because of this fact?

MR. SPEAKER: I believe I brought this matter before the House before, that it is not proper to ask a Minister as to whether or not a newspaper report is accurate. I believe the Honourable Member for Rhineland is making that suggestion at this time?

MR. FROESE: Well, Mr. Speaker, in that case I'll leave the newspaper out of this picture and I'll just ask him the question. Is the attitude of Metro of such a nature that development that would normally come to the City is not coming here because of this?

HON. SIDNEY SPIVAK Q. C. (Minister of Industry & Commerce) (River Heights): Mr. Speaker, the honourable member has referred to a newspaper article and I assume an opinion of someone that this is the position. I'm not prepared to express opinions on others' opinions at this time.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the First Minister. There was a discussion in the Province of Alberta recently about a suggestion that the federal government might allow the provinces concessions in the appointment of judges and senators if they would accept the Official Languages Bill. Could the Minister confirm that, or does the Minister recall that any such discussions took place with this government?

HON. WALTER WEIR (Premier) (Minnedosa): Mr. Speaker, I don't know whether the fact that the honourable member holds up a newspaper clipping at the time he's asking his question has any relevancy to your ruling. All I can say is that I have nothing that I can add.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, I'd like to ask a question of the Provincial Treasurer. In view of the fact that here in Manitoba the province's share of Medicare is financed by premiums and that the people in the low income group are the ones that will be hit the hardest, is it the intention of the Provincial Treasurer to make representation to the Federal Government about allowing deduction of medical expenses for income tax purpose in order to prevent further hardship on these people?

MR. EVANS: The whole field of taxation will be the subject of discussion between the provinces and the Federal Government shortly.

MATTERS OF URGENCE AND GRIEVANCES

MR. SPEAKER: The Honourable the Minister of Mines and Natural Resources.

HON. HARRY J. ENNS (Minister of Mines and Natural Resources) (Rockwood-Iberville): Mr. Speaker, I would like to inform the House of a decision of government last night to accept the responsibility of the maintenance of the dikes along the Assiniboine River between here and Portage la Prairie. While the situation in the Red River Valley is reasonably well under control our anticipated fears as expressed by myself some time ago along the Assiniboine are proven to be true and we possibly face some severe flooding in that reach of the Assiniboine River from Portage east to Winnipeg. I wanted to inform the members of the House that as of last night the control of the maintenance of dikes, the over-all supervision has been assumed by the province. We felt that it was a situation above and beyond what the municipalities could be normally expected to bear and all matters are being attended to that can be done to alleviate the situation that we expect along this stretch of the river. We anticipate an additional foot perhaps to a foot and a half of high water above what we've had to date on this reach of the river between now and Friday morning.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like to direct my question either to the Minister who has just taken his seat or the First Minister. Yesterday I had enquired whether or not there would be a government plan of compensation for those affected by the flood, and I believe the First Minister intimated that this was being given serious consideration. So my question is for those people who have serious damage, should they wait indefinitely or should they go ahead and start repairing. For example, one person that has reported to me has had his basement caved in in the flash flood; now he's back in the house and he would like to start repairing it but he doesn't know whether to wait for the evidence to be produced that he is deserving of compensation. So my question is, to either of the Ministers, what advice has the government to people in this situation where it's very difficult to wait for the government's decision.

MR. WEIR: Mr. Speaker, if I might thank the honourable member for his speech and suggest that if he was to pass on the advice I've given to him not just yesterday but in recent days that it might be wise for them to refer any situation that they have to the Department of Water Control so that in fact if changes were to take place that an inspection could be taken at this stage of the game so that he wouldn't be held up, but that any policy that may be forthcoming would apply to him as well as to others who have faced considerable difficulty during this period of flood.

MR. T. P. HILLHOUSE Q.C. (Selkirk): Might I ask if the First Minister would recommend getting in touch with the Water Control Board and bringing the damage to their attention so that they could make an inspection now?

MR. WEIR: Mr. Speaker, this is the third time that I have answered that question in the House in the last few days.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, I'd like to address a question to the First Minister. Will we be receiving legislation at this session regarding the Manitoba Development Authority and the Economic Consultative Board?

MR. WEIR: Mr. Speaker, the advice in the Throne Speech that there would be legislation dealing with the organization of government, which would include those, is accurate and I would anticipate a bill at this session.

MR. SPEAKER: The Honourable the Minister of Tourism and Recreation.

HON. J. B. CARROLL (Minister of Consumer and Corporate Affairs, and Minister of Tourism and Recreation) (The Pas): Mr. Speaker, a couple of days ago the Member for St. John's drew to my attention a document that was being used by a collection agency that appeared to be something like a court document and we undertook to investigate to see whether it was in contravention of any provincial statutes. On examination we felt that it did offend the Law Society Act and specifically Section 47 of that Act. We at that time consulted with the Secretary of the Law Society and they had received some complaints as well in connection with forms that are presently in use by collection agencies. It was decided that probably this was a law or a section of law that was not familiar to the credit collection agencies and the secretary of the Law Society has undertaken to write to all of the collection agencies and to advise them of this apparent conflict with the existing law.

(MR. CARROLL cont'd)

The Member for St. John's has just advised me of a letter that he has received today which indicates that the company that was involved is discontinuing that practice and is consulting with their lawyers with respect to this particular section. Our department has also been in touch with this particular company and they have advised that they are discontinuing the use of this form and we will be prepared to ask the Attorney-General to press for prosecution in future such violations after they have been advised of the particular statute involved.

MR. SAUL M. CHERNIACK Q. C. (St. John's): May I just thank the Minister for the information, and the action.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, in view of the confusion, unrest and concern surrounding the resignation of the Brandon University President, may I ask the First Minister if he can inform the House if sometime during the course of the session it will be possible for the members to have a full debate on this? I think the people of Manitoba would like to hear something from their leader.

MR. WEIR: No, Mr. Speaker, I'm not able to give that assurance at the moment. I'm not sure that it's required at the moment; I'm not fully up on those matters.

MR. DESJARDINS: Mr. Speaker, may I put this as a request then that something be done? I know that there's possibility to maybe adjourn the House and that, but I thought that this is something that the government might want to discuss and I'm wondering if there is a possibility, a way that this could be done. I think it would serve the people of Manitoba.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Education on that same general question. Is the Minister planning, in view of the unrest at some of the events at Brandon, is he planning to conduct an official investigation of student unrest?

MR. CRAIK: Mr. Speaker, we don't have any formal plans for an investigation into it. I would say that I do consider the matter to be most serious because of the resignation of Dr. Robbins who is very respected, a man of great achievement, a man who is revered by his community and by his colleagues - his contemporaries, and the reasons that he has given for his resignation are very disturbing. I have had discussions with the Board of Governors of the Brandon university to explore the situation further and I haven't anything further to report at this time.

MR. SPEAKER: The Honourable Member for Churchill:

MR. JOE BOROWSKI (Churchill): Mr. Speaker, I wonder if the Minister of Industry and Commerce could indicate whether he is aware of a rumour that Gulf Oil is considering buying Simplot Chemical; and should this be correct would the government ask Simplot to repay the 20 some odd million dollars that has been loaned to it by Manitoba Development Fund?

MR. SPIVAK: Mr. Speaker, I've been aware of the fact that there have been rumours relating to Simplot - not this particular one, but other rumours in the past. Our discussions with Simplot indicate that those rumours are unfounded. In so far as any loan to the Manitoba Development Fund is concerned, that is between the Fund and the Company.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Education. The Manitoba Human Rights Association is apparently concerned about examples of prejudice against Indians in textbooks, and in particular in Manitoba textbooks. Has the Minister received complaints from this Association or any other Association in the past while?

MR. CRAIK: Mr. Speaker, we periodically do. We have an Advisory Committee to the Curriculum Branch which is made up of some of the leaders of our native people. This advisory group have these problems referred to them, and since they are people from that very community whose voice we respect, we usually follow their recommendations very closely, and they do have the topics raised by the members of this advisory board themselves. But I'm not aware of any particular petition coming recently from the human rights group.

MR. DOERN: A supplementary question. Would the Minister see that the Advisory Committee is informed of this charge and ask them to look into it, with a view to recommendation?

MR. CRAIK: I would recommend that it be forwarded to me personally, Mr. Speaker, so that we can deal with it directly.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address my question either to the Minister of Natural Resources or the Minister of Transportation. Is consideration being given to the construction of a bridge at junction highway 30 and U.S. highway 18 at the Canadian border where you have the customs office. There's a serious washout and the thing will have to be taken care of. My concern is that a bridge be constructed at this time. Is there consideration being given to that?

HON. STEWART E. McLEAN Q.C. (Minister of Transportation) (Dauphin): Mr. Speaker, if I might ask for some clarification. Is the Honourable Member for Rhineland speaking of an existing bridge that has been washed out?

MR. FROESE: There were culverts at the place - not a bridge but large culverts and the opening certainly wasn't large enough and as a result you have a large washout. The Honourable the Minister of Natural Resources and myself were out there yesterday and he's fully aware of the situation; maybe he could help us out.

MR. ENNS: Mr. Speaker, if I can for clarification purposes just indicate to the Honourable Member for Rhineland that as he indicated I did have the privilege of viewing this particular situation yesterday, and I will be contacting my colleague the Minister of Transportation with a view to what measures should be taken to overcome this problem there. I have not determined as yet as to whether it properly belongs in the jurisdiction of water control as a water control structure, or one that the Department of Transportation should be primarily involved with, but I will undertake to the Honourable Member from Rhineland to investigate this matter. Now that the opening has been made by natural forces we may just as well choose to put a bridge across this area.

MR. SPEAKER: Orders of the Day. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I'd like to address a question to the Minister of Mines and Natural Resources. Has he heard of any problems arising in British Columbia with regards to a Portage Mountain Hydro Electric project, problems with debris build-up, which are causing difficulties with the operation of the project?

MR. ENNS: I'm attempting to recollect, Mr. Speaker, the specific name of the project. I'm sure the Honourable Leader of the Opposition will appreciate that I have some sensitivity to any mention of Hydro projects or dam projects within the country and as a rule my trained eye reads these things in the news media these days. I would point out to the Honourable Leader of the Opposition that these are usually problems that are not contemplated at the time of the construction of these projects, that there certainly is a period of years where debris control has to be contemplated and measures taken. I have no further comments to make with respect to the particular situation raised by the Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I thank the Minister for his speech but has he heard of difficulties at a project in British Columbia in this regard?

MR. ENNS: None other, Mr. Speaker, than a news item that I believe that he is referring to and that I have read.

MR. MOLGAT: Has the Minister instigated any enquiries into the subject?

MR. ENNS: No, Mr. Speaker.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The adjourned debate of the second reading of the proposed motion of the Honourable the Minister of Mines and Natural Resources Bill No. 15. The Honourable Member for Selkirk.

MR. HILLHOUSE: Mr. Speaker, all legislation that comes before this House is important but I believe that this is the most important bit of legislation that we have had in this House for quite a number of years. It's important firstly because there's large sums of money involved. It's important because there's a question of are we using our resources to the best possible advantage. And thirdly, and most important of all, is the question, are we justified in treating our human resources the way they are being treated in this bill.

To me there are four principles which we must observe in considering this Bill. One is: what is in the best interest of all Manitobans? (2) Is this the cheapest way to obtain power? (3) Is this the best way to develop our north? And (4) Are social values sufficiently recognized by this project? Depending upon the answers to these questions we can deal with this bill in three ways: 1. We can reject it. 2. We can approve it in principle. 3. We could amend it.

