

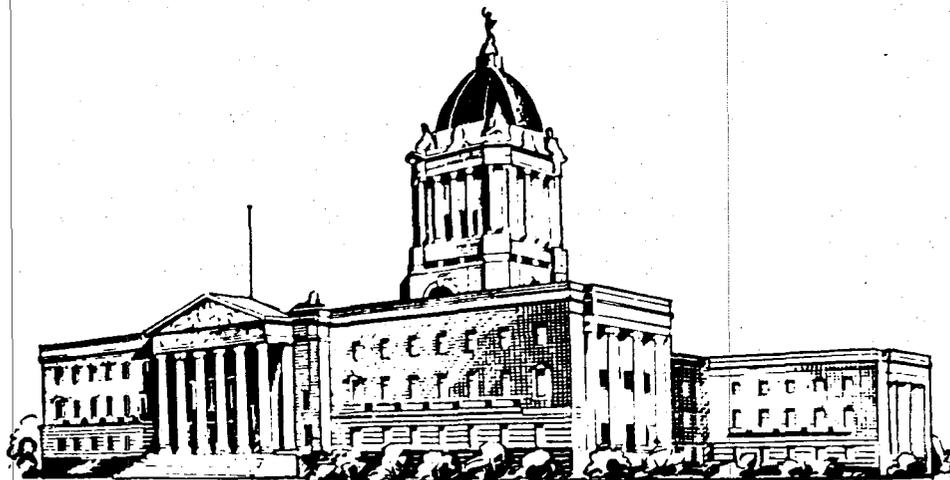


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Ben Hanuschak



Vol. XVI No. 63 9:30 a.m., & 2:30 p.m., Wednesday, October 8th, 1969. First Session, 29th Legislature.

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. Douglas Watt	Reston, Manitoba
ASSINIBOIA	Steve Patrick	10 Red Robin Place, Winnipeg 12
BIRTLE-RUSSELL	Harry E. Graham	Binscarth, Manitoba
BRANDON EAST	Hon. Leonard S. Evans	Legislative Bldg., Winnipeg 1
BRANDON WEST	Edward McGill	2228 Princess St., Brandon, Man.
BURROWS	Hon. Ben Hanuschak	11 Aster Ave., Winnipeg 17
CHARLESWOOD	Arthur Moug	29 Willow Ridge Rd., Winnipeg 20
CHURCHILL	Gordon Wilbert Beard	103 Copper Rd., Thompson, Man.
CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
ELMWOOD	Russell J. Doern	104 Roberta Ave., Winnipeg 15
EMERSON	Gabriel Girard	25 Lomond Blvd., St. Boniface 6
FLIN FLON	Thomas Barrow	Cranberry Portage, Manitoba
FORT GARRY	Bud Sherman	86 Niagara St., Winnipeg 9
FORT ROUGE	Mrs. Inez Trueman	179 Oxford St., Winnipeg 9
GIMLI	John C. Gottfried	44 - 3rd Ave., Gimli, Man.
GLADSTONE	James Robert Ferguson	Gladstone, Manitoba
INKSTER	Hon. Sidney Green	Legislative Bldg., Winnipeg 1
KILDONAN	Peter Fox	627 Prince Rupert Ave., Winnipeg 15
LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
LAKESIDE	Harry J. Enns	Woodlands, Manitoba
LA VERENDRYE	Leonard A. Barkman	Box 130, Steinbach, Man.
LOGAN	William Jenkins	1287 Alexander Ave., Winnipeg 3
MINNEDOSA	Walter Weir	Legislative Bldg., Winnipeg 1
MORRIS	Warner H. Jorgenson	Box 185, Morris, Man.
OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
PORTAGE LA PRAIRIE	Gordon E. Johnston	7 Massey Dr., Portage la Prairie, Man.
RADISSON	Harry Shafransky	4 Maplehurst Rd., St. Boniface 6
RHINELAND	Jacob M. Froese	Winkler, Manitoba
RIEL	Donald W. Craik	66 River Rd., Winnipeg 8
RIVER HEIGHTS	Sidney Spivak, Q.C.	1516 Mathers Bay, West, Winnipeg 9
ROBLIN	J. Wally McKenzie	Inglis, Manitoba
ROCK LAKE	Henry J. Einarson	Glenboro, Manitoba
ROSSMERE	Hon. Ed. Schreyer	Legislative Bldg., Winnipeg 1
RUPERTSLAND	Jean Allard	119 Provencher Ave., St. Boniface 6
ST. BONIFACE	Laurent L. Desjardins	357 Des Meurons St., St. Boniface 6
ST. GEORGE	Bill Uruski	Box 629, Arborg, Manitoba
ST. JAMES	Hon. Al. Mackling	Legislative Bldg., Winnipeg 1
ST. JOHNS	Hon. Saul Chorniack, Q.C.	Legislative Bldg., Winnipeg 1
ST. MATTHEWS	Wally Johannson	471 Home St., Winnipeg 10
ST. VITAL	Jack Hardy	11 Glenlawn Ave., Winnipeg 8
STE. ROSE	Gildas Molgat	463 Kingston Crescent, Winnipeg 8
SELKIRK	Hon. Howard Pawley	Legislative Bldg., Winnipeg 1
SEVEN OAKS	Hon. Saul A. Miller	Legislative Bldg., Winnipeg 1
SOURIS-KILLARNEY	Earl McKellar	Nesbitt, Manitoba
SPRINGFIELD	Hon. Rene E. Toupin	Legislative Bldg., Winnipeg 1
STURGEON CREEK	Frank Johnston	310 Overdale St., Winnipeg 12
SWAN RIVER	James H. Bilton	Swan River, Manitoba
THE PAS	Ron McBryde	56 Paul Ave., The Pas, Manitoba
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
TRANSCONA	Hon. Russell Paulley	Legislative Bldg., Winnipeg 1
VIRDEN	Morris McGregor	Kenton, Manitoba
WELLINGTON	Hon. Philip Petursson	Legislative Bldg., Winnipeg 1
WINNIPEG CENTRE	Bud Boyce	777 Winnipeg Ave., Winnipeg 3
WOLSELEY	Leonard H. Claydon	116½ Sherbrook St., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Wednesday, October 8, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills; Orders of the Day.

ORAL QUESTION PERIOD

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, before the Orders of the Day, I'd like to address a question to the House Leader. Yesterday, during the speech of the Member for River Heights on the subject of transportation and rail line abandonment, there was an interjection by the Leader of the House regarding the campers' special, and if I understood him correctly he indicated that it would be running next year. Was that the correct interpretation of what he said?

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Not precisely, Mr. Speaker. I mentioned that I had seen a press report, presumably emanating from the officials of the railway, that it was going to operate next year. And I also, Mr. Speaker, gave an undertaking that I would try to get this confirmed or denied as soon as possible.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): I'd like to direct a question to the House Leader. Would the Minister see what could be done re having the army load grain at the west coast?

MR. PAULLEY: I'm sorry, Mr. Speaker, I didn't hear the question, repeat it.

MR. FERGUSON: Would the Minister see what could be done re having the army load grain at the west coast.

MR. PAULLEY: Mr. Speaker, it is beyond my jurisdiction to interfere in federal matters.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Well, Mr. Speaker, a supplementary question then. Is it beyond the jurisdiction of the Minister of Agriculture to make some representation to Ottawa on behalf of the Manitoba farmers? And I've asked this question several times. Can we not get some positive answer from the Minister?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, I've answered this on more than one occasion and I'm getting a bit fed up with the nonsense. (a) It was pointed out....

MR. WATT: Mr. Speaker, on a point of privilege, I'm getting a bit fed up on the answers.

MR. USKIW: It was pointed out in this House a few days ago that the P.C. meeting had sent a telegram or something to that effect to the federal people in connection with this problem, and I've mentioned this in this House on more than one occasion.

MR. PAULLEY: I wonder, if there are no further questions -- oh, the Orders of the Day would be the Order for Return standing in the name of the Honourable Member for Morris.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SPEAKER: Order for Return. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I move, seconded by the Honourable Member for Rock Lake, that an Order of the House do issue for a Return showing:

- (1) the names of all companies involved in the processing and marketing of fish in the Province of Manitoba on the day the Freshwater Fish Marketing Board began its operations;
- (2) where the facilities of each of the above-mentioned companies are located.

MR. SPEAKER presented the motion.

HON. LEONARD S. EVANS (Minister of Mines and Natural Resources)(Brandon East): Mr. Speaker, to the extent that we can obtain this information or have it on file, we will provide the information requested.

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

MR. PAULLEY: Mr. Speaker, I wonder whether you would kindly call the adjourned debate on the resolution standing in my name on Page 2, held by the Honourable Member for Ste. Rose.

GOVERNMENT RESOLUTIONS

MR. SPEAKER: The adjourned debate on the proposed resolution of the Honourable Minister of Labour. The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, there was considerable debate the other day on this resolution, and in fact at moments it got somewhat heated as to the intent. Some feeling was expressed by members that this was really giving the opportunity, for government backbenchers particularly, to participate in a special committee and so on. I'm not really that concerned about that aspect of it, Mr. Speaker, but I'm much concerned about this committee being able to do its work properly, and I think it's important that it be constituted in such a way that it will do the work which the government intends to have it do.

I'd like to comment as well on the statement made by the First Minister the other day that this was like the task force set up by the Minister in charge of housing at the federal level, and that that had been set up and gone across the country and so on, and I agree with that. But there's a fundamental difference, Mr. Speaker, between that task force and what's being proposed here, because this is not simply a task force set up by government, this is a committee of the House, whereas the federal task force on housing was not such a task force. It was made up of the Minister, true, but the remainder of the members were not members of the House of Commons. They were people taken from all walks of life, and I think it's important here that the government recognize that when it comes along and sets up a committee of the House, then it is not on all fours with setting up a task force outside of this House. It is unknown to me, Mr. Speaker, in the years that I have been a member of this House, that a committee of the House is established without consultation with the other members of the House and without being representative of the House itself. This is the fundamental element to me of a committee of the House, that it is in fact representative of the House.

Now if the government said we want to set up a task force outside of the House, then I may disagree with the members that they put on, the same way I disagreed to the members put on the Boundaries Commission by my honourable friends presently to my right. But that was their right to do so. But when we come along to a committee of the House, I ask the House Leader, in the absence of the First Minister, to reconsider the matter, Mr. Speaker, because this is a departure from anything that has been done before in the House and I think is a wrong step. If it's a task force outside the House, that's one thing; but if it's a committee of the House, Mr. Speaker, I think that it must be representatives of the House itself. One point.

Now the other point, and really the one that I think is most important, and that is that the work of the committee be done properly. Now what is the work of the committee? Well, first of all, to identify the problems of the north - admittedly. But, Mr. Speaker, there's a great job of education to be done. I well remember, and the Leader of the House will recall as well, when he and I entered the House back in 1953 there was one northern seat. The then Member for Flin Flon spoke for all of northern Manitoba, Mr. Bud Jobin. And his eternal problem, and I'm sure the problem that the other members find from the north now, is convincing southerners of the importance of their problem and what the difficulties are.

Mr. Speaker, let's put the analogy in terms of Canada itself. What's the problem that we feel here as western Canadians? We feel that the eastern Canadians don't understand us. Now let's assume that the Federal Government were to establish a task force, or a committee of the House or call it what you want, to study western problems. Would we recommend, as westerners, that there be only westerners on this committee? How could we then interpret to easterners the problems of the west? And this is to me one of the fundamental problems of Canada. Not that there's any opposition really from one end of the country opposed to other ends, it's really a lack of knowledge in most cases. It's simply a fact that until you see the problems very often you can't appreciate how important they are. And this Committee, Mr. Speaker, if it's going to do its job, must be able to convince southern Manitobans of the problems that the northerners have. I think that the government would be well advised then to broaden the committee, broaden it to include people who have to be convinced from the southern area of the urgency and the seriousness of the problems of northern Manitoba.

Similarly, within the House, Mr. Speaker, I think it's important that members from the group to my right, who form the official opposition presently, be represented. Because when the report of this committee comes down there ought to be someone in that caucus who can interpret to the caucus what is being done by this committee. Who can relate the information? Similarly with our own group. If we are going to be able to make a sensible decision on the

(MR. MOLGAT cont'd.)... report of this task force, I think it's important that our group be represented as well.

So, Mr. Speaker, I appeal to the House Leader to reconsider the matter. I agree with the concept of the task force. I agree that the northern problems need to be studied and interpreted. I think there's a greater need frankly, more than study and interpretation, a greater need for education to southern Manitoba; a greater need for understanding by southern Manitobans of the real problems of the north and of the tremendous potential of the north. And this can be done by having a task force, or a committee of the House that is truly representative of not just northern Manitoba, because then it will be once again, if it's merely northern Manitobans, it's going to be once again northern Manitobans, in the view of some southern Manitobans, complaining about their problems. And I don't think that's what we need at this point.

