

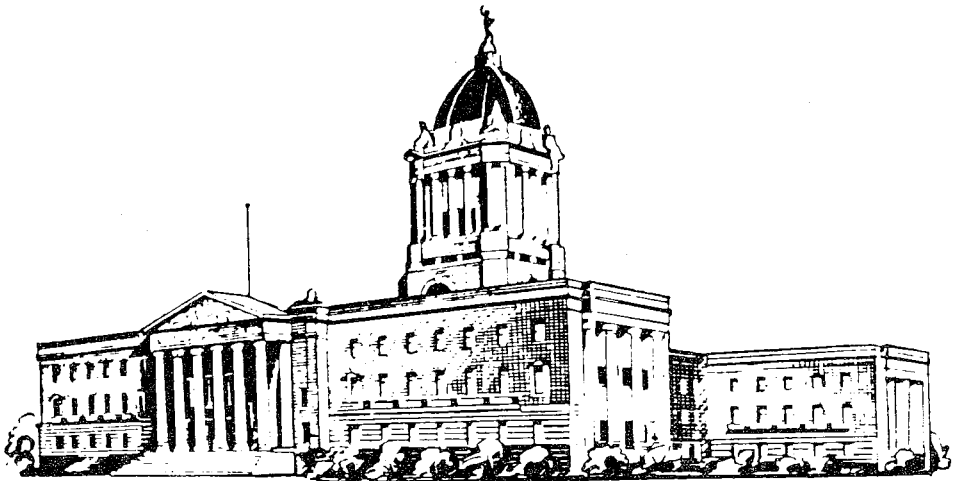


Legislative Assembly of Manitoba

DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Ben Hanuschak



Vol. XVI No. 32 2:30 p.m., Monday, September 15th, 1969.

First Session, 29th Legislature.

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, September 15, 1969

Opening prayer by Mr. Speaker.

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

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): I wonder, Mr. Speaker, if the Honourable Member for Rhineland might be able to give us the benefit of his wisdom in this resolution.

MR. JACOB M. FROESE (Rhineland): Yes, Mr. Speaker, I am quite happy to do so.

I adjourned debate the other day in order to get copies of the amendments that were being proposed to several Bills, to peruse them and also to inform myself as to what had taken place. I was unavoidably absent at that committee meeting that afternoon and therefore I had had no chance of checking it. However, I've done this and I'm quite satisfied now, and since there will be a meeting of Law Amendments Committee later this afternoon I certainly do not want to take the time of the House at the present time to enlarge on this, on the amendments, and I will do so when we sit as Committee of the Whole.

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

MR. SPEAKER: Notices of motion; Introduction of Bills.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to direct the attention of the honourable members to the gallery where we have 64 students of Grade 6 standing of the Jameswood School. These students are under the direction of Miss Off and Miss Hall. The school is located in the constituency of the Honourable Member for Sturgeon Creek. On behalf of all the honourable members of the Legislative Assembly, I welcome you all here today.

Orders of the Day. The Honourable First Minister.

STATEMENT

HON. E. SCHREYER (Premier)(Rossmere): Mr. Speaker, I have to report on a matter which I know is of great interest to all members of this House and to very many people, if not most people in the Province of Manitoba. I believe it is also of interest to a great many people in the entire country and, for that matter, in North America.

A year ago, Southern Indian Lake meant nothing to most Manitobans and this was understandable. It lies about 500 miles north of Winnipeg, almost 100 miles beyond the City of Thompson, and is difficult to reach except by small plane from Thompson or Lynn Lake. It is one of Manitoba's largest lakes, covering more than 900 square miles, and it carries the flow of one of Manitoba's most important rivers, the Churchill. Because of its size, the flow that it carries and its situation, it has long had an attraction for Manitoba's hydro-electric engineers, and arising from that attraction the lake has obtained so much publicity since the beginning of 1969 that there can be few Manitobans today who do not have some appreciation of the place and of the problem which surrounds it.

During the time that this House has sat in 1969, hardly a day has gone by without some reference to South Indian Lake. In the previous session it was the subject of repeated questions to the government of the day. It brought forth speeches during the debate on the estimates; a whole Bill was devoted to it, generating no fewer than 23 speeches, as recorded in Hansard, before the Bill passed to committee. Our two Winnipeg newspapers have between them devoted almost 5,000 column inches of space to South Indian Lake and related matters so far this year, in reports, editorial articles and correspondence. Similar attention has been paid by Manitoba's local newspapers and by radio and television stations. CBC Television produced a series of programs on the subject; public meetings were held in various parts of the province; church sermons were even devoted to it; reports appeared in the national newspapers. One man felt so strongly about it that he contested a seat in this House with the Southern Indian Lake issue as his only platform. Few subjects in recent years have aroused so much interest; seldom has there been so much evidence of public concern.

No one who sits in this Chamber can fail to be impressed and encouraged by the extent to which the people of Manitoba have become aware of and involved in this issue, and while our news media are not always universally praised, I think the people of our province owe them a debt of gratitude for the way in which they have endeavoured to lay the various issues fairly

(MR. SCHREYER cont'd.) . . . and squarely before the public. The fact that both opponents and proponents of the high level diversion scheme have from time to time had cause to complain of relevant reports, articles or stories, is evidence that the media have seriously tried to report objectively and to bring forward all points of view.

This is an issue of great importance for the people of Manitoba - there can be no question about that - and for their children and their grandchildren after them. Collectively we are considering our heritage, and if ever there was a sign that the Province of Manitoba had reached maturity, that its people take a broad view of their responsibilities and that their horizons are not limited to what they can see and touch, then their reaction to the South Indian Lake matter provides that sign. For the record, let me briefly review the situation.

