

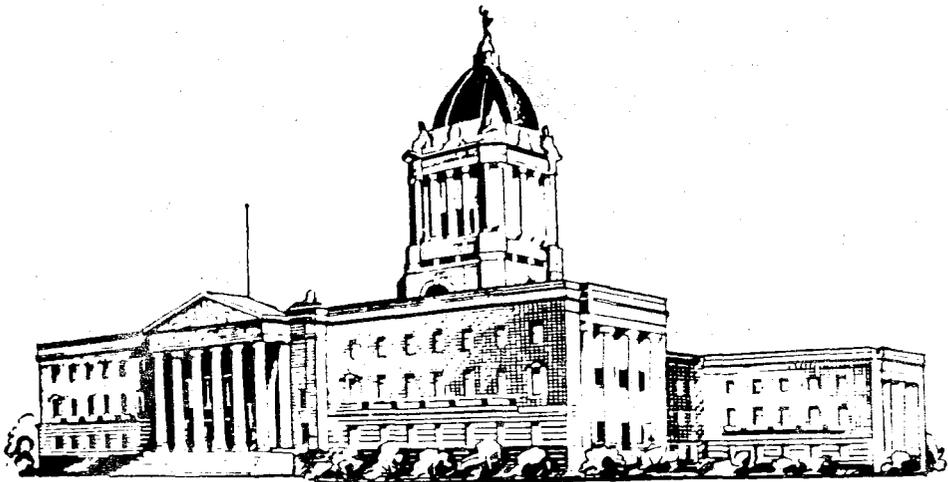


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



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THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Friday, March 17, 1972

INTRODUCTION OF GUESTS

MR. SPEAKER: I would like to direct the Honourable Members' attention to the Gallery where we have 18 students of Grade eleven standing of the Rosenort School, under the direction of Mr. H. Bjarnason. This school is located in the Constituency of the Honourable Member for Morris. On behalf of all the Honourable Members I welcome you here.

THRONE SPEECH DEBATE

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, may I follow in the pattern of the other honourable members who have spoken on the Throne Speech debate and first of all I wish you well in your undertaking yourself. I think you have a very difficult challenging job to undertake. It will not be my purpose, Mr. Speaker, to begin as the second last speaker and advise you on how you should run this Chamber. I'm willing to live with your rules and regulations and if they become difficult, I'll tell you at the time, but I don't think it is my position to give you a lecture on how this should be done.

Mr. Speaker, may I also join the Member for Inkster in wishing well to the Member for Minnedosa who has joined our side of the House. I too look forward to the degree of objectivity that I know he's capable of and I trust that we'll spend many productive hours together in this Legislature.

May I also say at this time that the Member for Thompson has in some cases expressed my thoughts about the members opposite, however, I don't find it in my personality to be quite as derogatory as he is on occasion, so I'll refrain from using his language, Mr. Speaker. Suffice as to say that generally although we may be critical, and I may be critical of the members opposite particularly those of the Treasury Bench, that we have appreciated and recognized the hard work that goes into the government by all Cabinet ministers. Perhaps I should single out the new Minister of Higher Education -- what is his title? -- Colleges and Universities, apart from his, what I considered a rather bad handling of the Foundation Program during his tenure as Minister of Youth and Education, I think that he did make a very honest and capable effort at running the affairs of the department.

Mr. Speaker, I intended to give a very rational and straightforward approach to the Throne Speech debate. That, Sir, was shaken a bit when I heard the Member for Inkster this morning in his speech. I would hold my remarks if I thought he was going to be in the House, however, I don't know that he is. But let me say, Mr. Speaker, I consider his remarks in particular on the aid to separate schools to be very inappropriate and very inconsiderate.

Mr. Speaker, the Member for Inkster has had privy to the inner workings of the government benches. He may know what the government is planning to bring forward to this House in the way of a bill that deals with this question that goes back into the roots of Manitoba's history. If he did anything this morning, Mr. Speaker, he made a good effort towards renewing the old animosity that has existed on this problem for many many decades and many generations. If he's wondering why members of the Opposition have not spoken up on this question it's because they awaited from the government side, and particularly from the First Minister, an indication of what he was going to propose. They thought it was in the best interests. We thought it was in the best interests that this should be done, so that we did not again set neighbour against neighbour, friend against friend and child against child in the old ridiculous and emotional arguments that have surrounded this question. But the Member for Inkster in wrestling with his own conscience, in the great troubles that he appears to have in his own mind, stated that he should come into this House and lay the problem at the hand of the Opposition. Mr. Speaker, there has been intellectual honesty displayed in this House and there has been intellectual dishonesty displayed in this House. That was the height of the example of intellectual dishonesty.

Mr. Speaker, it isn't because a lot of us haven't given thought to this question. I can count my own pieces of mail which now go over 800 on this particular issue. I have tried to keep up with most of it. I have lived through it for many years in an area that has had to look at this far in advance of the Member for Inkster and the machinations of his mind.

Mr. Speaker, we detest a shallow political move that has been set out by the member for Lakeside whereby the government can walk down both sides of the street on this problem. We're not prepared to sit and listen to the Minister of Education persuade the public that there

(MR. CRAIK cont'd) is entirely an easy answer to the question. We are with him when he talks that way, that same sort of language has been used with dispassionate discretion in this House before and I think it is the sort of approach that has to be used. But we're not going to take the Member for Inkster when he says that the root of this problem lies in the Opposition not presenting a case. Particularly, Mr. Speaker, when we were given to understand that this issue was to be dealt with with a Private Member's Bill. Were it a government bill, as it should be, we would be prepared to occupy our position as the official opposition of this House. So, Mr. Speaker, let me emphasize again that we are not at all impressed with the efforts of the Member for Inkster to somehow work out a rationalization in the emotional contortions of his own mind.

Mr. Speaker, I had intended not to deal with this issue. It was forced upon us and I feel is forced upon myself to deal with it at this time. We look forward to the First Minister bringing the proposals on this issue into the House so that we can finally see what he's talking about and attempt to deal with it in a rational way.

As a final suggestion to the Member for Inkster, may I say that he ought to go back and look at the legislation on the books before he prepares his argument for any other legislation that comes into this House.

I wanted to deal primarily with some other matters. I think that the main issue before this Legislature, Mr. Speaker, is an examination of the ability of this government to manage its money affairs. I consider it to be the major issue with which the Opposition has to address itself.

We have recently received the Public Accounts of the Province of Manitoba, we have seen the report of the Provincial Auditor. We see Mr. Speaker, that in the fiscal year, 1370 - '71 that the government over spent its budget by \$33 million, special warrants issued, \$32,985,190.00. Mr. Speaker, \$33 million is about half the amount of money that the Manitoba sales tax raises. That's more money than has been over expended in the history of Manitoba by far. Mr. Speaker, in addition to that we saw a budget for 1971 - '72 that was able to shift contemporary monies in for use in this past year. That budget, the shift was nearly \$20 million. In addition to that there was capital cost shift of another \$10 million or more. Mr. Speaker, that effectively means that the budget for '71 - '72 was in deficit by about \$30 million as a minimum. If you add that to the special warrants from the previous year, you can see that in that period there has been over expenditures that exceed \$60 million.

Mr. Speaker, I raise the issue again because I think it is the most serious issue to be taken up with this province. It is more serious than the fact of plus or minus one foot of water on Lake Winnipeg if you like, although that in itself is serious enough. We are faced now, Mr. Speaker, with the recommendations from this government that it wants to undertake what we consider to be a very expensive and unnecessarily expensive program of power development that would see the control of the waters of Lake Winnipeg, and I don't intend to deal in detail with the levels of the water control on Lake Winnipeg. But I would like to go over in some detail as part of what I consider to be the more rational approach that I had intended to take today and go over the proceedings and events that have taken place since this government has taken office on this particular issue. And I preceded this discussion, Mr. Speaker, because I think that it is very closely tied in with their inability to effectively manage the financial affairs of Manitoba.

In mid 1969, the government appointed David Cass-Beggs as a consultant to review the Manitoba Hydro problem -- the plan of Manitoba Hydro and to report to the new government. Mr. Cass-Beggs selected Mr. Durnin from Saskatchewan to assist him. After a few days of cursory study of many years and many million dollars worth of engineering studies, Mr. Cass-Beggs reported to the government that the high level diversion of the Churchill River should not be proceeded with but that active consideration should be given to thermal power and regulation of Lake Winnipeg. Mr. Durnin whose study encompassed several weeks was unable to support Mr. Cass-Beggs conclusion and he withdrew. It seems likely that Mr. Durnin's views were made well known to both Manitoba Hydro and to the government.

The recommendation to use Lake Winnipeg by Mr. Cass-Beggs was a lonely and hasty decision but it did fit with the government's political position which had previously questioned the diversion of the Churchill River. That lonely decision has become the insurmountable hurdle in this mammoth development scheme, the largest undertaking of a construction nature in the history of Manitoba. Manitoba Hydro, then commissioned Underwood McLellan a national firm of consulting engineers to study and report on the dilemma. Notwithstanding Mr.

Cass-Beggs views, the Underwood McLellan report recommended after close study of the major alternative that an adequate flow of water from the Churchill River into the Nelson River could be achieved not with the high level diversion as originally contemplated by Hydro, which was approximately 868 feet, but rather was a reservoir maintained between 852 and 854 1/2 on Southern Indian Lake.

Underwood McLellan's Report states that if this diversion scheme were adopted, no regulation of Lake Winnipeg for Hydro purposes was either desirable or necessary or indeed economic before 1993 which was the end of the time period for the study. It should also be noted this report indicated that little or no impediment to the efficient operation of the Kettle Rapids generating plant or of the transmission line as originally conceived would be occasioned by this modified diversion of the Churchill River. Furthermore, the ecological and human dislocation occasioned by the modified diversion would be much less than that attributed to the high level diversion first planned. In other words, the Underwood McLellan Report was to some extent a refinement of the original Manitoba Hydro Plant. It pointed out that Hydro could still maximize the benefits of Churchill River Diversion by lower level schemes, much less prejudicial to ecological and human factor. One would think that such a plan would be much more acceptable even to the government and to Mr. Cass-Beggs because it preserves the economic viability of the original scheme, two integral parts of which had already been advanced, well advanced, namely the Kettle Plant and the Transmission System to Southern Manitoba. The latter financed by the Federal Government and constructed by Atomic Energy of Canada Limited had even a further incentive for early maximum use in that repayment by Manitoba which is scaled to the size of electrical load it carries, had a period of grace for the first six years which provided free transmission of power. The recommendation of this report, for reasons as yet unexplained, were not adopted by Mr. Cass-Beggs or by the government.

The next event, Mr. Speaker, which is of significance was the commissioning of a Task Force Report by Manitoba Hydro itself. This group of engineers was drawn from Hydro staff and directed by Mr. Bateman, then Director of Systems Planning for the Manitoba Hydro. One or two points I would draw to your attention.

First of all, in his recommendation to the Board of Manitoba Hydro, Mr. Cass-Beggs stated in the preface to the Task Force report as follows: It will be noted that the recommendation is specific in covering a diversion from the Churchill that would not involve raising the level of Southern Indian Lake by above 850 feet. This is lower than the 854.5 proposed by the Underwood McLellan studies. This level is set for three reasons: (1) It will not affect the level of Granville Lake or its resource values. (2) It will not require the relocation of any community as a result of water levels; basically a government and political decision. (3) It is the lowest level at which a gravity diversion can be contemplated at a rate of 30,000 cfs.