And so, Mr. Speaker, I'd like to propose an amendment which I would hope the government would consider seriously. It's, I think, in line with the practices of the House and I think it is sensible in the terms of what the government, and I'm sure all members of House, want to accomplish whether they're from the north or not. So, Mr. Speaker, I beg to move, seconded by the Honourable the Member for La Verendrye, that the motion be amended by deleting all the words after the word "Assembly" in line nine thereof and substituting therefor the following words: "The composition of which is to be decided by the seven man committee established under our House Rule 68 (1) at the beginning of this session."

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Health and Social Services.

HON. SIDNEY GREEN (Minister of Health and Social Services)(Inkster): Mr. Speaker, I'd like to say something about the history of this particular proposal and also about a role which I am playing in it, which I think is of some consequence to the nature of the proposal itself.

It will be recalled that soon after the election, and indeed even prior to the election, in considering the various different and diverse types of problems which were being experienced in northern Manitoba and which were being articulated in various forms by different people from the north, that the now Premier of the province said that he felt that he would like to establish, to review this problem by a northern task force, and he repeated his intention of doing this after the election was over and after the government became installed.

It was the view of the Premier, as well as the view of the government, that this task force would be composed of a number of people. And I want to tell the honourable member, and members, that considerable discussion in terms of the conception of the force took place between the time of the election and the time that the type of force that we would have was finally agreed upon. It was ultimately agreed that the - and honourable members can agree or disagree with this, I'm trying to give them the history - it was ultimately agreed that the force would be composed of roughly seven to ten people, that three of these would be members of the Legislative Assembly and that the balance would be representatives of different groups that we felt could be helpful to us in the information that we sought.

In the meantime, Mr. Speaker, and gentlemen and lady, I was named as having the responsibility of the Commissioner of Northern Affairs, and in assuming that responsibility I made a trip to the north. It wasn't as extensive a trip as I would like to have made but at least I was able to learn something about some of the considerations, and I hope to increase my travels after the session is over. But it became apparent that many of the difficulties that we were involved in were in isolated northern communities. And we would look at the north as being a total entity, including the big urban areas of Thompson and Flin Flon, but that the problems which were the vexing ones and which we didn't appear to have a sophisticated mechanism of dealing with, were the problems of isolated northern communities.

So when we were talking in terms of the representatives who we would put on the force from the Legislative Assembly, we talked in terms of those people who had within their constituency the greatest number of isolated northern communities. And we did not want, just for the sheer effect of the cumbersome nature of it, we did not want more than three MLAs. We would liked to have sought perhaps two, but we did not want to go to the number that is implied in the amendment that is before the House at the present time and we selected - and governments have to make a decision and I don't expect every member of the House to agree with their decision - but we selected three people who had the greatest number of isolated communities within their particular constituencies, and that explains the absence of the Member for Flin Flon. There is nothing personal about excluding the Member for Flin Flon. He was not excluded; he

(MR. GREEN cont'd.)... was rather not included. The Flin Flon constituency, although it does have a certain number of isolated areas, did not have as many as Churchill, did not have as many as Rupertsland and did not have as many as The Pas. So those were the three MLAs that we decided upon and that is the reason for that decision.

We also intend to supplement the MLA part of the task force with citizens representing different interests in the Province of Manitoba, and particularly representing northern constituencies. And in doing so, I would hope that we could satisfy some of the questions that have been raised by members on the other side. But, Mr. Speaker, I'm resigned to the fact that we will not be able to satisfy every complaint that is made, and some of the complaints, though they may sound justified and though they may make a great deal of sense in the tradition in which legislative committees have been appointed, don't make sense to us, or at least don't compel us to feel that we should change the nature of what we are presently trying to do.

I'm not going to present a great deal of argument against what the Member for Ste. Rose has said because what he says makes sense in terms of his frame of reference. What we are saying here is that the government had to decide on a Task Force; we decided on this type of force. Other forces, or other legislative committees that have been decided on in the past although they may have been chosen in the way in which the member for Ste. Rose says that they should have been chosen, may have been productive; may not have been productive. We are hoping that this one will be productive. Even though it's not chosen in the traditional way, it's chosen to suit the purposes for which we chose it.

And, Mr. Speaker, I may say, as the Commissioner of Northern Affairs, that I have great hope that the constitution of this committee and the thinking that has gone into it and the task which we hope that it will take unto itself, because this will be - and I want the members to note that it's very general, the nature of the frame of reference that has now been set - we would hope that part in any event of the terms of reference would be set by the people themselves, because we feel that the people who we will be choosing to constitute the supplement to the MLA part of the committee will be able to tell us the types of things as well that we should be looking for.

And I tell the honourable members that in the short period of time that I have been the Commissioner of Northern Affairs that we have problems which need looking into, and we feel that they need looking into by the type of group that we have set up. We are aware that the type of group that has been set up is not traditional to the types of groups that we have set up in the past. We say that this does not necessarily mean that it will be less productive. We have made a decision after careful consideration of the type of force that the government would like, and we feel that we are entitled to make a submission to the House that this is the type of force that is adopted.

Now I say all of these things with a great deal of respect for what the Member for Ste. Rose has said and to what other members have said. I really can't present a great deal of argument about that being a legitimate way of setting up a committee. What I argue against is that that is the only way of setting it up, and we had thought about this one. We've said the three MLAs who are most closely associated - they happened to be two New Democrats and one Independent - I ask the members of the House to accept the fact, I can't prove it because there's no way of proving it, that if one of those members was a Conservative or one of those members was a Liberal then his name would appear on this task force. There's no way in which I can prove that, but I ask members to accept the fact that that is the way in which we named this force. It had nothing to do with political considerations; it had to do with the members for those constituencies.

And I repeat - the Member for Ste. Rose and other members have indicated that there are ways in which traditionally committees have been set up and that there are ways that they think this could be done differently. We happen to think that this is a legitimate way of setting up a committee. We happen to think that for the purposes that the committee is set up, it's the best way and that's why we hope to proceed with the committee as indicated in the original resolution presented by my colleague.

MR. MOLGAT: I was going to ask a question, Mr. Speaker. Is the honourable member...

MR. SPEAKER: Order, please. I must apologize to the honourable members for a procedural oversight on my part in accepting the amendment. In view of the fact it is now accepted and there was no objection raised to it by either side of the House, it may be advisable -- if I may suggest to the Honourable Member for Ste. Rose if he could assist me to this extent. To

(MR. SPEAKER cont'd.)... keep the amendment acceptable and for the purpose of the record, it could not exceed the limits of the message received from His Honour. The original motion made reference -- well, it names three members of the House. The honourable member's amendment makes no mention of the number of members to serve on this committee. If it exceeds three then of course it would be beyond the limits of the message from His Honour. So for the sake of the record, may I suggest to the honourable member that he correct his amendment by adding the words "of three members" after the word "committee" in the first line of the operative part so that it would read that "a special committee of three members."

MR. MOLGAT: Mr. Speaker, I would be prepared to do that or even to add the words "consider the advisability of", which would then leave the committee of seven flexible to have it larger than three if the committee of seven so decided.

MR. SPEAKER: Is it the honourable member's wish then to instead of specifying the number, to add the phrase "consider the advisability of".

MR. MOLGAT: Yes, Mr. Speaker, that would be agreeable to me. It would need some re-wording....

MR. SPEAKER: Is it agreed to make that correction? The Honourable Member for Ste. Rose.

MR. MOLGAT: Mr. Speaker, I'd like to ask a question of the Minister who spoke last. Does he know of any other committee of a House, committee of a House, not a task force but a committee of the House, that has been established on the basis which he's proposing?

MR. GREEN: No, Mr. Speaker, but my party doesn't choose to follow the adage of the Conservatives and never do anything first.

MR. MOLGAT: A subsequent question. What would the reaction of my honourable friend be, Mr. Speaker, if the Federal Government at the moment were to establish a committee of the federal House to study western problems and did not include a single member of my honourable friend's party?

MR. GREEN: Mr. Speaker, I don't know what my attitude would be.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. MOLGAT: You're not saying anything now?

MR. GREEN: No.

MR. MOLGAT: You'd sure hear the screams though from my honourable friend.

MR. SPEAKER: The Honourable Member for Fort Rouge has the floor.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, while we're discussing the membership of this committee of the House, I think it would be timely for me to bring up a problem which I had really meant to bring up under the discussion of the portfolio of Mines and Resources. I do hope the Minister of Health and Social Services will stay to listen to what I have to say. Now, I think that it's extremely important to have the view of the woman expressed in the northern area as well as it is in the southern area. Now I would hasten to say that I don't say that you have to add a female MLA to your committee, that possibly this point of view could be secured by having associated with this committee a female member of the staff of the Minister of Social Services.

MR. GREEN: May I advise the honourable member that the other three members like the idea very much.

MRS. TRUEMAN: Well, to give you my reasons, last spring when the whole question of South Indian Lake, or the flooding of South Indian Lake was being discussed in the House, I found myself quite puzzled and confused. There was a great deal of publicity but it was difficult to decide exactly where the truth lay. Now there are still matters that are unresolved in my mind. I would like to try to understand the position of the Indian women who are vitally concerned with the health and welfare of their families. I think that a woman could do a better job of assessing their positions. Maybe it's not in their experience to understand what the opportunities would mean to their families if they were to move into the twentieth century, and in the "Transition in the North", in a summary on Page 27, I read that "the only occupations readily accessible to the people of South Indian Lake are in fishing and trapping. Consequently, there has been little activation or motivation to develop other skills. This combined with a generally low level of education and little experience outside the community, makes it impossible for them to consider the possibility of other employment on any rational or even emotional basis."

Now I don't know how adequate the health facilities are in South Indian Lake, but I would like to understand this compared for instance with the services now available in Gillam, in the

(MRS. TRUEMAN cont'd.)... very fine combined Health and Social Services centre which Manitoba Hydro has provided and which we all saw so recently. I'd like to know the infant mortality rate at South Indian Lake in comparison with that across the country. I'd like to know what the maternal mortality rate is. I'd like to know what the life expectancy of the Indians at South Indian Lake is in comparison with that across the country. I think these figures are essential before we can decide that South Indian Lake is truly a Garden of Eden that we mustn't disturb.

Now then, there's the million-dollar recreation centre that is provided at Gillam, and presumably something like this would be developed at South Indian Lake. We noticed when we visited the grocery store, we learned that Manitoba Hydro subsidizes some of the freight costs, thereby keeping the prices of groceries at a level mark more equal to what we pay here. I don't know if these Indians can get fresh fruit for winter.

Now the morning after the government decision was announced not to proceed with the flooding of South Indian Lake, I heard on the radio an Indian, in a rather forlorn voice, saying: "I hope we can still get running water and electricity." Now these are the things that trouble me, and I think that a woman might perhaps look a little deeper into these matters which affect the health and welfare of families, that we would have a more perceptive understanding to bring to this.

Now I do hope that the Minister of Health and Social Services, the Commissioner of Northern Affairs, will see that we secure answers to some of these health and social service problems because we may be discussing this in January again, and in order to assist him in assessing, I do feel that it's essential that a woman should be somewhere in this task force or working with it.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): I wonder if I could ask the Honourable Minister of Health and Social Services a question respecting these bills since he has spoken on it with respect to the Commissioner of Northern Affairs....

MR. GREEN: Just on a point of order, I don't think that without the leave of the House that you could do that. I am not able to take the floor.

MR. CRAIK: Well, that's fine.

MR. SPEAKER: Order. I believe that the practice of the House is to allow questions upon a member resuming his seat when participating in debate, but not at any subsequent time. If the honourable member wishes to enter the debate he....

MR. CRAIK: No, I'll withdraw the request, Mr. Speaker, I'd like to move, seconded by the Honourable Member for Arthur, that the debate be adjourned.

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

MR. PAULLEY: Mr. Speaker, I wonder if you might call Bill No. 40 dealing with the Manitoba Centennial Lottery.

PUBLIC BILLS

MR. SPEAKER: The adjourned debate on second reading of the proposed motion of the Honourable Member for Elmwood, Bill No. 40. The Honourable House Leader of the Liberal Party.

MR. PAULLEY: I understand, Mr. Speaker --

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, the Leader of our Party is going to be away today and he wishes to have his name removed from the adjournment of this debate. He'll make his contribution on third reading tomorrow.

MR. SPEAKER: Are you ready for the question?

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'll be closing debate if I speak. If any other member wishes to speak he should proceed now, otherwise I will make the concluding comments on second reading.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, it was with a great deal of interest that I listened to all the numerous questions and comments from honourable members of the Legislature regarding this bill, but I must admit that I oftentimes felt as if some of the comments directed to the bill and directed to myself were really on another question. I almost felt as if I was talking about one thing and some of the honourable members were speaking on another. I say that because the comment was frequently made that in effect what would happen with this bill would be that this

(MR. DOERN cont'd.)... would in effect be legalizing gambling. Other comments that were heard suggested that this bill would lead to increased immorality or would lead to a decline in the moral fabric of our provincial society; and still further that the passage of this bill would in effect lead to some sort of lessening in terms of the centennial, that it would detract from the centennial.