(MR. HILLHOUSE cont'd)

And I must at this juncture, Mr. Speaker, stress the point that the Liberal Party of Manitoba has not yet decided whether or no to support this bill. At this stage in the debate the Liberal Party has not even taken the position that the flooding of Southern Indian Lake should be delayed until further studies are completed. Our position is that as responsible legislators we have a duty to ensure that Bill 15 is indeed a wise way to spend public money. This is a major bill. It affects the potential development of virtually all of Manitoba's northern resources. Once Southern Indian Lake is flooded there can be no turning back of the clock. The sums of money involved in this project are immense - roughly \$30 million on the project itself. That is over \$30.00 for every man, woman and child in Manitoba. At the very least it appears that \$13 million worth of Manitoba's northern resources will be destroyed by this project. It would also appear that a sum of money in the neighbourhood of \$4 million will be required to resettle the 600 Indians at Southern Indian Lake. In short, \$50 million at least, and possibly much more, is at stake in this one bill.

To me, Mr. Speaker, it is imperative, given these stakes, that the legislature be certain that all the relevant facts are in order and that we are appraised of all of the relevant facts. If we are allowed to be rushed into the discussion of this bill without adequate information, we would all be guilty of gross mismanagement of public monies; we would all be guilty of negligence, of failing to do the job we were elected to do. We would serve to bring disrepute on ourselves, on our legislature and on our province. In short, the government has decided to put this bill before the legislature; the government has given the legislators an awesome duty and challenge: The duty to restore confidence in this whole affair regarding Southern Indian Lake; the duty to show to everyone who is interested that Manitoba legislators are neither incompetent nor sluggish, that they are in fact prepared to ask all relevant questions and obtain all the relevant answers. Only in this way can we as legislators perform our task and thereby serve to restore public confidence in this entire project. Quite frankly, I must assume that the government has the answers to the major questions which we ask. I simply cannot believe that any government would proceed with such a costly, controversial and complex project unless it were satisfied that all relevant questions had been answered. However, the fact that the government has the answers does not relieve us as members of the Opposition from our obligations, and given the size of the project, and given the large amount of expert professional criticism about this project, I feel very deeply that our responsibility is to demand the right to check over the government's answers on all these vital questions. Only in this way can we be certain that we have done our job to ensure that public funds will indeed be spent wisely on this project, and to ensure that Bill 15 is indeed in the best interests of all Manitobans.

According to newspaper reports, if Hydro is to proceed with the flooding of Southern Indian Lake, it requires a license by the early part of June. This means that we have roughly a month and a half as legislators in which to co-operate, without jeopardizing Hydro's present plans. The Liberal position is this: That realizing these time constraints the Legislature should immediately adopt a rational procedure for dealing with this bill. We believe that it is impossible to vote on the principle of this bill, and thus on second reading, until expert testimony is heard and examined. Thus we recommend that the discussion of the second reading of Bill 15 be suspended and that this bill be referred to the Public Utilities Commission so that all our members of that Commission, as well as all members of the Legislature can attend and obtain the answers to all the questions which to date remain unanswered.

Now it has been suggested that in 1966 the Public Utility Committee dealt with some of these matters, but my submission, Mr. Speaker, is that these matters were not fully dealt with by the committee on that occasion, not in the depth required in order to come to an intelligent decision as to what to do with this bill. If we do refer this matter to the Public Utility Commission, I don't think that it would take any more than three weeks to have the hearings and to obtain all of these answers. But by having these hearings and obtaining these answers the bill could then be brought back into the House for second reading, and we would have the necessary facts which we require to know before we can intelligently vote a second reading.

I submit again, Mr. Speaker, that we must assume all major questions can be answered by the government, that there should be no delays on the basis of the government being unprepared, for it is inconceivable that any government would proceed with such a bill unless it was thoroughly prepared to defend it in all major technical and economic aspects. Now after completion, as I've said, of the Public Utilities hearing, the bill could come back into this

(MR. HILLHOUSE cont'd) House and then it could either be approved or disapproved on principle, but at least we would have the necessary answers to all the questions so that we'd be acting in a responsible way as we should do as legislators.

To summarize, Mr. Speaker, we have not yet taken a position, that is the Liberal Opposition has not taken a position on the principle of Bill 15. We have not yet got the facts on which to take a position. Thus our major task should be to go immediately into committee so that we can get the key facts on the economies of this scheme. In this manner, and in this manner only, can we as legislators fulfill our obligation of ensuring that public funds will indeed be spent wisely and to the best advantage on this project. We are in effect, Mr. Speaker, providing the government with the opportunity and necessity of proving its economic arguments that this is the best alternative for cheap electricity and for developing our north. I would suggest that if we did anything less we would be shirking our duty as legislators.

In conclusion, Mr. Speaker, I would just like to say this, that we are the trustees of the people of Manitoba. We have been charged with the responsibility of spending their money and trying to spend it wisely, and as trustees there's a greater onus and duty cast upon us in the expenditure of that money than there is in expending our own. I think it's the most logical thing to do and the most natural thing to do for the House not to consider this bill further but to hold immediate meetings of the Committee on Public Utilities so that all members can be given a full answer to all the questions that are perplexing them. I am not making this suggestion, Mr. Speaker, for the purpose of delay or for the purpose of embarrassing this government; I'm simply making this suggestion so that we as legislators can carry out our responsibilities in a responsible and intelligent manner and I would ask the members of this House to agree to the suggestion that I have made.

MR. SPEAKER: The Honourable Member for Brandon.

MR. R. O. LISSAMAN (Brandon): I just want to ask the Honourable Member for Selkirk a question. I can't see too much the reasons behind the suggestion he has made. Could I ask the honourable member why can't his party vote for this bill subject to those contingencies that he restrains his decision on, and let it go to Committee in the normal fashion? Because it would be completely unusual to adopt a procedure that he suggests.

MR. HILLHOUSE: Well second reading of a bill is an approval of that bill in principle, and we would certainly be very inconsistent and very irresponsible as legislators if we approve something which we did not know whether or no we agreed with it.

MR. SPEAKER: The Honourable Minister of Finance.

MR. EVANS: Mr. Speaker

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I wonder if the honourable member would permit another question to the Honourable Member for Selkirk.

MR. SPEAKER: I wonder if the Honourable Minister had thoughts of a question.

MR. GREEN: Oh, I thought he was getting up to speak, Mr. . . .

MR. EVANS:, Mr. Speaker.

MR. SPEAKER: The Honourable the Member for Inkster.

MR. GREEN: Mr. Speaker, I'm just trying to be sure that I understand the member's position. Is he suggesting that we go to committee before taking a vote on second reading?

MR. HILLHOUSE: That's my position because if we pass this bill in second reading we have approved it in principle and I would not like to be placed in the position of approving something in principle with which after getting all of the answers I didn't agree.

MR. GREEN: I agree and I just wanted to make sure that that's what your . . .

MR. SPEAKER: The Honourable the Minister of Finance.

MR. EVANS: Mr. Speaker, I am rising to speak as the Minister through whom Hydro reports. There has been so much in the way of misunderstanding, misinformation, some irresponsible gossiping on the subject of the development of the Nelson and Churchill water power and particularly the matter of Southern Indian Lake and I think it's about time that a statement was made on behalf of Hydro and as there is much in this statement to do with details with which I do not have daily contact I ask the indulgence to be allowed to stick more closely to my notes than is my custom.

The first thing I would like to say that in entering the debate I do so with great pride and hope that we in Manitoba are undertaking one of the world's great hydro developments to meet the needs of a province where the demand for electric power is doubling every eight years. Hope that Nelson River power will play one of the principal roles in a new surge of development

(MR. EVANS cont'd) of our northland and indeed of all Manitoba. At the outset I want to state most clearly and emphatically that our decision to go ahead with the Nelson power project was made after most serious and detailed studies. It was no back of the envelope type of figuring, a kind of figuring which has had some part to play in some of the irresponsible and uninformed views that have been placed before the public in recent weeks or even recent months, but rather was the result of several years of most intensive investigation involving expenditures of \$6.4 million by the Federal Government and by the provincial government's agency, Manitoba Hydro. Six, almost six and a half million dollars worth of investigation and study. And there are statements that this thing has not been properly researched. Nonsense! The studies were made on the basis of Manitoba Hydro's function to provide and to continue to provide power at cost for the benefit of the people of the province. All alternatives were studied both respecting the use of other means of generating electricity and the various means of supplying the lower Nelson River with the type of a water flow that would insure on a continuing basis the essential power that we in Manitoba must have to meet our growing needs.

This is the essence of the whole project. The power is needed for Manitoba; it's vital that we have it. If we use thermal power to provide the electricity that the lower Nelson can generate it would cost over \$170 million a year for the cheapest fuel, quite apart from the costs of building such plants. Provision of adequate water flows and water storage for the Nelson also involve studies of alternatives. The method selected which in part involves the storage and diversion of Churchill waters into the Nelson by means of a high level dam at South Indian Lake, not only would insure the continuous availability of adequate water supplies of a nature that alternatives could not provide, which is the most important consideration, but would provide a saving of more than \$9 million annually under the full development of the Nelson in comparison with a most attractive alternative. By comparing two methods of providing the additional water that's essential for this project to guarantee its reliability and comparing the method that has been adopted with the closest one to it, the next alternative, the next most desirable project, there is a saving of \$9 million a year between the two methods in favour of the one that has been adopted. If one were to use 60 years as the life span of the hydro-electric plant the saving would be \$550 million. Not only that, but on the diversion route alone -- this is the diversion route alone having nothing to do with the lower Nelson -- but on the diversion route alone to say nothing of the Nelson itself generating capacity would be more than 50 percent greater than all the plants on the Winnipeg River. So we've got a Winnipeg River and a half up on the diversion route itself before you come to the lower Nelson.

In the course of the detailed studies we were quite aware that the plan selected would entail the relocation of close to 100 families at South Indian Lake and Pickerel Narrows, just as the St. Lawrence Seaway required the relocation of many thousands of homes and entire towns, and consequently resettlement and compensation together with a series of associated programs have been arranged. The decision to proceed with the first phase of the Nelson was based on the need to provide Manitoba with a close-in power -- close-in I think would be read in terms of close-in in terms of time, available in the nearby future -- to provide Manitoba with close-in power at competitive prices by 1971 and onwards in a manner whereby the Phase I project viable in itself would fit in with any further developments on the lower Nelson. The whole undertaking is massive and dramatic. It will make Manitoba a power supplier and it is creating in Manitoba a body of technology in the field of direct current extra heavy voltage long range transmission, that is attracting world attention.

I must restate that the future of Manitoba's industrial development rests with this gigantic project. Its sheer size has required a number of years of lead time. We are going ahead with the development because we must in the interest of all Manitobans. Let us examine some of these points in detail. Power in abundance at reasonable cost is essential to the present and future growth of Manitoba. This fact is basic to all the decisions of Manitoba Hydro. The decisions and the performance in the past have put Manitoba in the forefront in terms of the high level of use and the low cost of electricity and we propose to keep it that way. The purpose of Manitoba Hydro as stated in The Manitoba Hydro Act is to provide for the continuance of a supply of power adequate for the needs of the province and to promote economy and efficiency in the generation, distribution and supply and use of power.