In 1966, after joint study between the province and the Government of Canada, the concept of Phase I of the development of the Nelson was accepted in principle and work began on two of its four components, that is to say, the generating station at Kettle Rapids and the DC transmission line which will bring the electricity to the southern part of the province. The line is being built and financed by Canada and Manitoba will begin to repay after it comes into operation. Recently, members of this House had a chance to see for themselves the magnificent work that Hydro is doing in building the Kettle project.

The other two components of Phase I, the regulation of Lake Winnipeg and diversion of the Churchill River into the Nelson, were planned to be undertaken later as Manitoba Hydro continued with its responsibility as stated in the Manitoba Hydro Act, and I quote: "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, supply and the use of power." I pause to add parenthetically, Sir, that Hydro is not charged with the responsibility for evaluating all of the other factors, including resource factors, since this comes clearly and understandably under the purview of the entire provincial government apparatus.

With construction of the Kettle Station in progress, Hydro continued to refine its studies of the next two components and ultimately concluded that if it could undertake the Churchill River diversion by what has become known as the high level scheme, it would be able to put back, or at least postpone, Mr. Speaker, at least for some years, the need to regulate Lake Winnipeg with all of its foreseeable attendant problems. In due course, Hydro applied to the government for a licence to proceed with the diversion, this being in April of 1968, and in January of '69 public hearings were held. By this time it became apparent that the matter involved many interests other than simply those of Hydro electricity, and a number of conscientious citizens felt morally obliged to come forward and publicly express their concerns about the high level diversion proposals.

Manitobans began to learn, many of them perhaps for the first time, of the less attractive aspects of the proposed river diversion. They were told that if a licence was granted a beautiful lake, the fourth largest in Manitoba, would be turned for all time into the world's largest man-made swamp. They learned that representatives of the Town of Churchill were concerned that the town's water supply might be jeopardized. It was claimed that vast areas of potential recreation grounds would be lost; that timber resources would be flooded out; that wildlife and wildfowl would be lost and fishing destroyed, and that two independent communities, totalling about 700 native Manitobans, who have no training or other resources to turn to, would lose their very livelihood, their independence. The very qualities in our fellow men that our own background, training and education teach us to admire were apparently being threatened by this project. The public hearings did nothing to reassure the people of Manitoba that it would be right to proceed with the high level diversion. The previous government, without waiting for a formal report on the hearings, then brought the issue before this Assembly in the form of Bill 15, An Act respecting the diversion of the Churchill River at Southern Indian Lake.

During the prolonged debate on the Bill, members of the Opposition parties repeatedly sought information which they said would enable them to arrive at a rational decision, one which would be in Manitoba's best interests. None denied the need for Hydro to prepare for Manitoba's growing demand for power, a demand which continues to grow at about seven per cent per year, Sir, doubling itself in other words every 10 years, and calls for increasing effort on the part of Hydro's enthusiastic staff.

The questions that were asked by honourable members during the debate here in this House on this issue were not -- the question was not asked, Do we need the power, but rather the question was asked, and asked repeatedly, Are there no acceptable alternatives which would

(MR. SCHREYER cont'd.) . . . provide the power without the threat of sociological and biological disaster in an area which can truly be called unspoilt? The previous government did not see fit to give to the opposition parties the chance to consider all of the facts before arriving at a decision. Even in committee the government refused to reveal two documents which came to be known as the so-called "Secret Reports", and when the election was called, neither the people of Manitoba nor the members of the opposition parties had access to information they considered necessary to be able to decide on the question under dispute. What had been stated was that in the matter of power alone, the high level diversion of the Churchill River was the least expensive way of providing the extra supply that the province is likely to require by the winter of 1973.

To look simply at the engineering cost aspect of the matter, Mr. Speaker, may have been enough fifty years ago, but in our time it is not. It is not enough today when we have certainly the attitudes and the views of growing numbers of citizens who are very much concerned about the mounting problem of pollution and the loss of resources long into the future. Perhaps 50 years ago, when we had no vision of limits to the resources of our great country, the question could have been settled without too much argument. In those days environment was a very local concept and it must often have been difficult to believe in things beyond one's immediate knowledge, far less to become concerned about them.

In Canada and in North America in recent decades, resources have been despoiled, usually for selfish financial gain, often in the name of progress - wrongly understood, I might add. Even 10 years ago it might have been enough to say that the high level diversion was the least expensive way and ignore the consequences and just push on, but now we know that our resources are finite, very much so, and past experience tells us that we cannot continue to squander them indefinitely. To the best of our ability we must husband our resources, use them certainly to meet our needs, develop them and make more of them if we can, but we owe it to the generations who will follow us to use our best knowledge and experience in order to avoid the kind of mistakes which our less well-informed predecessors made in years long past.

It is with this kind of attitude that my colleagues and I in government approached the problem after the election, and since Hydro urgently, almost desperately required to know whether or not they could accept the tender for the civil engineering work associated with the high level diversion work - a tender which has been in Hydro's hands now for six months, I might add - we immediately set up a committee of Cabinet to establish just what is the true situation, what are the facts, and then to decide on behalf of the people of Manitoba whether to give Hydro the green light to proceed with the high level diversion or to instruct them to proceed with an alternative plan, or at least with the studies preliminary to an alternative plan.

The available information - and it is available to everyone now - shows that the proposed diversion was the cheapest, which no one has contested, the cheapest from the engineering point of view but drastic, and I repeat, drastic in its effect on resources and highly undesirable in its effect on people. All the opposition to the proposed diversion centred on the possible and probable consequences of putting the proposal into effect. Perhaps the most articulate opposition to the scheme was that presented on behalf of the residents of the two communities of South Indian Lake and Pickerel Narrows, who could lose their homes if the licence was granted. Of course they could be given new homes, far better homes than they have now perhaps, but what happens to their livelihood? It would take more than all of the experience they have gained in years of fishing on the present lake to ensure their continued success at the same occupation on the lake after flooding. They would be strangers on the new lake, subject to strange hazards and difficulties. Most of their landmarks would have changed. The fish on which they depend would move in new areas.

