

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, March 23, 1972

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed this evening I'd like to draw the attention of the members to the gallery where we have 14 members of the 84th Scout Pack City of Winnipeg under the direction of Mr. John Mitchell and Mr. C. Richardson. These scouts are from the constituency of the Honourable Member from St. Matthews. On behalf of the members of the Assembly I bid you welcome. The Honourable Member for Rock Lake.

COMMITTEE OF SUPPLY

MR. EINARSON: I would just like to take a few moments to deal with a particular matter that has concerned me in my constituency. Comments I think have been said from other colleagues from this side in our party in regards to the Estimates of the Attorney-General's and so I won't repeat. But before I get on to this particular item, Sir, I would like to stress and I think it's worth emphasizing what stories that we have heard. I realize it's not within the powers of the Attorney-General of Manitoba but what we do hear from the House of Commons, namely what the Prime Minister seems to have in mind, and that is concerned with the R. C. M. P. and I think it's worthy of repetition to state that I too feel very concerned about this particular matter. I think that under the judicial system of which we live, or the Monarchy namely, it is very, very important and I don't think there's a country in the world that has a better judicial system than which we have and I think that it should be preserved at all costs. And I too want to reiterate that the services and what the R. C. M. P. stand for in this country are world known and I don't know of any law enforcement agency that has greater respect than the R. C. M. P. of Canada.

And now, Sir, I would like to make comment of a particular problem that is concerned with one of the hotels in my constituency. It was brought to my attention and some of the details that were given to me when someone who is interested in getting into the hotel business, they go before the Commission to see whether they can acquire a license to get into that business. And from what I am given to understand, Sir, the chap in question was -- had been employed by the government and I believe it was the Federal Government for a number of years because, and I am given to understand that he didn't have any experience in the hotel business, according to the judgment of the Commission he wasn't qualified.

The other thing I am concerned about too, Mr. Chairman, is that if someone is in the hotel business or goes into it, he spends a number of thousands of dollars to improve his business and then decides he wants to sell it and if there is some monetary gain from it, the Commission sometimes don't seem to feel that this is justification for selling. The point I want to make here, Mr. Chairman, is that the philosophy of this government seems to be that if a man is in business and he's -- wants to make a few dollars, it seems to me that they think it's simple and I don't think that this is right, Mr. Chairman. I think that if a man goes into a business he is provided service in the business that he's entered into in the community where he lives no matter where that may be, I don't think that they should be penalized for this particular situation.

This is the one comment that I wanted to make, Mr. Chairman. I do also want to say that in some of the items as we will be dealing with them as the resolutions come before us in the Attorney-General's Estimates, there are areas in which I think that money can be saved; but I do want to say and I want to commend him here again on one particular aspect of this, is the legal aid that he has seen fit to grant to people in the province of Manitoba, but I have a particular matter that I want to bring forth and when we come to that resolution I will speak on it. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, likewise I shall be very brief. I wish to mainly bring forth one point and I hope I'm not going to be branded as a socialist because I believe in form and change. I want it made very clear that it has to do with the License Suspension Appeal Board and I'm certainly not saying this, that I have any objection to any of the members of the present Board or any objection to their existence but I have felt for some time that the system

(MR. BARKMAN cont'd) could be streamlined a bit as far as offenders are concerned that are offenders for the first time. I think magistrates could be given the authority to hear the appeals for a person that is suspended -- I want to reiterate on the first offence and I'm not speaking of the second or other offences.

I think that the role of the magistrates -- very often they have first class information concerning the status of the persons being suspended, where perhaps at times the Appeal Board while being very capable often do not have the immediate circumstantial evidence that magistrates have, especially magistrates that may be living in their own certain areas. I think first of all we can be saving a lot of money and also a lot of time and I don't mean money from the standpoint of magistrates salaries, I mean money as far as the public is concerned; and I want to reiterate, I think save a lot of time. In this respect I like the B. C. law and I'm sure my friend the Member for Rhineland won't mind me saying this. I understand the ruling there is that on the first count, or the offender is -- the case is cleaned up within 24 hours and I think this is the way it ought to be.