Manitoba Hydro is a Crown Corporation and as such is owned by the people of the

(MR. EVANS cont'd) Province of Manitoba. It was created to ensure an adequate supply of power at reasonable cost for the people of Manitoba. Since its creation in 1949 the objective of Manitoba Hydro has been to produce and supply electricity to the people of Manitoba at cost. During this period the Corporation has been completely self-supporting and has never received subsidization from provincial tax revenues. The Manitoba Hydro Act is quite specific on this point. It provides that there shall be no diversion of funds between the government and the utility and that the prices charged by Manitoba Hydro shall be such as to return to the Corporation the full cost of supplying this power. In other words, all expenses incurred by Manitoba Hydro in the provision of power are ultimately borne by the power user of the province. This fact places a great responsibility on Manitoba Hydro to ensure the highest economy in the provision of electric energy. This objective is achieved only by selecting the most efficient methods of providing this power. Any departures from the optimum method of producing power will unavoidably result in higher costs which would have to be borne by the power consumers of the province. We need power. For decades Manitobans have had the highest per capita consumption in Canada for residential and farm use. Not only is the per capita consumption of electricity high but it's increasing. Over the long term, say 40 to 50 years, demand has roughly doubled every ten years. However, in the past ten years demand has more than doubled - from a peak load of 546.1 megawatts in 1957-58 to a peak load of 1,162.4 megawatts in 1968-69 and 1,263 megawatts at January, 1969. The most recent years' experience indicates the demand for power in Manitoba is doubling at a rate of about once in every eight years.

The economic impact of the electrical industry on the province has been particularly great because of the hydro stations from which we generate our power. Most of these stations are very large expensive projects requiring several years and millions of man hours for their completion. The building of each of these hydro projects has created a large amount of secondary economic activity in the provision of vast quantities of building materials and supplies of all kinds. The large payrolls are mainly spent in the province. The building of hydro stations has helped to open up the remote areas to further economic development. The development of the Winnipeg River helped provide access roads and the towns and villages which contributed to the later development of the Whiteshell as a recreation area. With Kelsey the development of the hydro site enabled the exploitation of the nickel ore at Thompson and the establishment of one of the fastest growing towns in Canada. Grand Rapids was accompanied by the highway which will eventually link up with Thompson. All this activity is having a profound impact on the opening up of the north and the future development and prosperity of the whole province. In 1967 Manitoba Hydro's capital program, excluding the Nelson River transmission line, represented some 12 percent of all new capital formation in the province. There appears very little doubt that this high level of construction activity has contributed significantly to the favourable economic picture of the past two years and that the progress we have made in opening up previously remote areas by providing a communications and jumping off spots will pay even higher dividends in the future.

Also of extreme importance are the social improvements which have resulted from the development of power sites in the north. The Grand Rapids project, as I mentioned earlier, made possible the construction of a road from Gypsumville to Grand Rapids. This road is now being extended to link up with the road to Thompson. A new school was built at Grand Rapids thus providing educational opportunities which might not otherwise have been available. The school is providing training for the people of the north who will continue to make a significant contribution to the growth and development in the north. At the present time some 25 percent of the employees at Grand Rapids power plant are native to the north. At Kelsey some 30 to 40 percent of the employees are native to the north. The development at Gillam has made it possible to provide a hospital, a new school, a recreation centre and a new airstrip permitting daily air service. The residents of Gillam and other northern parts can expect live television by the autumn of 1969. All of these things were made possible by the development of power.

For those of you who have not visited Gillam and the Kettle Rapids project I would urge you to do so at the earliest opportunity. You will find it an exhilarating experience. You will be particularly impressed by the cosmopolitan nature of the school. You will find a fully modern school with about 500 students of all nationalities. The teaching staff is highly enthusiastic and you will be impressed with the impact of the school on the developments in

(MR. EVANS cont'd) the north. Manitoba Hydro looks forward to the day when many of the permanent employees are people who have been brought up in the north. There is strong reason to believe that the development of the power resources of the Nelson River and the Grand Rapids project have been and will continue to be beneficial to the people of the north. The people will benefit from improved employment opportunities, better educational opportunities, better communications and a general improvement in their standard of living.

While these secondary benefits are very real and Manitoba Hydro does everything possible to enhance them, the primary objective is to provide a reliable source of power at the lowest possible cost. One measure of its effectiveness is the low price the customer must pay for the service. Manitoba Hydro has tried to ensure the greatest possible participation of the native people both in the development they are undertaking in the north and in the decisions which will be involved with the relocation of the Southern Indian Lake settlements. Large numbers of northern residents have been employed at Kelsey, Grand Rapids and Gillam and during the construction of the transmission line in the area. It is hoped that the continuing economic activity which we anticipate for the north will provide the economic base which will eventually supplement fishing and trapping as the primary economic activity there. Ample power at reasonable cost does important things for us. The intensive electrification of Manitoba has vastly improved the physical comfort of the people in both the rural and urban areas of the province. It has provided electric lights, heat and environmental control and a multitude of appliances and servants in the home which we take for granted and without which the way of life we enjoy today would not be possible. Electric energy has done much to banish the drudgery from the kitchens and the farmyards of Manitoba. It provided the means for an economic transition by providing a new stimulus for the diversification of agriculture following World War Two and helped upgrade agricultural values and income throughout the province. The nickel mining industry at Thompson which is contributing so much to the industrial development of the province and to the opening up of the north would have been impossible without the plentiful reasonable cost electrical energy available from the Nelson River.

Manitoba is poorly endowed with fossil fuels, coal, oil and gas. Fortunately, however, Manitoba is endowed with considerable water power resources. It has been by the imaginative development of these resources that Manitoba has been able to partially offset the economic advantages other fuel rich areas enjoy. It was natural, therefore, that the early electrical power developments capitalized on those water power sites which were close to Winnipeg and created a source of electricity at rates that were envied by most regions in Canada. However, once the Winnipeg River on which these sites were located was fully developed and the provincial load was estimated to exceed the capability of the Winnipeg River, it was necessary to seek other sources of power. These other primary sources of power are the Saskatchewan, Nelson and Churchill rivers. The potential energy available from the Nelson when augmented by the flow from the Churchill River is estimated to be in the order of 42 billion kilowatt hours per year. This would be equivalent to the energy produced by 35 million tons of lignite coal per year, which at present average cost delivered in Manitoba of \$4.90 per ton would mean an annual expenditure outside of our province for fuel on the order of \$171,500,000 per annum.

Any project needs planning, certainly giant ones like these great power programs. In order to ensure the most efficient development of Manitoba's power resources to provide electricity at the lowest possible cost, power planning must be carried out. The lead time required for major systems developments is very great. It generally takes seven years to plan and build a generating station; energy requirements must be anticipated many years in advance. Timing is always critical. Extreme care must be taken to ensure that we are neither early nor late in bringing new facilities into service. Early completion of capital projects would result in the payment of fixed charges for idle capacity thus adding unnecessary cost to the production of electricity, while a year's delay in the completion of a major project could mean an unacceptable shortage of energy with the resulting loss of industrial production or interruptions in farm or domestic service. The avoidance of such a situation requires a great deal of co-ordinated planning and construction to determine the optimum development sequences for new systems additions and to ensure that they are available for service at the right time.

During the 1950's it was realized that the power requirements of the province would shortly exceed the capability of the Winnipeg River and that it would be necessary to seek other sources of power. As the next economically sound engineering step thermal generation was added at Brandon and Selkirk to firm up the utilization of the Winnipeg River and to ensure that

(MR. EVANS cont'd) there would be power brownouts when minimum flows occurred on the Winnipeg River. It was obvious, however, that thermally generated electricity was too expensive to meet the province's primary power requirements. Accordingly, it was necessary to determine the best site for additional Hydro power development. It was thus the first leap northward was taken to the Grand Rapids site on the Saskatchewan River. The technology of long distance transmission was still not sufficiently advanced to render the development of the Nelson economically viable at that time. Accordingly, the Grand Rapids project was proceeded with. In 1960 it was clear that the power from Grand Rapids would not be sufficient to meet Manitoba's power demands beyond 1969. Hydro first explored the possibility of large developments being undertaken on the Nelson River, not only to provide for Manitoba's load growth but to allow for massive exports of power to Minneapolis and/or Toronto. Studies in this direction were being carried out at the same time Hydro was getting ahead with planning for Manitoba's own future development requirements. It was found, however, that the distances involved and the prices that could be secured for such exports made such a plan economically unsound.

On February 18, 1966 the administration committee of the Nelson River programming board reported Phase I, that is Kettle Rapids, etcetera, would be economically viable on its own. That report was filed in the Legislature as Sessional Paper No. 52 of that year. Two other references may be useful at this point. Premier Duff Roblin in his speech to the House on February 15, 1966, announced the Nelson River Development, Phase I, and made the following statement. It's in Hansard at Page 235 of February 15, 1966, and this is quoted: "When investigations began on the Nelson it appeared certain that to effect the economies of scale the export of large blocks of power to the United States and neighboring provinces was a must. Today I can say that the growing demand for power within Manitoba alone is sufficient to warrant the development of the Nelson. This is a dramatic change in the situation." Mr. Stephens referred to this matter in his presentation to the Public Utilities Committee on March 8, 1966 in these terms, and he said: "By midsummer of 1965 the elements of what we now call the Phase I projects were formulated as the best means of meeting the four criteria that I have mentioned. The four basic criteria were," and I'm still quoting from Mr. Stephens, "the first criterion was to provide for Manitoba's close-in power requirements, that is, from say 1970 to 1971 onwards. (2) The second criterion was to provide power in southern Manitoba from such developments at costs which would be competitive with those applicable to alternative sources even if no outside markets should turn out to be available. (3) The third criterion was that the initial scheme be consonant or harmonious with the best over-all ultimate of the full potential of the Nelson-Churchill complex. The fourth criterion was that the initial scheme be readily expandable so that the advantage could be taken of any export markets that might later be developed into which power could be exported on suitable terms. In other words, the scheme to be developed should be such as to permit us to take the fullest possible advantage of economies of scale and as and when necessary loads could be established." That's the end of the quotation from Mr. Stephens.

When it was found that massive exports were precluded the decision was made to develop the Nelson River for the Manitoba market alone. Any power interchange with neighboring provinces or states will be relatively minor amounts involving the purchase or sale of temporary surpluses. A transmission line will connect Manitoba with North Dakota. But the first use will be to import power for Manitoba's own needs until the Nelson is available in 1971. The studies determined that the Nelson development should embrace the Churchill River as well and that the method should be the diversion of the Churchill River water into the Nelson as opposed to separate development of each river.

The Nelson River watershed encompassing an area of 414,000 square miles is one of the great river basins in North America. By adding to this the major portion of the watershed of the Churchill River with an area of 95,000 square miles we have a total drainage area of 509,000 square miles that stretches from the head of the Great Lakes to the eastern foothills of the Canadian Rockies, that ranges over large areas of Alberta, Saskatchewan, Manitoba and Ontario and reaches southward into North Dakota, Minnesota and Montana. All the alternatives were examined - lignite, fire, steam, electric, nuclear, hydro and gas turbine plants for peaking capacity. The result of all these investigations and studies was the formulation of the Phase I development plan. The main elements of the Phase I development are: (1) Kettle Generating Station; (2) Churchill River Diversion; (3) EHV, or Extra High Voltage Transmission to Winnipeg.

(MR. EVANS cont'd)

The original reports also included Lake Winnipeg regulation as a part of the Phase I development. However, further studies have indicated that Lake Winnipeg regulation would not be economically advantageous until further plants are built on the Nelson River. Not only is Phase I development compatible with the best over-all development of the Nelson-Churchill complex, but it is economically viable if there is no further development of the Nelson beyond the Kettle generating station. In other words, Manitoba Hydro is not locked in or committed to the development of additional sites beyond Kettle, if technological advances provide superior sources of power in the future. However, it can be stated, and I think it must be stated emphatically, that in the light of present knowledge it is highly probable that continued development of the Nelson River potential will prove to be the most economic source of energy to meet Manitoba's growing power needs up to the year 2000. The lower Nelson, including the Kettle generating station, will produce average annual energy of 30 billion kilowatt hours. Adding to this the water from the Churchill River by means of a high level diversion scheme will produce an additional 12 billion kilowatt hours on the lower Nelson, and a further five billion kilowatt hours can be produced by the four plants to be built on the diversion route. The energy producing capacity of the lower Nelson and the diversion is thus increased from average annual energy of 31 billion kilowatt hours to average annual energy of 47 billion kilowatt hours.