Mr. Speaker, I hope to answer most of those questions by looking at some of the comments as each of the members made them. I think for example that we were sent a few letters, and I must say that the correspondence received by most members I think was very sparse indeed. I myself received about half a dozen letters, three or four against and a couple in favour. Most of the letters that were opposed seemed to emanate from the constituency of my honourable friend from Souris-Killarney, which appears to be -- (Interjection) -- honourable citizens from Souris-Killarney who appeared to feel that this measure would in some sense be wrong.

Mr. Speaker, one of the letters that was sent to us by Reverend Rentz of Wawanesa gave us a number of quotations by eminent Americans such as Robert Kennedy, including one line which referred to the vicious activities of the dope peddlers, loan sharks, bootleggers, white slave traders and slick confidence men. Another quote from Thomas Dewey, who was a very dynamic lawyer and unsuccessful Republican candidate, former Governor of New York, was sent along in this same letter, "that the entire history of legalized gambling in this country shows that it has brought nothing but poverty, crime and corruption, demoralization of moral and ethical standards and ultimately a lower standard of living and misery for all people."

Well, Mr. Speaker, those are pretty serious charges, but I would submit that all of those comments are directed at all forms of gambling, and in particular at the possibility of a question of legalized gambling. But it is my belief, Mr. Speaker, that this in effect is not a bill to legalize gambling. I think that when people talk in those terms they are talking of busting wide open all the laws and of having open gambling, crap tables, roulette wheels, card games, slot machines, you name it -- Las Vegas. This bill has nothing to do with that. There is a fair amount of the ordinary kinds of gambling in our society in Manitoba, for example the provincial government derives revenues of over a million dollars a year from horse racing. There are all kinds of bingo games, and I suppose card games and draws, for example a typical draw that exists in our society, the Lions Manor "Buy a Brick Campaign", prizes of \$1,000 drawn every month for several months with a grand prize of \$2,000 on a dollar ticket. This is a commonplace occurrence in our society. Needless to say there is the very well-known Irish Sweepstake which has been going on for a long period of time. Many American states have tried lotteries and the City of Montreal, call it what you will, is at present operating what is in effect in my opinion a sweepstake or a lottery.

Mr. Chairman, some people have pointed out that lotteries decline and have failed, and I agree that that is true, that if you run a lottery over an extended period of time it has happened historically that some of them have had a declining revenue, that expenses have risen and that interest has fallen off and that in the end you wind up with a situation whereby perhaps the lottery is finally abandoned. I believe New York has had an unpleasant experience in the sense that anticipated revenues have been nowhere near what they expected.

But I'd like to point out a difference; namely, that this is a proposal of allowing one lottery and that these problems of first of all legalized gambling, which I think is a much broader concept, do not really apply. I think this is a limited proposal, a modest proposal; it is not a proposal to bust open the city or bust open the province and let crime and violence run wild in the streets. It's not a proposal to allow Winnipeg to be, as someone expressed it, to turn into the Nevada of the north, or the province to turn into that. It's a far more limited proposal than that. And since there will only be one lottery in 1970 I think this guarantees the success of that lottery because all attention of those who are interested in these measures, instead of being spread around the normal lotteries that are held, the Irish, the Montreal sweepstakes, etc., which are very common....

MR. WATT: Mr. Speaker, I wonder if I could ask the honourable member a question?

MR. DOERN: Certainly.

MR. WATT: I wonder could the honourable member say that use of lotteries in Ireland and Montreal have contributed to a happier atmosphere in those particular areas at the moment?

MR. DOERN: Mr. Speaker, I intend to deal with that question later, but if my honourable friend asked me a question, if he is going to suggest, as he did maybe in jest, that the riots in Montreal of yesterday are connected with the Montreal lottery, that there's violence in Montreal

(MR. DOERN cont'd.)... and robberies because of the institution of this lottery, I suggest that that simply isn't true, that it's unscientific to say the least. Montreal has had problems before; it still has problems. I'm not sure that closing down the bingo houses or wiping out all the ticket draws and so on or stopping this bill will contribute to make Manitoba a healthier, happier society. I'm not sure of that. I think we would have to try and devise some sort of measure.

My honourable friend from LaVerendrye raised the question of who buys the tickets, and I intend to deal generally, Mr. Speaker, and then to get down to some of the specifics of the draw itself. The Member for LaVerendrye seemed to suggest, as other members have, that lottery tickets will be bought by the poor and will consequently lead to greater misery and people will spend all their pay cheques and so on. Mr. Speaker, the lottery tickets will probably be in the order of \$2.00 or \$2.50. I personally have never heard of anyone going broke by buying dozens of tickets on for example the Irish Sweepstakes. I have heard of people losing their pay cheque in card games; I have seen that. I have heard of people losing a great deal of money, hundreds of dollars, at the races. I have heard of people gambling vast sums of money. I have never heard of anybody going broke by buying vast numbers of lottery tickets. It does not seem to be the practice. People do buy one, but I've never heard of people buying dozens of tickets and going broke.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I wonder would he permit a question?

MR. DOERN: Yes.

MR. HENDERSON: I wonder has the member ever heard of a small leak that sank the ship?

MR. DOERN: I'm sorry, could you repeat that?

MR. HENDERSON: I wonder if the member has ever heard of the small leak that sank the ship?

MR. DOERN: I'll think of a retort to that later.

Mr. Speaker, the Centennial Commission has raised about five million dollars -- pardon me, has an objective of raising five million dollars of citizens' money, and one of the things that I hope will occur is that this bill will get approval in second reading so that we can go to Law Amendments so that the Chairman of the Centennial Corporation may appear, and other members, to answer some of the detailed questions about fund raising and why the Centennial Corporation asked this bill to be brought forward and other questions connected with that. I would suggest that one of the reasons -- and I intend to give other reasons later -- I suggest one of the reasons it was brought forward is that the Centennial Commission has raised millions of dollars but it's probably finding it more difficult to reach their objective. Namely, as the years go by and as various projects are tried, that people in a sense lose interest and this may be a partial factor.

The question has been asked as to what is the maximum amount of money that may be raised and I have given a conservative estimate. I've talked about several hundred thousand dollars being raised, but I wish to point out to honourable members that some people have argued that there is a potential one to two million dollar maximum from this lottery. So if you're interested in the question of how much would it raise, I have always said several hundred thousand dollars but the potential goes I would think from about \$200,000 to \$2,000,000.00. It's a question of how much the prize is; how long the lottery is; how much advertising goes into it and so on.

The question has been asked as to what kind of lottery it would be. There are several suggestions as to what this will be and this is why I ask in general for approval in principle because I think that there may be alternatives which will be worked out that may guarantee the greater success of such a proposal. In other words, if we were to fix an exact proposal at this time, it may be found that by changing certain features that more money will be raised. There could be for example a monthly draw; there could be for example an event such as a horse race or a race of some kind or an activity that would be a one occasion only, where say all the prizes are given on that particular day, for example July 15th. The prizes may vary from \$100,000 first prize down. Some people have expressed concern about whether the lottery would lose money. This can be flexible. In other words, the prizes may vary in accordance with the tickets. You could guarantee a first prize of \$25,000 minimum but you could guarantee that if so many tickets were sold that two or three or four \$25,000 draws would be made depending on the amount of tickets sold.

Mr. Speaker, members were read an editorial from the Free Press, I believe, and other newspapers warning of some of the dangers involved. I refer them to the editorial, lead

(MR. DOERN cont'd.)... editorial in the Winnipeg Tribune of Wednesday, October 1st, which spoke in favour of the Manitoba lottery. I regret that the First Minister wasn't here at this time because he of course himself spoke in favour of the proposal and perhaps the very rising of his presence might influence a few more members to support the bill, but unfortunately he is not here.

The Member for Roblin asked a question of wouldn't this result in more lotteries. Mr. Speaker, it might result in less lotteries. I think one of the values of this bill - you know, if you're looking for a reason, because my honourable friends have thrown every reason against and I now intend to register some in favour, there is a considerable advantage in holding this lottery, one reason being that whether you are for or against lotteries on a permanent basis, I think that's another question. By holding this lottery it could be regarded as an experiment, and if at the end of one year my honourable friend from Arthur discovers that the crime rate has risen in the province, that the number of broken homes has risen, that the amount of bankruptcy, that all these questions that would indicate possibly some decline in the morality of our people, if all these indexes went up sharply in direct proportion to the Manitoba lottery....

MR. WATT: I said I was against lotteries insofar as the government operating lotteries to raise money to replace tax revenues.

MR. DOERN: Right. My honourable friend also suggested words to the effect that this might lead to certain bad consequences in our society, and he asked me a prior question as to whether this violence in Montreal of yesterday might in some sense be connected. Perhaps he was only jesting. But I suggest that if we held a lottery for one year we could see what happened as a result. We could hold a lottery for one year and never again hold another lottery, and this would be ammunition for those who are opposed. I suppose the converse might also hold true, that some who held it might say it's a good thing, we could have more.

But that is not the intention of this bill as such. The intention of this bill is to allow the Centennial Corporation, which will wind up next year, to hold a lottery. There will be great pressure from other organizations this year to hold lotteries, so to those who say this bill will in effect result in many more lotteries in this province, I suggest that the opposite may be true, that there will be dozens of organizations coming to this Assembly for approval for lotteries. There are organizations that have already come and there are people who have spoken to me for organizations thinking that this bill allowed one lottery and would allow all sorts of others. This is not so. No other organization may now hold a lottery because of this bill. If this bill was not passed, if this bill does not pass through this Assembly then we will be deluged with requests at our next session of the Legislature, and in between, for all kinds of requests that will come from all municipalities, from sports groups, from charitable organizations saying, well it's too bad about the Centennial lottery but how about letting us hold a lottery. You know that we're different, you know that we're not the government, you know that we're okay, you know that you're one of us, how about getting us a lottery. And there's going to be all these requests that are going to come, and the paradox is that by allowing a lottery you may in effect be prohibiting lotteries in the plural.

The Member for Assiniboia and the Member for LaVerendrye and others raised the question of the fact - this is always made on these issues - the question that the cost of a lottery and the revenue of the lottery, sometimes the costs are too high. In other words, 50 percent goes to costs or something, or 80 percent goes to costs and only so much remains. Mr. Speaker, I think that's an interesting argument, and I think it's an interesting argument especially when you have a lottery over a period of years and the revenue, say the expenditures relative to the income keep getting closer and you have a declining profit. But this is not like a business. If you operate an efficient business and get a certain profit, or if in taxation you take in millions of dollars in taxation like the Department of Income Tax and have a small staff and it's only six or eight percent of that total amount brought in that goes to staff and ninety something percent comes in clear, this is not quite the same thing.

Is it really important, is it really important that for example the outlay in prizes and the outlay in staff are 50 percent, assuming that that would be the figure? I think the important thing is how much revenue do you get. In other words, let's say I proposed to you the following alternatives. We will hold two lotteries. In one we will give small prizes and we will attempt to keep administrative expenses down and we will raise \$200,000.00. On the other hand, we'll hold another lottery where we'll give enormous prizes and 75 percent of all the money taken in will go to the prizes and will go to the administrative staff and will go to the advertising but

(MR. DOERN cont'd.)... we'll make \$2 million. Which one would you rather have? In one case your costs might only be 10 percent of what you take in but you only raise a couple of hundred thousand dollars. In the other case it might be 50 percent or 75 percent but you clear a couple of million. That should be taken into account.

A question was asked by the Honourable Member for Churchill about who might sell the tickets, and I think there is various proposals being tossed around in the Centennial Corporation on that particular point. One of the most frequent ones I hear now is that this may be done through service clubs, that service clubs may be given books of tickets, sold thousands of tickets and they will make a percentage of the tickets and be able to keep that as a fund-raising project, that that may be one manner of distribution. I think it will have to be through some organizations or through the banks or the corner grocers or something. I personally don't think it's a good idea to have individuals selling tickets, but maybe that's a good idea. I think it's best done through organizations or central places.

The Honourable Member for Churchill also made I think the very important point that he saw this bill - and I see it in exactly the same terms - that this is a bill which in effect brings some fun to the centennial. I'm surprised by some of the comments that the critics of this bill have made. They have said repeatedly that this is a very serious occasion, that the Centennial celebration is a sober thing. I have a picture of all of us standing there grim-faced, with a grey colour in our face, standing at attention holding a flag that wouldn't be waved because it's a very solemn occasion. Mr. Speaker, what about the fun? What about the fun of the centennial? What about the fun and games slogan? What about the celebrations and the parades and all these things that have gone on, that went on in '67, the track meets and all sorts of activities? Aren't those fun things? Is there anything wrong with having a little fun? I mean, are members really suggesting that this is a proposal that will take Manitoba over the brink? You know, that we're on the eve of destruction, pass this bill and we'll never again recover?

If the Honourable Member for River Heights returns I have some words for him, but perhaps he'll come back.