It is therefore important to note that a tremendously inhibiting constraint was placed on the Task Force, namely that any scheme of diverting the Churchill River would create a reservoir above the level of 150 feet was unacceptable by arbitrary decision. The Task Force in their report did not recommend Lake Winnipeg regulation. If one looks at the statement from the Council of the Association of Professional Engineers, dated November 10th, 1971, you find the following comments of that organization which reviewed it. And I quote: "It was noted that the report did not present recommendations as such but set out the conclusions of the Task Force investigations and parameters of the terms of reference of their study were clearly defined. In other words, Mr. Speaker, constraints were placed on what the Task Force engineers could examine and at the conclusion of their work, the recommendations drawn therefrom were made by other than the members.

Despite the statements of the Association of Professional Engineers which pointed out these constraints Mr. Cass-Beggs attempted at Gimli on February 11th, 1972, to turn the statement into an endorsement of Lake Winnipeg regulation. This callous maneuver has since been refuted by the Association of Professional Engineers who have again restated their position, which in no way endorses Manitoba Hydro's position.

Concurrently with the Underwood McLellan studies the Department of Mines and Natural Resources Water Control and Conservation Branch commissioned a report on Lake Winnipeg regulation by G. E. Crippen and Associates, consulting engineers. This report recommends in Chapter 10 as follows -- and I know this will be of great interest to the First Minister because he likes to quote G. E. Crippen and Associates:

"1. That the study results indicate that regulation of Lake Winnipeg would produce major

(MR. CRAIK cont'd) power benefits and possibly minor resource benefits. 2. That the power system economic analysis performed by Manitoba Hydro indicates that a diversion of the Churchill River would still be required with eight feet of storage on Southern Indian Lake." That's about 850 feet elevation. "Which in concert with Lake Winnipeg regulation would provide attractive power benefits then considered as added either before or after Lake Winnipeg regulation. 3. That if the above-mentioned tentative conclusions regarding the Churchill River are confirmed then it would appear that the optimum range of storage on Lake Winnipeg would be two to three feet. 4. That if Manitoba Hydro studies of the Churchill River diversion should show that the storage available would be significantly less than the equivalent of eight feet on Southern Indian Lake then it appears that four or five feet of storage on Lake Winnipeg would be advantageous."

Well, Mr. Speaker, the levels on Lake Winnipeg are tied to what's done on South Indian Lake. This report therefore arrived at a qualified conclusion, the first independent engineering conclusion that Lake Winnipeg regulation was feasible, but only in conjunction with a diversion of the Churchill River with eight feet of storage on Southern Indian Lake. What is important in this study though is not the conclusion but rather the constraints placed upon the consulting engineers as to the alternatives which they could study and report on. I bring to your attention Chapter 6 of the Crippen Report which states in part as follows: "The economics of Lake Winnipeg regulation will also depend on whether or not the Churchill River is diverted and on the characteristics and timing of the diversion. No definite information on the Churchill diversion was available for this study and the following alternative assumptions were made by Manitoba Hydro: 1. No Churchill River diversion at all. 2. Minimum Churchill River diversion 20,000 cfs. 3. Maximum Churchill River diversion development sequence, including Churchill River diversion of 30,000 cfs, maximum flow with 68,000 cfs months storage eight feet on South Indian Lake."

This is the maximum storage possible within the natural historic range of water levels of Southern Indian Lake. Since consideration of additional storage on Southern Indian Lake was specifically excluded from the studies and as no alternative storage had been proven economically feasible this represents the maximum Churchill River diversion case, this third case. You will therefore note again -- and this is a point to be made -- that the consulting engineers were specifically prohibited from considering any storage on the Southern Indian Lake which went beyond 850 feet elevation. It was only with this inhibiting constraint before them that the Crippen consultants could make the qualified recommendations and conclusion that Lake Winnipeg regulation was feasible. It can therefore be seen that when Manitoba Hydro and Mr. Cass-Beggs, in particular, state that the Task Force Report and the Crippen study recommend Lake Winnipeg regulation, it is only because both study groups were constrained from considering alternative storage schemes which would raise above 850 feet on Southern Indian Lake. In other words, it would appear to a dispassionate observer that the only manner in which Mr. Cass-Beggs' cursory examination in the fall of 1969 and the government's political decision of 1969 would be justified is on the basis of reports made by engineers who were specifically prohibited and constrained from looking at the full range of economic alternatives available. One I think could add what appears to be evidence; that is, whereas a sequence without Churchill River diversion was studied, the study of a sequence without Lake Winnipeg regulation does not appear.

One further report should be mentioned. This was a report commissioned by the Manitoba Water Commission prior to 1969 and prepared by the present Chairman of the Commission, Professor Cass Booy. In Chapter 6, Conclusions and Recommendations, this water commission reported after the 1968 study by Professor Cass Booy as follows: "From these figures the commission has reached the conclusion that regulation of Lake Winnipeg is not feasible at the present time or in the near future. However, the commission wishes to emphasize this is by no means a final conclusion" -- in all fairness to him. And the result of the constrained studies since have given possibly a new conclusion. The commission then went on to recommend that further studies be undertaken . . .

MR. SPEAKER: Point of order by the First Minister.

MR. SCHREYER: Well, Mr. Speaker, my point of order is that the Honourable Member for Riel is quoting from a statement made by a certain person, Chairman of the Water Commission, but in doing so knowing full-well that subsequently that same person is quoted as having given an opinion that is not in accord with the case the honourable member is trying to make now.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I think I said subsequent to that with the constrained studies that were undertaken after that that the conclusion could easily be changed. The commission then went on to recommend that further studies be undertaken in lake level regulation etc. on Lake Winnipeg. Professor Cass Booy is now Chairman of the Manitoba Water Commission and has just completed a set of meetings, near hearings -- probably more accurately called "tellings" rather than meetings -- to discuss the pattern of Lake Winnipeg regulation but not the reasons for the regulation. It will be most interesting to see if Professor Booy tries to rationalize a change in attitude from one of unjustified regulation to only that of a pattern of regulation. Clearly the Manitoba Water Commission -- (Interjection) -- he has already.

Clearly the Manitoba Water Commission Act makes it subject to the directives of the Minister of Mines and Resources but it is questionable whether it should accept constraints such as not being able to hold normal hearings where evidence is submitted under oath and cross-examination can take place and where the broader controlling factors of hydro policy can be examined. In light of this Dr. Newberry's recent resignation from the commission is easily understood and Professor Cass Booy would also be well-advised to resign.

Mr. Speaker, at this point I would like to point out that the Member for Inkster this morning in his speech made reference to Dr. Newberry's resignation. He said, Dr. Newberry had never spoken out. Well, Mr. Speaker, perhaps the Member for Inkster has been in politics too long. Maybe he has forgotten that there is an adage that says that actions speak louder than words. And, Mr. Speaker, Mr. Newberry's action speaks very loudly.

Mr. Speaker, let me also make reference and take umbrage with a statement made by the then Minister of Mines and Natural Resources, now the Member for Inkster, when in July of 1971 he said in this House that, he says: "I have said and I am going to say for the thirteenth time that these types of hearings will take place, these types of hearings will take place. These types of hearings are now being planned by the Water Commission and will be proceeded with by the Water Commission." And were in 1972. Yes, Mr. Speaker, in 1972 they were proceeded with. Well, Mr. Speaker, let me tell you how a hearing is defined in the Water Commission Act. A hearing is: "All hearings of the Commission shall be public and a party to a matter before the commission may be presented by counsel and may call witnesses, submit evidence and present argument." Mr. Speaker, that's no longer the case. That was not the hearings which were called, those were not the hearings which were called. The hearings were not hearings, they were not even a type of a hearing. They were a meeting, Mr. Speaker, at which a pseudo Manitoba Water Commission stood there and heard briefs confined to a pattern of regulation, and ruled out briefs -- ruled out expert briefs that had to deal with the broader question of whether or not Lake Winnipeg should be regulated or not, and deliberately ruled it out. -- (Interjection) -- I'll answer the member's question, I'll answer the member's question when I'm finished Mr. Speaker. I'd be very happy to answer his question.

Mr. Speaker, I read or I heard the other day of the definition that the difference between a psychotic and a neurotic was that the psychotic said two and two was equal to five and he was ready to go out and sell it and the neurotic said, no, two and two is equal to four and he worried about it. Mr. Speaker, let me tell you I have never seen the Member for Inkster in a worried state of mind but I have seen him in the case where two and two could make six or seven or five or any other number you'd like to choose. That, Mr. Speaker, is exactly the history of what has happened in the Hydro issue -- (Interjection) -- Yes, yes, that's fine.

Mr. Speaker, I would like to review the actions of this government and whether Lake Winnipeg is at 715 or 716 or South Indian Lake is at 754 1/2 or 750 is not the point in question.

MR. SPEAKER: Order, please. Point of order by the First Minister.

MR. SCHREYER: Yes, Mr. Speaker. My point of order is that I believe the record simply must be kept straight, that the gentleman who is speaking now is the same gentleman who three years ago was supporting a bill asking for authority to flood to 769 feet and is now pretending that 754 is what they were asking for.

MR. SPEAKER: Order, please. The Honourable Member for Riel.

MR. SCHREYER: You lost 15 feet.

A MEMBER: Come to the point.

MR. CRAIK: Mr. Speaker, I'll come to that question, I intend to come to it, and I'll talk about it, I'll talk about it if the First Minister will give me a few moments. The point at issue, is the government's handling of this issue. Mr. Speaker, if I can continue.

(MR. CRAIK cont'd)

In review of what I said it can be seen that the government since 1969 has been completely successful in suppressing any formal and critical examination of its Hydro policy. The Public Utilities and Natural Resources Committee has been successfully restricted from interviewing anyone but Mr. Cass-Beggs despite the fact that in no previous case since the inception of the Public Utilities and Natural Resources Committee did a Chairman of Hydro ever act as an expert witness. He was always prepared -- has his own expert witness and always other Hydro personnel and outside consultants have been available to the committee for formal questioning. Attempts to make representation to the Committee by Lake Winnipeg property owners have also been undemocratically denied, although possibly legally.

The Manitoba Water Commission has been restricted from holding normal hearings where critical evidence could be presented under oath and under cross-examination. Even this legislative chamber was stifled from pursuing debate last session, Mr. Speaker, when the rules were warped to the ends of the government.

MR. SPEAKER: Order, please. Order, please. I would like to indicate to the honourable member he is skating on very thin ice. I am the custodian of the rules and I hope that what he is inferring he's not inferring to the Chair. I would like him to consider his remarks and possibly restate what he had in mind.

The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, there was no reference to the Chair, Mr. Speaker, and I don't want to imply that.

MR. SPEAKER: Order, please. The Honourable Minister of Labour on the point of order.

MR. PAULLEY: Yes, Mr. Speaker, I think that it would only be proper for me, Sir, in my position at the present time of being the House Leader -- I wonder if the rabble would shut up until I have spoken -- I think that it is only proper for me, Sir, to point out and try and emphasize the accuracy of what you have just said, Sir, to my honourable friend the Member from Riel, that the rules of this House are the rules that are established in this House and guidance to you, Sir, as the presiding officer. And they are not arrived at arbitrarily by the government but by the consent of this Assembly. This has been historic over the years and I have been privileged as a member of this Assembly since I first came here in 1953 and '54 to be a participant in discussing and arriving at the rules of this House, and for an honourable member -- and I give him the attribute of being an honourable member --

MR. SPEAKER: Order, please.