The EHV direct current transmission system that has been chosen for the purpose of transmitting Nelson power to southern Manitoba is the highest voltage employed on a line of this length in the world to date. It represents a brilliant achievement in the engineering technology and organization of Hydro. The design of this transmission system is such that it will not only carry the output of the Kettle generating station but by the addition of conversion and inversion equipment it will be capable of carrying a further two million kilowatts of power that may later be developed at other sites on the Nelson.

I cannot help but stop at this point to remind the House of the fact that this transmission system alone represents a new high ground for electrical transmission. Manitoba and Manitoba Hydro and Canada are leading the world in this transmission development. We're ahead of Sweden and ahead of Russia. There is nothing to approach it in the United States. Atomic Energy of Canada through its consultants have available to them the most advanced engineering knowledge of direct current transmission on a world-wide basis. I do not need to remind anyone that normal transmission lines carry alternating current. Over the great distances involved from these northern sites the transmission of electrical energy on alternating current basis would be far too costly, so Hydro, and if you like the Manitoba Government and Atomic Energy of Canada and the Government of Canada, have joined forces to develop this great new direct current transmission system which leads the world in long line high voltage transmission.

A united and growing Canada needs to take advantage of every major natural resource that she has. We need power. We will need power interconnections between provinces and finally from coast to coast to serve the nation as it grows. With her immense distances with power resources often far away from the areas of high power demand, Canada had to learn as much as possible about the problems of moving large blocks of power over long distances at the lowest possible cost. For this reason the National Government was interested in joining with Manitoba in this unique partnership. Manitoba stands in the centre of this national interest. Our Nelson River development, which while it helps to build up the north and begins to take new values from our magnificent water resources, will play an important part in helping Canada to build more strongly into the future. Big power developments in our sparsely settled north are needed and new ways had to be found to transport that power over very long distances. The magnitude, the innovations and the value of Manitoba's power as an important link in the nation's power chain all make it possible for our unique Federal-Provincial partnership in this great project.

The sequence of events and agreements between the Government of Canada and Manitoba which led to the development of the lower Nelson River was as follows: February 18, 1963. Original investigation agreement. An agreement was entered into by the Government of Canada and the Government of Manitoba under which they undertook to share equally the cost of an investigation of the Hydro electric potential of the Nelson River and the feasibility of the development of that resource. Under the terms of that agreement the Nelson River Programming Board and a related administrative committee were set up to administer the day to day work involved. March 4, 1964. Interim Report of the Programming Board. An interim report of the Programming Board dated February 28, 1964, was tabled in the Parliament of

(MR. EVANS cont'd) Canada and the Manitoba Legislature. Manitoba's share of the cost of this work, approximately half a million dollars, was borne by Manitoba Hydro. May 27, 1964. Supplementary Agreement. A supplementary agreement resulting from the findings of the Programming Board was entered into between the Governments of Canada and Manitoba. The essence of this supplementary agreement was that if it were the view of the Programming Board and the Governments of Canada and of Manitoba that the Nelson River study should be further pursued then the next phase of such investigation would require a period of two years, would involve a total estimated cost of \$3 million and would involve a considerable amount of field work and exploration. One half of the cost of these studies was provided by the Government of Canada with the balance being shared between the Government of Manitoba and Manitoba Hydro. Under this supplementary agreement work was again directed by the Nelson River Programming Board and an administrative committee.

February 15, 1966. Transmission agreement. An agreement was made under date of February 15, 1966 between the Government of Canada and of Manitoba under which Canada would build and finance the transmission facilities and these facilities would be paid for by Manitoba Hydro over a period of 50 years as power is transmitted over the transmission line. It is a premise of that agreement that the lower Nelson would be developed with the advantage of a Churchill River diversion with an outlet from Southern Indian Lake. February 18, 1966. Interim report of the administrative committee. The interim report of the administrative committee to the Programming Board and the interim report of the Nelson River Programming Board were tabled in the Legislature of Manitoba, Sessional Paper No. 52. The studies concluded (1) The development of the capacity in excess of 5,000 megawatts on the Nelson River is economically feasible; (2) That the proposed initial development could provide power in time to meet Manitoba's 1970 requirements; and (3) The proposed Phase I development is economically viable on its own and is also consistent with the optimum development of the total potential of the river.

It will be noted that this report called for power to be available in 1970. However, this was predicated upon starting the project in 1965, one year earlier than actually occurred, due to the time involved in negotiations with Canada on financial support. In addition, these reports referred to the fact that four power sites on the diversion route could be economically developed when the high level diversion now being applied for is constructed. These sites are Notigi - I shall spell the other two - the second one is Wuskwatim; Manasan; the last one I don't need to spell is First Rapids.

The power potential of the four sites mentioned is much greater than the power now being produced on the Winnipeg River. Studies concerning the feasibility of development of the lower Nelson River were carried out by (1) G. E. Crippen and Associates, Consulting Engineers in 1963; (2) Kipp, Underwood and McLellan, Consulting Engineers in 1965 and 1966, and Manitoba Hydro. The investigations undertaken concluded that Hydro Electric developments of the lower Nelson River was economically practical. The development was discussed in the Legislature of Manitoba and reviewed by the Standing Committee on Public Utilities and Natural Resources of the Manitoba Legislature in 1966, following which the Manitoba Hydro was authorized to proceed with Phase I, development of the Nelson River.

I think we should remind ourselves of the committee hearings in 1966. I find that Mr. Roblin announced the decision to proceed with Phase I development on February 15th, 1966. Manitoba Hydro appeared before the Committee on March 8th, March 10th, March 21st and March 25th, 1966. The Standing Committee on Public Utilities and Natural Resources presented its report on its examination of Manitoba Hydro to the Legislature in March of 1966. Well how can it be said or alleged that there was no opportunity to discuss this matter? In fact, I must compliment one of the local newspapers - the Tribune - on some pretty alert newspaper work when they quoted from the hearings of that committee the verbatim questions and answers between the Leader of the Official Opposition and Mr. Stephens, then the head of Hydro. Jealousy will get me nowhere. I had intended to call the attention of the House and the public to this but the newspaper beat me to it.

(MR. EVANS cont'd.)

I can, however, commend to the attention of all the honourable members the edition of The Winnipeg Tribune of April 19th of this year, in which most of the questions and answers to which I was going to refer and which I was going to read are given verbatim. And the heading of the column is that the following question and answer exchange took place on March 21st, 1966, between D. M. Stephens, then head of Manitoba Hydro, and Gildas Molgat, the Leader of the Manitoba Liberals. It was taken from the transcript of the Standing Committee on Public Utilities and Natural Resources. It indicates there is nothing new in the South Indian Lake project and I propose, Mr. Speaker, to read some of this transcript and I shall draw the conclusion from it that those who are now complaining they've had no opportunity to look into this matter, that it's being rushed forward at the last minute, must surely have attended those hearings, heard these matters raised, heard them discussed, and then gone to sleep for three years. And now dashing forward, charging to the head of some cause they think they see, they're trying to arrogate great credit to themselves. Well where were they for three years? Where was their responsibility, as referred to by the Member for Selkirk, to look into these matters? When they were given the opportunity and when they did in fact ask questions upon all the matters that are matters of controversy now, received all the information they asked for, and then returned to their slumbers until just recently.

I'm going to quote this material; I'm going to quote it from the original transcript rather than from the newspaper clipping, because I think that's the proper place from which I should quote it, although as far as I'm aware this is accurate and complete in the edition of the Tribune to which I refer. "Mr. Molgat:" - and this is taken from the official transcript of the Legislative Committee on Public Utilities and Natural Resources, Volume 3, transcript of proceedings, appearance of Manitoba Hydro March 21, 1966 - somewhat over three years ago.

"Mr. Molgat: Let us switch for a moment, Mr. Chairman, to some other aspects of the situation and that is the raising of lake levels. South Indian Lake will be raised by a dam that is to be installed.

"Mr. Stephens: That's correct.

"Mr. Molgat: What is the estimated increase of the level?

"Mr. Stephens: Oh quite a number of feet. The plan that is presently being examined contemplates an increase in levels, well, of about 35 feet." (Even the height of the water was known three years ago. Mr. Molgat, he heard the figure correctly.)

"Mr. Molgat: Thirty-five feet?

"Mr. Stephens: Yes.

"Mr. Molgat: That's a very large elevation in the lake.

"Mr. Stephens: It's a big change - yes.

"Mr. Molgat: What effect is this going to have on, well, the population? There are some Indian bands in the area, are there not?

"Mr. Stephens: There is one community that will require resettlement.

"Mr. Molgat: What effect will this have on the other aspects? For example fisheries and wildlife? Has this been studied thoroughly?

"Mr. Stephens: There are studies in general terms. The preliminary views we had from the fisheries people are to the effect that they didn't know of anything that would make this particular change deleterious from the fisheries' standpoint. It will cover some forest areas that would be there. Some of the lake not only becomes deeper but it becomes bigger, and it would have some foreshore influence and take some areas out of forest production that would otherwise be growing trees.

"Mr. Molgat: Will this have any effect downstream on the Churchill River?

"Mr. Stephens: Yes.

"Mr. Molgat: And to the Port itself?

"Mr. Stephens: It would by whatever quantity we increase the flows of the Nelson River by Churchill diversions. Of course we . . . " - the word in the transcript here is 'dimish' d-i-m-i-s-h - which I am sure is intended to mean diminish. ". . . would of course diminish the downstream flows below the diversion in the natural channel of the Churchill by a corresponding amount.

"Mr. Molgat: By raising South Indian by 35 feet how far back will this affect the Churchill River itself? Will it go back as far as Pukatawagan?"

And there's some discussion here in which Mr. Stephens gave his opinion that it would not affect Pukatawagan. There is further discussion here about the effects on the Indian bands and

(MR. EVANS cont'd.) the people concerned, and I think I will not delay the House by further reading of this record at this time, in view of the fact that it is now a part of the public domain in this quotation.

Well it is true to say . . .

MR. MOLGAT: Mr. Speaker, I wonder if I might ask the Minister a question in view of the fact that he quoted from the hearings of that day. Did not the hearings also reveal that there were studies going on?

MR. EVANS: Yes, there were studies going on.

MR. MOLGAT: Then would the Minister table those studies, Mr. Speaker?

MR. EVANS: Well if my honourable friend has some particular studies that he has isolated here, he might wish to refer to them later. I'll not interrupt my presentation at this stage to deal further with that matter. -- (Interjections) --.

These matters having been raised and discussed and the very facts which are supposed to have come as revelations in recent times having been raised and discussed with the people concerned, the report of the Committee was submitted to the Legislature. On March 25th the journals record the report, which was submitted by my honourable friend the present Minister of Consumer and Corporate Affairs, says in part, "Your committee met on Tuesday, March 8, 1966; on Thursday, March 10, 1966; on Monday, March 21, 1966; and on Friday, March 25, 1966. Mr. D. M. Stephens, Chairman of the Manitoba Hydro Electric Board, addressed the committee on the subject of the Nelson River project. Your committee received all information desired by any member of the committee from Mr. Stephens and the officials of Manitoba Hydro and their staffs with respect of matters pertaining to the subject under discussion. The fullest opportunity was accorded to all members of the committee to seek any information desired."