Of course we could relocate them away from South Indian Lake, but where? These people are independent because they have this large lake to harvest. Nowhere in Manitoba do we have another lake large enough to support 700 more people whose only marketable skills in effect are fishing and trapping. They know that there are no other lakes in our north to which they could move and remain as independent people. For this reason they themselves first suggested that if a move was essential they should relocate on the shores of the flooded lake. After all the lake is their home.

But they are practical people, and in the years while the threat of flooding has been with them, as it has been for a number of years now, they have had time to visualize something of the situation which would face them if the water level were raised by 32 feet. Flooded shorelines in many places would stretch back into what is now bush for as much as five miles and

(MR. SCHREYER cont'd.)... one mile of flooded shore off-shore would be common. Consider the plight of a fisherman out in an open boat on that flooded lake in deteriorating weather. He heads for shore and shelter but he still has a mile to go when the tops of flooded trees begin to rise out of the water, and the closer he gets to the shore the more his passage is impeded. By the time the tops of the trees are looming six feet above the boat, if he can make any progress at all, he is still in perhaps 15 or 20 feet of water and perhaps two-thirds of a mile from shore. This is just one example of the kinds of changes and hazards which we will be forcing these people to bear if we located them on the flooded lake.

Of course there are other possibilities. One was outlined in the report "Transition in the North", which aimed at gradually integrating the displaced communities into our northern towns after a transitional period during which the adjustment might be made. After all there's nothing new about enforced relocation. It happened to the Chemahawin people when they were moved to Easterville, and the conclusion of an anthropologist who has made a study there is that the relocation there was not particularly successful. When one looks into it one can find many instances of enforced relocation similar to the one which threatened South Indian Lake, where a relatively sophisticated society have moved a group of people whose standards, whose mores are completely different. It isn't just the native people of North America who have suffered. There are recorded cases from many parts of the world. The fact is that we are unable to produce a formula for the kind of relocation that the high level diversion would necessitate that one could be sure would be successful. Our best advice is that this should be possibly given adequate time, but while the people of South Indian Lake have been kept informed of the moves towards granting a license to flood, nothing has been done by way of evolving a relocation plan since the report "Transition in the North" was delivered to the previous government in May of 1967.

Of course there are precedents for enforced relocation, but in this age of scientific advance and social concern, should we continue to treat our native people as we did decades ago? Can we almost in our centennial year face up to the prospect of disrupting two communities of 700 people, completely upsetting the lake on which they depend for their livelihood making it quite impossible for at least some of them to continue to live independently? Can we do all this for the questionable advantage of a slight financial gain; and more than that, Mr. Speaker, in order to bring about a sequence of development that six, seven or eight years from now would not require the high level diversion in any case. The consequence of proceeding with the high level diversion would mean more than just an upset to the local people, serious though that might be.

Those of you who have followed this matter will be aware of the concern expressed by well qualified people on the probably effect of flooding on other resources - timber, wildlife and the fish was used. The concern expressed at the public hearings is supported, as you will have seen, by the findings of the Government Task Force whose secret reports were tabled in this House just recently. Some alarming figures have been put against the probable value of resources which would be lost, though no one, least of all the respective officers themselves, would deny that some of those figures are highly speculative. Indeed, that is part of the problem. When we collect all the facts that are available and try to fit them into an equation, we find that there simply aren't enough, there isn't enough information. At that point we called upon an independent consultant, and we now have Mr. David Cass-Beggs' report which confirms that there are schemes other than the high level diversion which can meet the needs that the high level scheme was planned for, and with that confirmation we have analyzed the available materials in order to arrive at a decision. The indications are that it may not necessarily be more expensive in the long run to adopt an alternative.

Here's what we know today. So far we have been faced with the choice between the high level scheme at a cost of approximately \$45 million for what is predominantly engineering works plus an unknown amount by way of damage and loss of resources; or, on the other hand, a low level scheme at a cost of approximately \$50 million in civil engineering works plus an amount which can be evaluated in various ways for loss of power benefits. We are not in a position to be precise about the total cost of either, but on certain not unreasonable bases of calculation the total cost to the province of both schemes seems likely to be about the same. Bear in mind that this is deduced from the best estimates that can be made by highly qualified people with all the information that is presently available to us. Had we more time we could expect to get more precise data, but all we are really in a position to say at present is that the high level diversion, the one which would certainly cause distress in varying degrees, while it might result in slightly

(MR. SCHREYER cont'd.)... less expensive power for Manitobans in years to come, would certainly mean that we and our children would have to meet other direct and indirect costs in consequence, and the net result might mean a greater cost in the end than the alternative low level scheme plus associated control works.

I would remind you that the Nelson project which was commenced following agreement between the Province of Manitoba and the Federal Government consisted of four components, of which the Churchill River diversion is but one. To begin with, each of the four was considered essential to the viability of the project, but subsequent studies satisfied Hydro that the high level diversion could be so developed that another of the four components, that is to say the control of Lake Winnipeg, could be dispensed with, or more, correctly, put back, delayed a number of years, and they proceeded therefor on the basis of assurances that the high level scheme could be approved. Unfortunately, it seems that in developing the diversion scheme so that the greatest hydro power benefits are achieved, the consequences are most serious for the ecology of the region and the people who live there.

In the light of the situation as it appeared, taking into account all of the factors that we are aware of and as I have just presented them to you, our consultant Mr. Cass-Beggs, in association with Hydro, has looked again at the entire Phase I concept, the four component Nelson River Development package on which we are now engaged at Kettle. Mr. Cass-Beggs was instructed to respect the concern for resources and other interests which the Manitoba Hydro Act did not require them to do when the development was first examined. It turns out that there are several possibilities, the merits of which depend on various factors, not least of which is the availability of capital and the price one has to pay for it on the capital market. Part of this conclusion confirmed what we had already been told by Hydro, and with this reassurance that an alternative is or may well be possible, we have made the decision not to proceed with the present application for the high level diversion of the Churchill River.