The honourable member raised the question about why wasn't this a government proposal. I think that's a legitimate question, but historically all these proposals on so-called moral questions, namely alcohol and gambling and so on and this particular bill, are regarded as a moral question fundamentally and therefore the votes have always been free. And I refer again back to 1961 when a member, the Member from Birtle-Russell, a former member, brought in a bill on hospital sweepstakes - and this was a free bill - it was not supported by his own party and as a result it was defeated. But there is one thing - and consequently we bring it in as a free vote, and it is a free vote because it is a request of the Centennial Corporation - and there's one thing that I do not like that my honourable friend has suggested, namely that he is trying to tie this bill in with the government. I suggest that this is an improper way of doing it, that this is a request from the Centennial Corporation which has always been a non-partisan group. It has been non-partisan since it was established four years ago, and many of us from various parties, even though there was a Conservative administration, worked with the Centennial Corporation because we always regarded it in that fashion, and still do, and people from every party and from every side of the province, every part of the province, worked for the Centennial Corporation. They do not now regard the Centennial Corporation as an NDP corporation. It is regarded as an autonomous or semi-autonomous group.

Mr. Speaker, there's a few more points I'd like to cover and then I will conclude my comments. We have received a few letters on this issue; and I think that the kind of response we have is normal, namely that many of the people against make their views known and many of the people in favour do not. I spoke yesterday to the two men in Winnipeg who run hot line shows and I was told by Jerry Haslam of CKY that in his opinion from speaking to people and the calls he got he judged an 85 percent in favour response for this bill.

I spoke to John Harvard of CJOB and his reaction was that people didn't care, they didn't care one way or another, that they were either in favour or apathetic but that he wasn't getting any big reaction one way or another. He's in favour of it. I have spoken to dozens and dozens and dozens of people about this bill and the response that I get is overwhelmingly in favour; and I say to the members here if they speak to all kinds of people on the street and in their constituencies I would suggest that the public is overwhelmingly in favour of this proposal. I know that we're getting a few letters and I know that certain church groups are against, and I think that they have a valid position, that they can make their position, but I suggest to you that the

(MR. DOERN cont'd.)... overwhelming people in this province, an overwhelming majority, are in favour. I would guess as high as 80 percent.

HON. AL. MACKLING (Attorney-General)(St. James): Mr. Speaker, I rise on a point of privilege. It has been brought to my attention that there may be a lottery being engaged in this House as to the outcome of the vote on this bill. I have taken the matter under advisement.

MR. DOERN: Mr. Speaker, so much....

MR. MOLGAT: I wonder if the Attorney-General has reason to believe that this is so, I would recommend that he immediately call the Sergeant-at-Arms and that the matter being a privilege of the House, must be dealt with immediately.

MR. DOERN: Mr. Speaker, just to show you how evident that sort of thing is, the other day when I was listening to the debate on the Lottery bill, my honourable friend from Kildonan sold me a ticket on the Grey Cup, so that this kind of occurrence is very common.

Mr. Speaker, the member for Souris-Killarney raised the question and my honourable friend from Birtle-Russell recalled the 1961 bill proposed by the Honourable Member for Birtle-Russell, which he said was defeated 47 to 2 or something. The vote was 50 to 3. In fact when I first took it upon myself to propose this bill I was only told later the fortunes of that bill and the fortunes of the member who proposed it; although as I said, winding up as chairman of the Boundaries Commission is not something to be scoffed at. But the bill was 50 to 3. But there was a considerable difference between that bill and this bill. That bill - at that time there was no federal legislation in '61. First of all I would suggest that public attitudes have changed and that public attitudes are more liberal today - small "l". But in '61 there was no federal legislation, today there is federal legislation passed in an amendment to the criminal code allowing province by province lotteries.

Another difference is, and I wish my honourable friend the Minister of Health were listening to this, and some of my other -- oh, there he is -- some of my other colleagues, because they are concerned about the principle that this will become a permanent source of tax revenue or that the government will derive its revenue from gambling. Well, the first thing to be said to that is the government does derive revenue from gambling. It gets a million dollars a year from horse racing and there may be other things as well -- amusement taxes and liquor and cigarets and other sorts of sin inducing activities.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I wonder here if the honourable member would propose reducing or eliminating the cigarette and liquor taxes, he would have support?

MR. DOERN: Well if you propose the bill, I'll consider it. But my honourable friend the Minister of Health raises the question, he's worried about the government depending for its revenues on a lottery system. Well, Mr. Speaker, this is a different case. Again I have to say that this is a one-shot proposal, that this is a one and only one lottery bill, and that the money from this will go to the Centennial Corporation which will distribute its monies for activities throughout the province - not to the centennial complex, but to the dozens and dozens of projects which it is now supporting and others that it will support, and then the Centennial Corporation will disappear at the end of 1970. This is not going to become a permanent feature of tax revenue of this province. The Province of Manitoba will not now and forevermore depend on lotteries for so many hundred thousand or million dollars a year. It's simply not true. This is a case of where the Centennial Corporation, which is a creature of the government, will be obtaining some revenue for some activities for one year.

And the Member for Morris -- I have notes on so many speeches I don't intend to go over them -- the Member for Morris and so on. Unfortunately I don't have too many notes on his comments. One of the comments I do have, which is personal, referred to his amusing speech - I can't recall the exact content, but it seemed to me that he painted a black picture, I recall that, of what might happen. And I suggest, Mr. Speaker, that there are degrees which must be considered. That some of my honourable friends are saying, we can't have anything like this, we just can't have anything like this because if you have one it leads to everything; if you bring in a lottery it leads to more sin, it leads to more corruption, all these horrible things that are associated with gambling. Other members in this Assembly, a few, are probably for wide open, for legalized state gambling, maybe for roulette and so on, a very small number, but I suppose that position is common as well. But I suggest to you that this is an intermediate position. If I could compare it to drinking, I would say that some people who oppose this bill think that you just should never drink, that people should never drink because it's the wrong thing -- that's a teetotaler position. And then there are people of course who

(MR. DOERN cont'd.)... are alcoholics and when they start drinking they become alcoholics, and in our society there are other teetotalers, a very small percentage -- my honourable friend from Riel, for example -- and on the other hand, there are -- (Interjection) -- well, he volunteered the information. On the other hand, there are alcoholics in our society, a very small number. -- (Interjection) -- I don't wish to give an example. On the other hand, on the other hand, most people, most people can take liquor or leave it alone, and I think that's where the bulk of the population always is, the 80 percent, and I think it's the same sort of thing here. Some people will buy a lottery ticket and some will buy none and the odd one will buy a few; but I hardly think that this will mean that people will go into financial ruin and moral decline and that this busts open Manitoba to wide open gambling and the Mafia.

And again, I go back to this point -- I'm now within a minute or two of winding up my comments, Mr. Speaker. Again I go back to this point, that all the people suggest that this is going to result in an increase in poverty, it's going to result in an increase in welfare, an increase in immorality and all these things; and I say to you that you can only talk this way really if you can measure these things, scientifically measure them. If you measured the effect of this lottery on top of all the other gambling and things that go on, I'm telling you it would have a negligible effect. Consider all the Bingo games, the card games, the horse racing, the tickets, the illegal gambling, the stags that are held and all this sort of stuff, and add on top of that the Manitoba lottery and measure it in a relationship to all these other bad indexes of crime and corruption, and what would the result be? I doubt if you could measure it. I suggest to you that it has no effect. But if you really think that the society will change from being fairly moral to immoral as a result of this bill, then all I can say is that you, you know, I think are being unduly concerned and are not keeping things in perspective, that this is a small proposal.

Mr. Speaker, the Centennial Corporation it is my understanding will, that the chairman, if this measure passes second reading, the chairman himself will appear this afternoon possibly with other people to answer more detailed questions concerning the various alternatives connected with the bill. I would, of course, be happy to answer any final questions when I sit down. But let me say in conclusion simply this, this is not a bill to legalize gambling. If you want to consider this legalized gambling it is in a very, very restricted sense of that phrase. I also think that you must consider the good and bad effects. In my opinion, Mr. Speaker, the good effects are that it will bring revenue to the Centennial Corporation. In my opinion, it is a fun thing -- that it will not blemish the name of the government or the Province of Manitoba. I think that these are two of the major things. Finally, one can say that that it will, I suppose, lessen the cost to the taxpayer, but I don't place much weight on that particular argument, I just think it's a small measure. I think it sort of fits in with the Centennial. I really think it does. Members suggest that it doesn't fit in, that the Centennial is sober. I see the Centennial as a celebration. I see it as fun and games. It will have its solemn moments, but I think most of it is to whip up some spirit and I think that if you consider the good features, the good that will come from this proposal in terms of centennial spirit and centennial activity throughout the province, and consider the bad effect, the possibility of some people losing \$2 on it and so on, I think the good outweighs the bad significantly. So I urge members to support the bill in second reading, have it go to Law Amendments, hear some public submissions and then vote in favour on third reading.

MR. WATT: Would the honourable member permit a question? I would like to ask the honourable member -- he has repeatedly suggested that the proposal has come from the Centennial Corporation, I ask him why? Is it because the government is not prepared to back up the Centennial Corporation financially?

MR. DOERN: Certainly not. The government, I think you can ask that question of the chairman. I think he's the right person to answer that. The Centennial Corporation has had a citizen's objective of \$5 million. I think they have raised in pledges about \$4 1/2 million. They have a couple of million in cash, a couple of million more coming in pledges and I think they have about another \$500,000 or so to go. They could go to the government and the government would probably give them the money. But I think this is the kind of thing that the Centennial Corporation has done. They have done a lot of things that have been interesting and different and so on. I think this is just one more.

MR. SPEAKER: Are you ready for the draw -- I mean question?

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

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, I believe

(MR. CHERNIACK cont'd.)... that if you are not sure yourself on the basis, I think you have the right to call the yeas and nays.

MR. SPEAKER: I would prefer calling yeas and nays and make absolutely certain.

Call in the members.

MR. MOLGAT: Mr. Speaker, before the vote is taken and in the light of the comments of the Attorney-General some time ago, I wonder if it would be wise to ask if there are any members who have disqualified themselves in voting by having a pecuniary interest in this bill?

MR. SPEAKER: Those in favour of the motion please rise. The proposed motion of the Honourable Member for Elmwood. Second reading, Bill No. 40. The Manitoba Centennial Lottery Act. Those in favour of the motion please rise.

YEAS: Mrs. Trueman. Messrs. Allard, Barrow, Cherniack, Craik, Desjardins, Doern, Evans, Gottfried, Jenkins, Johannson, Johnston (Sturgeon Creek), McBryde, Mackling, Miller, Molgat, Patrick, Shafransky, Spivak, Toupin, Turnbull, Uskiw and Uruski.

NAYS: Messrs. Barkman, Bilton, Borowski, Einarson, Ferguson, Fox, Froese, Gonick, Graham, Green, Hardy, Henderson, Jorgenson, McGill, McGregor, McKellar, Paulley, Pawley and Watt.

MR. CLERK: Yeas, 23; Nays, 19.

GOVERNMENT BILLS

MR. PAULLEY: Mr. Speaker, now that the bill has passed to second reading, I had an undertaking that notice would be given to the calling of the Law Amendments Committee to consider the bill. It is our intention to call Law Amendments Committee tomorrow afternoon, in order that representations can be heard in respect of the bill.

The Committee would meet after the House has opened and you, Sir, leave the Chair, and I would appreciate if the news media would make announcement to that effect.

MR. SPEAKER: I'm waiting for further direction from the House Leader.

MR. PAULLEY: I wonder if you'd mind now calling the adjourned debate on Bill No. 47, standing in my name.

MR. SPEAKER: The adjourned debate on the proposed motion of the Honourable Minister of Labour. The Honourable House Leader of the Liberal Party.

MR. MOLGAT: Mr. Speaker, the leader of my party had adjourned this for me, and if it is agreed with the House, I would now speak and the bill could then proceed and need not be left in his name.

MR. SPEAKER: Proceed.

MR. MOLGAT: Mr. Speaker, I was somewhat surprised to see this bill appear before us at the very end of this session, without there having been any indication by the government at least earlier or even more properly in the Throne Speech that the government intended to make this change. Because it is really an important change in view of the fact that it deals with the Legislative Assembly Act. I don't think that it is the type of change that should come about in the way in which the government proposes. I think the government leaves itself open, once again -- and I want to make it clear, I'm not making that accusation -- but the government is leaving itself open, as it is in some other resolutions before us, to the accusation that they are taking particular care of their own members. I'm not saying that, but I'm warning you that that is what you're going to be accused of and that this should not be proceeded in the way in which the government is proposing at this time.

It was obvious in the discussion that went on in the House the other day, that there is concern on the part of members all round the House. Here we were sitting with someone bringing in a map, very quickly, and saying well this constituency is of such a size, this one's smaller and there are special considerations because you can't reach this area in a certain constituency, here we were, trying to settle something which is really very important without having had the benefit of any real consideration.

We're faced, Mr. Speaker, as you're only too aware -- I know how widely you've travelled in Manitoba in the past, you know the problems of communication -- that there are great variations between constituencies. And for the government to simply come along now in the very end of the session, and arbitrarily add two constituencies, without considering the whole problem, I think is a mistake.

The Minister, for example, indicated that Thompson was not to be included. Well, possibly right now Thompson being represented by a Cabinet Minister is in a different category

(MR. MOLGAT cont'd.)... in that regard. It may not always be represented by a Cabinet Minister; maybe we should look at the other problems of that constituency. While it isn't as great as the problems of Churchill obviously, or Rupertsland, there are some isolated areas there as well.