Then the report refers to another matter that does not have to do with this, and on the motion of Mr. Carroll the report was received. There was no debate. There was no discussion. No one disagreed with the statement that everybody had received all the information that they asked for from Mr. Stephens and the officials of Hydro and from their staffs. And I have given some indication of the detail into which the inquiry went.

Physical construction of the Kettle Rapids project commenced in the spring of 1966 and is now more than half complete. A construction camp and permanent planned townsite with all the facilities required by the personnel who will be building and operating the Kettle Generating Station was located at Gillam on the Nelson River. The permanent townsite has been provided with a modern school, hospital, recreation centre, shopping centre and an airstrip. The station is on schedule and the initial four generating units are expected to be in service in the fall of 1971. Many members of the House visited this project a few months ago. Everyone who sees it is impressed with the size and the importance of the development. The direct high current voltage transmission line is well under way. The clearing of the right of way, which commenced in the fall of 1967, will be largely completed this winter. The installation of the tower foundations is nearly completed between Grand Rapids and the Dorsey Terminal Station, the southern terminus of the line, and commencing north of Grand Rapids between that point and Bladder Rapids. Approximately 800 of the 4,700 towers that will eventually be required for the line has been assembled at their erection sites south of Grand Rapids, and some 50 miles have been erected. The actual stringing of the conductors commenced south of Grand Rapids early in February, 1969. Two of the most important components of the system are the terminal or converter stations - Dorsey at the southern end of the line and Radisson at the northern end. With respect to the station, both sites have been improved and at Dorsey excavation and concrete pile installation has commenced.

The Winnipeg-Kettle Rapids Microwave system, an integral part of the Nelson River transmission system, is progressing satisfactorily. This microwave system, which is being engineered jointly by Manitoba Hydro and the Manitoba Telephone System, will, when completed, carry control signals for the control of the D.C. transmission line and generating station at Grand Rapids, Kelsey and Kettle Rapids, and will include alarm signals and protective channels for all northern hydro installations. In addition to the indispensable role the microwave system will play in the operations of the northern generating stations, it will enable Manitoba Telephone System to expand and improve north-south communications and bring live television to a number of northern communities during 1969.

Now let's talk for a moment about the Churchill River Diversion. Massive and exhaustive studies relative to the power potential of the Churchill-Nelson development were made. It

(MR. EVANS cont'd.) quickly became clear that to secure the maximum advantage of our northern water resources to provide the largest amounts of reliable electric power for our own development over the years ahead, some of the water from the Churchill should be diverted into the Nelson basin. There were several alternatives. All of them were studied starting as far back as 1963. It became quite clear that the high level storage scheme for Southern Indian Lake was the best possible alternative. Manitoba Hydro now calculates that the high level storage scheme, in addition to having an initial capital cost on the order of \$5 million less than the most attractive low level alternative, will also give annual savings to a value of \$1, 640, 000 over those that would result from the alternative with only Kettle generating station in service. That is to say, with only the Kettle station operating, there will be annual savings of \$1, 640, 000, and if we project these savings to a basis of the complete lower Nelson being developed and including four plants on the Burntwood, the annual savings become \$9, 090, 000 greater for the high level scheme than for the low level alternative. From these figures, it will be seen that if we accumulate the annual increased savings of the high level scheme for a period of only 20 years - and Hydro plants obviously have a life three times longer than that - the accumulated added savings would amount to \$32, 800, 000 with only Kettle generating station in service, or to \$181, 800, 000 with the full lower Nelson developed for power purposes. If we accumulate the benefits for 60 years, the savings to the power users from Kettle alone will be about a hundred million dollars and from the whole Nelson system will be about \$550 million. Savings of such magnitude were compelling factors in the decision to plan for the high level diversion.

The purpose of the storage provided by the high level diversion scheme is to allow the flows of the Nelson to be augmented during the winter months, when the demand for power is highest but the normal flows of the river are lowest. This storage also provides insurance against the recurring cycle of drought in the watersheds. If the high level diversion scheme were not proceeded with, not only would the capacity of the Kettle generating station be restricted but it would be necessary for Manitoba Hydro to immediately proceed with the construction of new steam plant capacity of at least 150 megawatts at a cost in the order of 25 to 30 million dollars to ensure sufficient energy in the 1973-74, in the event of low flows occurring in the river at that time.

The alternatives are clear. When river flows are inadequate there must be available either stored water or a complete standby plant capable of making good the short fall, else the economy of the province could be crippled and further growth and expansion of the province would be stunted. No great industry or other enterprise would invest in a province where power supplies might fail. No less than the future prosperity of the province is at stake. Intense and massive engineering studies proved conclusively that stored water must be chosen over standby steam plants for this purpose. This having been established every effort was made to establish a level of water storage at the lowest practicable point. As part of the benefits that I have recited it's significant that the capacity that can be developed on the diversion route with the high level storage scheme is over 50 percent greater than the total capacity of all the plants that have been built on the Winnipeg River in Manitoba. With any of the low level alternatives it is doubtful whether any capacity would be developed on the diversion route. This alone creates a great new asset in Manitoba.

Now, Mr. Speaker, if I can have your permission and the assistance of a Page, I would like to display a map. I would like to make some reference to the area that would be flooded in our plans to make further use of one of our greatest natural resources of water. There have been comments that the high level dam would create a vast new lake increasing the water area by up to two and a half times. We have been subjected to frightening predictions of huge areas of inundation of massive flooding. Let me confront you, Mr. Speaker, with the facts, although the facts seem to be with their back to you. The facts show a different picture. I draw your attention to a map which shows just what will happen. I have copies of the map which I will make available to the other caucus rooms. The dark areas are the existing waterways in the sector in question. The existing natural waterways involving a dozen lakes and several rivers cover over 1, 350 square miles in a state of nature. The maximum total flooded area will be in the neighbourhood of 2, 100 square miles or about 56 percent greater; not two and a half times greater but 56 percent greater at the maximum. I suspect the misconception occurred by relating the total flooded area to Southern Indian Lake alone, and my honourable friends who know the area will see at the lower part, the lower left of the map, is really Granville Lake

(MR. EVANS cont'd.) and the upper right part of it, roughly divided in half, would be Southern Indian Lake. Southern Indian Lake has an area of roughly 800 square miles. You will note that the new flooded areas shown in the shaded extensions -- and I hope my honourable friends can all see this -- there are some shaded areas particularly on the lower right-hand, about the centre, the lower part of the map, which represent the areas to be flooded. And if one runs his eye around the periphery of that combination of lakes it can be said that the new flooded areas will not come outside the natural boundaries of these two lakes combined now or this series of lakes combined now. There will be some areas in the middle of that series of lakes which will be filled in but the extent of the flooding will not enlarge the general area of the lake to an appreciable extent except for filling in some low lying areas and some marshy areas at the present time. It is really a broadening of the existing fringes. It will be noted that insofar as the land area is concerned the most extensive flooded section will be around -- and I must spell these words -- Opachuanau, Issett and Kraskuwigmamak lakes - the names of three lakes I was unable to pronounce - where the land is low and swampy. So when I hear words bandied about that describe gigantic flooded areas or vast tracts of drowned lands I say, "Look at the facts. The facts show the true nature of the effects of the impoundment of water. The facts are on the map."

Mr. Speaker, the Nelson River hydro development is one of the biggest in the world. In Manitoba we talk about the Columbia, we talk about the Peace, we talk about the Churchill Falls, we talk about everything but our own great power program on the mighty Nelson. It is one of admiration and study of the electrical world because of the imagination, the innovation and the brilliant planning that has gone into it and still continues with respect to these gigantic projects. The power values alone of the Nelson will when fully developed be equivalent of a gigantic coal industry producing \$170 million worth of coal a year. When great plans like these are put underway there can be really no turning back. We can and will, however, do all we reasonable can to compensate the 77 families at South Indian Lake and about five families at Pickerel Narrows directly affected by the diversion plans. I should point out that while about five of the approximately 20 families at Pickerel Narrows would be directly affected through flooding, arrangements of course will be made to relocate the entire settlement if the community so desires. Where there are indirect effects appropriate compensation will also be arrived at.

My colleague, the Minister of Mines and Natural Resources, has dealt with the aspects of this great enterprise which touch on our human and natural resources. As Minister responsible for Manitoba Hydro, I have been pleased to discuss the aspects of the Bill as it relates to our growing need for new power development. Since Confederation, every government of Canada has struggled with the question of how to harness the vast water resources of northern Canada for the benefit of Canadians. Since the early 1900's the water power resources of northern Manitoba have been studied by both federal and provincial authorities. Since 1961 more intensive studies have been carried out to establish a practical and viable means of harnessing the vast water potential of the Nelson and the Churchill rivers for the benefit of Manitobans. The economic growth of this province and the technological advances in long distance transmission have now made the dreams of the past a practical reality. As work progresses on this vast undertaking it is natural, but unfortunate, to have a relatively small group of critics who become overly concerned about the consequences of any change. I would remind the House that whenever developments of this kind have been undertaken there is a small group of people who for one reason or another lose courage and find solace in being critical of those who wish to move ahead.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, would the Minister permit a question? I'd like to make a very small observation first. I didn't interrupt the Minister, Mr. Speaker, while he was speaking, although he went over the time, because this matter is very vital to the House, only I expect that if members on this side transgressed the rules in the same way we would have the same leeway. The Minister referred to questions that I asked back in 1966 and I thank him for it because I think the questions were very pertinent. I was delighted to have him bring them back to the House. He will note, however, that on the one page he quoted, Page 31, that there was a statement that there were studies being made, and a page which I think he did not quote, Page 32, again a statement: "There are studies to get underway, more intensive studies." So I would like the Minister to undertake to supply to the House these studies which were undertaken. Would he be prepared to do that?

MR. EVANS: I'm not able to identify the studies my honourable friend has. He has ample opportunity to question Hydro when they appear at committee, when this Bill goes to Committee.

MR. MOLGAT: Mr. Speaker, the Minister is the man who brought this question into the House and quoted the transcripts. He chose to do that. Will he undertake, as the Minister responsible, to provide us with these studies.

MR. EVANS: There are six and a half million dollars worth of studies and I couldn't possibly provide them.

MR. MOLGAT: Mr. Speaker, this refers to specific studies. The Minister brought the matter up in the House and I'm asking the Minister a specific question. Will he supply the House with those specific studies referred to in the questions that he brought up?

MR. EVANS: I'm not able to say.

MR. MOLGAT: I have a subsequent question, Mr. Speaker. For clarification, the Minister spoke about the coal consumption, I think \$171 million. Am I correct in assuming that this is for the total Nelson Project, not just Kettle Rapids?

MR. EVANS: Yes.

MR. MOLGAT: Correct. And a subsequent question. Could he supply the House with the present estimated costs of power in terms of mills delivered to the southern system from the Kettle Rapids project on the present basis.

MR. EVANS: In the sense that I'm sure the -- yes, I'm sure Hydro will undertake to answer those question. My honourable friend will understand that I am not technical in it nor am I in direct charge of Hydro, but I am sure that there will be no difficulty in getting that information from Hydro officials when they appear.

MR. MOLGAT: I appreciate, Mr. Speaker, that the Minister might not have those right on hand at the moment. I wonder though if he could supply them to the House before the final vote on the Bill.

MR. EVANS: Likely not.

MR. SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Mr. Speaker, could I direct a question to the Honourable Minister who said that in answer to the question about supplying of reports that there are a great many reports and he's not sure just which ones were being referred to. May I ask him specifically whether he is prepared to furnish us with a copy of the Hedlin-Menzies report entitled "Transition in the North - the Problem of Relocation", which deals with the problem in Southern Indian Lake.

MR. EVANS: I'm not able to say.