Having done this, we find ourselves facing another decision, whether to develop a hydraulic solution or a thermal solution to the more or less immediate problem of ensuring adequate supply of electricity for the critical period 1973-74. If it can be done in time, the hydraulic solution is more attractive in view of the province's existing commitments. It has been recommended to us that a suitable hydraulic solution would be to proceed with the Lake Winnipeg control structure together with a low level diversion of the Churchill. A reshuffling of the original Phase I proposal in other words; but we have yet to determine if this can be done in the time available, that is to say before the winter of 1973-74, while giving proper consideration to the many interests involved.

Already Hydro and government staff are co-operating in an intensive effort to see if time permits this to be done in a satisfactory manner and a decision on the matter will be made within a very few months. If it should prove impractical to proceed with that hydraulic development at this time, Hydro will be obliged to install thermal plants. Hydro are now taking all reasonable steps to prepare for additional thermal capacity so that if our next decision favours thermal we will not have lost more time. Such a thermal development would not preclude a low level diversion of the Churchill and this too is being examined.

In arriving at its decision government has accepted that a multi-purpose approach to resource development is essential in this age when we realize how great is our power to affect and control our environment. This approach is the one advocated by all thinking persons today. Officials of Hydro have agreed publicly that this is desirable if one has the opportunity to choose between single and multi-purpose resource development. We have established almost at the eleventh hour that we do have such an opportunity to plan for multi-purpose resource use, and on behalf of the concerned people of Manitoba today, on behalf of future generations of Manitobans, on behalf of the people of South Indian Lake and Pickerel Narrows, we are grasping that opportunity before it is too late.

To avoid giving the wrong impression I must explain more fully the proposal to proceed with the Lake Winnipeg control scheme. The scheme would be unlikely to have any spectacular effect or result on the control of the water level at the south end of Lake Winnipeg. Under most conditions it should be able to prevent some of the difficulties with flooding that have occurred in the past. But other stages of the control scheme would have to be undertaken before we could offer any valuable assurances to those people whose property around the lake's southern shores has been affected by high water levels in the past. The immediate benefits from the first stage would be Hydro benefits mostly, but it would put us that much further along the road to

(MR. SCHREYER cont'd.) . . . effective control for the benefit of all interests.

There was one other thing that this government felt had to be done before it could turn aside from the problem of Southern Indian Lake. Rumors about flooding have been circulating in the two local communities for about five years now since consulting engineers began survey work for Hydro, and from that time on there has been some understandable reluctance on the part of federal and provincial government departments and on the part of the people themselves to undertake capital work such as housing, schools, fishing camps and so on, for fear that they would soon be flooded. It is impossible to say how much the prosperity of the communities has been hampered by that reluctance, but they have certainly lost something because of it, nor can we ever measure the amount of mental anguish that those people endured as the matter moved from public hearing to public hearing, to Legislature to committee. We feel that it will be impossible ever to recompense them adequately, but in recognition of what they have been through we intend to assist them to develop a more successful commercial fishing operation which should also improve the economy of other isolated communities in that general area.

At the same time, more intensive efforts will be made to see that the young people of Southern Indian Lake and Pickerel Narrows have every opportunity to take advantage of education and training programs which often pass them by because of their isolation. In this way we hope that the pioneering spirit which established those communities will be fostered and strengthened and that we will soon be able to welcome members of the community into our modern society, not just on our terms but on terms which are acceptable to them and on terms of which we need never be ashamed.

Mr. Speaker, I now wish to table in the House Mr. Cass-Beggs' report entitled "The Proposed Churchill River Diversion and Associated Problems", and also Mr. Cass-Beggs' curriculum vitae. There are two copies of each for the Clerk.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WALTER WEIR (Leader of the Official Opposition)(Minnedosa): Mr. Speaker, first of all I'd like to thank the First Minister for his statement. It's one that I think Manitobans have been waiting on for some time, and to agree with him the importance of a decision made by the government. I don't propose to debate the matter now but there are a few questions I'd like to ask, and I'm sure maybe other members on this side of the House would be interested in asking a few questions of the First Minister as well. One would be, when would be the deadline for a decision in terms of alternate power to eliminate any opportunity of a brownout or a blackout of power in terms of Manitoba. The other is, assuming the thermal power is needed, when would there be a necessity for increased power rates and how much. And also, I wonder if the First Minister could tell us when he intends to call the Committee on Public Utilities so that we could enquire into matters with Hydro officials and Mr. Cass-Beggs and possibly others.

MR. SCHREYER: Mr. Speaker, that series of questions is really to be taken as a package I presume. I could answer parts of it now and parts I would have to take as notice. I could say in a general way that on the basis of my understanding of the matter, that it is necessary to proceed immediately with the necessary cost comparison analysis, engineering feasibility analysis, and that this analysis would take place between now and some time in the first 30 days of 1970, and that we have until then time in which to make a decision as to whether to go for Lake Winnipeg controls in order to have it ready and in place for 1973-74 or whether we would have to go thermal.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. WEIR: Mr. Speaker, in terms about the most important part of the whole question is the matter of when we might expect the committee to meet. Do we need to take that as notice as well, or . . .

MR. SCHREYER: Yes, Mr. Speaker, I would want to ponder that for a moment.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. GORDON E. JOHNSTON (Leader of the Liberal Party)(Portage la Prairie): Mr. Speaker, if I may be allowed to reply briefly to the First Minister's statement. It is with a certain amount of good feeling that I heard the statement he made today. I can recall quite vividly back in 1968, and I believe it was April of that year, when I raised this matter under a debate of urgency which interrupted the business of the House that evening, and I had to undergo considerable scorn from two Ministers of the Crown at that time for asking and raising questions with which the First Minister dealt with in part here today.