Then the suggestion was made by one honourable member on this side I think, that when the last change had been proposed, including Rupertsland and Churchill in the special areas, that it had been agreed that the members of that area would have the use of government aircraft. Well, I think, Mr. Speaker, that it would be very important for the House members to know whether in fact this is so. Has it been done? How much of an assist is this to members of the north? Maybe this puts a different complexion on the whole question that is before us. I recognize the problems that different members have in representing their constituencies and I think that we have to see to it that where there are inordinate expenses, that those members not be placed in an unfavourable position in order to do their job of representation; I want to see to it that they can reach the people whom they represent. But I don't think that bringing in a bill arbitrarily at this point, without considering all of the constituencies and the whole of the problem without looking more deeply into it, is the proper course of action. And I warn the government that this will leave them open to the charge of favouritism. I say get away from that. I think there's a very easy solution. The government has established, the House has agreed to the establishment of a Standing or a Special Committee on Rules and Practices of this House, and I think this Committee could very properly look at the whole question of representation, make sure that we are in fact treating the members properly.

If the Member for Flin Flon has some special problems of reaching his areas, then I want to see to it that he can represent those people properly. One sees the same occurs for all the members, and I recognize the problem is mainly in the north, but it should be looked at, Mr. Speaker, as a total problem, not simply say, at the moment we're going to pick two constituencies.

So, Mr. Speaker, I beg to move, seconded by the Honourable Member for Assiniboia that the motion be amended by deleting all the words after the word "that" in line one thereof and substituting therefor the following: "1. Considering the differences in size of constituencies, the varying problems of communication and the geographical distribution of the population within constituencies; 2. Having regard to the need to deal fairly and equitably with all the members of this House; 3. Considering that a special committee of this House was established at this session to review the Rules, Standing Orders, Practices and Procedures of this Assembly, that in the opinion of this House, the subject matter of Bill 47 should be referred to the Special Committee on Rules, Standing Orders and Practices and Procedures of this Assembly."

MR. SPEAKER: Before accepting or rejecting this amendment, I would certainly welcome debate on the propriety of the admissibility of this amendment, from those in support of the admissibility and those opposed, if any.

MR. MOLGAT: Mr. Speaker, I don't know if the House Leader wishes to say anything. I'm prepared to defer to him if he does. If not, I'm prepared to make a comment.

MR. PAULLEY: The only point that I would make, Mr. Speaker....

MR. MOLGAT: If my honourable friend is looking for Beauséjour, I might refer him to Pages 277 and 278, Citation 382 and 386.

MR. PAULLEY: It would appear, Mr. Speaker, and I thank the Clerk - it would appear to me that the Honourable Member for Ste. Rose has a right to present his resolution, it being a declaratory motion of some principle adversary.

MR. MOLGAT: Mr. Speaker, on the point of order, before you rule, I believe that following Citation 382 and 386 it is in order. I might point out that insofar as our own House, there is a precedent as well and I would refer you to Journals 1966-1967, Page 200 on Bill No. 56, at which time I moved an amendment worded somewhat the same as this one and Mr. Speaker at that time, who is still in this House now, ruled that it was in order.

MR. PAULLEY: We accept it. -- that argument.

MR. SPEAKER:... their assistance. In the meantime I will have opportunity to peruse the relevant citations of Beauséjour.

MR. SPEAKER presented the motion as amended.

MR. MORRIS McGRÉGOR (Virden): Mr. Speaker, I beg to move, seconded by the Honourable Member for Riel that debate be adjourned.

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

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Mines and Resources, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into Committee of Supply with the Honourable Member for Elmwood in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: May I ask the House Leader whether we're on Mines or Agriculture?

MR. PAULLEY: We're on Mines and Natural Resources.

MR. CHAIRMAN: Department of Mines and Natural Resources. Resolution 72. The Honourable Member for Riel.

MR. CRAIK: Unless the Honourable Minister wanted to introduce it I'll.... Did the Honourable Minister want to speak first or.....

MR. EVANS: If I recall, the last time we discussed our estimates I made a fifteen or twenty minute statement, and I think this is where we left it, so I'm prepared to listen to comments at this time.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, on this topic it's been some time since we've had the opportunity to speak on it and a great number of things have taken place since and the comments I want to make will pertain partly to the topic which was under discussion before, but in addition to the subject of Southern Indian Lake which we were discussing at some depth before and Hydro policy, there has been sitting in the background the question about the right to resources in Hudson's Bay and I think that this is at the stage of what you could call critical because of the drilling that is now taking place in the Hudson's Bay. I think perhaps in the interests of the House and maybe possibly the Minister and the members generally that we should have some discussion of that to generate some public opinion with regard to our position on this.

Back several years ago there was some action taken by the then government to clarify exactly what Manitoba's rights were with respect to its boundaries, and the boundaries that were defined finally were those described in the initial charter, "Manitoba Charter", which described the boundaries according to their geographical location. First of all, following the typical cliché pattern up to the Hudson's Bay....

MR. BUD BOYCE (Winnipeg Centre): Excuse me, Mr. Speaker. I'm sorry to interrupt. Are the speakers on over here? I can't quite hear -- I can't hear the member.

MR. CRAIK... and then once it hit the shoreline it was described as following the shoreline from the southeast corner along the shoreline up to the 60th parallel, and it was further agreed that the shoreline which varies one mile offshore was described as the -- well I think it was simply as the shoreline -- but the shoreline moves by a distance of anywhere from zero to ten miles depending on the position of the tide. So there is a variation of at least ten miles to begin with in the location of the shore.

I think more recently it has been agreed with the federal court that the shoreline is actually the low water line and Manitoba's boundary as initially described is the low water line. Again, since that time, at the meeting last year of the Mines Ministers in Quebec City there was agreement reached by the Ministers, although no public policy was declared -- yes there was a public policy declared in the eastern press at the time, that the three provinces came to agreement at the ministerial level, that the boundary in the Hudson's Bay between the three provinces would be the intersection, the focal point would be the intersection of Manitoba's boundary right out into the Bay up to the 60th parallel and then the pie would be shaped so that Ontario received their segment of it and Quebec would receive their segment of it too.

This was a substantial gain in Manitoba's position because up until that point the Ontario people had demanded that their boundary line be projected up to the 60th parallel and this would have moved Manitoba over; but Manitoba was successful in gaining this other point and a tentative agreement was reached with Ontario and with Quebec on this so that there appeared to be no difficulty carrying forward from that point in approaching the Federal Government to see if they would go along with this.

Now subsequent to that, late last fall, in about November, the Federal Government stated a policy that said in essence that they were going to retain all waters of Hudson's Bay and on

(MR. CRAIK cont'd.) . . . the coastline off the continental shelf area and on the west coast the Pacific as well, but that they would work out an arrangement with the provinces where if there were any royalties accrued from it that they would share the royalties, 50 percent I believe, with all provinces across Canada and the other 50 percent would go into the general revenue of the Federal Government for general distribution across the country like any other tax source would be.

Now that's the last that was heard from the Federal Government or from the provinces on this. But since then, again, even more recently, while that was taking place last year we had exploration work going on within a mile of the shore of Hudson's Bay where the test hole was drilled by the Aquitaine Corporation, and now we have rigs operating in Hudson's Bay itself, and we have the Hudson's Bay rights, mineral rights having been granted by the Federal Government. But the difficulty is that the further it goes along the less likelihood there is of the provinces gaining any of the mineral rights which they feel may lie in their jurisdiction. I feel probably that the provinces of Ontario and Quebec are most anxious to have this problem settled, and as a result of this I would urge the government to give some thought as to what is in the best interests of Manitoba. I think there is a basic policy that has to be decided here as to whether the government desires to have a portion of the Hudson's Bay under its mineral right jurisdiction or whether it is in the best interests of Manitoba to have it lie with the Federal Government. The policy of the previous government was that it would be in the best interests of Manitoba to gain access to the mineral rights in Hudson's Bay. But it is a decision value judgment which has to be made by the government in power and one which I think should be made as soon as possible by the present government if they are going to hope to gain a portion of the Hudson's Bay. On the other hand, if they decide that it is not in the best interests of the province then they should state that they are not going to go after further mineral rights in the Hudson's Bay. That was all I wanted to say on that point. I would like to hear from the Minister on it.

There is one other item which refers specifically to the topic which is under discussion, which is the Minister's salary, I think that should be examined at the present time. One of the things that concerns this side, particularly with the heavy responsibility the Minister has -- and I must ask him specifically if his own time is not badly split by the announcement which has come out in the paper that he is carrying on his responsibility at Brandon University in the form of lecturing certain times of the week. I must say, first of all, that I would assume that he's probably doing this gratis or volunteering his time at a dollar a year or something, inasmuch as this is another agency of the Provincial Government; but, of course, the greater concern is that we all know that the Cabinet responsibility, particularly with the one he has now that involves the amount of time he has to put in on the Hydro project and the many other demanding areas of resource development, must dictate that he be full time on his job as Minister of Mines and Natural Resources. And I think specifically since we are on the item of the Minister's compensation, Item 72, 1 (a), that perhaps he could elaborate exactly what his arrangements are and I assume that this might bring some clarification to this topic. In bringing this up I refer specifically to an item that was in the newspaper. I don't think there's a date on it but I'm sure he knows what I'm referring to here anyway. It was Monday, September 15th in the Brandon Sun.

With those few remarks, Mr. Speaker, I do want to mention one item further with respect to South Indian Lake and the Hydro development, but I'm sure that that can wait for a few moments.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Chairman, in rising to speak on the portfolio of Mines and Resources I would like to compliment the Minister on his very challenging new position. I'm sure that it's going to be an extremely interesting experience for him.

Earlier this morning I stated my position regarding the Indians at South Indian Lake and I simply reiterate that I think that we must carefully examine their health and social services. I hope that when the Minister brings up the matter of Hydro development again that we will have the information that I've asked for.

There is one other matter I think that disturbed, or worried people concerning the Hydro development at South Indian Lake, and this was the effect on the birds, specifically the ducks and the geese. I am very interested in this being a sort of amateur bird watcher and have quite a few books that I can draw on as resource material, and I found in looking up the ducks

(MRS. TRUEMAN cont'd.) . . . and the geese and their history on this earth, that they have been on the earth up to 120 million years. Now the bones of birds are very fragile and for this reason there are few fossils available, but there has been one find which has been dated 80 million years. Now I think we all know that in the last 10 thousand years, there have been three ice ages when the breeding grounds of the ducks and geese have been completely obliterated, and they seem to have adapted to this very well. I suspect that their mating and reproductive habits would be disturbed perhaps for a year until the new marshes were formed and at that point I would think that they would simply find new nesting grounds in the same area. I really suspect that their major problem in adaptation is to that infamous weapon of man, the gun. I think that this was the only further contribution that I had to make on this subject.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Chairman, while I have the rapt attention of the House and the press and before we pass beyond the Minister's salary, I want to make a final statement with respect to South Indian Lake, because it is important that it be placed on the record and for this reason I want to make this statement.

As a result of the position taken in this whole matter, those of us on this side, in fact, more specifically those of us that represented the past administration and particularly myself, have been placed in the heavy role in this whole matter as being ones who had little regard for the conservation of our natural resources, as ones who had little concern or respect for the communities involved, the human element involved, and I want to make it very plain, Mr. Chairman, that that of course is not true, and that if indeed the course that the present government is following, it can be proven to us and can be shown to us that the maximum development of the Nelson, the maximum development of the North will take place, that I for one will have no difficulty in applauding the difficult course the government is charting for itself.

I would have to point out to you, Mr. Chairman, and again for the public record, that when the decision lay in my hands and the past administration, we were well aware of the significance of the decision, of the magnitude of the decision and so while honourable members in this House and the public generally have had their great deal of fun with me, in respect to how public meetings were handled, or whether I handled it all with a pair of thumbs, or whether I was putting my feet in my mouth at that time, in every way I turned, the simple fact remains that it was our willingness on the part of the past administration, to hold public meetings, both at South Indian Lake and then latterly here in Winnipeg, and when the auditoriums or the hall that we provided for the public meetings didn't prove large enough, we moved into the Winnipeg auditorium and staged our public meetings there. We listened to, I believe the First Minister counted them, 28 or 25 speeches on this subject during the last session. I was subjected to a daily barrage of questions with respect to South Indian Lake and to the best of my ability I attempted to answer them. We brought before the Members of the Legislative Assembly the various experts, both from Manitoba Hydro and particularly those of the academic community that expressed a very keen interest and desire in this. There was an opportunity for all members of the committee to question, and indeed they certainly exercised this opportunity as you well know, Mr. Chairman, during the last session. And if in fact, if in fact we were on the course of making a wrong decision, then I take some measure of satisfaction insofar as that I was not prepared to exercise my ministerial authority in simply signing and granting a license as would have been my right, but realizing the magnitude of the problem, this was not done.

Mr. Chairman, nothing that has transpired during the course of this session or the action of this government has in any way satisfied me, or indeed really couldn't have satisfied anybody of the general public that new information has brought to light, new studies have been made that would indicate that any other course other than the high level diversion at South Indian Lake can be brought about without considerable cost to all Manitobans and without accepting the responsibility of being satisfied with something less than the full utilization of our resources in this particular field and the subsequent consequences thereof.