MR. PAULLEY: . . . to say . . . -- (Interjection)--

MR. SPEAKER: Order, please. Order, please. Order, please. I do think I made myself clear. I would appreciate if the honourable member would reconsider his last remarks.

The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the Minister of Labour and the House Leader is admittedly a very good penalty killer, give him credit. We have seen the -- (Interjection) -- I'll tell you about that, Sir, -- we have seen the issuance of an interim licence on Lake Winnipeg and the beginning of construction as the government turns a blind eye to its own laws as set out in the Water Power Act W 70 which reads -- and if I can read it for us in layman's interpretation I think it's correct. "No interest in any water power capable of developing more than 25,000 continuous horsepower or in any land required for such an undertaking or necessary for creating, protecting or developing such a water power shall be leased or otherwise granted or conveyed by the Crown under this Act, the regulations, unless prior approval or subsequent ratification thereof has been given by the Legislature.

MR. SPEAKER: The Honourable First Minister on a point of order.

MR. SCHREYER: Yes, Mr. Speaker. My point of order is very simple, Mr. Speaker. The Honourable Member for Riel is once again, along with others who know no better, trying to make the argument that the government is violating statute law of Manitoba, and that, Sir, is a point of privilege. And I suggest to my honourable friend that if he reads the statutes properly he will find that that section while it's been on the statute books for many years has never been applicable to any of the Manitoba Hydro power plants built on the Winnipeg River. He's out of date by about 25 years.

MR. SPEAKER: The Honourable Member for Morris on the point of order.

MR. JORGENSON: Mr. Speaker, I should like to rise on that point of order. I'd like to quote Beauschesne's Rule 126 dealing with the particular subject that is now being debated.

(MR. JORGENSEN cont'd) Rule 126 says: "If a member desires to ask a question during debate he should first obtain the consent of the member who is speaking. If the latter ignores the request the former cannot insist even if he thinks he is being misrepresented. He cannot make a denial during the speech; he must wait until the member has resumed his seat and than may ask leave to make a statement, or he must wait until his turn comes to address the House." Standing Order No. 12 is compulsory.

I should also, Sir, like to draw to your attention another rule of the House that was enunciated in this Chamber on Tuesday, March 14th by the House Leader, and I commend his own words to his attention right now. "Mr. Speaker" - and this is the House Leader speaking - "as a point of personal privilege as a member of this House and not necessarily as the House Leader, may I through you, Sir, appeal to all members of the House to respect the decorum of the House. There is an honourable member of this House speaking" -- and that of course was an occasion when there was an honourable member on the other side of the House speaking -- "and I think that it is historic in this Assembly that every member be given an ample opportunity to express his views. If any member of the House wants to raise or introduce a point of order or point of privilege then according to the rules he should rise in his seat, state his point, be recognized by you, Sir, and then express his opinion and the procedures of the House carry on."

What is happening here with the First Minister, that he is debating the issue on a phony point of order. What he raises was not a point of order at all but simply interjecting in a debate.

MR. SPEAKER: I would like to suggest to all honourable members I am willing to entertain all points of order, and I think I have done that with as much elasticity and magn -- well I won't use a big word I'll use a little one -- with as much tolerance and patience as one in this Chair can have. I would imagine that probably all members are utilizing the point of order for debating purposes.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, fortunately in this House in the end it is the Chair that decides whether or not a point of order raised is a valid one, and I simply submit to you, Sir, that it is a point of order when a member rises or is speaking and quotes a section of statute law and then indicates or states that the government is willingly violating that statute law. And that is my point of order. Because the honourable member is making that accusation and I, Sir, am making a formal statement simply indicating that that particular section he is referring to has no bearing whatsoever to Manitoba Hydro undertakings.

MR. SPEAKER: Order, please. The point of order in regards to imputation is well taken. I'm sure all honourable members will recognize that. The honourable member has six minutes.

The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the First Minister and his government saw very fit to break the laws on the statutes when they brought in The City of Winnipeg Act. There were specific requirements in the Boundaries Commission Act that called for a series of hearings, hearings as defined similar to that in the Water Commission Act, where evidence could be given, taken under oath, research information could be presented. They never cancelled the operation of the -- by any means -- a piece of legislation which set up the Boundaries Commission, so instead they just ignored the legislation that was on the statutes and said, to hell with the legislation, this is what we're going to do. And the hearings have never been held to this date.

Now, for the Premier to say that this is an ancient piece of legislation is not true. It's dated 1959 and it was used -- (Interjection) -- No, Mr. Speaker, let me finish. There is no privilege on this.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, Mr. Speaker. My point of privilege is that the Member for Riel has just said that I stated that the whole point was that this was an ancient piece of legislation. Mr. Speaker, the main point of my point of order was that the member was suggesting that we were violating statute law, and I would simply refer you, Sir, I would refer you, Sir, to Section 51 (1) of The Hydro-Electric Board Act which conclusively repudiates any such suggestion from my honourable friend.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: We can go back beyond the statement to an earlier statement by the Premier this afternoon. He said this had not been used and was ignored and didn't apply. This legislation, Mr. Speaker, was used when the question of South Indian Lake was up for debate. A bill was brought before the House that allowed for the debate of the issue of the flooding of South Indian Lake and these fellows want to criticize that.

MR. SPEAKER: Order, please.

MR. CRAIK: Mr. Speaker, the First Minister has made the accusation that this legislation has not applied. He is clearly wrong. The legislation was applied the last time the Hydro issue was up before this House, and this government has not got the intestinal fortitude to bring a bill before this House.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I . . .

MR. SPEAKER: Order, please.

MR. SCHREYER: Mr. Speaker, I apologize . . . Mr. Speaker, I apologize abjectly to you, Sir, for appearing to persist but I feel I must persist on a point of order because the Member for Riel the record will show has stated that we are violating statute law of Manitoba and I say without equivocation and without any great length that that is wrong, and Section 51 of the Hydro-Electric Board Act proves that. Therefore he must, I suggest to you, Sir, retract the statement that we are violating statute law of this province. It's as simple as that.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I am quite willing to see a legal interpretation made of these Acts, I don't have his Act before me. But I might suggest to you, Mr. Speaker, that this Legislature takes precedence over any Act that affects any of the Crown corporations. If there's an Act . . .

MR. SPEAKER: Order, please.

MR. CRAIK: Oh, we've got the road runner from St. James back into the argument here now.

MR. SPEAKER: Order! Order, please. I thought we had gentlemen in this House. I'm still of that opinion. I would like to see that remarks are addressed to the Chair; there are no imputations; there are no name callings; no slanders while I'm in the Chair. If you desire I can remove myself from the Chair and we can proceed in that fashion if you're willing, but as long as I'm in it I don't think it should occur. I again respectfully ask of all members to conduct themselves as is appropriate for this Assembly.

The Honourable Member for Riel. Two minutes.

MR. CRAIK: Mr. Speaker, I didn't start all this. The situation we face today is that Hydro is proposing to build control works and generating facilities on Lake Winnipeg at a capital cost that is somewhere between 56.5 million and 100 million dollars. This project may produce Hydro benefits of up to approximately \$1.5 million annual but the carrying charges on these capital costs will be in the region of four to five million dollars per year. Lake Winnipeg regulation by itself is not sufficient. Diversion of the Churchill River is still necessary as evidenced by the Premier's remarks in the last couple of days to the economic development and the capital costs involved for this project are in addition to Lake Winnipeg capital costs.

Now, Mr. Speaker, before the Premier is up on his feet again, he did not say South Indian Lake he said Churchill River diversion. Is that better? Alternatively we know from the Underwood McClellan Report that if Hydro will expend \$31 million on the modified Churchill River diversion regulated between 852 feet and 854 1/2 feet it will increase the firm energy capability of the now constructed Kettle Rapids by 30 percent. The annual carrying charges on the \$31 million investment on the Churchill River diversion would be about \$3 million or less; but that the Churchill River diversion can produce \$14 million worth of power annually increasing to \$100 million annually as additional plants are put on the line. It is also clear that if Manitoba Hydro were to proceed with the construction of the modified diversion of the Churchill River it would not be necessary to have Lake Winnipeg regulation. Conversely if Manitoba Hydro proceeds according to its present intentions to regulate Lake Winnipeg it must also construct a Churchill River diversion in any case.

MR. SPEAKER: Order, please. I regret to inform the honourable member his time is up. -- (Interjection) -- Agreed?

MR. PAULLEY: Mr. Speaker, we're prepared to grant leave to our honourable friend and I trust and hope he will not be interrupted either by the Opposition or the government in

(MR. PAULLEY cont'd) the balance of his discourse.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well I would advise the House Leader and thank him very much for his consideration, although he must recognize that this morning when this was granted that we stirred up a hornet's nest.

It is also clear that if Manitoba Hydro were to proceed with the construction of the modified diversion on the Churchill River it would not be necessary to have Lake Winnipeg regulation. Conversely if Manitoba Hydro proceeds according to its now intentions to regulate Lake Winnipeg it must also construct Churchill River diversion in any case. The advantages of the Churchill River diversion it seems are pretty self-evident. Almost \$500 million worth of generating plants and transmission line is now in place anticipating a final expenditure of only \$31 million on the Churchill River diversion which will make the original investment complete and more economic and certainly more feasible. Three valuable years have already been lost while futile studies have been undertaken seemingly to prove the impossible, and during which period we have also seen the demand and price of export power escalate substantially. In the meantime Hydro's capital investment of \$500 million cannot perform at fully efficient levels until diversion of the Churchill takes place. And now the government Throne Speech indicates that the construction of yet another expensive and under-utilized power plant at Long Spruce on the Nelson River is imminent.

In layman's terms the present expenditure represents about \$500.00 for every man, woman and child in Manitoba. It represents about \$2,000 for the average household in Manitoba; \$2,000 for the average farmer; \$2,000 for the average homeowner; \$2,000 for the average apartment dweller with a family. Mr. Speaker, that \$2,000 investment can be considered as a mortgage and it must be paid back with interest either through the taxpayer's Hydro bill or through his taxes. One would think that having imposed this kind of investment that the government might occupy itself with discovering ways and means of making it pay off for the citizens of Manitoba but they show no evidence of being either concerned or interested. The ways and means are there.

Let me ask the government the question: should the people of Manitoba be asked to spend up to \$400.00 per household on Lake Winnipeg regulation to produce minimal over-all benefits to avoid raising South Indian Lake by another two to four feet? Secondly, is it not true that in the first draft of the Task Force Report, not the one we received but the first draft, the export value of a fully developed Churchill River diversion was indicated at one cent per kilowatt hour to have a value of \$142 million per year. That, Mr. Speaker, is twice as much as the Manitoba sales tax now raises. But we are advised that between Lake Winnipeg regulation and Long Spruce development and limited Churchill River diversion that the average householder can expect to adopt at least another \$2,000 mortgage in the 1970's with only very little return on his first mortgage. It's too much and it's not necessary.