Mr. Chairman, I am also led to understand that repeat offenders are relatively low in comparison to the first offenders. And one of my concerns is this, if an individual appears before the Appeal Board very often this individual does not feel qualified to appear before that Board. This might sound rather peculiar but I think this is so for various reasons. Very often this offender is not familiar at all with public appearances and he already knows that he's endangered his own livelihood to a certain extent which adds to his confusion and in many cases he just simply isn't qualified to represent himself. And what happens? Usually this person has to hire a lawyer and charges perhaps between \$150 and \$175 and get good representation for that matter -- I'm not speaking about that but I'm speaking of the cost involved, and I wonder if this expenditure is really necessary. I for one say no, it isn't, not for the first offender. I definitely agree if this goes past the first offender this changes the conditions completely. But if the reports are true that there are relatively fewer offenders the second and third time, than the first, I think this should have some merit. I'm looking forward also in this respect that this could somewhat streamline the present conditions and I think it would save a lot of embarrassment to some of the first offenders.

So Mr. Chairman, to avoid costs -- and I'm sure that the Honourable Minister knows what number of offenders are involved; I don't but I think you can quite easily multiply this by at least \$125 to \$175 and this adds up to quite a large amount of money. And to give greater support to an individual, in many cases who has already learnt his lesson as far as suspended is concerned, I believe there comes a point where he can be overly embarrassed. Especially and I don't want to sound like a country hick -- but especially in the country I know this holds true for quite a few of our rural citizens. And in many cases these offenders have to travel many miles -- I'm sure the Minister is aware of this when they come in to be heard before the Appeal Suspension Board -- and adds to the cost of already costs that I mentioned before.

So Mr. Speaker, I thought -- I just wanted to bring this one point up at this time; like some of the others I think there are other points that I wish to talk about as we go along. But I think our magistrates are well qualified to do this in the case of the first offenders, and I can assure the Minister he is giving a lot of people even if he has been an offender, he's giving a lot of people a better opportunity to bring themselves back to their so-called normal society and of course avoiding a lot of hardships.

MR. CHAIRMAN: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Chairman, may I begin with the congratulations to the Minister. I have happened to meet the Minister several times I suppose between sessions and I have always found him co-operative, cordial. I could suggest though that he could have been nicer to us at the Miles Mac Collegiate and bought us dinner, but in spite of that I really have enjoyed the Minister in that office.

I want to concur, Mr. Chairman, with the remark made by the Member from La Verendrye. I too would like to see some changes or streamlining occur in that particular area. I know it poses some problems for the people of the rural community especially. I would also like to say in a general way that I often wonder if we should be thinking of a very basic principle in the field of law, a principle that would be based on removal of privileges that are accorded in our society, removal of privileges related to the kind of abuses for which we are prosecuting. I sometimes wonder if our laws are a little bit too punitive, not enough related to the kind of abuses that constitutes a break in the law.

(MR. GIRARD cont'd)

My purpose in rising however is especially to bring to the focus of the House a matter which to me is quite important and a matter which I have raised in the past, and that deals mainly with the matter of the administration of the Liquor Control Commission. I have mentioned in the House that a certain hotel had been told that they will be closing their doors in March of 1973. Unfortunately the Free Press referred to that particular hotel as being the Dominion City Hotel but I did not at all mention the Dominion City Hotel. I would appreciate very much if the proper corrections were made in the press. I extend my apologies in the name of the press to the people of Dominion City. But the hotel I was referring to was more specifically the Tolstoi Hotel and as I had mentioned at that time, Mr. Speaker; I would like to read the letter and table the same, the letter sent from the owner and operator of the Tolstoi Hotel to the Liquor Commission and the response from that same Commission. So if you will forgive me, Mr. Chairman, I would like to place that on record at this time.