We have had no opportunity, no opportunity at all to discuss with the authors of a report which obviously played a significant role in the direction this government is now taking. We had no opportunity to question Manitoba Hydro officials about their reactions to this very same report; and for a government that has placed on their platform as being one of the tenets of their faith, openness, a willingness to reveal all, if you want that expression, this must come as a distinct disappointment to many of your own followers when successive Ministers rise and

(MR. ENNS cont'd.) . . . upon questioning, "Will the Public Utilities Committee meet?" and we get the standard pat answers, "Perhaps", "Maybe", "Soon" - and of course all of us realize now that they will not meet. It's a constant marvel to me that while one decision to enter into a project of such size and scope, you know, created a public furor in the press, in the news media, the decision not to is being accepted with very little questioning, with very little opportunity of seeking out those responsible for changing the course and direction.

Mr. Cass-Beggs has become somewhat of a mythical person. Obviously the government had no intention of putting him before a Public Utilities Committee for questioning, as I was certainly prepared to put any officials that I relied upon for advice, whether it was Mr. Fallis of Manitoba Hydro or my own Deputy Minister at that time, or other members of the staff. And the questioning was hard. There were a lot of areas, a lot of grey areas where the answers weren't always clear-cut, and of course under those circumstances, the most can be made of it.

I only rise at this moment, in the closing moments of the debate on the Minister's salary, the last opportunity that we will have to speak on the question, is that there is a certain unfairness in the manner and the way in which the two sides have been presented and accepted here in the House. No, Mr. Chairman, while the urgings from the back say "Give them hell" that's really not within me. I rose to speak primarily to indicate that if in fact the course the government is contemplating can be proven to reasonable satisfaction that it is the right course, that we can save those resources in and about Southern Indian Lake, and that we can accomplish maximum potential of our Hydro resources without dislocating, without causing disruption to the communities at South Indian Lake, then Mr. Chairman, I have no difficulty in applauding and in congratulating the government, and shall do so at that time.

I only say that I was acting as a result of the best advice available to me at that time, and that that advice I was prepared to put on public display at public hearings, at public meetings, before the news media and here in the House before long and protracted committee sessions. And what is the situation we have today? Mr. Cass-Beggs is represented by a one short 21-page report. As I said, he is somewhat of a mythical figure, much more mythical is the co-author of the report, and much, much more surprising is the reluctance, is the reluctance on the part of this government to allow any of the people involved, any of the experts involved for questioning, just as they had the right, and they demanded and I gave it to them, to question these self-same experts on the right of a course that they had recommended and chosen to recommend to government earlier.

Mr. Chairman, the whole question of Southern Indian Lake will no doubt not leave us that easily, but I want to at this particular time, because it's become abundantly clear that the decision of how to best produce power and how to best maximize our resources in this area has been taken out of the hands of those most competent and qualified to make that decision and put in the hands of the politicians. . . . -- (Interjection) -- Well, Mr. Chairman, the Honourable Minister of Finance asked me who are most competent. Certainly we are most competent in making a policy decision. I make no apologies for not being competent in deciding what amount of water will produce what amount of electricity. For that we pay very excellent people, very first rate people to make that decision for us. I say that any body of legislators, any policy makers should have the right to question, to cross-examine, to draw out the facts, all the other side issues, all the other side facts that are involved. During this session we have not been given that opportunity and I object to the manner in which we were not given that opportunity. The House Leader, who is otherwise a reasonable chap, at the beginning of this session led us to believe that there might, or that it could be an advantage to hold Public Utilities Committees; he gave us the kind of standard answers to our queries, Soon, Maybe, In due course, and, of course, he never had any intention of holding these hearings.

Mr. Chairman, I don't wish to belabour the point. I wanted to place on the public record the concern that I've had in this whole matter; and that is simply that I was never satisfied with being portrayed in the role of the heavy-handed, unthinking public administrator here that had no regard for the human, for the natural resources that were in fact jeopardized in this whole scheme. I was well aware of them. My advice and my decision was that the benefits gained were worthwhile. I merely want to indicate that if they can indicate to me that an alternative course has been found which makes the additional costs worthwhile, I'll be quite prepared to accept it, quite prepared to support the government at that time. I do warn the government that having followed the precedence of - and I think it's a correct precedence - of not using the Ministerial authority or power of doing these things with executive power that one has, but on a

(MR. ENNS cont'd.).... question of such major importance, that it does require bringing in the broadest discussion of the public, of the outside experts and those within government.

Now quite aside from the manner and way in which it was done, quite aside from the criticism that can be placed on my shoulders for the manner and way in which it was done, the fact of the matter simply will stand out and the record in future history will bear this out, that we were aware of the magnitude of the decision that we were making and we were reluctant to use our executive authority vested in us to do this arbitrarily. We went to the people, indeed in the final analysis, we went to the people of Manitoba and lost. But Mr. Chairman, we were prepared to expose ourselves and those of our advisors to a decision of this scope and this size, and I suggest it is a serious flaw in the present government, and that that flaw should show up as soon in their administration, so soon in their administration, that they appear reluctant to pursue this policy of openness - one that they have prided themselves in as being certainly being one of the foremost matters of how, in what manner they would deal with the affairs of the Province of Manitoba.

So, Mr. Chairman, I've made my little speech, epilogue, on the saga of South Indian Lake. We'll take it up come February, or March or whenever.

MR. CHERNIACK: Mr. Chairman, may I add to the epilogue in some way by indicating that this government, during the election, made it very clear as a party, that we were not taking a position on the Southern Indian Lake issue because we were not aware of all the ramifications. The Liberals did make their own studies and did make a commitment. The Conservatives also had made a commitment by their action prior to this. The Conservatives made their decision and then were prepared to take it through the House, and then for whatever reason, and there were several of course, the Conservative party decided not to proceed to carry out their intention but instead to call an election.

The New Democratic Party said that we wanted to make a more thorough investigation. We were not committed and we walked into this decision when we walked into government, with open minds. We then made our studies and we engaged the services of a man, and I've had occasion to say, who was very highly recommended; and I might say that the only two names that were given equal prominence was one name mentioned by the Member for Riel, Lee Briggs, and the other was Cass-Beggs. Both of them were considered to be great authorities on this matter. Both were canvassed. Lee Briggs was not available; Cass-Beggs made himself available; we were equally pleased with him as we would have been with Lee Briggs. Cass-Beggs gave of himself, made the study, made a report. The decision, I repeat, I've said it before, was a government decision. It was not the decision of Cass-Beggs to carry out the decision that we made. And I want to say once again, as has been said time and again, the report is a Cass-Beggs report. There was no co-author. There is no other person who is associated with the report as such, except a Mr. Durnin who was employed at the request of Cass-Beggs to do certain studies for him on economics and on statistics or whatever it was that Cass-Beggs required of him. We've said it before; we say it again; The Report we received was a Cass-Beggs report. The decision that was made was the government decision. It was made after consultation with Cass-Beggs; it was made after consultation with the officials of Hydro; and when I said earlier that the whole matter having been discussed with Hydro, Hydro did not disagree with the decision of government in the light of the other factors insofar as the increase in rates that would be occasioned even had the Southern Indian Lake project gone ahead, beyond - increase in rates beyond the original estimate because of the cost of borrowing and because of the cost of doing the other things that were considered necessary for conservation of the resources, human and natural.

Now I said this earlier in different words and I had occasion to repeat those words again to Hydro Officials and again there was no disagreement with my statement. Having said that, I would indicate that those people who are the experts, as stated by the Honourable Member for Lakeside, in the production of power, the Hydro people, inform us that they are proceeding with a will and a desire to do that which is their duty to do, that is to produce power at the cheapest possible cost, taking into account human and natural resources.

Hydro has told us in no uncertain terms - when I say Hydro, I speak now of the Chairman of the Board and I speak of the next in line executives, who were present at the last meeting we had, where they repeated that they are proceeding with a full exploration of the other diversion, doing those studies which had not been done, in order to acquire the additional information needed. At the same time they are proceeding with their expansion of their plans for thermo production of power, if it is found necessary to do so. They feel that the timing

(MR. CHERNIACK cont'd.) suggested is correct and that they should be able to manage it and they are proceeding with complete diligence, having accepted what the decision of this government was. And I close only by saying that the decision was that of the government who took the responsibility of making the decision.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Chairman, I wonder if the Minister of Finance will answer two questions? The first question: Does the government have any evidence that Mr. Durnin disagreed with Mr. Cass-Beggs finding?

MR. CHERNIACK: -- (Interjection) -- I don't have to be careful because I don't have to answer the question at all. It is clear to me that Mr. Durnin was not hired by the government to give his opinion on this situation. What I do know is that Mr. Durnin is not associated with the Cass-Beggs report. That is the way it was made clear to me. Mr. Durnin was employed to assist Mr. Cass-Beggs and Mr. Cass-Beggs informed us that Mr. Durnin was not associated with the report.

MR. SPIVAK: Well on this specific item, does the government not have evidence from Mr. Durnin specifically that he does disagree with the report?

MR. CHERNIACK: I'm not aware of evidence that the government has to confirm that statement; but I do say that we were informed by Mr. Cass-Beggs that Mr. Durnin was not associated with the report and the recommendations.

MR. SPIVAK: The second question, Mr. Speaker. How does the Finance Minister reconcile the statement he's just made now on behalf of the government and supposedly on behalf of the Hydro officials, with respect to the statement that was presented before the Committee on May 15th by the chairman of Hydro, which is in direct contradiction with respect to the other matters, other than government policy, insofar as Hydro power is concerned.

MR. CHERNIACK: I thought I had said this on more than one occasion. There is no question in my mind that Hydro presented the case that in its opinion the cheapest way to produce power would be to have the high level diversion at Southern Indian Lake - that was their duty. They also made it clear, and I didn't hear all the evidence given last May, but I believe that they made it clear then that they were not the authorities on conservation, both natural and human, and they were concerned with making this report. And when I said, and I've said this several times, that when presented with firstly a figure which was in their control, that is the higher cost of borrowing at the present time, that that would affect the rates, and when it was indicated to them the costs of both natural and human resource conservation when added to the factors that Hydro itself had applied on the question of the pure production of power, that these factors were factors that would affect it.

Now I've said it so many times, I don't know if I have to keep repeating it. I certainly don't think I should because it's not in the interests of carrying on with our estimates.

MR. SPIVAK: But then I think, Mr. Chairman, it's important that this side understand what the Honourable Minister of Finance is really trying to tell us. What I assume he is trying to tell us, based on the manner in which it's been presented, is that he is saying that the Hydro officials have accepted the government's position. He does not suggest, at least, I believe he's not suggesting that they necessarily agree with the government's position; and I suggest Mr. Chairman, that there's a distinction between suggesting that Hydro accepts the government's position and another statement that Hydro agrees with it. Now if the Honourable Minister of Finance is prepared to stand up and say to us that Hydro "agrees" then this would be some new contribution to the debate that's taking place.

MR. CHERNIACK: Mr. Chairman, I wish that the Honourable Member for River Heights would realize, as he should have many, many times in the past and over a period of time, that Hydro's authority and responsibility is limited to the question of production of power at the cheapest rate in time, and Hydro does not pretend - and I don't think Hydro ever pretended - that it had any expertise in the other field. Therefore Hydro was not asked whether they agreed with the government's decision as such. And I've said it so many times that Hydro does accept this decision. I said it before, it's nothing new today. The Honourable Member for River Heights thinks he has come up with some new explanation or interpretation. Hydro accepts the decision, and as I say, have not quarrelled with the fact that their original figures would have to be adjusted if they took into account these other factors, which I'll say once more - cost of money, cost of protection and conservation of human and natural resources.

MR. SPIVAK: Well, Mr. Chairman, on this one point, may I again reiterate the position

(MR. SPIVAK cont'd.) of this side, that it would have been probably wiser and to the advantage of all members of this House for the opportunity to be presented that the Hydro officials could have come before a committee so that we on this side would have been in a position to have dealt with this in greater depth. I must say in listening to the few remarks, and I missed part of them, of the Honourable Minister of Finance, the posture seemed to indicate that there was an agreement and not an acceptance. Now this is the conclusion that I drew. Others may not have drawn the same conclusion, but it appeared what he was suggesting is that looking at all the relevant factors that now have been brought to them, explaining the difference in the higher cost of borrowing that occurred in the last three months - because it had to be in the last 3 or 4 months - they've come to the conclusion that the government was right. I think there is a fair question to be put, that the time has come for the government to stop indicating that Hydro agrees with them. All they're simply saying is that Hydro's accepting it. -- (Interjection) -- Well no one said that, but the posture -- (Interjection) -- In listening to the presentation of the Honourable Minister of Finance, and he presented it in an articulate manner, the impression is given that there is some agreement with this position. There's no doubt in my mind that that's the conclusion that most of us on this side are going to accept based on what he said. -- (Interjection) -- And I'm going to say it, because you now have at least indicated that there is an acceptance but not an agreement, and there's a distinction, and a big distinction at that.