Mr. Speaker, we do not profess as a political party to be either expert nor apprised of all the necessary facts to spell out exactly what the optimum alternative is to the government's plan. We do know that further studies in 1969 indicated in the Underwood McClellan Report a satisfactory medium level diversion of South Indian Lake at about 852 to 854 1/2 elevation. We accept this. We recognize that a renewable resource -- and I feel that this is one of the most important points -- we recognize that a renewable resource utilized for the production of energy is far superior in the long run to the consumption of non-renewable resources such as coal, oil and uranium along with the attendant atmospheric and thermal pollution potential. We recognize that alteration of natural water courses may cause environmental damage and we offset it against the environmental damage caused by the alternative consumption of coal, oil or uranium. We propose that Lake Winnipeg regulation is uneconomic, unbeneficial, unnecessary and should be stopped forthwith and that Churchill River diversion be constructed immediately to a medium level design. We contend that over the next ten years that capital expenditures can be trimmed by \$400 million. We contend that export power sales over the next 20 years can be a major source of revenue for Manitoba and only can be fully productive if the Churchill River Diversion is undertaken immediately. We estimate that the revenue from export power sales can approach the amount collected from the Manitoba Sales Tax. Our alternative is clear, Mr. Speaker, we're not just attacking the government for the purposes of attacking its policy. We are presenting an alternative, that alternative means very substantial dollar savings to the average citizen of Manitoba, and I again emphasize that their policy on Hydro, I think in general,

(MR. CRAIK cont'd) is in keeping with their bad management policies of the public purse.

MR. SPEAKER: The Honourable the First Minister.

MR. SCHREYER: Yes, Mr. Speaker, I believe that the honourable member did agree that he would answer a question at the end of his remarks and I would like to ask him how he so facilely manages to somehow lose 15 feet of flooding Southern Indian Lake because I do believe, is it not a fact, I ask my honourable friend that the intent of the legislation presented to this House in early '69 was to go to 769 point some feet? So what happened to those 15 feet, could you advise?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the Premier has indicated this many times and I've no reluctance to answer him. The Underwood McLellan Report was brought in in late 1969 or early 1970 and on the basis of their studies and our examination of the report, we have no doubt now that an economically viable diversion can be made at 852 to 854, which is 15 feet below the original proposal. We don't make any bones about this. All we ask is that the government give us valid reasons why it did not go to that as well. We've made our peace with the change in Hydro policy and we're prepared to admit it. All we ask of you is that you dispassionately look at this again in light of the economics and make your change.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: . . . be allowed one additional question. How would the honourable member rationalize or justify asking this House to authorize high level flooding to 869 feet, the flooding of over 700,000 acres, and then so blithely say, a matter of a year later, that maybe it could have been half of that after all?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the heights, the elevation that the First Minister mentioned was the maximum that was indicated. I would also repeat the argument that has been overlooked in all of this and that is that with the trend in energy consumption particularly on the North American continent that anybody who overlooks the utilization of a renewable resource may well be guilty of not looking far enough into the future. I suggest that if you leave any significant amount of power undeveloped in the Churchill River and the Nelson River diversion that twenty years from now you may be in a far more serious environmental argument than you are with regard to the flooding of a lake. I make no hesitation in saying that the overriding environmental consideration of atmospheric pollution and the consumption of non-renewable resources is every bit as strong at this point as far as I'm concerned as the argument about the flooding of land.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Would the honourable member accept a question from me? The honourable member suggests that Bill 15 was brought in to comply with the Act which he read. Is the honourable member saying that the hearings that were authorized by the government of which he was a minister, in which Hydro was applying for a licence to the Department of Water Resources, were illegal and could not have been proceeded with?

MR. CRAIK: Mr. Speaker, I'll say this. There were hearings and they were democratic in their nature, which is far more than this government has ever allowed on this question.

MR. SPEAKER: Order, order. The Honourable Member for Inkster wishes a supplementary question?

MR. GREEN: Yes, I want the honourable member to answer the first question which I put. His government of which he was a minister authorized hearings for Hydro to apply for a licence to the Department of Water Resources without reference to the Act, without the legislation, in which a licence could have been granted, because that was what the hearings were for. Were they legal hearings?

MR. CRAIK: Mr. Speaker, the Member for Inkster has no right to talk about legal hearings in this House. Your interim licence is not even legal. You break the law every time you turn around your interim licence is not legal, you've suppressed evidence, you've done everything in your power to prevent the facts from coming out.

MR. SPEAKER: Order, please. I should like to indicate that our Rule has been that questions of clarification may be asked and a member may wish to answer. There is no incumbency to answer, but there is also, I believe -- order, please -- I believe if honourable members would address their remarks to the Chair we'd probably get along much better.

(MR. SPEAKER cont'd)

Are you ready for the question? The Honourable Member for St. George.

MR. WILLIAM URUSKI (St. George): I would like to ask the member a question if he wouldn't mind answering one. During your remarks you stated, I believe, Mr. Speaker, that the honourable member stated that the Manitoba Water Commission during its meetings refused to allow people to present briefs. I would like the member to state as to who of the public was disallowed to present views to the Water Commission.

MR. CRAIK: Mr. Speaker, the one party in particular I referred to was Mr. Gordon Spafford.

MR. URUSKI: Are you aware that Mr. Spafford -- did he give his name to the commission at the time any of those hearings were held?

MR. CRAIK: Mr. Speaker, I suggest that if the honourable member is a member of the Water Commission that he should investigate and find out what Mr. Spafford was told. It's my understanding that he was told that the terms of reference of the hearings did not allow him despite his many years of involvement in this topic to make representation.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, give me . . .

MR. SPEAKER: Order, please. The Honourable Member for Churchill have a question as well?

MR. BEARD: I was just wondering, Mr. Speaker, if the last member would entertain two questions. First, was the policy that he spoke on, the official policy of the Conservative Party?

MR. CRAIK: If the honourable member will give me about five minutes I can answer him. Yes, I think without reservation I can tell the honourable member that that expresses the position of the Conservative Party.

MR. BEARD: The second question. I wonder why would 32 feet of flooding not be acceptable to the member while 15 feet of flooding would be acceptable.

MR. CRAIK: Mr. Speaker, our review of this, although I said that we did not pretend to be expert, we take that report of late 1969 as being valid and we feel that their recommendations for that level do allow a diversion which does not impose economic stringencies or consequences which are not acceptable to us, and as a result of this there would be some reduction in environmental damage in going to the 854 versus 868, therefore I think the conclusion is fairly logical. Mainly that we do recognize that there is a reduction in environmental damage without too significant a reduction in the economics.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, if I may be permitted I would like to get off this very interesting subject and go into another area which is of equal importance to the people of Manitoba and that is the general area of economic development. But first, Sir, I would like to congratulate you on the fine job that you are doing as Speaker of this Assembly. I know it is a very difficult task and in some ways comments and the heat of debate that has taken place today, both this morning and this afternoon, is demonstrative of this very difficult problem of keeping order and making sure that justice is done and that everyone has an opportunity to be heard and to have his arguments put forth. I just say, Sir, do not get discouraged. We all appreciate your find effort.

I'd also like to take the opportunity to thank the mover, or congratulate rather the mover and the seconder of the Throne Speech. I think both of them have made a very fine contribution and indicate the high level of debate that is capable from many new members in this House.

I would also welcome the Member from Minnedosa to our Assembly. I think he will find, as he has probably already discovered, that the life and activity in the Legislative Assembly of Manitoba is a little more electrifying than life in a bank. I'm not suggesting that the work and efforts in a bank cannot be fairly challenging at times but I think there is no other area that I know of, or no other institution that I know of in Manitoba that is more exciting than this very Assembly in which we are gathered this afternoon.

I was a bit amused, Mr. Speaker, at the newspaper comments or the comments made as reported in the two daily newspapers in Winnipeg of the Leader of the Official Opposition and the Leader of the Liberal Party; the Leader of the Liberal Party referring to the provincial economy being marked by stagnation and decline and so on and so forth, and then of course the Honourable Leader of the Opposition saying that the Schreyer administration lacks economic growth programs. And I would say, Sir, that this attitude, this approach that the two leaders

(MR. EVANS cont'd) of the opposition parties in the House are taking is well in keeping with a drive on the part of the Opposition parties in this province to perpetrate a hoax and indeed a myth that the rate of economic growth in Manitoba today is less satisfactory than the rate of economic growth that has taken place under the several years of the Conservative administration. I would not for one moment deny these leaders and anybody in this province from criticizing our government for our efforts and for indeed referring to the rate of economic development. This is what opposition is all about.

I certainly will not take the point of view that Mr. Spivak, now the Leader of the Opposition, took back a few years ago. I note in reading old issues of Hansard that on Page 2157, dated May 18 I believe it is, this copy isn't that clear -- I'm sorry, May 13, 1969, I note where Mr. Spivak was chastising the Leader of the New Democratic Party of the day for making references to certain firms and difficulties that those firms were having, and he goes on to say and I quote "But there is a state of mind that exists on the part of the Opposition that has to change". This is Mr. Spivak referring particularly to my honourable friend, now Minister of Labour, "there is a state of mind that exists on the part of the Opposition that has to change, and unless it changes I'm suggesting, and I repeat it again and there may be some who dislike it, you are going to be hurting this province". And then he goes on to say, "and in your enthusiasm", again he says "I'm suggesting to you that you are doing a disservice in this one area."

On another occasion the now Leader of the Opposition is quoted in the Hansard on Page 1150, dated April 19, 1968, whereby he makes a quotation, he reads a quotation from the Winnipeg Tribune editorial, dated December 16, 1966, to again put forth this point of view. His quotation is this: "The opposition in the Manitoba Legislature is trying to work both sides of the street. In recent years Mr. Molgat and some of his followers have been crying doom and gloom. They've been telling the world that Manitoba is lagging behind the rest of the country in industrial growth. They've been shouting that Manitoba was losing people and that the province is head over heels in debt, the whole place is going to Hades in a basket and they blame the provincial government for all the sorry things that are happening, it's all the fault of the Roblin administration." This is a quotation that Mr. Spivak used from the Winnipeg Tribune to tell the Opposition in effect that they shouldn't be critical of the government of the day. One final quotation from the article: "This kind of political sniping is destructive and does a disservice to Manitoba".

Well, Mr. Speaker, as I said a minute ago, I for one moment did not suggest to the Opposition that they should not continue to oppose and to point out our errors and lack of performance and so on, and I would not take the attitude that Mr. Spivak took at that time and say don't say anything about the lack of performance of the Manitoba economy because you might make things worse.

I would say, Sir, that one cannot deny that the rate of economic growth in Manitoba is less than all of us would like to see. Surely we would like to see a better economic performance than we have been experiencing. I'm not suggesting we have outright economic stagnation; I'm not suggesting that our general economic situation is worse than many other parts of Canada, but the fact is that Manitoba's performance in growth has been less than satisfactory for many decades and it is not something that's peculiar to the last few years, and I'd like to, Sir, refer to some official Federal Government statistics that might indicate this point of view very clearly.

For, example, I can look at the case of factory shipments, that is the shipment out of Manitoba's manufacturing industries. Between 1958 and 1969, an 11 year period, the factory shipments in all of Canada increased at a rate of 7.2 percent a year, whereas in Manitoba the rate of increase was only 5.6 percent. In other words, for an 11 year period under the Conservative administration the rate of performance in the manufacturing sector was certainly much poorer in Manitoba than it was on the Canadian average. I could go on and say that the difference between the rate of increase of factory shipments in Canada and Manitoba in the last two years has actually disappeared. The figures show that we are about even with the national rate of increase. When you look at other figures such as real wages in the 11 year period between 1958 and 1969 the rate of real wage increases in Canada was higher on the national average than it was in Manitoba. During the past two and a half years, during the present NDP administration, the provincial increase was 4.8 percent a year which was slightly higher than the Canadian increase of 4.7 percent a year. In the area of retail trade, in the 11 year period between '58 and '69 retail trade in Canada rose on the average per year by 4.9 percent whereas in Manitoba the rate of retail expansion was only 3.4 percent.