During the election campaign just recently completed I believe our Party position was

(MR. G. JOHNSTON cont'd.)... spelled out quite clearly. It was based on the information available to us last spring, that had we but formed the government we would not have proceeded with the high level diversion - as I say, based on the information that we had available - rather that we would take the time to study further with the hope that the high level diversion would never have to be acted upon in this province.

I can recall also quite vividly in the last days of the last session of the House when the leaders of South Indian Lake and their legal counsel appeared at a committee hearing of the Public Utilities Committee meeting, and the high-handed manner in which the government of that day dealt with those people with evasive answers, so evasive in fact that their counsel felt compelled to speak very strongly on behalf of the people that he represented. I recall also how those people were insulted when the committee was closed down in their face and they had to go home not knowing where they stood. And I say to you, Mr. First Minister, that we in this Party completely agree with the actions that you have taken up till date and we are in complete agreement that the re-examination has taken place, that all resource uses are taken into account and the feelings and the lives of people were taken into account in this regard.

Before I sit down I would like to thank a small group of people who for no reason other than a selfless dedication to the Province of Manitoba came forward to help us in our preparations on the debate that took place last spring. I think it was through the actions of this small group of people, who I would like to name but I'm afraid to name because I may miss some of them, I like to think that they played a large part in protecting future generations of Manitobans, both their livelihoods and their recreational potential, and the resources of this province.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I too wish to congratulate the government on their report and on their decision to date in this matter. As we all know, this matter has received a lot of discussion in past sessions, and to hear an assessment from the First Minister on the situation as it now is, after having had advice from outside people, I'm happy because for one, the resources as we find them will not be disturbed, and I think this was one thing that concerned many people in this province. As we know, the cost of removing and clearing the trees of the area that was to be flooded was very costly, and not clearing them I think left a situation which no one liked. Then, too, we find that the Federal Government is very conscious today of pollution and this would just cause more pollution instead of trying to prevent it.

I also want to thank the Minister for tabling the reports earlier which gave us a chance to read up on certain matters. Then, too, the combination of the high and the low level, I think this is a matter that was discussed at some extent in the Utilities Committee earlier this year, and discussing this with some of the consultant engineers at that time, they thought it was quite feasible that such a thing could be done, that a solution could be provided which would not necessarily mean constructing the high level diversion, and also that certain things could be done in connection with the low level so that the problems in that connection would not be as severe.

So while we're still going to wait further decisions by the government, for the time being I wish to congratulate them on the action that has been taken and I think this also will be the case for the people of Manitoba. We know from previous movement of people that had to leave their reserves because of Hydro construction that these people were unhappy. This matter came to light at the sessions of the Utility Committee. We were told by these people that they were unhappy because the resources for their livelihood were very limited, so that we will not have to face this issue if we're not going to take action on the high level. However, I would still like to hear from the government as to whether any provisions will be made as to the people of South Indian Lake over and above just leaving them intact.

Then, too, I think that to proceed on the Lake Winnipeg regulation, I think it's a good one because we've heard complaints from time to time in this connection. As the Minister stated, certain development probably did not come about because people were reluctant to invest in this area when there were so many uncertainties about this.

So at this time I certainly am quite happy to hear from the government on this report, and we hope that future developments will be in the best interest of the province.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I don't want to enter into a debate, this is not the occasion, but I do feel called upon to make a few remarks following the First Minister's statement. I too, like some of my colleagues that have spoken, would like to congratulate the



(MR. ENNS cont'd.)... government had they made a decision to do something. I have the feeling of course that that hasn't taken place. They have made a decision not to do something, which indeed would have been in the interest of all Manitobans.

I want to take this occasion just to remark how remarkably different the new era is. Just the mere handing out of a few documents seems to have parlayed everybody's fears and concerns about hidden reports or secret documents. I would ask the Minister what specific information we now have that we didn't have last year, that was available by myself last year, and if not available by myself in printed form, indeed was made available and is in transcript form by two or three hours of questioning on the part of evidence as submitted by my then Deputy Minister, Mr. Bill Mair. I suggest that all of the - I believe the First Minister indicated the alarming figures, whether it involved the actual loss of forest resources that were being jeopardized; whether it involved the actual loss of fur and wildlife resources that were being jeopardized; the possible reduction in commercial fishing as well as the possible increase in sport fishing and other areas - all I'm suggesting to the First Minister is that we, like children that have received our candy, we are so happy we've received the report that nobody is now concerned about the fact that the reports - and I do wish to commend the government and the First Minister particularly in using the phrase so correctly when referring to these reports - we've come to the point of calling the "so-called" secret reports, because of course everybody knows they weren't secret. You know, I mean the press had them, the counsel had them, everybody else had them, so it's marvelous the nice little play on words that we've had on these reports.

But more significantly is that the information contained in the reports was handed out to every member of this Legislature during the last session in a 22 page summary, to every member of this Legislature, which contained all the figures - and I'll ask at subsequent times, I hope to ask which particular figures you now have that you didn't have before - and subsequently it was available in transcript form, not made to every member available, but the transcripts of the hearings that was prior to the session at which my Deputy Minister at that time subjected himself to many hours of debate on the witness stand, which I would suggest even improved on the amount of information. So I make that one remark on that specific area, and perhaps it's because it touches me personally that I take this occasion to do so.

I want to indicate very seriously to the First Minister and to the House Leader that I'm hoping that you're pondering on the question of just how and when and what opportunity the members of this House will have, and I know while my members alongside of me may not always agree with me on this issue, but surely they would want to know what has changed the position from an unqualified "yes" to the question put to the General Manager of Hydro that this was the best project to proceed with - that was the recommendation, that was the words used, "an unqualified yes", to wait and see or alternative solutions acceptable. I'm not quarrelling for one moment that the government hasn't exercised its judgment in a responsible manner, that in the light of the information they have they saw fit, but surely the members of the Legislature will have an opportunity of seeking out from the documents and from the persons that were involved in influencing the government in arriving at this decision, that we will have that opportunity in front of committee.