MR. SPEAKER: The Honourable the Member for Inkster.

MR. GREEN: Mr. Speaker, I wonder if I could ask the Minister a question relating to the financial studies. He has given us some information as to the costs of additional alternatives. Does the Minister have available to him any studies which would indicate the cost which would be involved in lost resources or the subsequent problems which may result vis-a-vis the relocation of the people. Are there studies of those costs available to the Minister?

MR. EVANS: That subject is really appropriate to my honourable friend the Minister of Mines and Natural Resources and he referred to those values in his address. No, I haven't got the -- the studies would not be within my responsibility.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. JOHNSTON: I have a question for the Minister, Mr. Speaker. Has the Manitoba Government or Manitoba Hydro any firm commitments from either United States or Saskatchewan or Ontario for the export of power to those provinces or states?

MR. EVANS: I suggest my honourable friend ask that question of the Hydro officials at committee.

MR. JOHNSTON: A supplementary question, Mr. Speaker. Would this not be a governmental decision to export for sale and does not the Minister know about it?

MR. SPEAKER: Are you ready for the question? The Honourable Member for Ethelbert Plains.

MR. MICHAEL KAWCHUK (Ethelbert Plains): Mr. Speaker -- (Interjection) -- Yes, I want to speak.

MR. MOLGAT: Mr. Speaker, I would like a supplementary question if I may, although I'm in somewhat difficulty here. The Minister said that he could not supply the studies on the resource, that it would be up to the Minister of Mines and Natural Resources. Could we then ask through the present Minister whether those studies could be supplied to the House on the

(MR. MOLGAT cont'd.) resource studies?

MR. SPEAKER: Has the Honourable Member for Churchill a question?

MR. BOROWSKI: Yes, Mr. Speaker, there's a couple of points here and a couple of questions I have for the Minister. The first is: early in his speech he referred to 75 percent of the men at Grand Rapids and 40 percent employed at Kelsey, and he mentioned they are natives of the north. Could you clarify this? When you say native do you mean they're Indian-Metis or are they white people.

MR. EVANS: I think my honourable friend's first figure is wrong. I believe I did not say 75 percent, I think I used some other lower figure. But whatever the figure, native to the north, I have taken no steps to understand who might be of any nationality. We believe that they are people resident in the north, working in the north, living there, and I have taken no steps to understand who is of, say, Indian descent or any other nationality.

MR. BOROWSKI: That's fine. I understood that when you said natives of the north, I got the impression you were saying they were Indians or Metis.

MR. EVANS: . . . that impression. The words were "native to the north". I did not use the plural and I did not -- I would not apply the term "natives" to any group of citizens in Manitoba because I would always want it understood to be in the sense of "native to" Manitoba. I think it might be offensive to use the term "natives", which term in some peoples' minds has an unfortunate connotation and I would not use it.

MR. BOROWSKI: The questions are -- the other two questions are: In 1966 there was a conversation that took place that you read and it was in the Tribune, were the two communities aware -- did they have this information available -- the conversation that took place between Mr. Molgat and Mr. Stephens as you read out -- was this same information available to the natives of these two communities?

MR. EVANS: It wasn't a conversation, it was questions and answers before a committee of the Legislature, which hearing was held in public before the press and a record taken. I'm quite unable to say what anybody knew at that time.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BOROWSKI: One more question, Mr. Speaker. That map that you had standing out there. What would happen in a year, say there's a winter they had a lot of snow or there's a lot of rain during the summer and this lake, the level was raised by natural means by five feet or seven feet like we had for example on Thompson Lake. How much would this mean to the -- in other words, what area, what size of the area would be covered by this water, flooded by this extra water, five feet or seven feet?

MR. EVANS: Mr. Speaker, that question would have to be answered by an expert. I suggest my honourable friend ask it at committee.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, the Minister mentioned, if I recall correctly, a specific saving of -- was it \$9 million? -- for the high level dam versus the low level dam. Is that . . .

MR. EVANS: Nine million and ninety thousand dollars per year with the full development of the lower Nelson.

MR. MOLGAT: With the full development of the lower Nelson. Well that's not purely Kettle Rapids.

MR. EVANS: Kettle Rapids -- from memory, the figure was one million, six hundred and some odd thousand dollars per year.

MR. MOLGAT: Are there specific studies in this regard?

MR. EVANS: Well, doubtless. Perhaps my honourable friend would like to enquire from the officials when they appear as to the basis of the calculation.

MR. SPEAKER: I would like to remind the House that this question period has gone on for a considerable length of time. It's quite within the bounds of the House to carry on, but it seems to me that the Minister is replying to a large extent that many of the questions could be asked when you have the experts or when you are in committee. I wonder if on that account we might restrict our questions until that time. The Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I accept your suggestion and will desist from further questioning, but it points out the difficulty in making a decision on principle when we don't have the facts before us.

MR. SPEAKER: It is of course the privilege of the Minister to continue answering questions if questions are being asked. I want that understood too. Do I make myself clear? The Honourable Member for Ethelbert Plains.

MR. KAWCHUK: Mr. Speaker, I would just like to make a few comments on this all important Bill that is before this House at this time. I think it's one of those bills that perhaps presents a heavy burden on the members of this Legislature as it is a matter of extreme complexity that will affect the lives and the standard of living of all Manitobans as well as the way of life of many of the northern people in Manitoba. It probably might be useful, as the Minister of Finance did so eloquently this afternoon, to review some of the happenings that took place in the last few years, to bring us up to date on certain developments. However, it probably would also be equally true, and if I just took a moment of the House to review some of these facts or occurrences that have taken place since the introduction of this bill and this whole matter that has become such a matter of great importance in the Province of Manitoba.

When the Minister of Mines and Natural Resources introduced his estimates earlier this session, he indicated that day that he would be in a position to give us further information and presumably give us further reports for this House to study and be in a position to make an intelligent assessment of the whole South Indian Lake issue. It was only a matter of a few hours later that he'd reversed this position, and it was hopeful, Mr. Speaker, that when this bill was introduced that this information would become available, not only to the members of this House but to the people of Manitoba who, as has been pointed out by the Honourable the Minister of Finance this afternoon, have contributed tremendously financially through the Canadian tax as well as the Manitoba tax in paying for the compiling of this report, and I think, Mr. Speaker, that it is not out of the question to ask this government to table those reports for which the people of Manitoba have paid for.

It might be interesting to note that it was the Honourable the First Minister, when seeking the aspirations of the Conservative Party a year and a half ago, had a very famous ring-ding slogan. He was saying to the people of this province, "It is imperative that we improve communications between the government and the rank and file folk of this province." And what does he do when he gets into office, Mr. Speaker? He reverses his position 100 percent. Instead of making the information available, instead of improving the communications as he promised, what does he do? He deliberately sits on the information. He deliberately has locked it in his closet somewhere and thrown part of the key away, and will not allow the people of this province to have benefit of those reports for which they have paid.

The whole matter, Mr. Speaker, of this bill is not whether or not we are in favour of having cheap Hydro. It is not really a matter of whether or not we issue a licence for the flooding of this lake. I think that all reasonable and rational folk in this province will concur that if this is what is necessary we will vote for it. But, Mr. Speaker, certainly, certainly now that the government has demonstrated its inability to make a wise decision by the sheer fact of introducing this Bill 15 into this Legislature for further confirmation, is indicative in itself of this government's inability to handle the affairs of this province. And, Mr. Speaker, I don't think it is unreasonable to submit to this government that unless they are prepared to table the report that had been paid for by the people in this province, that they should tender their resignations as a bloc. We had a precedent of similar magnitude, Mr. Speaker, back in 1915 when the government of the day was accused of grossly mismanaging the financial affairs of this province. They thought at that time not to release the information asked for. As an alternative they graciously relinquished the administration of this province, and I submit, Mr. Speaker, that perhaps this government at the present time should consider acting similarly. In view of the fact that they have demonstrated that they are totally unable to make the decision on their own with the help of the report which they hold, and consequently, Mr. Speaker, they have refused and continue to refuse to make the report available to the people of this province, I suggest that that would be the greatest justice they can do to the people in this province.

Mr. Speaker, I probably could go back and review some of the happenings. However, I think that those instances have been well put forth by the Member for Inkster insofar as our Party is concerned. They have been very ably put forth by the Leader of the Opposition during the debate of this bill. There are only probably one or two things I would like to direct to the Minister of Mines and Natural Resources. In closing this debate, I was just wondering whether or not he could indicate what he intends to do with the residents affected by the flooding of the South Indian Lake. Does he have any definite proposition to make as to the whereabouts of this relocation. We have heard today from the Minister of Finance some of the alternatives that have been taken under consideration while these studies were undertaken. It has been indicated that the present course of action would save the people of this province some \$8 million annually, and I was just wondering by what criteria did he make this assumption while this study was made;

(MR. KAWCHUK cont'd.) as compared to what that we are saving \$8 million or \$9 million annually.

MR. EVANS: It's by comparison with the next best alternative.

MR. KAWCHUK: That's exactly my point, Mr. Speaker. What is this next best alternative? -- (Interjection) -- Low level. Well, Mr. Speaker, the Minister of Mines and Natural Resources apparently is chirping away in his seat again and I am not accusing . . .

MR. ENNS: I'm not chirping. I'm offering the honourable member some advice.

MR. KAWCHUK: That's right. He's trying to help us out. Now I would ask him to help us out in a true and sincere fashion. Give us those reports on which he is sitting. Those reports belong to the people of Manitoba so we too, as members of this Legislature, could be in a position to make a similar assessment as the Minister of Mines and Natural Resources has now made. If there is nothing to hide, Mr. Speaker, why - why, in heaven's name, don't they make it available to the members of this Assembly? After all, they must have had the confidence of the members here to submit this bill, because you will probably agree with me, Mr. Speaker, you were here longer than I . . . , it wasn't exactly necessary for them to come in with this bill. I understand that there is legislation on the books in this province that could have permitted them to go ahead with the project without coming in with Bill 15 at this time. But, Mr. Speaker, the government chose to come into this Assembly with this Bill 15 for political expediency. Just in case a thing doesn't pan out, there is always that avenue open to them. Well you fellows on this side voted for it. You had an opportunity. Yes, we have an opportunity, Mr. Speaker, the right of the necessary information. Mr. Speaker, I want to register in no uncertain terms my disappointment in this government's performance. It was only in this session, Mr. Speaker, when the Honourable the Member for Roblin made a statement in seconding the Speech from the Throne. He said that a government by the people, for the people, of the people will long prevail in this province. Well, Mr. Speaker. . .

MR. CHERNIACK: Mr. Speaker, may I interrupt? I'd like to move, seconded by the Honourable Member for Inkster, that the House do now adjourn.

MR. SPEAKER presented the motion.

MR. SPEAKER: Are you ready for the question?

MR. EVANS: Call in the members.

MR. CHERNIACK: The question hasn't been heard yet.

MEMBERS: Question.

MR. SPEAKER put the question and after a voice vote declared the motion lost.

MR. CHERNIACK: Would you call in the members please, Mr. Speaker, for the vote of ayes and nays.

MR. SPEAKER: Call in the members.

I welcome all the members back into the House. Just to acquaint those that were not here, a motion was made by the Honourable Member for St. John's that the House do now adjourn. The voice vote went in favour of the adjournment.

MR. CHERNIACK: Ayes and Nays, Mr. Speaker.

MR. EVANS: Mr. Speaker, if I may be allowed to say so, my recollection is that you declared that the motion was lost, whereupon the Acting Leader of the New Democratic Party requested a recorded vote.