(MR. EVANS cont'd)

So, Mr. Speaker, the point that I'm making is that Manitoba for many a year has not had as high a rate of economic expansion, as high a rate of economic activity as one would like and I suggest that the members of the Opposition are deluding themselves if they seem to think that all of a sudden because for the first time in the history of this province you have a New Democratic administration that all of a sudden economic growth stops, because that of course is simply not the case. And you know so much is made out of people leaving the province that I took the liberty of looking at the figures, again the figures that come out of Statistics Canada, on outward migration or net migration in and out of Manitoba and I found, and I wasn't unduly surprised by this because I had seen similar information earlier in years gone by, that Manitoba has experienced net outward migration of people for many a year, as has other agricultural areas of Canada and of North America. Rural parts of Ontario have experienced a considerable net outward migration. Saskatchewan has experienced it and so have many other provinces. But the fact is that the rate of net outward migration which is due really in large part to adjustments in our agricultural sector, the rate of outward migration today is no higher, in fact indeed a helluva lot lower if I can use that very striking expression -- than it was a few years back. In 1970, and I'm not happy about this, but in 1970, we lost 8,500 people approximately, 8,500 people -- this was the figure for net outward migration. In 1971 it dropped to 8,067 people, approximately 8,100 people. But then I looked, Sir, away back when in the heart and days and years of the Conservative administration that in 1965 we lost 12,300 people. And in 1966 we lost 16,989 people or close to 17,000 people which is more than twice the lossage that occurred last year under the Schreyer administration. You know so for members of the Opposition to try to make a big point about referring to individuals leaving Manitoba I simply say that their argument has very little validity as it pertains to the political sphere. The fact of the matter is that there are adjustments taking place in agriculture and this essentially is the economic reason for this outward flow. But I would point out again, Sir, that the rate of net outward flow is today, the last figures we have, less than half of what it was in 1966, and I hope that's a point that the press will note, and I hope it's a point that members of the Opposition in particular will note.

Now there's a limit to what any provincial government can do to stimulate the economy. We are governed by a federal tariff situation which we have little or no control over. We are facing a money supply situation that is largely governed by the activities of the Bank of Canada. The banks are under federal control. We have a freight rate situation whereby there are many instances where manufactured goods can go from Toronto to Vancouver as cheaply as they can go from Winnipeg to Vancouver. This is a national freight rate policy established by the Federal Government. We complain as we do to the Canadian Transportation Commission for these inequities and so on but complain as we may we do have a freight rate structure that we're facing that is not favourable to the industrial development of Manitoba. I look at the federal policies with regard to regional economic expansion and I am not at all happy with the share of industrial incentive money that is coming into Manitoba as compared to certain other provinces such as the Province of Quebec or the Province of New Brunswick for instance.

We have no control apparently over the closure of military bases and this too has led to a loss of jobs, a thousand jobs alone in the Town of Gimli and of course there is the situation at Rivers and who knows if there will be further closures in the future. But these are things that the province has little or no control over.

The fact of the matter is, Mr. Speaker, that I am very pleased with the rate of economic expansion that we have been able to experience in the last two years when you consider that Manitoba and all of Canada and indeed all of North America has undergone a down turn in the economic cycle. All you have to do is to look at the unemployment figures and you'll see that the levels of unemployment today are far higher than they were for many a year in North America, the United States and Canada. In spite of this there has been economic progress in our province. And I would point out in contrast to what the Leader of the Opposition has said in his opening remarks on the Throne Speech -- lack of programs -- that there are more programs today to assist in industrial development than there has ever been before in the history of this province. I could refer to the whole area of export promotion and talk about many aspects of this although I will reserve my remarks for the debate on the Estimates of the Department of Industry and Commerce.

I could refer also to other departmental programs such as our regional economic analysis

(MR. EVANS cont'd) program and the caravan of information that is now going around Manitoba involving the people of Manitoba in a discussion of the development of their area. This is a program as many of you know, Sir, that affects southern Manitoba and I'm pleased to note that we've presented information to 80 individual centres and we have had meetings involving approximately 10,000 people. These people in turn will review the information that we have provided for them and feed back to us hopefully suggestions and ideas for the development of the economy in their area, whether it be agriculture, tourism, whether it be in the field of management, resource development or whatever it happens to be.

I would like, Mr. Speaker, to point out, too, that one area of very great importance in stimulating Manitoba's economy is the whole area of winter works. The story has been well told I hope, it should be well known to the members of this House that our provincial employment program is one of our more important economic programs and has put virtually thousands of people to work in this province who wouldn't have been employed otherwise. In a two-year period we have not only created thousands of jobs thereby giving Manitoba about the lowest level of unemployment anywhere in Canada but secondly the provincial employment program has helped to improve the quality of life in the province. Instead of spending money for simple make work projects which have questionable social importance such as brush clearing to nowhere, our program has provided funds for many well worth programs. For example, in the last two years we have generated a program of two and a half million dollars for home repairs for pensioners; \$3.2 million for hospital repairs and innovations, this is local hospital boards; \$4.6 million for municipal works of varying kinds; \$1.3 million to various kinds of community clubs and other social organizations; \$1 million for special projects in northern remote communities; \$1 million for projects undertaken by Indian bands and \$800,000 for repairs to schools in the province. This is in the two-year period, the two-year period. Well the program has only been going two years. I'm pleased to report that in one very important area, that is the area of homeowning pensioners that as of March 15th the provincial job office has received applications from 3,815 homeowning pensioners requesting grants which of course range between \$1,000 and \$150. I can say that the program is a tremendous success and we have processed the bulk of the applications and in fact in many cases the work has already been done. And the evidence of this is shown all over Manitoba and particularly in rural Manitoba when you can read one story after the other about what our provincial employment program has done to create jobs and to stimulate the economic activity of the province.

Here's the MacGregor Herald of Thursday, March 16th: "PEP Program Approves Jackson Lake Grant". This is for the Rural Municipality of Norfolk. --(Interjection)-- I don't -- Well I could have gotten the Swan River Times. "Town of Morris get \$10,600 provincial grant." Incidentally this was one of the communities I believe that didn't receive any federal funds and we came to the rescue of 70 to 75 communities that got not one penny from Ottawa. Here's another paper. In fact the Mayor of Neepawa was kind enough to send it to me. Mayor Harry Smith. He says, "This page is a tribute to your government's efforts. Many thanks from our community." "Winter Works Keeps Community Busy." Now you're talking about economic development, economic activity, the creation of jobs. --(Interjections)-- Here it is, there is the proof right there. There is the proof right here. Eastview Lodge this week, they have a provincial employment program, they are painting the entire lodge, Eastview Lodge for senior citizens.

A MEMBER: Where is that?

MR. EVANS: They got a \$4,000 grant - in Neepawa.

A MEMBER: Neepawa?

MR. EVANS: Yes. Neepawa got sever! kinds of grants as did many communities.

Here's the story: Touchwood Park received \$4,500 under the Provincial Employment Program for finishing their basement workshop, the construction of showers and washrooms. Workmen have been busy at the project for the past several weeks.

A MEMBER: Where is that?

MR. EVANS: This is all in the Neepawa area. Here is the Neepawa District Memorial Hospital. Under the hospital program the Neepawa Hospital received a grant and there are many renovations that are taking place allowing them to provide additional services which is improving the quality of life for people in that area. Here's another example: Mr. Jim Thompson, Osborne senior citizen resident, was pleased with the redecorating of his room under the PEP Program.

A MEMBER: Where is that?

MR. EVANS: Mr. Osborne. This is just one example from Neepawa.

I have an example here from MacGregor and I have lists of examples of towns all over the province. Swan River -- I can give Swan River. Swan River got lots of money too. But the fact is that we created jobs and this is what economic development is all about.

Mr. Speaker, I don't intend to be very much longer because I know others want to speak and I've never been known to be long-winded have I? Let me take a brief moment out to make reference to the Manitoba Development Corporation because I really think that this organization under our administration has had a new thrust. Whether you're talking about the small loans division that we've set up to help small would-be business men who have ideas but very little, if any, collateral; whether you're talking about the Community Economic Development Fund, which provides monies for employment opportunities in isolated communities; or whether you're talking about the equity position that is now being taken by the Manitoba Development Corporation, and I think these are new thrusts that are assisting us in the development of our province. I would say, Mr. Speaker, that there has been an exaggeration in the press of the loss situation suffered by loans in the case of loans made by that organization. As I indicated this morning since the inception of the MDC or as it was called, the MDF, I have been informed that there were 23 clients who have experienced serious financial difficulties, 23 in total, and of the 23 failures only three were a result of loans originating under the present administration. But, Sir, I would point out that the purpose of a government industrial development bank is to create jobs, not to simply be another orthodox financial institution and one should not judge the MDC simply by looking at losses but you should look at the number of jobs created, and I point out to you that the loss ratio -- as a matter of fact -- but we must exclude CFI because certainly CFI is a monstrosity which throws all other figures out -- but excluding CFI the loss ratio on the total loan activity of the MDC is less than three quarters of one percent. In fact, we might say it's too low, you know, that maybe we are too conservative, we are not daring enough in the types of loans that we make. And the newspapers never want to talk about the winners; the opposition really don't like to refer to the winners; but there are winners, and there are more winners than there are losers.

I want to refer just to two small examples. There is the case of Killbery Industries Limited which we supported. In 1971 the company had to shut down its plant and had a severe working capital deficiency, but in '71 we provided him with some management assistance, some financial assistance, they had a small loan from us. The entire loan is repaid back to the MDC, it's completely paid off, and the company is operating today at full capacity, employing between 100 and 150 people. But nobody wants to talk about that one.

Matthews Mechanical Limited: In the past six months it's received financial and management and technical assistance - all three dimensions from the MDC - and during this time it has doubled its staff to 80 people and its output has been tripled. This is in the last six months. Again, you know, no one likes to talk about the winners, or at least the opposition doesn't like to talk about the winners.

And, of course, you know, Sir, a government - an industrial development agency is not there simply to look for profits, but it's there for social reasons as well and I would say that we are not afraid to take equity, even if it means zero profits, even if we can simply break even, because the name of the game surely is to create jobs and to generate economic activity, to generate economic development in the province. And I would again refer, Sir, to our investment in Morden Fine Foods Limited, which at the height of the season employs 125 people and has 25 permanent employees. But the important thing is it generated a quarter of a million dollars worth of wages last year and it had paid out hundreds of thousands of dollars to 85 farmers who had contracts to grow peas and beans and corn and so on for the particular cannery. The fact of the matter is this is an investment by the Manitoba Development Corporation for economic development reasons but also for social reasons, because as I am sure my good friend from the constituency of Pembina will agree with me, the Town of Morden and the quality of life of Morden, and the whole area of Morden, is far better off today because of what the MDC did in the case of Morden Fine Foods Limited.