I will not stand here, Mr. Speaker, and suggest that all the committee hearings of the past that were either chaired by myself or sponsored by this government have been exactly what you'd call "box run hits" insofar as solving all the problems of the world, but we saw it as a matter of responsibility to the House to give all members an opportunity to speak to the persons involved directly. We did this in 1966. At the then request of the Liberal Party Leader the hearings were recorded; it was repeated and asked for again in the last session that hearings were recorded, transcripts were made, and surely when we have a major change, a major change of direction or at least a major re-direction in the terms of the kind of power development we will have in this province, we will have an opportunity of speaking to our people who are charged with the responsibility of administering our power corporation, and indeed those persons who have advised the government of recent days in arriving at this decision.

I think, Mr. Speaker, and I don't want to delay this particular question but it's one that is of great importance to us on this side, and I would want to indicate to the House Leader that failing any reasonable assurance that these committees will be called, we're left with no alternative but to either delay the proceedings in the course of the estimates or right now at question period, because there are a number of questions that the First Minister's statement made that we would have specific questioning on for further clarification, and our only recourse is we're

(MR. ENNS cont'd.) . . . prepared to sit down now if we have an opportunity of doing this at committee stage.

MR. PAULLEY: Mr. Speaker, . . . with my honourable friend, I think it would be advisable that my honourable friend just digest fully the statement presented this afternoon by the First Minister and also the document that was tabled. We are, as you know, Mr. Speaker, in Committee of Supply dealing with the estimates of the Department of Mines and Natural Resources, so in all due respect, I suggest first of all let us digest, or members digest the statement of the First Minister, take a look at the report and we'll go from there.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, it's not just a question of digesting this information. There's a great deal of other questions that we want to ask of our Hydro officials. When will Hydro rates increase as a result of this decision? Or will they not or what have you. These are the kind of things that we have heretofore had the privilege of bringing Hydro and senior executive people before us to ask these kind of questions.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Mr. Speaker, I'd like to rise on this first as a member of Northern Manitoba, or a citizen of Northern Manitoba; and secondly, of course, because this is an important decision to the constituency of Churchill. I think that if I could read the reaction of the people of the Churchill constituency or of Northern Manitoba, it would be one of welcome relief in respect to the fact that a decision has been made, or a start to a decision.

I would also say to members that I think that we should stop fighting the battles of the past and look forward to the future and join in trying to find out what guidance we should be giving government in respect to this most important issue, not only for southern Manitoba but for northern Manitobans too, because they're looking forward to more Hydro power; they're looking forward to the development of more mines; and of course they are looking forward to the development of Hydro in northern Manitoba. They have welcomed Hydro in northern Manitoba. They want to see them stay in the north and they want to see them come and live in an atmosphere in which northern Manitobans can live with Hydro.

I think that the multi-use purpose is one which would strike the hearts of most of the people in northern Manitoba. I say this because I feel that emotionally it has come home more to people in northern Manitoba than to any other sector of this province, and while we must convey to you, and through you to these people who have raised the issue or made the issue, an important thanks, because it was those people that started the research into the Hydro program. But I don't think it was done destructively. I think there is constructive thinking. I know as I have searched and researched in the background of this and have considered it actually as I have flown round the constituency and wondered what I would say at a time like this, I might say that I had really never come to a decision until I heard the First Minister this afternoon, and I feel that in all probability he has struck fairly close to the thinking of many of the people in northern Manitoba.

Now there will be concern of course about the fact that perhaps Hydro will put out, and this in fact was the threat that was given to many of the people in the north, that if you don't vote for the high level then you will lose hydro programming in the north. This was not a correct attitude and it was an arrogant type of approach, and I think that they will welcome the fact that governments are accepting alternatives to high level flooding, because I for one, when I went back, could not find one person in South Indian that would give in and say that high level flooding was in their mind the answer. I say not one person. Now there have been even press reporters as late as this afternoon who have told me that they have had communication with people from South Indian who have indicated to them that maybe the high level was better, but I haven't, either at public meetings or with them individually - and I might say I made it my business to talk to the people - but I would say on the other hand also in being honest, that in the other area, Granville Lake or Pickerel Narrows, or whatever it may be, there was a decision made which was almost opposite: they were ready to accept high-level if they were given the alternatives that they wanted; but never was it spelled out what the real alternatives were and I think in some cases many of them were looking at the dollar that was going to be in their hand now instead of the future which lay ahead for their children and those that came after them.

So I would say that I know that the people of South Indian will welcome this, but they would also welcome the government's assurance that they will not be left alone if there is no high level diversion. Because, Mr. Speaker, if we can try and give it on a rational rather than emotional

(MR. BEARD cont'd.) . . . thing at this time, I would say to you that these people have been disturbed and it was with a great deal of assurance that I heard the First Minister say that he would be sure that there would be compensation given to these people for the emotional issue, for the feelings that they have had in the past few months; because they have suffered mental anguish, because whether people here like it or not or whether they go up there and decide that this isn't the place for anybody else to want to live or any right-thinking person, these people have lived there for hundreds of years and they love the place. So I might say again, that as the issue comes to a point I would hope that there would be assurance again and again to these people that they're not going to be left and Hydro is going to pull out and leave and government will leave them behind. And I was happy to see in fact that Hydro - and give them credit - have put electricity into South Indian in the last while and I presumed when I heard that that they were going to have a stable area in that town at least for some time to come.

I believe that these are the things that first come to my mind as I have listened to the Minister. I might say one other thing. There was and there will be problems of course in respect to the distribution of electricity as these new mines are being announced. There will be requirements for Hydro in the north and we will require distribution service that we hope would be able to keep up with the requirements as they come up from time to time. Thanks very much.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, I wonder if I can ask the First Minister a question. Was the government decision or did Mr. Cass-Beggs discuss his findings with any members or officials of the Department of Industry and Commerce?