The letter is addressed to Mr. Syms. "We are writing to you in response to your letter of March 22nd, 1971, in which your Commission through Mr. Teillet inform us that our beer parlor and beer vendor licences may be cancelled as of March 31st, 1972. We are deeply concerned about the approaching date regards to this proposal. We hope that you will forgive us for being somewhat lengthy in our letter but we wish to establish clearly our position and we feel it would be regrettable if the proposed action of closing our hotel would be brought about without a thorough understanding of our position as well as your own. Firstly we think appropriate the responsibility of your Commission. We understand that it is the responsibility of the Manitoba Liquor Commission to provide adequate services for the catering public in Manitoba Hotels and we also appreciate your desire to improve conditions throughout the province as much as possible. We think that we have in the past been treated fairly by the Liquor Control Commission and in turn we have attempted to operate our hotel within the dictates of the Commission and to satisfy both the public and your commission. We hope and intend that this should continue in the future. We would like to make reference to a letter received from Mr. J. Picken, Chief Inspector from also Mr. Muzychuk's structural inspection of our building. It is a little difficult to understand how Mr. Muzychuk's report was interpreted as we read the letter from your Commission dated December 3rd, 196 --" (I believe that's '61) "We also feel that the letter of December 3rd written by Mr. Teillet shows an abrupt change in the attitude of your Commission with regards to our hotel. We would very much appreciate your comments on these changes.

As you no doubt know we have been operating the Tolstoi Hotel for the past 29 years. Since 1942 we have served the public at our hotel without serious difficulty encountered from complaints from the public, infractions of laws or directions from the Liquor Commission. We have attempted to operate our hotel as well as we could within the rules and regulations provided. To be of service to our community we have also maintained in our hotel a telephone switchboard for 25 years, telephone bill collections for many years, and even now we have agreed to deliver many telephone calls to residences without this service. We have been of service to our community by having a bus depot at our hotel for the past 20 years. We are now agents for the Manitoba Medical Service and have been for several years. We can justly say that the Tolstoi Hotel has served the community for many years and continues to do so. We are convinced that the closure of the hotel would inconvenience seriously a group of people who have for many years frequented our hotel with some satisfaction. In fact it would not be strange to consider the hotel as the heart of our community. As we have suggested the Tolstoi Hotel is really the service centre of the people of Tolstoi and surrounding areas. This hotel is therefore dependent on local trade for its business and not the passing motor trade. Our operation therefore reflects the traditional, modest yet cozy atmosphere that our local residents appreciate and use as a community service.

We realize that we are not equipped as well as we would like to be to serve the tourist trade with a Holiday Inn. In the past years we have considered the possibilities of establishing a new building such as we have thought the commission would like to see established in Tolstoi. We have realized however that our business is from local trade rather than from the passing motorists mainly. Although we have not conducted a feasibility study we are under the impression that our population and our tourist friends would not be sufficient to make this kind of venture viable and economical. We ourselves feel that should you decide to cancel our licence to operate a hotel in Tolstoi the result will be no hotel at all.

(MR. GIRARD cont'd)

"Although we could not embark on the venture of building a new hotel ourselves we do not wish to stand in the way of progress and we do not wish to stand in the way of a new hotel construction that might be undertaken by someone else in our town. We therefore agree that should a new hotel be built in Tolstoi it would seem reasonable to us to have our licence discontinued at the time -- at the time in order to provide a better climate for the new operator. It would seem fruitless however to deprive our community of the services that are now provided by a hotel unless we are prepared to open operation in another building. We think it would be reasonable to expect the commission to maintain our hotel operational until such time as this hotel is being replaced by another without having our community deprived of these services.

I'm now 58 years old, my wife is 51. We would expect to maintain operations until my retirement age in order to complete our working years with some dignity. It is a little difficult to expect that after serving the public for 29 years a person is suddenly told that his services and his operation is no longer useful to his community and that he must discontinue his operation, change his way of life and be replaced by no one. We could understand this kind of move more readily should there be a new building under construction and new operation be launched; however this is not the case. As long time residents of Tolstoi may we indicate to you that your decision as outlined in your letter of March, '71, will be difficult for us to accept and will also be difficult for the people of our community to accept. We cannot help but see it as another encroachment by our big brothers from Winnipeg in our simple rural and satisfied way of life.