MR. CHERNIACK: If I may Mr. Chairman. I have never said that Hydro agrees. I have said, and I've said it a number of times, Hydro did not disagree with the position we took on this additional cost, which was in Hydro's knowledge and for which it was expert. I have never said Hydro agrees, because Hydro is concerned with something other than what the government is concerned. And the Honourable Member for River Heights I think so far, is the only person on that side of the House who keeps interpreting our words in the way he sees fit so to do. Now if he has persuaded other members of the opposition that his interpretation is right I'm not going to worry any more. He called me articulate. I, with all modesty must gleefully accept his statement. I have done my best to make it clear. If I haven't done so, then it's my failure I suppose because I can't get through to the Honourable Member for River Heights and possibly others, but I've certainly tried.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: On this point, I think I heard the Minister of Finance right, when he said that Hydro had acknowledged the position of the government with respect to the impact on the rate structure - this is what he essentially said - and that other than that Hydro's responsibilities do not lie in the field of resource assessment. But I think that he is leaving the implication, and I must endorse what the Member for River Heights is saying, that Hydro is in effect endorsing the government position in this. And this of course, -- (Interjection) -- no this is the implication.

MR. CHERNIACK: . . . they were never asked to endorse and they never did. Because they weren't asked to they weren't required to.

MR. CRAIK: Mr. Chairman, the honourable members opposite must see why we are asking for the public utilities board, because the Hydro position in all this was made very clear at preceding sittings of the Public Utilities Committee, not only this year, but in previous years, and that many members of this House have briefed themselves to the point where I think probably they are the people who should be debating and deciding this, rather than the technicians that are involved.

MR. GREEN: ask the honourable member a question?

MR. CHAIRMAN: The Honourable Minister of Health.

MR. GREEN: The member is asking whether - in effect he's asking is whether Hydro agrees with the policy decision of the government. Would it be proper to have asked the former Minister of Mines and Natural Resources whether Hydro agreed and they decided not to flood South Indian Lake. Let us assume that they looked at the material and they said, this is the cheapest way of supplying power, it's true

MR. CHAIRMAN: Could we allow him to finish please.

MR. GREEN: Just let me finish the question. Hydro would have presented information on the cheapest way of providing power; the Minister would have looked at it and said yes, that's true, but there are other considerations which amount to government policy which says that we won't do it this way, we are going to do it a different way. Would it have been proper

(MR. GREEN cont'd.) to ask the Minister whether Hydro agreed that the government policy was in fact the correct one?

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman: . . . just the interjection. Quite aside from proper or not proper, let me just assure the members for what history will show if you read Hansard, the question was asked many times whether Hydro agreed with a decision arrived at by the then government, or by the then Minister, many times, and indeed not being satisfied with that, because he didn't like the impression that that conveyed that you might have to trust me, you might have to trust me or trust this government - you insisted, demanded and got, the evidence directly from Hydro officials themselves at public hearings and otherwise - at public utilities boards.

MR. CRAIK: . . . Mr. Chairman, on exactly the same point. The reason that Hydro now has good reason to question the government and to get the public utilities -- (Interjection) -- No, it's a different ball game, because your decision has obviously been made on the basis, at least proclaimed to be on the basis of the Cass-Beggs report, and if we are to place the credibility of your decision in that report it's ill-founded. There is no question about that. -- (Interjection) -- That's fine. Well this is the argument exactly why Hydro should have a chance to get to public utilities to justify the position it had before, because the only reason, and the prime reason for delaying the decision must be on the economic basis. All the reports we have so far pay lip service to the resource aspect and then immediately go over to the other side and start talking economics, and really, it's one set of economics versus the previous set upon which you are basing your decision.

Now if it comes down to an economic study, if it comes down to an economic study, you must realize that rather than this very quiet and complete control approach that the Minister of Finance was giving us here this morning, he knows, surely knows, that a critical decision, a very, very critical decision had to be made in the latter part of 1969, because even if you make it in January of this coming year, which indications are, and we don't know whether they are or not - somebody's voiced the opinion we might have a decision in three months - but that three month period is the make or break period and you have no guarantee that if you are going to go for the high level that even by making the decision in January you are going to get it, because you've exceeded the limit of good judgment already for the amount of time required to construct it. I know what your position was in the election - that you would study it; but since that time you must surely have had enough time to study it, to realize that the very critical decision is at the beginning, which is now.

Now if your decision is based on the Cass-Beggs report - and the indications are that to a large extent it is - I must point out there is nothing in the Cass-Beggs report except economics and his economics are very much in question, therefore the public utilities committee hearings right now are most critical. You're concerned that it's going to, as voiced the other day, turn it into a political football or something. Now this is not the reason. The reason is that the decision -- there are enough people in this House, half the people here have not been involved in the hearing before, but the previous half were. They have briefed themselves to the point where they can pretty well assess whether the experts that are coming forth have in fact got the material to back up the positions that they have taken, and a decision could be made more rapidly, and it should be made, because what's riding on your backs right now is a decision that's going to cost Manitobans millions of dollars. And if a decision is made in January to do what was originally going to be done, you still can't be sure that you are going to do it fast enough, because it should have been started in September; and if you got started now you might have a chance, but if you leave it until January that '73-74 winter period is going to be very very critical unless you spend a lot of money on thermo power.

Now with regards to Cass-Beggs and Durnin, again the Minister has said Durnin was not associated with the report. I agree with that, I never thought he had been, because the point I've been making all along was that he disassociated himself.

MR. CHERNIACK: May I ask, have not members of his party, if not he, called this a "joint" report, and hasn't one of them actually called it the Cass-Beggs - Durnin report; and haven't you called him a co-author of it?

MR. CRAIK: I called it the Cass-Beggs-Durnin report myself because in the original press release, government issued, on Manitoba Government Information Services, "Mr. Cass-Beggs, professional engineer, Mr. Durnin professional engineer are going to do this study."

(MR. CRAIK cont'd.)

I have good reason to believe and the government has not been able to change my position, good reason to believe that Mr. Durnin wants no part of that report. He not only did not author it, he wants no part of that report, and I said in the initial instance all I can say is that if Mr. Lee Briggs was considered at one time and could not do it, more power to him. He knew when to use good judgment. And if Mr. Cass-Beggs -- I said initially when you announced it, I didn't envy his position because he was undertaking a job which he should not have undertaken, if he is and he has issued it as a professional person, because he has passed judgment on just too much background work and in good judgment he should have realized it. And the disappointing part of it is we are still talking the economics of it.

We have since then in the last month, the last couple of weeks, had indicated to us that two groups of consultants were going to work - one group was going to work on the alternative diversions of the Churchill River including the Sturgeon-Weir and the Suwannee and the dual diversion -the Suwannee simple or simple Suwannee - and the other thing, with no deadline date given to us. I don't know what the deadline date is. We weren't able to find that out so far. Maybe you can tell us.

Now the second group of consultants are Crippen Acres group that are going to Lake Winnipeg with a deadline date of sometime in January. There hasn't been any indication that you've got a group of consultants that are going to advise you on the resources or biological aspects of the problem. But all the indications are that what we are going to get is a decision that tells whether or not something can be done with Lake Winnipeg, but no decision with regard to what is possible on the Churchill River. And I must reiterate that at this time you cannot write off the people that were involved before, namely Hydro or the other people that were on public utilities committee, as simply a group that had a particular interest, i.e. cheap power.

We have to have them before the committee for them to present their position in relation to the Cass-Beggs report. We know that you are hanging your hat on a shorter term planning period, it's evident in Cass-Beggs; and if you are paying any heed to that other report that was tabled by the Leader of the Liberal Party, then you are falling into the category of Cass-Beggs identifies here himself -- yielding to the pressure of a small but vocal majority, failing to heed the well-informed and authoritative opinion." Again a short term solution, a solution which was indicated by Dr. Stephens when he appeared at the committee in 1966 when he said, "if you're planning for eight years your alternative is thermo power; if you're planning beyond that and going to use the natural power of hydro, then hydro in the long run will be the most economical." So its telling us nothing new at all, that at this point in time, that thermo power is cheaper than hydro. That information was known; it's always been known that thermo power for a short period of time was cheaper than hydro. But what you're doing is cutting off your planning short of 1980 some place and that the total scheme of the thing is what we really want to get at and it's a policy decision as to whether or not Manitoba's going to plan its hydro power beyond 1980 and into the decade after that and possibly 'til the year 2000.

Now there are other non-hydro decisions to be made. The Notigi dam, for instance, is going to be knocked out regardless of what you do, if you don't go for the high level. The Notigi dam, as you know, sits right beside and on the doorstep of one of the largest mineral finds that we've had in Manitoba in recent years. Large enough in fact to, if the indications are correct and these are public indications, that a smelter will be justified in that part of the country. And as you know, the smelter at Thompson uses the entire output of the Kelsey dam to power that community and to power -- almost its entire output is used for the smelter alone. So here you've got a resource potential tied in with the diversion down the Rat and Burntwood River. If you don't go for the high level, you cannot retain the Notigi dam which is right beside that.

Now, isn't this something that has to be decided in all this. You've got a \$30 million thermo plant waiting for a decision within the next two or three months, if you're going to try and procrastinate on your decision, and all of this spells out, get the people that have been involved in this -- and again I'll say, mainly Hydro, and possibly the consultants that were involved before because we had consultants at the last hearings too, who knew what they were talking about -- and get them before the committee so that they can tell you whether there are loopholes in this very cursory study that was done by Cass-Beggs. Because that is exactly what it was.

(MR. CRAIK cont'd.)

Now there's one other thing that I want to indicate to the committee here, and it refers specifically to what Mr. Cass-Beggs said in one of his non-technical statements in his report; and I read it here a moment ago. He said, "Both yielding to the pressure of a small but vocal minority and failing to heed a well-informed and authoritative opinion are dangerous courses of action." I gravely fear that that is what has been happening, is that the unknown in this problem have been playing too large a part in the decision making. I realize that the resources are important but they're very imponderable and there are no answers that you are going to get in three months or three years with respect to them, so it's very difficult to hedge your bet. You're going to have to bet on them one way or another, very very soon, and it should be now.

I'll point out an article here, a statement made by a supposedly well-known ecologist from the University of British Columbia who says: "A University of British Columbia ecologist involved in researching the effects of a projected Alaska Oil field pipeline says most arctic conservationists are well-meaning but misdirected people. Doctor Norman W. . . 44, said, Conservationists must realize you can't develop the north and still keep it in its pristine condition. You can't do both, said Dr. W . . . who works for UBC's Institute of Animal Resource Ecology. The oil in Alaska will be developed. We must recognize this fact and prepare for it." Now, he goes on to document his position in here. I must point out to you that we have a directly analogous situation here. I'm not saying that the people that are concerned about some of the things that the previous government was accused of riding over — I must say it wasn't a lack of concern for them. They were all considered, but the judgment was reached that you could not get the answers to the questions that were being asked, and basically you had to come to a value judgment based on the information you had, and the value judgment was not out of line with what this fellow is saying about the oil pipeline to develop Alaska. We're faced with exactly the same decision.

So I come back to the statement that the only thing that you can do now in the interests of the millions of dollars that are involved on behalf of the people of Manitoba is call the Public Utilities Committee. I said before that if your experts can convince me as an individual, that something was wrong in the economics that was presented by Hydro, and endorsed by some of the university people, at the last Law Amendments Committee, I'll change. But so far there's no reason to do it, and all I can say is, that as of now, your decision is not the right one.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. EVANS: Mr. Chairman, I'm afraid many of the remarks that have been made in the discussion on this subject have been rather repetitive. We have given answers to many of the questions and comments made and I don't know whether I really want to repeat myself. One sometimes gets tired with this repetitive process.

The members opposite keep on referring to the need to call a committee to hear representatives, to hear other consultants, and so on. I'd like to remind them that the essential purpose of the hearings, public hearings that were called last winter under the auspices of the former Minister of Mines and Natural Resources, was not to hear adverse suggestions, suggestions for other courses of action. The essential purpose of those hearings was to get, from the information that's been given to me, to get statements from the people that may be affected, with respect to compensation claims, and I'm glad that the honourable member agrees with me. It wasn't to get ideas and suggestions from the members of opposition parties as to what course of action you should follow.

Now what's being suggested here

MR. ENNS: interject. I nodded my agreement because he's quite correct with respect to the public hearings held at South Indian Lake that involved the communities. The subsequent hearings, indeed the whole action here in the House and the Public Utilities hearings was very definitely for the purpose of extracting all the expert information from the officials of Hydro and so forth.

MR. EVANS: Yes. All right. But then there was a substantial shift in the method of going about this, was there not? It went from the position of the government deciding to grant a licence, to shifting the decision to this Assembly and asking this Assembly to make up its mind on it. And we're not asking this Assembly to make the decision. We as the government have agreed to accept this responsibility, and we are accepting it, and therefore we are not suggesting that we need advice from members opposite through the Utilities Committee.

(MR. EVANS cont'd.)