The Honourable Member from Assiniboia made reference this morning, you know, to the selective growth philosophy and what do we mean, and what's happening in that regard, and then the Honourable Member from Brandon West immediately begins to complain about Saunders Aircraft. I tell you, Sir, that Saunders Aircraft fits the criteria of selective economic

(MR. EVANS cont'd) growth, because (a) it's a high wage industry, (b) it's a non-polluting industry, (c) it's a high technology industry, and, (d) it contributes to decentralization of industry in this province. Those are four important criteria in selective economic growth, and I suggest to you that Saunders Aircraft fits all of them, and I say to you it behooves us as through the MDC to get this type of industry going and we have to be imaginative, we have to be prepared to take risks, we have to have some courage in order to develop this kind of industry and I think we have demonstrated this full well. --(Interjections)--

Mr. Speaker, I have always wanted to be a radio announcer and a commercial salesman. I would like to point out to members of the House that the brand name of the Morden Fine Foods Company is, "Once Upon a Time" and "Morden Manor". They are very fine products and I urge all members to support the farmers and the workers in the Morden area, and support the Manitoba economy by buying good "made in Manitoba" products. --(Interjections)--

I am reminded that I should draw my remarks to a quick conclusion, which I will. I just want to say this, that I have the feeling that members on the opposite side have an idealogical hang-up when it comes to MDC involvement in business, MDC equity in business. And I say, Sir, with all due respect, that you are not in the tradition of the true Conservative Party of Canada, because the true Conservative, the national Conservative Party of Canada has had a glorious record of using the government as an instrument to develop the Canadian economy. Read about Sir John A. Macdonald and his national economic policy. Read about, more recently, the establishment of the CBC under the Tories. Even the Bank of Canada was established under the Tory administration - it's in Ottawa. And the Canadian National Railways, under Sir Robert Borden, I believe. And look here in Manitoba: Manitoba Telephone System, Manitoba Hydro, I believe -- I'm not sure whether it was the Liberals or the Conservatives. The fact is that there are many, many cases of government involvement in business, and successful involvement.

Now I say, Sir, that we can't afford to have this idealogical hang-up that they are not in tune with 20th century thinking; that they are not aware that in countries of Western Europe - and I've got long lists of cases here - in France, many company state organizations that own all kinds of manufacturing facilities, whether it be Aquitaine, which is a mixed government private-enterprise, that operates in oil operation; whether you are talking about the manufacture of automobiles in France; whether you are talking about in Italy the manufacture of ships, oil, steel, and so on. There are examples even in the United Kingdom - Hovercraft Development Corporation was a state and private joint enterprise. There is the Industrial Re-organization Corporation founded in 1962 which makes mergers, creates companies. It even created one computer company out of many companies, and the list goes on and on. There are many examples elsewhere in Canada. Nova Scotia - look at the case of the steel plant in Cape Breton and the government of Nova Scotia made a success out of it. --(Interjection)-- They've got the biggest hotel in Canada?

Mr. Bennett, for my friend the Honourable Member for Rhineland, he was the last defender of free enterprise he told the people of British Columbia and the next thing we learned, he took over B.C. Electric and made it B.C. Hydro. Then he took over Blackball Ferries and made it British Columbia Ferry Company, and then the Pacific Great Eastern Railway - as the defender of free enterprise he took over the Pacific Great Eastern Railway, and he's doing a damn good job of it, he's making them go.

MR. SPEAKER: The Honourable Minister has five minutes.

MR. EVANS: Five minutes. In conclusion I want to use one more example, in conclusion I want to use one more example and that is the country of Japan. You know, if you can compare Canadian - I'm talking of all of Canada - Canadian economic growth with Japanese economic growth, there is simply no comparison. The fact of the matter is that the gross national product in Canada was about the same level as the gross national product of Japan in 1957. By 1970 our GNP had risen to \$93 billion, whereas the Japanese GNP had risen to \$235 billion. The fact of the matter is the Japanese had grown at least, well 2 1/2 times quicker than Canada did in this particular period of time. If you look at the figures on specific things, its output of cars, it increased far more rapidly than ours. Between 1960 and 1970 the output of cars rose from 165 units per annum to 3.2 million units per annum, an increase of 20 times in one decade. And there is other examples, machine tools, 200% increase; television sets increased from 3.6 million units a year to 12.5 million units a year in this ten year period. But the important point is this, the important point is this, that the Japanese experience

(MR. EVANS cont'd) explodes the myths that have . . . Canadian economic policy and the policy ideas of the members of the opposition for years and years and years. The Japanese have massive government management of industry and both the politicians and the businessmen in Japan work together. They find this convenient. They find it workable. The government draws up detailed programs for the development of industries, sets up comprehensive production goals and it works.

And I say, Sir, I say that the Japanese success could be a reliable guide to both adequate and a workable alternative, to policies which are nothing but negative, nothing but negative - policies in this country that are prevalent, so prevalent that they have led to an enormous amount of unemployment causing a loss of wealth which will never again be recaptured because once you have lost that wealth through time, it's gone forever.

So I say to you, Sir, in conclusion, that this government is well aware of the limitations facing this province but there is no worse a situation today than there was under the ten, eleven or twelve years, whatever it was, of the Conservative administration. As a matter of fact, it's a lot better, according to the official statistics. We are working hard at this job of creating jobs. We have got new programs, more programs than was ever experienced under the previous administration. I say to you, Sir, with programs such as the Provincial Employment Program, and a stepped-up public housing program, and many other related programs, that Manitoba is going to be, and will continue to be, one of the finest places and have one of the highest standards of living of any province in Canada.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I wonder if the Minister would accept a question or two? Earlier in his remarks, he referred, Mr. Speaker, to the out-migration and the problems and the normal population growth. I wonder if the Minister, just in round figures could give us an idea of what his department considers would be the normal population growth in Manitoba, annually.

MR. EVANS: I'm a little confused by the imprecision of your questions. You want to know what is the normal rate of increase, or do you mean - because you prefaced your question with reference to outward migration.

MR. MCGILL: I merely ask - the Department of Industry and Commerce must have an idea of what they would consider to be a normal population growth in Manitoba, aside from out-migration. In rough figures what would this be?

MR. EVANS: I've got ten thousand figures here someplace. The definition of the normal rate of increase would be a rate of increase that's been experienced for a long period of time. Take the average of the last twenty years and I would say it hovers somewhere around 1 percent. Just give me a minute - I may have the figure here. The Province of Manitoba has increased - well it depends on which period you use, and which set of statistics you use, but as of June 1st, 1971 according to Statistics Canada, the level was 988,000. In June 1970 it was 981. So there was an increase of 7,000 people. I would say that roughly speaking what we have been experiencing is anywhere from between 5 and 10,000 people. This is a net increase, but this is less than what would be experienced if we had the natural rate of economic - the natural rate of population increase. In other words, if you simply took births over deaths and had no migration whatsoever, then you would have a much higher rate of population increase but I can say this that according to the best information we have, which is our hospital medical records, the population of the province is in excess of 1,000,000 people now.

MR. SPEAKER: The Honourable Member for Swan River. The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Would the Minister accept one other question, Mr. Speaker? Did the conclusion of the Minister's remarks mean that the criterion for success in terms of economic growth, is it something that is no worse than it ever was?

MR. EVANS: That is not the criterion of success, Sir. I said it in my very modest way, in spite of all the doom and gloom that we read about in the papers coming from the benches of the opposition, and according to my reading of the statistics, surely the economic situation is no worse today than it was during the average experience under the Roblin and Weir administrations. But really, that's at the very best, at the very worst, looking at it in a little less modest way, I say that our performance has been better. If you look in terms of what's happened in retail sales, what's happened in factory output, what's happened in real wages, our performance has been better the last couple of years than the average of the eleven year period that I referred to. And those are the statistics. You can look at them

(MR. EVANS cont'd) and calculate them just as I can calculate them, and the fact is that in spite - this is my main point - that in spite of the economic recession that we have had in Canada, it is remarkable that we have had the economic growth that we have had in the province.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I have one more question for the Minister. He spoke with enthusiasm and considerable pride about the number of development programs which his department has in operation and which have been initiated since the term of his office. I was wondering, Mr. Speaker, if the Minister could tell us whether there have been any cost-benefit studies of these programs within the past two years? Have there been any studies in relation to the cost and the jobs produced?

MR. EVANS: Mr. Speaker, that sort of an analysis is a continuing type of analysis that any minister should make of any kind of a program, whether it be in education, tourism, or what have you. Every department has a research branch and every department and every Minister is concerned that we get the maximum value for their money spent.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): I bow to my honourable friend if I may, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I was wondering would the honourable member answer another question? Would you sell the Morden Cannery without wanting to take an equity position in it?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Mr. Speaker, the honourable member knows full well the story, the history of the Morden Food and I'll simply say this: we will do what's best for the people of Morden and for the people of Manitoba.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: I'm sure my honourable friend will understand my position. The Honourable Minister had a full kick at the cat and with the assistance of several of my honourable colleagues he's had four more kicks at the cat, and I hope, Sir, that I can go along without interruption or that I will not be the cause of any troubles coming your way. First of all, Mr. Speaker, may I greet you once more on behalf of those that I represent and I would wish you well with your arduous duties knowing only too well the stresses and strains of office but nevertheless as the days come and go I hope you will bear with us when problems do develop and we are a little overwrought by some of the things that are said on the government side of the House.

At the same time I would extend congratulations to the Honourable Member for Logan on his appointment to office as Deputy Speaker. I think he will carry out his duties with a great deal of success and be a credit to the House.

I'd be somewhat remiss too, Mr. Speaker, if I didn't extend my congratulations to the several ministers that have been appointed since we last sat and also to congratulate my colleague from Minnedosa. He put on a good clean fight and the people of Minnedosa obviously chose right because they gave him an outstanding majority. I am sure he will not let them down and will be a credit to the House as the days unfold.

Mr. Speaker, it has been customary for members of the House in this debate to use the opportunity to bring to the attention of the members of the House matters to do with their constituency. While congratulating the Honourable Member for St. Vital on being chosen the high honour of moving the adoption to the Speech from the Throne, I got the impression that in his constituency, anyway, he lived in a Utopia because he hardly mentioned it. He took the occasion to compliment the government on its many accomplishments. It was the things, Mr. Speaker, that he conveniently chose not to speak about that are important to the well-being of the province. And I think he passed over a very important opportunity. He praised the government in reducing the Medicare premiums. This is true, Mr. Speaker, but at what a price? The Premier shouted it from the housetops as an election plank and only whispered it where the \$20 million that were required would come from. He knows, and knows as well as I do, Mr. Speaker, that the premium being charged today doesn't pay for the labour the computer system, or the postage of the system itself. The honourable gentleman also, Mr. Speaker, forgot to mention that at the time of the entry into the system that time had to be taken in

(MR. BILTON cont'd) negotiations with the medical profession, a whole year in fact. And you know also, Mr. Speaker, he forgot to mention that someone goofed federally in the estimation of the initial cost of the plan. In that short time, Mr. Speaker, it was found that it was not going to cost the people of Manitoba \$20 million but rather almost twice that amount, and what of the cost today? It is running in deficit this year, Mr. Speaker, as we have been told. This in spite of the fact, Mr. Speaker, that health costs are now reaching \$100 million annually. Who would have thought that just a few short years ago? Our party, Mr. Speaker - and I take pride in reminding you of this - in bringing this system in were at least honest to the people and they billed them in accordance with the over-all costs in that first year of operation. We are now being told, not by the average man on the street or the average professional, that medical costs must be reduced. The Premier is telling us that ways and means must be found. I would be the first to say, Mr. Speaker, that the plan in itself is important because the health and the well-being of our people is paramount in my mind and always will be. I do however feel, Mr. Speaker, that the time is long past due when the administration of this system needs looking at and looking at very very seriously.