We would like to propose an alternative to your letter of March, '71. We would like you to consider keeping the hotel in Tolstoi open and operational with a beer vendor and beer parlor licence as it has had in the past for at least another seven years unless this hotel is being replaced by another. We would be happy to relinquish our licence and our business to a new establishment on the very day that it would open. We would be further prepared to make reasonable improvements to our building in order to keep it presentable and satisfactory to our clientele.

We feel sure that this particular matter could be discussed and a reasonable decision reached with regards to the costs of improvements on a yearly basis for the coming years. As you can understand it is difficult for us to operate on a yearly renewal of our licence without any indication of the date at which cancellation might occur. We would be satisfied however to think of a seven-year existence that might be cancelled at any time when a new building opened. With this kind of arrangement we can see ourselves making significant improvements to the building each year.

Although our community of Tolstoi has been depopulating over the years we feel it is still very much alive and we think it reasonable to ask you to treat it as such. A very integral part of our life -- of the life of Tolstoi community rests on your decision. We appreciate your responsibility; we respect your judgment and we ask your serious consideration of our proposal which we think is reasonable. For us and for the people of Tolstoi this is a very vital matter and we look forward to your response to our suggestion."

Now, Mr. Chairman, after that kind of letter I would like to read the response that was given this operator to that letter. It is addressed to Mr. and Mrs. Kolidinsky.

"I am directed to advise you that the meeting held on January 4th, 1971, the Licensing Board recommended renewal application for licences for the 1972-73 licensing period be sent to the Tolstoi Hotel, Tolstoi, Manitoba. The Board wishes you to be advised of the following policy. Except under special circumstances acceptable to the Board such as compassionate ground the Licensing Board would not approve the sale of a hotel on a life limit except where the condition of the sale provides for replacement of an old hotel by new premises. Since it is not your intention to replace the present hotel the board wishes to serve notice to you that it will therefore accept an application from any qualified person or persons applying for licences for a new hotel in Tolstoi. It is the decision of the board that licenses will not be re-issued for the present hotel after 1972-73 licensing period which terminates on March 31st, 1973. As it is the opinion of the Board that the citizens of Tolstoi and the surrounding area deserves a much more improved facility than is now provided. The commission concurred in the above recommendations of the Board. Yours truly, Mr. L. Teillet."

MR. F. JOHNSTON: The government will build the hotel.

MR. GIRARD: Now, Mr. Chairman, as I have remarked before . . .

MR. F. JOHNSTON: . . . the writing's on the wall.

MR. GIRARD: I understand the responsibilities of the Liquor Commission. I'm in agreement with them that it is desirable to improve the facilities in Manitoba but I am not in accord that they should be dictating from their tower the kind of premises that must exist in Tolstoi without considering the locality, without considering the people of the area, without considering the desires of the community at least to some extent.

I would have liked to have been given more time; I understand that there are petitions being circulated in the area and they now have a considerable number of names which likely will be submitted to the Liquor Control Commission. It is another sign of big government telling us just exactly what we must like and what we must not like and I suggest to you, Mr. Speaker, that it is time the Liquor Commission reconsider this particular case and if there are others like it to reconsider them with the view of accommodating as much as possible without standing in the way of progress such as has been suggested by the author of that letter. Thank you.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: I am most grateful for the opportunity to congratulate the Honourable Minister in his presentation of his estimates, and again for us in opposition to have some time -- which I think is our right -- for the opposition to try and bring our views and some maybe of policy that may be helpful to the Honourable Minister in dealing with the problems to try and make Manitoba a better place to live. And I have two or three problems that I'd like to draw to the attention of the Honourable the Minister and the one that comes to my mind real quickly is the matter of a man who due to an impaired charge couldn't pay his fine, and it was some \$400.00, so he was picked up on a certain day and I understand his interment in Brandon Detention Centre will be 60 days, so his wife and family are left. If it had been 90 days the state would have provided for his wife and family. Unfortunately his penalty will be 60 days so the mother and the family are left I guess at the expense of the local municipality and I don't think we have to debate that at any great length. I'd just like the Minister to recognize it is a matter that I think needs some consideration.