MR. SCHREYER: He discussed with the Minister of Industry and Commerce.

MR. SPIVAK: Well, Mr. Speaker, is it the government's intention to tell the officials of the Department of Industry and Commerce not to seek out or complete negotiations for power intensive industries in northern Manitoba?

MR. SCHREYER: Mr. Speaker, that just shows how completely my honourable friend misses the point. Because Lake Winnipeg controls, low level diversion, whichever option is taken, that we will have a capability for hydro-electric generation on the lower Nelson equal to that that was anticipated in the initial plan.

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister could indicate what rate?

MR. SCHREYER: No one can.

MR. SPIVAK: Well, Mr. Speaker, may I suggest that at the time that the Minister of Industry and Commerce discussed it with the officials of the Department of Industry and Commerce and determined as a result of their decision, what industries that were contemplated as power intensive industries to be attracted to this province will now not be able to come here.

MR. SCHREYER: Mr. Speaker, as I said, if my honourable friend is asking the question based on the premise that our decision will somehow lessen the total amount of hydro-electric energy that will be generated on the Nelson, I say he is wrong from the start.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Honourable Minister of Finance on the same subject and ask him whether he can guarantee that this decision and this delay will not jeopardize the financing of the millions and millions of dollars worth of hydro development that has been and is taking place?

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, may I suggest that this is not an occasion for debate. Mr. Speaker, may I also indicate that we're not here to be cross-examined for the full extent of the desires of the opposition. My direct answer is that I have no reason to think that there will be any harm as a result of the decision that this government has made on its responsibility with its consideration, for which it assumes responsibility.

MR. SHERMAN: Mr. Speaker, I thank the . . . answer to a legitimate question. Thank you.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Well a supplementary question, Mr. Speaker, to the First Minister, supplementary that is to the question asked by the Member for River Heights.

MR. PAULLEY: Mr. Speaker, may I point out that both the supplementary question and the question by the Member for River Heights is not in order because there was an interjection by the Member for Fort Rouge. And may I, Mr. Speaker, at this time remind the House that

(MR. PAULLEY cont'd.)... it was agreed at Law Amendments Committee this morning that we'd endeavour to get back to that committee at 3:00 o'clock. Now I know we can't order members of the House. This was a gentlemen's agreement. I am asking, without trying to preclude any questions of any member of the House that we do not debate the statement of the Honourable First Minister at this state; as I indicated earlier, there will be ample opportunity under Mines and Natural Resource Committee which are under consideration at the present time, so to do. So may I appeal to the members, without attempting to impose any restrictions on them, to keep the questions brief, as they normally do, so that we might get into Law Amendments Committee to consider the subject matter under discussion there.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WEIR: ... it wouldn't have been possible to caution us in fewer words?

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the First Minister. In his lengthy statement, which contained as much political prose as information, did he not indicate, and I'll have the transcript before me tomorrow, that in the gist of the attitude, or the attitude of the government toward making this decision, you are accepting the concept of the distinct possibility of higher costs in terms of power production and therefore I suggest the question that the Honourable Member for River Heights raises it quite relevant. There is a distinct - this is part of the ball game - if you're going to accept higher costs at one end we have to accept the loss of something else on the other hand.

MR. SCHREYER: Mr. Speaker, I thought that my statement was remarkably lacking in vindictiveness. However, I'll check it again to see if it may have appeared vindictive. The question about the cost factor, whether the decision will have any substantial bearing on perhaps increasing the cost of hydro energy that would be generated under the design of the new arrangement, the new policy, I can only tell my honourable friend that it is our distinct understanding of the matter that in the long run, the comparative costs per kilowatt hour should be very much the same.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, just to keep the record straight and correct, the Honourable Leader of the government assigned to me a question or an interjection and I made no statement. I think he meant the Member from Fort Garry.

MR. PAULLEY: I accept the statement of my honourable friend.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): I wonder, Mr. Speaker, if the First Minister could tell us now when we can expect an increase in hydro rates?

MR. SCHREYER: I just tell my honourable friend not to hold his breath.

MR. FROESE: Mr. Speaker, I take it that we are on Orders of the Day? If so, I would suggest to the House Leader whether we could not leave Orders of the Day open and recess to Law Amendments right now and come back and discuss Orders of the Day at a later point.

MR. PAULLEY: I suggest not, Mr. Speaker.

MR. SPIVAK: Mr. Speaker, my question is for the Minister of Finance. I wonder if he can inform the House whether the decision that was announced today was discussed prior to today with the underwriters who underwrite the debenture holdings of the Manitoba Hydro?

MR. CHERNIACK: That's an interesting question, Mr. Speaker. Of course this is government policy and government methods of making decisions, but it so happens I have discussed it several times posing different aspects of the decision that might have been made. I did not reveal the decision, but the fact is I did discuss it.

MR. SHERMAN: Mr. Speaker, I wonder if the Honourable the First Minister could tell the House whether this decision means in any way that the Kettle Rapids Dam and Generating Station will not now be developed and utilized to its full capacity?

MR. SCHREYER: No, Mr. Speaker.

MR. SHERMAN: A supplementary question for my own edification, Mr. Speaker. The First Minister's answer was "No it does not mean that" - is that correct? It does not mean what I suggested it might mean? In other words, the Kettle facility will still be developed and used to its full potential?

MR. SCHREYER: The original concept of Phase I remains intact. All that is proposed here is that we will consider the advisability of rearranging the sequence with which Phase I shall be implemented - that is instead of going for a diversion of the Churchill into the Nelson by way of a high level impoundment and subsequent to that, Lake Winnipeg controls, we are rearranging the

(MR. SCHREYER cont'd.) . . . sequence with Lake Winnipeg controls coming in perhaps earlier, then it would remove the necessity of high level diversion of the Churchill but perhaps a low level one.