Just to give you an illustration if I may, Sir, in our local hospital in Swan River of 80 beds with a staff in excess of over 150 people, recently hired three security officers, if you can believe it, and put them into uniform. The whole community, Mr. Speaker, is up in arms. It is true there may be problems from time to time in an institution such as that but surely it does not require uniformed men parading about our institutions in rural Manitoba -- we're not that kind of people. This is not Chicago. And at enormous cost as far as our hospital is concerned for I'm told it's going to cost in the neighbourhood of some \$17,000 a year to the system to provide this service. In questioning the matter I'm told that it's included in the budget, so why not. Mr. Speaker, what nonsense. I'm suggesting that the fat must be cut out of this system and cut out soon because the people cannot afford to let it go the way it's going. Mr. Speaker, this is public spending gone mad. It may be small in the amount, \$17,000, but I'm asking that the system be looked into and this extravagance exposed to its nth degree in the interests of the public purse.

Mr. Speaker, not only that, as a layman looking on the executive of that hospital, I'm not talking about the people that care for those that are sick but those that care for the people that look after the people that look after the sick. Constantly on the rise. Everybody's got to have an assistant these days. Everybody's got to have a telephone, and other amenities. Somewhere, somehow, common sense has got to prevail or else I don't know where it's going to end up.

The same can be applied to our school boards, Mr. Speaker. In our school division the executive office staff is something just out of this line. I would estimate that the cost in part of that school division headquarters in Swan River would exceed possibly \$100,000 a year and increasing year by year by year with no thought, no thought of making do with this or that in the public interest. This I believe has got to be changed.

I believe too, Mr. Speaker, when talking of hospital boards that the time is long past when these men should be -- are to be appointed. It's my humble opinion that they should be elected by the local people. And furthermore at this point I would urge that at least once a year that the hospital board and the school board publish a financial statement in the local media for all to see. This has been denied, not purposely denied but grudgingly denied, and I think the people have a right to know how this money is being spent.

My friend from St. Vital spoke of the provincial works program. I congratulate the government on this effort. Does he however appreciate, Mr. Speaker, that this House approved only a short time ago a borrowing debenture of some \$30 million for this purpose. Now why wouldn't they get on with the job. The money was provided and the people are going to have to pay it back in the long run. Why shouldn't they proceed with times as they are, and again I congratulate them for having moved in.

Mr. Speaker, he spoke with adoration of the increase in the minimum wage. I would be the first, Mr. Speaker, to say that everyone should have a living wage. But the word "minimum", Mr. Speaker, is what it says. It's not the basic wage at all. My friends should own up to the facts of life for idle hands are being created up and down this province in restaurants, in grocery stores, filling stations and the like. Many have gone back to man and wife operations with shorter hours, shorter service. Some have closed down altogether. Little does he realize there is a growing public resistance against paying high costs of service and do you

(MR. BILTON cont'd) know, Mr. Speaker, the young people are being denied the summer jobs that they once had because small businessmen cannot afford to meet this. Regular employees in many instances will work only the short time necessary to place them in the position that would warrant unemployment insurance.

The regulations of this government, Mr. Speaker, to unionize everything in sight has dealt a crippling blow to the weekly press up and down this province. At present there are 27 unionized shops out of a total of 230 printing shops in Manitoba that are located here in the city. These weekly newspapers, Mr. Speaker, - an industry in which I am part of and an industry which I am proud to speak of today - are in trouble. Many of these weekly newspapers, Mr. Speaker, have been in operation for some 70 years or more and have been serving the people throughout Manitoba, rural Manitoba, some 500,000 in all. They've been dealt a serious blow. Here again how are you going to unionize a family-operated shop? These people are in the business of printing - have been excluded, Mr. Speaker, of printing orders in excess of \$200,000. I agree with the Honourable Member for St. Vital the NDP record is unequalled, Mr. Speaker, but at what a price. And he will find out as the months and years go by.

He spoke of the creation of the Northern Task Force, Mr. Speaker. Great praise for its efforts. In many instances, Mr. Speaker, I would be the first to say as a member of that Committee that the 1970 recommendations many of them have been acted on, and many of them are no doubt in the works to be acted upon in the future. But does he know or does he realize that with its reappointment a year ago the committee met for the first time only a few days ago to approve a recommendation reported and prepared by goodness knows who, but someone who did considerable daydreaming. Its rejection, Mr. Speaker, was supported by several of his colleagues. To me in the preparation of his speech it seemed to me that there was a question of the right hand not knowing what the left hand was doing.

He brought out the red herring of the Federal Government's lack of cooperation in agriculture. In company with several of my colleagues, Mr. Speaker, this matter will be dealt with in depth as time goes along. And he'll regret the day he ever mentioned that.

Swan River, Mr. Speaker, being some 300 miles north of Winnipeg has presented -- has been presented with many problems under the heading of "Unemployment Insurance", and I want to publicly extend my sincere appreciation for the outstanding cooperation I have received from the Unemployment Insurance Commission in their tireless efforts in the many complex problems that developed amongst my constituents, Indian, Metis and white alike, and I do appreciate what they did.

In years past, Mr. Speaker, I have appealed for improved police protection in Indian reserves, particularly in my area. I have particularly asked for the appointment of a special constable of native blood to be posted to Pelican Rapids. The Attorney-General presently has a brief before him signed by the Chief and Council Members which pinpoints the serious condition under which these people live. They pull no punches, Mr. Speaker, in no uncertain terms as to what should be done with the wrongdoers. One thing they do say, Mr. Speaker, is that our correctional institutions are too comfortable with free shelter, excellent food, amusements, TV, radio, sports, plus a leisurely way of life to able-bodied young men who prefer these facilities to any other kind of work. Some of them, Mr. Speaker, have been heard to boast after committing a crime, "Now we'll have bacon and eggs every morning". I agree with these sentiments, Mr. Speaker: I'm all for rehabilitation and a concerted effort to help and assist wherever possible, but, Mr. Speaker, I am against creating a hostel with conditions superior to many thousands of people who are struggling these days to make both ends meet. Our jails, Mr. Speaker, and penitentiaries are full to overflowing as never before. Surely a way can be found, and a human way can be found, to be reasonable. Mr. Speaker, I say this with all the emphasis that I am capable of that we appoint a warden and we hire a staff to do a job. It is their life's work. Why don't we let them do it within all the bounds of decency. This without the do-gooders constantly trying to get on the bandwagon, well-meaning as they may be but often ignoring the reason for the necessary confinement of individuals as a protection against society. The judiciary these days, Mr. Speaker, must wonder what it's all about. They deal with the offenders in accordance with the law and many of them having served only half of their sentence, and some even less, are turned loose. This, Mr. Speaker, is fine with me, but I say let them earn it. Let them prove to society that they are capable of accepting this privilege, and that they are no longer going to create the problem that put them there in the first place; but somewhere, somehow, a way has got to be found to see to it that institutions that we have for the purpose of correcting wrong-doing should be used to their fullest

(MR. BILTON cont'd) capacity for the purpose in which they were intended.

As an elected member, Mr. Speaker, I have the usual complaints, many of them against the abuses of welfare and sometimes a person is at a loss to answer. It seems to me that the adults are leaning on the children. I would be the last in the world to see a child go hungry, Mr. Speaker, for when you see a man and wife and eight or ten children getting the full effect of what welfare can pay to them, which is substantial I must say, being used for the purpose for which it is not intended, how are you going to deal with them? Another way must be found; the parents must be taught or somehow impressed that the children come first, because this is what society is intending to do with these monies.

Taxpayers, Mr. Speaker, are concerned up and down this province. I don't have to tell you. People in my area, as I am sure in other areas, are abusing the LIFT Program, the program that is administrated in The Pas. People will walk away from the average type of work in the interests of picking up the \$100 per week, tax free. Winter Works Project in Birch River I'm told - I believe there has been a grant of \$60,000 given to build a rink there. You know, Mr. Speaker, people are leaving jobs to go and work on this job because it pays a little more money. The welfare recipients in that community, I am told, are refusing to accept work because they are getting more money on welfare than they would get under that plan. How crazy is society getting when this sort of thing can go on? Other people are quitting their jobs and going on this program - what a mess! In my humble opinion, Mr. Speaker, any able-bodied welfare recipient should be compelled to become employed if there is a job there to do, and if he won't go to work, well then let him starve, I say. --(Interjection)--

I had a man come into my office one day, Mr. Speaker, and throw down his rejection by the Unemployment Insurance. He said "I don't understand it". "Well," I said, "read it." He said, "I don't understand it." He said, "I was on unemployment insurance" -- the government set up a brushing job for \$60,000; his mother got in touch with me to use my influence to get him the job -- I didn't use my influence but he got the job. Then he brings this form into me, Mr. Speaker --(Interjection) -- he tells me that he quit the job and he had applied for his unemployment insurance and they had rejected him. And I said "So they should". He was going to get more on unemployment insurance, Mr. Speaker, than he was going to get on that Public Work's program. I told him to get out of my office. If the job was only worth 25¢ an hour, he was entitled to go to work if it was coming out of the public purse, and he had no business to do that. And this is the sort of attitude and reaction that people are taking, Mr. Speaker, and who's to blame them with the softies over here handing it out as though it's gone out of style. --(Interjection)--

I spoke to the Minister a year ago. I asked questions with regard to rail abandonment between Dauphin, Swan River and Hudson Bay Junction. Mr Speaker, as each day goes by it's becoming more of a reality. He had nothing to report then, and he's certainly had nothing to report since. But I don't know whether he realizes that ten or twelve communities are going to be cut out of this, and something's got to be done.

Our postal service - I realize it has nothing to do with our front benches, Mr. Speaker, but the problems we are having in rural Manitoba, certainly in Swan River; the truck between Winnipeg to Dauphin, bringing the bulk mail for northern Manitoba, if it loses it's belt in that area, we don't get any mail for twenty-four hours. And I would ask the front bench to look into this and use their influence with the Postmaster General to correct this situation. Little do they realize, the post office department, that people in small communities must go to the post office day by day, by day, and with all the government material and mail that are coming to them, it's almost essential that they do. But having walked a couple of miles to the post office and finding that the mail is not there, and it is not there the next day, just through some mishap in transportation, I think this is going too far. It seems to me that if the unions paid a little more attention to giving service to the people instead of worrying about the God Almighty dollar, we'd get somewhere in this country and I'm asking the government to inquire into this.

We hear a lot these days about tradition, Mr. Speaker, and I congratulate the government on the firing of the guns this year. Last year, the army was out fishing but this year tradition was recognized and it took place. But the thing that did bother me, and I don't know why, we had the organ music on the opening of the House. I thought it entirely unnecessary and improper. However, it was done and I hope the day will come when this Chamber will not give the appearance or impression, musically speaking, of a funeral parlour because that's what it did. --(Interjection)--

(MR. BILTON cont'd)

The Attorney-General somewhat disappointed me with regard to the sign on the cars of the Royal Canadian Mounted Police where the proper title has been eliminated, or was eliminated, and the word "Police" put in there -- and the Prime Minister of this country having the nerve to suggest that the crest of the Royal Canadian Mounted Police, that has been in operation now for some 87 years, is not recognized by the people of Canada. He'd better have another think coming. He and his like - he and his like had better recognize that the Mounted Police forever have a cornerstone in the foundation of this country that will never be erased by him or anyone else, and I'm surprised that the Attorney-General did not take the opportunity of seeing to it that word went from this government that they would be no part of this and to put an end to this nonsense once and for all. After all, they are speaking on a level for all the people of the Province of Manitoba on such matters, and tradition to me, Mr. Speaker, is what we should maintain because as I have said before that our nation regardless of our efforts, our nation will go down in history as only as great as the history that we are endeavouring to make.