MR. SPEAKER: Well this will be the first time in my life my tongue's played tricks with me, but anyway - those in favour of the motion please rise.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Barkman, Borowski, Cherniack, Desjardins, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Bjornson, Carroll, Claydon, Cowan, Craik, Einarson, Enns, Evans, Graham, Hamilton, Johnson, Jorgenson, Klym, Lissaman, McGregor, McKellar, McKenzie, McLean, Masniuk, Spivak, Stanes, Steen, Watt, Weir, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas 19, Nays 27.

MR. SPEAKER: I declare the motion lost. The Honourable Member for Ethelbert Plains.

MR. KAWCHUK: Thank you, Mr. Speaker. I am glad to see that there are a few more faces opposite. As a matter of fact there were only some eight there a few minutes ago as compared to sixteen on this side. As a matter of fact there were -- (Interjection) -- Mr. Speaker, I was. . .

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MR. SPEAKER: I believe that matter has been dealt with. I wonder if the honourable gentleman would carry on with his speech.

MR. KAWCHUK: Right. Mr. Speaker, I thought there for a minute that the Honourable the First Minister had taken my suggestion under serious consideration and was probably contemplating tendering his resignation. However, I am sorry that my honourable friend had to interrupt in that very serious decision making.

I was at the point, Mr. Speaker, where I'd made reference to a statement made by the Honourable Member for Roblin with respect to a democratic government of the people, by the people, for the people. May I suggest to you, Mr. Speaker, that this government is of the people all right enough, it's by the people all right enough, but is it for the people? It has used public monies to compile a report and at this time refuses to release it to the people who paid for it. And on that basis alone, Mr. Speaker, I find it very hard to give a very intelligent consideration to this bill in view of the fact that the government itself has demonstrated beyond a shadow of a doubt that with the information they had found it impossible to make a proper decision, and I think, Mr. Speaker, it is formally appropriate to demand from this government for all the reports that have been paid by the people of this province, and until such a time, I submit to them that they should take my suppositions very seriously.

MR. ENNS: . . . Mr. Speaker, unless somebody else wishes to speak.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BOROWSKI: Mr. Speaker, I move, seconded by the Honourable Member for Inkster, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Second readings - Government Bills. No. 19. The Honourable the Minister of Transportation.

MR. EVANS: Mr. Speaker, on a point of order and one to which I invite my honourable friend's attention as the present Leader of the New Democratic Party, according to the rules the House cannot be adjourned until we enter upon another piece of business capable of being entered upon the journals - according to the rules of the House. For that reason I'm not sure -- I must ask Mr. Clerk whether it would be an item to be entered on the journals if we moved into Committee of Supply, would we then have to complete some item in Supply or would it now be advisable to call one of these bills?

MR. MOLGAT: Mr. Speaker, if I may, on a point of order. Is it not simply that some piece of business must be transacted and we have transacted a piece of business in that a motion was adjourned. Subsequent to the adjournment motion there was a piece of business transacted because the motion under discussion was adjourned by the Honourable Member for Churchill. We have done a piece of business and I think we're on all fours.

MR. EVANS: Well, whatever the technical points of it are, I'm assured by what advice I have had that if I now move a Supply motion we can spend three-quarters of an hour in Supply and that does enter us upon another piece of business and clears this rather technical difficulty. Therefore Mr. Speaker, seconded by the Minister of Transportation, I move and I ask Mr. Speaker to 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, and the House resolved itself into a Committee of Supply with the Honourable Member for Souris-Lansdowne in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Department XII, Municipal Affairs, General Administration (a)--passed, (b) . . . The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, if I'm correct we're on the Minister's salary of Municipal Affairs. We've had two previous speakers in connection with the departmental estimates of this department and I was rather interested to hear the remarks of the Honourable Member for Turtle Mountain, who I give full support to. The matter here referred to had to do with assessments and he claimed that the present method of assessing properties in Manitoba for taxation purposes was illegal, and he referred to the case that was taken to court, or a court case held here in Manitoba, which the government later on appealed. They were not satisfied with the results of that particular case, and I have spoken on this matter on a previous occasion and referred to it in commenting on some of the press reports on that case at that time.

Mr. Speaker, I feel and I still take the same position that assessment in Manitoba should

(MR. FROESE cont'd.) be based on land use rather than on market values. This was also the decision the courts arrived at under Section 1010 Clause (2), because if we're going to use land values for assessment purposes, you can have a great variation within a few years and it is not practical either, because we know a few years ago when we had these high values that those municipalities that had their land reassessed during that time, we've seen very large increases taking place in these municipalities, and I can refer you to some of them, especially the municipalities that I represent in my constituency.

In 1958 the assessment of Stanley was \$4,859 million, and in 1967 this was increased to \$9,944,640. In Rhineland we had an increase taking place from \$8,038,000 in 1958 to \$15,301,320 in 1967. These are practically 100 percent increases and this was done at a time when land values were at a peak, and therefore you have these large increases because they were more or less based on the market value of that day. We find in some of the other adjoining municipalities that the increases have not been nearly as severe. For instance, in Morris in 1958 the assessment was 8,032,000 and in 1967 it was 8,253,000, just a very very slight increase, and yet here in the adjoining municipalities you have increases of almost 100 percent. In Roland municipality you had in 1958 -- I haven't got the figure for that year but there you actually had a reduction by 1967 and their assessment in 1967 was \$3,965,000.

I could mention some others here but I don't think it is necessary to go into more detail on those, but this is actually what happened in that area, that you had these large increases in assessment and they were purely based on the matter of market value, and when we referred to the court case they claimed that this should not be used for the purposes of assessing land because, as it now happens, that two years later you have a large reduction in land values yet your assessments remain up in that high category, and as a result the taxes are much higher.

Some people will claim that regardless of what the assessment is your mill rate just varies and therefore you pay no more taxes than you would ordinarily do. But this is not the case, Mr. Chairman, because your general levy for school purposes remains the same. This is the portion that the government receives from taxation of rural municipalities and the real estate assessment. And, as a result, we have had increases, in fact doubling the amount that the government is obtaining through the general school levy, and in Stanley this would mean roughly \$50,800, a 10 mill rate - and I think the rate is actually 10 1/2 mills. In Rhineland municipality this would mean \$70,000 increase that the municipality has to dig up, that the taxpayers of that municipality have to dig up and pay into the government; or, in other words, this can be reduced or claimed against the teacher grants that the schools are getting and as a result their grants are that much lower. Not only are the schools in that area penalized as a result of not getting the same grants of the unitary divisions but in addition, now we find that they are taxing these municipalities in this other way to that extent mentioned, and this is in fact very wrong. In fact, we find that in adjoining pieces of land between Rhineland and Roland municipalities, you have variances of \$3,000 per quarter, and it's the same soil texture; it's the same type of land; no difference in drainage; no difference at all, yet you have one parcel assessed \$3,000 higher than the adjoining quarter in Roland municipality, and this is simply because of the time that the assessment took place and taking into consideration market value at that date. Therefore, Mr. Chairman, these municipalities should have a re-assessment, their lands re-assessed this year, because of the unfavourable position that they are being placed in.

The Honourable Member for Turtle Mountain mentioned that we should have a 40 percent reduction across the board in assessment in rural municipalities. In this case 40 percent wouldn't be nearly enough; the amount should be much higher; and if I might for a moment just mention one other thing. The newly elected member for Morris is certainly in agreement because on February 18th, during the time that the by-elections were held, he had this to say: "Warner Jorgenson, Conservative candidate in Morris constituency, said in a press release today that he is highly displeased with the results of the assessment carried out in Macdonald municipality. Mr. Jorgenson charged that the assessment had been based on 1967 farm land values when values were at their peak. Since then, he said, farm land values have deteriorated and the recently released figures do not represent the value of the farm land today. In the area along the perimeter route in the Oak Bluff district, the assessors have based their assessment on speculative values rather than the true value of farm land. He added it is ridiculous to be expecting farmers to pay taxes on speculators' values rather than on the true value of farm land."

(MR. FROESE cont'd.)

So that not only have we agreement on this side of the House but also on the government side when assessment comes into play. In fact, Mr. Chairman, the situation is very serious and is getting more serious day by day because of farm prices and the farmer's inability to sell his crop. Farm prices have not increased for many years, yet we find taxes increasing year by year without fail and, as I mentioned on an earlier occasion, farm income was down last year in Manitoba by 1.6 percent and I am sure that there will be a much larger decrease in the coming year. If farmers are unable to pay their taxes, this means that they will lose their land by default, by being unable to pay the taxes on their farms. Mr. Chairman, I say that we must have a change in the assessment policy as is being practiced by this government today.

Then, too, I find that each year in the estimates sums of money are being set aside for the purposes of reassessing municipalities and that the funds are there. Why not have a reassessment? And I understand that both the municipalities of Stanley and Rhineland have requested reassessment of their farm lands and I would like to hear from the Minister whether this will be granted, whether reassessment will take place in these municipalities.

Then there's another matter which I would like to bring to the attention of the House and of the department and this, I am sure, is no news to the Minister. In fact, this was brought to his attention a few years ago, or to the then Minister, and I am happy to report that in connection with the years 1968 and 1969 the matter has been corrected, but for the year 1967 this is still left undone, and I'm referring to the matter of combining items on the assessment roll. This means that where a farmer had two properties, had separate titles, they were taken and lumped as one item on the assessment roll. This means that he was denied the tax rebate on one of those parcels for that year. We have many farmers in our two municipalities that were affected by this and as a result are not receiving their just share of the tax rebate. If I'm correct, the number that was given to me was better than 400 cases in the two municipalities that I am referring to. Mr. Chairman, I feel that this matter should be corrected for the year 1967, because the government has recognized its error in doing this, surely enough they should have the courage and the kindness of correcting it for the year 1967 as well. Dealing with the estimates of those years I asked the Minister in charge at that time whether there were sufficient money to cover all the rebates, and I was assured each and every year on this score, that there was ample money to provide for all the rebates that would be required. So, Mr. Chairman, the money must be there to correct this measure and I would appeal to the Minister that he give consideration to this matter at an early opportunity so that the people will receive and obtain their proper tax rebates.

In connection with these rebates that I'm referring to where you had the items on the assessment roll combined, I find that this just pertains to farm property, that where you had the towns and villages, where an owner could have 10, 15 lots, in not one case did you have the items combined. It just happened in the rural municipalities. Therefore, Mr. Speaker, I think this is another reason why action should be taken, because if you're going to do it to one group of people, then you should do it across the board and not differentiate in this way. And I know for a fact that this matter has been checked out, that in the towns and villages this did not happen but it happened in the rural municipalities where farmers had more than one piece of property and where these items were then combined on the assessment roll. I would first like to hear from the Minister on this point before going into more detail, because I have some facts and figures here that I could quote but I think I should not do that at this particular time, and first hear from him whether any action is contemplated.

In past years I have asked just what formula is there in existence that is being used between the time that lands are assessed and reassessed. Sometimes you will have lapses of 10, 11, sometimes I think 15 years, before you have another reassessment takes place. What formula is being applied to these municipalities or towns and villages where you do not have reassessment take place for a number of years. I questioned the previous Minister in previous years on this matter and have to date not received a forthright reply that would clearly indicate what kind of formula is being used for this purpose. I'm sure if that formula had worked and had been applied properly we wouldn't have seen increases in assessment of 100 percent and more, and 90 percent in one case, that you would not have these large increases taking place in the first place, that they would not have come about.

Mr. Chairman, I think I would like to get some replies on these two items before I go on to some other matters.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. BAIZLEY: Mr. Chairman, it seems to appear that the assessment practices within the branch of the Department of Municipal Affairs is of great concern to all of us. But I would like to point out to members of the committee that in referring to the judgement that was raised this past year concerning East St. Paul, that the assessors were directed to look at land use, that they were asked to consider land use and weigh land use. They could give it as little or as much attention as they felt was necessary, but the direction was that it would be one of the criteria, along with location and market value, to determine a fair assessment of the property.