MR. SHERMAN: A further supplementary. I thank the First Minister for his explanation, but could I ask, does this mean that 12 turbines will still go into the Kettle project?

MR. SCHREYER: Mr. Speaker, it's a very interesting point. We have never received the information that even with the high level diversion that the installation of units 11 and 12 was an absolute certainty.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: I'd like to direct a question to the First Minister. I presume now that if we can expect at Morris that we're going to have a thermo plant where there's plenty of water at certain times of the year to supply the coolant, I want to know if the Minister could tell us if they have undertaken to secure contracts for the supply of coal for thermo power prior to the announcement made today?

MR. SCHREYER: That would be somewhat premature, Mr. Speaker, inasmuch as it is not until some time in January or February that a decision will be made as to whether we go for thermo installation - insulation of additional thermo capacity or whether we go for the Lake Winnipeg controls plus a diversion of some form of the Churchill.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I sincerely hope we are going to have another opportunity to go into this at some depth as has been mentioned. I trust we get an opportunity to go into it. I say, Mr. Speaker, that this issue is much more important even today than Law Amendments. There are several things that we want to ask. One of them leads directly from the First Minister's statement regarding the low level diversion. Do I assume from his statement first of all that he considers that the resource problems associated with the low level diversion are minor or non-existent inasmuch as the major resource problem is the fishing problem. And if this is so, are we really saying in other words that all we've done now is take a couple of more logs out of the dam in this decision and we really don't have a decision at all, but we're just making it very difficult to go back to the high level diversion at some later date? And the last question is if we are thinking of thermo, and if we're going to be perfectly realistic about all of this, is it not cheaper to pipe power from the Saskatchewan coal fields than it is to haul coal to some location in Manitoba where it's going to be converted?

MR. SCHREYER: Mr. Speaker, I understand my honourable friend is something of an engineer himself and he would like, I'm sure, to get into this esoteric matter of comparative costs, thermo and hydro, etc. All I'll tell him at the moment is that there is and will be intensive cost comparison analyses made, and also to tell him that there is really, you know, quite a difference between opting for a high level diversion which would flood tens of thousands of square miles of land in near proximity to the existing South Indian Lake, and a different form of diversion which will at most simply raise the level of rivers and streams and not cause any flooding of the existing lake at all.

MR. CRAIK: . . . the point of my question though was with regard to the low level diversion as to whether or not -- and it's not an engineering problem, it's biological as far as I can determine. Is he assuming that in the low level diversion that there are no associated biological or natural resource problems which would in turn allow the combination of the low level plus the Lake Winnipeg diversion that he's referred to?

MR. SCHREYER: Mr. Speaker, I understand that the so-called low level diversion would involve the raising of the impoundment of some amount of water in existing rivers and streams that are part of that complex, but it would not involve any flooding of land in proximity to the lake.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: My question is for the First Minister, Mr. Speaker. In view of your announcement today, does this mean that the government will be proceeding by the granting of water licence to Hydro for the Lake Winnipeg control or will the government be taking this action through legislation? I'm asking, will the government be acting through the Minister's discretion, the Minister of Mines and Natural Resources, to grant a licence or will this action of the government be proceeded with by legislation?

HON. LEONARD S. EVANS (Minister of Mines and Natural Resources)(Brandon East): Well, the matter simply is before us whether or not this government and my department in particular will or will not grant the licence for a so-called high level diversion and the First Minister has indicated in his speech that this wasn't the case. Now perhaps I haven't answered all your question because I didn't hear it all. -- (Interjection) -- All right, I'll take it as notice then.

MR. SPEAKER: Has the honourable member a supplementary question: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, on behalf of the native people as well as those who have arrived more recently and have homes on the shores of Lake Winnipeg, I would like to ask what is the present level of Lake Winnipeg and at what level is it planned that it should be controlled?

MR. SCHREYER: I'll have to take the question as notice. The level of Lake Winnipeg depends so much on the wind velocity at any given point in time. -- (Interjection) --

#### RECORDING FAILURE.

MR. ENNS: A supplementary question, Mr. Speaker, if I may. Is it the Minister's intention to use the Manitoba Water Commission for this purpose?--(Interjection)--

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, in view of the government's announcement, will consideration be given to discussing of the Pembina Dam and . . . provide a reservoir for control on the Red for future construction of thermo plans on the Red River? I think because the situation has arisen now the way it has, I think this is worthy of consideration.

MR. EVANS: . . . go ahead. I believe you asked a similar question in the estimates and I had some notes prepared on that. I don't think it has any bearing on the feasibility of the Pembina Dam, this is a separate item. I can assure you that this government is quite aware of the problem of the need to do something in that area of the province, and we are actively studying it.

MR. WEIR: Mr. Speaker, if I could interrupt for a moment . . . that I know that it is possibly the intention of the House Leader to just have the Speaker leave the Chair and come back at 8:00. In view of the time we've taken in recognizing the number of people and the impact that there's been in recognizing the number there are from out of town, I'm wondering about the advisability of adjourning to meet again tomorrow. I mean to be in Law Amendments this evening as well as this afternoon to complete the hearing.

MR. PAULLEY: I might say, Mr. Speaker, that there is every likelihood that we would go back to Law Amendments this evening. The government considered the point raised by my honourable friend of having you, Mr. Speaker, adjourn the House, but because of the fact that we weren't sure of how things were going to go in Law Amendments, we thought it might be advisable for Mr. Speaker to come back at 8:00 o'clock and we may adjourn the House immediately after reconvening, for the balance of the evening. I would suggest, Mr. Speaker, to my honourable friends that there is every likelihood that Law Amendments will continue tonight, and if I can take it, Mr. Speaker, that the Honourable the Leader of the Opposition has suggested that the time has come when we may cease the question period, if this is general consensus, Mr. Speaker, may I respectfully suggest you leave the Chair now until 8:00 o'clock this evening.

MR. SPEAKER: I leave the Chair to return at 8:00 o'clock tonight.