I feel competent, Mr. Speaker, that had the Attorney-General not only taken up this matter, but other matters that interfere with the background and the maintenance of the Royal Canadian Mounted Police, would have been applauded on all sides. It's not too late yet! So with those few words, Mr. Speaker, I thank you for your patience and the House for its confidence and I hope the few suggestions that I have put forward will take root and in some way the people of Manitoba benefit by them.

INTRODUCTION OF GUEST

MR. SPEAKER: Before we proceed I should like to direct the Honourable Members' attention to the loge on my right, where we have a visiting guest, a member of the National Assembly of Quebec, Mr. Claude Charron for the constituency of Saint Jacques. On behalf of the Honourable Members of the Assembly I wish you welcome.

THRONE SPEECH (Cont'd)

MR. SPEAKER: The Honourable Acting Minister of Public Works.

MR. DOERN: Thank you, Mr. Speaker. Like many other members of the Assembly I did not originally intend to answer the debate but listening to some of the opposition comments and in particular those of the Leader of the Official Opposition and the Leader of the Liberal Party, I could not help but to make some comment on their comments.

Mr. Speaker, a great deal of comment has occurred lately in this Chamber and in the papers about the fact that this government is tired, that the members of the front bench are tired, that the Premier is tired, and I would simply like to point out that theirs is not a flagging of spirits, nor a disillusionment with governing but is simply a fatigue resulting from the hard work and the complete effort of the New Democratic Party to run the affairs of this province.

Mr. Speaker, the Liberal House Leader made reference to the fact that there were numerous business failures, and according to his interpretation these are the result of the government and its programs. I think that my colleague, the Minister of Industry and Commerce, gave chapter and verse to show that those charges were indeed inaccurate and it's a pretty tough act for me to follow, because when the Minister of Industry and Commerce brings in his cans of beans and starts giving commercials a la Johnny Carson on The Tonight Show, it's not easy for anybody to follow that act.

I wanted to deal in particular with a couple of government programs to show that the charges made by the Opposition that the government is either harming or is not helpful to the business community, are indeed false. I would like to point out that opposition members seem to express some concern for the fact that there is a fall-off in construction in our province and, of course, it's obvious that in general for the last few years the Canadian economy has been in a bit of a downturn. On one hand they condemn us for investing in the public sector and then on the other hand they're concerned about the total amount of money spent. Well obviously, if they are concerned about the total construction dollar, they should applaud our efforts at public construction and not criticise us for them, because in building we are first of all adding to the health of the economy and providing better facilities, etc., for our people. I would like to cite as an example the new government office building which will shortly commence

(MR. DOERN cont'd) construction kitty-corner from this building, at 405 Broadway; and I would like to also mention that there are other new buildings that are being constructed throughout the province -- Brandon would be an example of that -- and I would primarily like to deal with our record and our support of the Winnipeg Convention Centre. Obviously the Convention Centre is, I think, an example of the government's interest and support for tourism and support for increased business in the Metropolitan Winnipeg area and throughout the Province of Manitoba. As is known, Mr. Speaker, the Provincial Government has put up \$7 1/2 million into a Convention Centre facility that will cost a total of some \$15 million, and this will be one of the major building projects, not only in this year but in many years to come. The other half, of course, was put up first by the Metropolitan Winnipeg government and then taken over by the new Unicity council. The building, of course, consists not only of a facility but also of some commercial space and parking.

There has been some discussion recently about the question of whether or not this facility should be actively promoted and I think that it's obvious that when you build a Convention Centre of that size, that you have to go into the market and make your case. First and foremost you have to sell the physical plant - you have to make people aware of the fact that here is a fine first-class convention facility, comparable to other sites in North America; and secondly, you must sell the city and the province. Conventioneers not only come because of the fact that they can adequately display at a convention, can have their facilities, their meeting rooms and a place to walk around, but they come because of the city. They come because of the cultural facilities, the sports facilities, the business facilities; they come because of the hunting and the fishing and the beaches and the other tourist attractions throughout northern, central and southern Manitoba. It's obvious that if you are going to pour \$15 million into a facility that you then don't spend money in promoting it. It's obvious that several hundred thousand dollars a year will have to be spent to compete for the business of conventions, and if you look at the City of Toronto you can see the kind of dollar that is attracted by conventions.

I also might point out that Toronto, which is one of the major cities in Canada, does not in fact have a proper convention facility. They have Maple Leaf Gardens and the CNE where conventions are held and where exhibitions are held, trade shows, etc., but in fact they don't have a first-class convention facility.

They attract some 333 conventions a year and the conventioneers, the people, the delegates and their families, etc., spend some \$30 million a year in the City of Toronto. In 1975 Toronto is going to have one of the biggest conventions of any kind, the 1975 Shrine Convention at which time 75,000 Shriners are going to invade the city for a week and will literally spend millions and millions of dollars during their time there. They will -- (Interjection) -- they will of course spend money purchasing articles, going to the nightclubs, going to the restaurants, using the hotels, etc., etc., - and of course gasoline for motor scooters and other incidentals.

Mr. Speaker, we're hoping that we can compete now and try to book conventions in the next ten years, because conventions are not booked one or two years in advance but often up to a decade ahead, so that we are planning of course a building that will open a couple of years from now - I suppose in 1974 - and we will have to start looking for business for '74 up to 1980, and some conventions are of course already booked. We'll be competing for years in advance. It is possible that we may attract as many as 18,000 new out-of-town delegates for new conventions, in addition to the people who come here now. It's estimated that if we attract that many people they'll spend some 2.7 million dollars. We may also attract another 40,000 visitors in addition to the delegates proper, who will spend some 800,000. The exhibitors and the people connected with setting up conventions will spend another million dollars, and this could bring in a revenue in the sense of general expenditures in our economy of some 4 1/2 million, which will then generate some indirect spending which has been estimated up to some \$18 million.

There is no doubt that some of the credit for the original concept must go to the Official Opposition because it was under their administration that some of the first studies were made in 1966 to '67 period. The New Democratic Party when it took office in 1969 was informed by the former Premier of a general commitment to proceed with the Convention Centre facility and the government began to carry the ball. I, myself, was personally involved from the time I was first appointed to Cabinet, and I was fortunate in being able to tour some of the convention centre facilities with the architects. There were months of discussion between

(MR. DOERN cont'd) the consultants and the planners; there were advisory committees of businessmen and technical people who all worked together to plan a first class facility and also keep it within certain bounds because it's a well-known fact that when buildings are first planned and when they are finally brought in there is often a divergence in dollars, and only through careful planning and cost cutting can you keep a building cost down. --(Interjection)-- I beg your pardon? --(Interjection)-- Well I would hope that when we are constructing modern buildings in this day and age that we would have air conditioning in the Convention Centre and some day, as well, I hope that this building will be air conditioned. And I'm sure that my honourable friend the Member for Rhineland when that fight takes place that he'll be one of the advocates of first-class working conditions for civil servants and MLA's.

Mr. Speaker, what are the advantages of building this facility? I would just like to review some of the benefits that are predicted, the benefits that are expected. First, it will create jobs; secondly, it will produce revenues which will help reduce residential taxes; third, it will attract new developments and investments; and fourth, it will attract tourists and convention delegates - not only help the economy of Metropolitan Winnipeg but of the Province of Manitoba as a whole.

In terms of jobs, it's expected that some 350 men will work on the convention site and that another 1,000 people will be employed in preparing the materials that will be used to construct the convention centre. We know that the Holiday Inn, which is also in the process of construction and some of the other projects associated with their developers, would not have been built without the convention centre. That complex, which is sponsored by one Lakeview Development, will employ some 500 people on construction and some 1,500 back-up who will be again manufacturing materials for the centre. So in total there will be employment for some 3,000 people if you look at the people directly involved in the convention site and the people who will be working on the materials for it, there'll be some 3,000 people this coming winter who will be involved and will have work as a result of this project. Full-time employees: the convention centre will not employ that many people directly because they will have a general staff and then others will come and work in the setting up of conventions and the taking down of materials, but the convention centre will probably employ some 50 people in the building when it's operating with about 100 people in a commercial site. The Holiday Inn will employ some 400 people in the hotel business, and there'll be some 700 other people working in the office complexes connected with that hotel. So you have some 1,200 to 1,300 people who will be working in a few blocks radius a couple of years from now.

We anticipate that through direct taxation there will be several million dollars that will accrue to the province as a result of the convention centre and the projects that it stimulates. We know that the Holiday Inn and the other projects will have a total value of some \$30 million.

In terms of tourism, and I know that the members of the opposition are continually encouraging the government to do more for tourism; I know that the Honourable Minister has the complete support of the government and he has the complete support of the opposition to promote the tourist industry in Manitoba. Many of my friends opposite - the Member for Roblin is well known as an advocate of tourism; the Member for Assiniboia supports tourism. Many, many people -- the Leader of the Opposition is continually encouraging us to spend millions of dollars in that regard, and we intend to develop our programs, to expand our programs, and I think that the convention centre is a direct and a clear example of government support for this important industry.

Mr. Speaker, I think that there is only one or two other points that I wanted to add. The convention centre will, I think, stimulate the development of the downtown Winnipeg area. I think this government has done a great deal for people throughout the province, especially concentrated on programs to help the farmers. It has spent a great deal of money in the development of the north, and in its programs for urban Winnipeg I think it has an outstanding record. I cite in particular the bill introduced by the Minister of Finance to unify this city, I think is one of the most positive pieces of legislation brought in by any government and will help stimulate our city. Because, Mr. Speaker, we are not just in competition, and we are really not in competition with the other parts of Manitoba. We are in competition in our province. It's not a case of does Winnipegosis grow, or does Winnipeg grow? We have to have strong urban centres throughout the province. We need a strong and a large capital city because the people who decide, who are attracted to the towns and villages and cities of Manitoba not only have to decide where they're going to live if they decide to move into a larger centre, but they have to

(MR. DOERN cont'd) . . . also pick between places like Hamiota and Dauphin and Brandon and Winnipeg, not only that but they must decide whether they will remain in Manitoba. And unless Winnipeg is strong and unless Winnipeg has attractive facilities, these people will go to Calgary and Edmonton, Vancouver, Toronto, Montreal and some of them will be lost to the United States. So I think it's important that we build the province as a whole but that we also give special consideration to keeping Winnipeg as the fourth largest city in Canada.

MR. SPEAKER: Before we proceed I should like to direct the honourable members attention that it has been brought to my attention that a number of honourable members are indulging in cups of coffee in the Chamber. -- (Interjection) -- Is it your pleasure to have this or is there any objection to this?

A MEMBER: No, no.

MR. JORGENSEN . . . objection to members having the opportunity of bringing coffee into the Legislative Chamber.

MR. SPEAKER: Shall it become a practice? -- (Interjection) -- Well since there is no unanimity, I shall have to refer the matter to the Rules Committee.

The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, if no one else wishes to speak, I would move, seconded by the Honourable Member for Churchill, that debate be adjourned.

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, may I suggest that with the concurrence of members of the House you might consider it to be 5:30?

MR. SPEAKER: Agreed? (Agreed) The hour being 5:30 the House is accordingly adjourned and will stand adjourned until 2:30 Monday afternoon.