It's interesting to hear the remarks of the Honourable Member from Rhineland, and I just happen to have some assessment figures here that I'm sure that he might be interested in. For instance in 1963, in the Rural Municipality of Rhineland, there were 28 sales and the ratio of the assessment percentage to sales was 50.1 percent. In 1964 there were 38 sales and that ratio was 39.3 percent. In 1965 there were 50 sales and the ratio of assessment to sales was 43.6 percent. In 1966 there were 69 sales and the ratio was 34.5 percent. In 1967 there were 83 sales and the ratio of assessment to sales was 28.5 percent. And in 1968 there were 56 sales and the ratio was 27.1 percent. Now the average, Mr. Chairman, of the assessment percentage to sales over that six year period was 34 percent. I'm sure that the Honourable Member from Rhineland will find that most interesting when he considers these percentages in relationship to the remarks that he had made about assessments.

The honourable members know that this branch provides assessment services to all municipal and local government districts, except the City of Brandon, the City of Portage la Prairie, the Town of Dauphin, the Town of Selkirk and the municipalities included in the Metropolitan Corporation of Greater Winnipeg. It's interesting to note that during 1968 and 1969 that new real estate and business assessments were completed in 10 rural municipalities and four towns. Work was commenced in a number of other municipalities but was not able to be advanced, in large part due to the severe weather conditions that were encountered. But I might say, Mr. Chairman, that these will be completed in 1969.

Reassessments involved the inspection and valuation of approximately 21,000 properties, while at the same time assessments in all remaining municipalities were kept up-to-date. This work entailed over 54,000 changes in records. The Assessment Branch is responsible for the preparation of the equalized assessment, which includes all municipalities in the province, and the branch also looks after the preparation of the balanced assessment for the Department of Education and the classification of properties for the school foundation tax purposes.

Now the proposed program for 1969 anticipates the completion of assessments in 20 rural municipalities, one local government district, four towns and eight villages, and this will involve, this year, inspections and valuations of approximately 50,000 properties.

The other evening it was mentioned and pointed out that I did not give full credit to everyone who has been of assistance to the Department of Municipal Affairs, and Mr. Chairman, I would like to take this opportunity to pay tribute to an advisory committee that met with me on two different days. We met for two full days in informal meetings and these meetings were most helpful. They were comprised of Reeve Ratley, Reeve Adrien and Reeve Hainsworth, Mayor Hugh Dunlop of Dauphin, Mayor Burgess from Russell and Mayor Wankling of Fort Garry; one group being representative of the union of municipalities and the other group being representative of the urban associations. An individual by the name of Colin Fallis joined us as a representative of the Secretary-Treasurers Association, and Mr. Chairman, I would like to pay tribute to these people for taking time out of their busy schedules to meet with myself and officials of the department to discuss the mutual problems of municipal administration.

Now we realize that many of the things that have been discussed and which are going to be discussed in this committee are related to the Tax Structure Committee which has already been announced. Our Premier announced last fall to the Union of Municipalities, he announced to the Urban Association, that such a tax structure committee was going to be formed. Late in January he had his first meeting with the leaders of these organizations who formulate the plans for this Tax Structure Committee, and there isn't any doubt in any of our minds that we talk about assessment and we talk about taxes, that these are going to be problems that will have to be resolved, that will have to be referred to the Tax Structure Committee.

The problem of urban affairs, urbanization, regional government. Well, I'm not going to enter into any debate on affairs within the Metropolitan Corporation of Greater Winnipeg. Members of the committee know that the Boundaries Commission have been delegated and

(MR. BAIZLEY cont'd.) asked to study this problem and report. I might tell members of the committee that I have requested the Boundaries Commission, if at all possible, to report within the year. I realize that it's a very complex subject that they have been asked to study; however, I feel that if they apply themselves, and if necessary meet more frequently, that we will be favoured with a report within the year so that determinations can be made by this House at its next sitting.

There isn't any question, Mr. Chairman, that the additional \$5.00 per capita grant to the municipalities have helped maintain the real property tax line, that the more than 14 percent increase in support to the school foundation program has contributed to the holding up of that tax line. And as the Premier indicated when these measures were announced, they are stop-gap measures until the Tax Structure Committee can complete its work.

Now hopefully, Mr. Chairman, I have answered the questions that were put to me the other evening by the Honourable Member for Turtle Mountain, the Honourable Member from Seven Oaks and those questions today from the Honourable Member from Rhineland.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks) Mr. Chairman, first I wanted to get some clarification. Did the Minister say he has asked the Boundaries Commission to report within the year or in a year? Is it within 1969?

MR. BAIZLEY: In this year, I'm talking about a fiscal year.

MR. MILLER: A fiscal, not a calendar year eh? All right. The other is this. I think the Minister stated that he didn't want to get into a debate on regional government or metropolitan government. I wasn't asking for a debate on the metropolitan government, although certainly I think it's in order because it's part of his department, and it's part of the Municipal Affairs concerns what happens within Metropolitan Winnipeg.

But the other night when I had discussed regional government, I didn't talk in terms of Winnipeg. There is a form of regional government in Metropolitan Winnipeg; that's what metropolitan government is. I was talking in terms of regional government throughout Manitoba, and I was mentioning the fact that throughout Canada every province has recognized that this is essential if the rural areas are going to be saved from becoming thinner in population and becoming less and less able to fulfill their functions as their assessment drops and as their ability to perform drops, because they haven't the tax base. Everywhere in Canada and the United States it has been recognized that only regional governments comprising a fairly large area, but usually based on a growth centre, a core which is a growth centre encompassing towns and villages and sometimes a city, can hope to stop the deterioration that's developing in the rural areas, and it is this concept that I wanted to hear the Minister talk about and apparently he chooses not to do so.

But I would suggest that this is important in Manitoba - not just to Metropolitan Winnipeg - it's important to all of Manitoba. It's a matter that we can't long ignore. We can not permit villages and R. M's with dwindling assessments to try to keep up with the standards required in the 1970's. We can't expect these areas to provide services to the residents if their assessment base and the tax base is constantly decreasing. We've heard from the Member for Turtle Mountain and from the Member for Rhineland very sincere pleas begging that they somehow be relieved from what they feel is the onerous taxation due to their assessments. And I can well sympathize with their position, because as the number of people in these areas drops there are less shoulders to carry the burden, and it is essential for that reason that regional areas be created and that regional governments - a two-tier form of government - be created whereby a body, a governing body that has the power to plan, has the power to look after the assessments, has the power to introduce programs which can be shared by an entire regional area, it's essential that such regions be created in order to make possible that these areas shall continue to exist and provide at least a standard of service which is required in a modern community.

And so I regret really that the Minister chooses not to debate this issue because I think this is one of the most important issues facing Manitoba. We lag behind British Columbia, Alberta, Saskatchewan, Ontario - I'm not sure what has happened, I think New Brunswick is way ahead of us in this regard, and I'm not sure about the other Maritime Provinces - but it seems strange to me that we are so far behind when we had various commissions tell us that this is what we have to do in Manitoba. The Michener Commission said it very clearly, that there must be forms of regional government created. They laid out the areas of responsibility

(MR. MILLER cont'd.) that such regional governments would handle, and today we hear from the Minister and he says - well, he's sorry, he's not prepared to talk about it.

Mr. Chairman, if we don't talk about it and if we don't act on it, then we are not going to answer the problems posed by the member for Turtle Mountain and the member for Rhineland. I don't believe these two gentlemen are simply saying ease our tax burden and pass it on to somebody else, our neighbour either to the left of us or to the right of us. I am sure that as Manitobans they recognize that they should carry their proportionate share of the tax burden. I think they're simply making this plea because they find the present structure in Manitoba as such that their people are in financial difficulty.

So I would ask the Minister, and I plead with him, to tell us what his department is doing in this regard. They've had studies made; they've had recommendations made; I think the Economic Council of Canada has had some proposals on that; I've seen studies prepared in the east dealing with Manitoba, and I think there were seven regions suggested for Manitoba. This goes back three or four years ago and I'm wondering whether the government has done anything on them, whether they've just ignored them or whether they are in fact coming up with proposals that they can bring to the various municipal people that they hope to meet with, because if we simply call a meeting of municipal people and sit around the table to discuss problems, unless proposals are put forward at such a meeting, although it may be a very nice social gathering, I suspect that we're not going to achieve too much in the way of results.

So before I sit down I would like to urge the Minister to tell us what the Department of Municipal Affairs is doing with regard to this problem of regional development in Manitoba through regional government, whether they be a two-tier or a one-tier by the expansion of areas to encompass larger towns and larger villages, either assist them, but in any case to show them that the government is aware that the problem exists and that they're trying to come to grips with the problem.

MR. CHAIRMAN: (a) -- The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I thank the Honourable Minister for his statement but certainly that is far from satisfactory, and I feel that when he quotes the various percentages of assessment of the sales in the different parcels that were sold in a given year, naturally he refers to sales. This is what he is continually doing and then he just points out that the percentage of assessment is lower compared to the earlier years and that is supposed to justify the basis of assessment. But, Mr. Chairman, those people in the rural areas know that the land sales in the latter years have been principally those where a farmer probably bought additional lands in order to grow potatoes, sugar beets and stuff like that, special crops, and that these were growers and people that could afford to pay higher prices, and in many cases too it was probably an adjoining piece to a property that the farmer already owned. It was probably a smaller piece and he could afford to pay a little more than he normally would, and now we find that on all the land in the municipalities the assessment is based on these land sales, which, Mr. Chairman, I think is very wrong. Right now very few land sales are being conducted or are made in the municipalities, and I would just wonder what the situation would be if there was money available so that land sales could be made, but presently there is not a sufficient source of capital available to the farmers so that they can sell. As I've said on previous occasions, there are farmers who are asking and were bid quite a high price a few years ago but the situation is completely changed from then, that no longer are they asking even the higher prices and yet there are no takers, that this situation has changed very much.

When I referred to that court case that was held here a year or so ago they too claimed that under Section 1010 of the Act - and I would like to read Section 1010 of the Municipal Act, and it's in the following words: "1010(1). Lands apart from buildings shall be assessed at their value, and in determining value the assessors shall consider, amongst other things, the advantages and disadvantages of location" - that is one - "advantages and disadvantages of location; the quality of the soil" - this is the next consideration - "the annual rental value which in its judgment the lands are reasonably worth for the purposes for which they may be used." I think this is the principal matter when we talk assessment, that land use should be taken into consideration, and this was pointed out so clearly in the case that was before the courts. Here they had land on the outskirts of Winnipeg where speculators were buying up properties at a high price and then the farmers adjoining had their assessments raised beyond all proportions because of this, and this is why they took so strong objection. I'm sure that they just couldn't afford to pay those high taxes.

(MR. FROESE cont'd.)

Now we find the same thing has taken place in assessing properties in rural Manitoba, that we find that they're using the land market value instead of land use, and if you're taking land use as a yardstick you will find that the farmer who grew wheat ten years ago and grows wheat today, that he's getting no more than he did at that time and therefore the assessment should be no higher than it was at that time.

MR. CHAIRMAN: I hesitate to interrupt the honourable member but perhaps he can carry on tomorrow.

MR. FROESE: No, I'm referring to land assessment.

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

Mr. Speaker, the Committee of Supply wishes to report progress and asks leave to sit again.

IN SESSION

MR. M. E. McKELLAR (Souris-Lansdowne): 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.

MR. SPEAKER: It is now 5:30 and the House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.