And we're not proposing at this time also, Mr. Chairman, to substantially affect the waterways of Manitoba, at this time. Now we've told you, and the honourable members know this, that studies are under way. One study with respect to the possibility, to the feasibility of the utilization of Lake Winnipeg -- which incidentally was planned all along anyway. This is part of the Nelson development, was one of the stages, one of the phases -- when this time comes, when the report of the consultants is received and suggestions are made to this government for the implementation of a water control device of some sort or another, and if there is therefore a change to be made in the level of Lake Winnipeg or if the level is to be controlled in some way or other, then at that time public hearings will be held. And we've stated this many time, public hearings will be held. I've assured the President of the Lake Winnipeg property owners association on this point and he is satisfied on this. So I think we're off track here when you criticize us for not calling the Utilities Committee.

With respect to Hydro's position on this, I think the Minister of Finance has adequately answered this point. I would remind members that the late Dr. Stephens is on record before a committee of this House as saying that Hydro has nothing to say with the other resource developments. It had expertise in the development of electric power. I haven't got the quote with me, I can obtain it and I can read it into the record if you wish, where he categorically states that it's up to the government to decide on the over-all picture, the over-all resource development picture. It's the government's responsibility, not the responsibility of Manitoba Hydro. Manitoba Hydro's responsibility is a very limited one and that is the production of power the cheapest way it knows how. But it's up to the government, Dr. Stephens said, to decide on the ramifications on other resources and to look at the total economic picture. We are looking at the total economic picture and I'd like to give you some information in this respect in a few minutes.

I would remind Honourable members that we are engaged in a multi-purpose approach. Time and time again it seems to me implied on the other side, from remarks made on the other side, that we should take a very narrow look at this. We should only be concerned with hydro-electric development; we should ignore the other resources. This is the impression that I get from my honourable friend from Riel, that we should only be concerned with hydro-electric development; we should ignore these other aspects. We've stated categorically, the Premier stated in his policy statement, that we are taking the 20th Century approach -- we've finally arrived -- the 20th Century approach, the multi-resource approach, where we are going to look at all the ramifications. I would remind the honourable members that although we received considerable advice from Professor Cass-Beggs, from David Cass-Beggs, to the effect that we could produce, we could get enough water down the Nelson to produce power at approximately the same price as proposed by the high level diversion, that there was this possibility, this is only one piece of the information, one piece of advice....

MR. SPIVAK: member would permit a question right now?

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: I wonder how he indicate whether Cass-Beggs' judgment on this is accepted or agreed to by Hydro? You've just indicated that at the same price. Is this accepted or agreed to by Hydro?

MR. EVANS: I think they did accept his advice inasmuch as we've accepted his advice, and we're the people that are making the decision.

Now

MR. SPIVAK: is the honourable member prepared to say to this House that he's prepared to resign if the information given to this House is incorrect?

MR. CHAIRMAN: The Honourable Minister of Health.

MR. GREEN: I suggest to honourable members that what they are continuing to harp on -- and I believe that perhaps we've gone further than we should have gone in this respect -- is to ask me, whether on a particular program my Deputy Minister agrees with me. I suggest to you that that is an improper question to ask a Minister. And I go further; it's improper for me to rely on whether he agrees with me or he doesn't agree with me. This is a question of government policy. What the Minister of Finance has told you is that the Hydro has accepted that policy. If they didn't accept it you would soon know about it from Hydro themselves. They have accepted it and we are quite confident that the government policy will be implemented, which is something that didn't happen last time because they couldn't even get their own policy

October 8, 1969

(MR. GREEN cont'd.) through the House. But to ask whether we have agreement amongst the people who are responsible to us is the same thing as asking me whether my Deputy Minister agrees with a particular program. And I don't intend to answer that type of question and I think that the Minister of Finance has gone just as far as anybody would go in this regard and I don't think that the present Minister should be pursued in this line.

MR. SPIVAK: On a similar point of order. I think this is the first occasion

MR. CHAIRMAN: I don't believe this is a point of order.

MR. SPIVAK: Yes, it is a point of order.

MR. CHAIRMAN: It's an exchange of opinion.

MR. SPIVAK: No, it's a point of order because the honourable member in his remarks has indicated that Hydro and Hydro policy is equivalent to the Deputy Minister and Deputy Minister policy, and this is the first time that I have heard in this House any kind of declaration that would indicate that Hydro is thought of in that relationship.

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: The Honourable Minister refers to Hydro accepting it. Are you referring to Hydro Board? Are you referring to Hydro management, Hydro employees, or the Hydro Board? And subsequent to that, if you're referring to the Board, how many members of the existing Board have been replaced by this government since they came into power?

MR. GREEN: Mr. Chairman, for the purposes of the honourable members, we don't intend to answer any more questions as to the internal relations between the government agency and the Minister.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. EVANS: If I may continue, Mr. Chairman. I would remind members that the policy decision made by this government was based on a study of all these factors. Certainly we obtained valuable advice from David Cass-Beggs. The committee established by Cabinet - the Committee of Cabinet also obtained advice from biologists, from zoologists, from recreational experts, sociologists, anthropologists. We discussed this and we considered all aspects of the problem. We were concerned with resource deprecation. We were concerned with loss of potential recreation, because when we talk about the value of recreation we're not talking for today, we're talking -- once you flood South Indian Lake you've made an irreversible decision. We're talking about 40, 50, 60 years from now, what will be the values of resources that would have been spoiled if the high-level diversion were allowed to proceed. We were concerned with this. We're not making decisions for ourselves; we're making a decision for all time. We're making the decision for our children and our grandchildren, and once you've flooded that lake you can't reverse it, you've committed the act, and we were made very well aware of this from our consultations with these other experts. We've had extensive meetings, extensive discussions with these people and the decision was not arrived at lightly.

With regard to the study we propose now of Lake Winnipeg, reference was made to : What about the other resources? Resource in-put? What about the ramifications on recreation and so on? I'm simply repeating myself when I say that the terms of reference to the consultants who are studying the feasibility of Lake Winnipeg control, are examining all the resource ramifications; they are concerned with navigational problems; they're concerned with fishing, recreation and all aspects, not simply the hydro-electric aspect of it. And therefore we are pursuing the policy approach indicated by the First Minister some weeks back, and that is a multi-purpose resource approach.

Now reference has been made to the cost by the members of the Opposition, of the official Opposition. The reference is always made with respect to hydro-electric costs and hydro-electric rates, continually forgetting about the cost of resource losses and sociological costs. Now in process of deciding on this matter we did look at these other costs. We attempted to examine the comparative costs of the proposed high-level with one low-level diversion proposal, and in this estimate - and I'm not going to go into a lot of detail as I don't think it's necessary - in this estimate we considered the physical work, that is the capital investment; we considered the other resources; we considered the sociological costs, the compensation and so forth. We took a comprehensive look at the costs.

Now this is an economic estimate of all costs, not just hydro costs, and because there's a flow of benefits and a flow of costs, we examined it over a period of time. We suggested a 90-year period. You could have done it on a hundred or a seventy-five year period, but we

(MR. EVANS cont'd.) calculated it for the next period of time to the year 2060. And we found that when we took this comprehensive look - and this is the look of the 20th century, this is what all your resource specialists are telling you today you should do, you've got to look at the total package and we have looked at the total package - and we found, and you can't do this with great precision but you can make estimates, and even engineers have to make estimates, and economists, that the range of costs in terms of present day values, this is brought to the present day value, the costs on the high-level ranged between \$81 1/2 million to \$280 million dollars. The costs on a low-level diversion, taking this total look, range from 79.9 million to a maximum of 157.3 million.

In other words, Mr. Chairman, when you look at the range of costs and compare the high versus the low, taking into consideration the harm done to the people, the harm done to future recreational use and the harm done to the value of the fish and the like, that the low-level diversion, a low-level diversion is actually cheaper. The estimates would indicate that this is by far the cheaper course if you want to look at it strictly in material terms. Therefore, Mr. Chairman, I am, for one, happy with the fact that we are proceeding in not only a humane fashion but in an economical fashion.

Now I would like to make a few other remarks because many other remarks were made regarding what light was shed by the other report, the reports that were tabled in this House. But let me say first that whatever course is ultimately adopted, it is unlikely to mean a greater cost to Manitoba in terms of Hydro rates. This is what the gist of the Cass-Beggs report tells us and we have no reason however to believe that in the long run

MR. CHAIRMAN: Does the honourable Member have a question?

MRS. TRUEMAN: Yes, I would like to ask the Honourable Minister of Mines and Resources, when he is considering this total picture concerning South Indian Lake and its flooding, or more specifically the recreation aspect, or more specifically still the swimming and the possible use for summer recreation, can he tell us what the water temperature is at South Indian Lake?

MR. EVANS: I don't know what the water temperature is but I would remind the honourable member that you do other things with water besides swim in it, but you can swim in it too if you so wish.

I don't really want to -- I have notes here, I could talk for the next 10 hours I think adequately, answering the queries and the comments, but I don't think anybody on either side of the House would appreciate this. Let me say, however, that I would like to make this comment. The Honourable Member for Lakeside has repeatedly asked us at great lengths - you know, well okay now we have tabled the secret reports, what new information do we have now? What was made available, you know? If I were in his position I wouldn't keep on repeating this question. I would remind him towards the close of the debate which took place in the House last May in Hansard, Page 1905, the Member for Ste. Rose was forced to say, "We had thought that the government was guilty only of concealment of vital information. It is beginning to appear, Mr. Speaker, as though the necessary information does not even exist. We are unwilling, Mr. Speaker, to believe even now that any government would proceed without such information." And this is the Honourable Member for Ste. Rose that I am quoting back from last May.

What do we learn from the secret reports? Well, maybe not that much but there are a few significant items. We know that "Transition in the North" put a value on the cost of relocation and rehabilitation, which while it was by no means precise, was far and away beyond any figure which appeared in any of Hydro's estimates. We know that "Transition in the North" proposed a relocation and rehabilitation program that went far beyond Hydro's offer of compensation and beyond the apparent intention of the bill that the previous government introduced. "Transition in the North", in fact, confirmed many of the points made by those who opposed the high-level diversion on sociological grounds. This information was withheld by the previous government who tried to play, I submit, Mr. Chairman, who tried to play down the sociological consequences of the high-level diversion.

The Task Force report, now that we have it before us, reveals that at least some of those engaged in its production came to similar conclusions about the effects of the diversion on resources as did the other qualified people who volunteered their opinions at the public hearings and before the committee. So admittedly the two secret reports don't reveal that many more new facts, but what they did reveal was that the previous government had no more

October 8, 1969

(MR. EVANS cont'd.) information to support the decision to proceed with the high-level diversion than had already come to light. It seems obvious now that their reluctance to table the reports was due first to a reluctance to reveal that the sociological costs alone would mean a significant increase in the original estimates; and secondly, by making a mystery of the report they hoped to give the impression that somehow, they were somehow withholding confidential information which supported the decision to proceed with the high-level diversion scheme.

We can see now that it was their intention to force the decision, I would suggest, in the absence of adequate information. Until the reports were tabled that situation could only be suspected, and it has now been confirmed. Let me quote once more from my good friend the Honourable Member for Ste. Rose in his debate last May. "Either the information exists and they, (the government at that time) are concealing it, or the information does not exist and they are guilty of monumental folly." And what does the Member for Lakeside admit now, for the very first time. Just a few days ago, on Page 793 of Hansard, he said, "What we were lacking - and I have to admit it myself - what we were lacking was some further information or further proof in the natural resource area."

I submit that in making our decision to opt for a solution which avoids the high-level diversion we have saved the province from a costly mistake, and I conclude from the manner in which members opposite have evaded direct answers that in their hearts they are relieved that they do not now have to carry this burden of responsibility for the costly mistake they so nearly made. And I think for the sake of Manitoba we can put that matter behind us, the debate of last winter, and put what we have learned to good use I would hope. I think we have a province rich in resources, many of which have yet to be realized and developed, and as the First Minister has stated, this government has accepted a multi-purpose approach to resource development and this is essential in an age where we have so much influence to control and change our environment. And I'm suggesting, Mr. Chairman, that in exploiting our resources we must use all the knowledge available to us so that future generations will say of us: Back in 1969, the government of the day, the Manitobans of the day did their best in preserving our heritage.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Chairman, I have quite a bit to say in this matter, and could he call it 12:30. -- (Interjection) -- I am going to speak for quite a length.

MR. CHAIRMAN: I believe they wish to proceed.

MR. PAULLEY: Mr. Chairman, being the very amiable guy that I am, and knowing that my honourable friend only has one minute to get started, and he says he has quite a considerable amount of speaking to do, I move that the committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. The Committee of Supply has considered a number of resolutions, directed me to report the same and asks leave to sit again.

IN SESSION

MR. DOERN: Mr. Speaker, I 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. PAULLEY: Mr. Speaker, just before the House is adjourned, which I propose to move, I want to indicate to the members of the House that are on the committee dealing with the professional associations that it would be our intention to call that committee meeting for tomorrow morning at 9 o'clock for organizational purposes and I give due notice now of that.

Mr. Speaker, I move that the House do now adjourn, seconded by the Honourable Minister of Finance.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Wednesday afternoon.