The problem of Ethelbert, Village of Ethelbert, I'm sure the Honourable Minister is well aware of that problem where the R. C. M. P. have a detachment right on the outskirts of the village; and a problem occurred in the village and the R. C. M. P. for some unknown reason can't come in there and police that village -- and I shall not dwell on that at any great length because the Minister is well aware of the problem but I think it is a matter that needs some attention.

I look at also the problem of the Village of Grandview, I guess maybe it's a town status, but who again cannot afford the luxury of police protection from the R. C. M. P. due to the fact that their tax base is so overloaded. They just can't raise that kind of money and again they keep coming to me and no doubt have spoken to the Honourable Minister from time to time to try and resolve that problem. It's a difficult problem and I'm sure the Minister and his department will likely with their great wisdom will hopefully resolve what is a very serious problem. I happen to live in an unincorporated village who have no R. C. M. P.; basically they're not in contract with them but I live between the towns of Russell and Roblin. Russell's got 12 I think of a detachment, and almost every day I come out of the House I can shake hands with an R. C. M. P. officer and yet we're not involved. It's the Towns of Russell and Roblin that are involved in the contract with the R. C. M. P. but because we happen to live in between we're getting adequate and most adequate police protection for which we are most grateful.

The other question that I would -- and I notice in going through the Minister's estimates that the Land Acquisition estimate is already -- is deleted and I wonder -- and I've searched through the estimates to try and find where that particular item went. It's -- maybe the Minister will explain that in his reply to the various members who have spoken on this item.

But regarding law enforcement I think it's a matter, Mr. Chairman, that does need some consideration and possible some debate in the House and whether this is the occasion to do it or not I'm not quite sure but in your, Mr. Chairman, and the Minister in their wisdom no doubt will guide me as I try to get my thoughts along on this particular subject matter.

And I notice in going through the Minister's estimates that the monies that are appropriate for this item is up some 35 percent this year. It's 4,544 million dollars and as I recall looking back through 1970 and 1971 I notice in 1970 the item was some 3,162 million, in '71 it's 3,364 and the increase of that particular period was as I can analyze it some 7 percent. And, Mr.

(MR. McKENZIE cont'd) Chairman, the magnitude of this new increase suggests to me that the Minister and the government intend to assist in meeting the costs of police protection in the smaller municipalities and if that is the Minister's intent I fully support the principle, because as I've already pointed out many of the small towns and villages and municipalities of this province are experiencing untold problems as they attempt to meet the costs of policing. And it may be well that part of the increase, Mr. Chairman, can be related to the general increase in the costs of R. C. M. P. service in this province.

But in dealing with this increase from another angle, Mr. Chairman, I find two or three questions that are raised immediately and I hope the Honourable Minister will in his wisdom find an answer for them. I would ask the Honourable Minister how do these figures, or where do they reflect like your intent or the government's intent to provide more funds to these small municipalities and villages of Manitoba to meet their police costs if in fact they are there. And I could accept an increase of 15 percent for police protection as being realistic and reasonable. But that in my opinion I think should be the upper limit for this particular year. Increased cost sharing with other municipalities and of course with the municipality where I live or the municipality that I've drawn to the attention of the Honourable Minister is rather difficult at this time because this is another cost that must be borne by the local taxpayers; and because police protection is loaded against the real property tax base as part of the general cost of protecting people and their property it becomes a very difficult problem and of course the problem, the real problem or difficulty, Mr. Chairman, is that the real property tax base is already loaded to the hilt with education costs.

And our party, the Conservative Party, in course of debate will hopefully suggest some ways or means where tax relief for the people of Manitoba in the amount of some \$20 million can be directed towards alleviating these reduction of education costs so that the people can provide for their own police protection. And I think that would compensate for any failure to provide assistance that the people could meet their own police protection costs, if we could find ways or means to provide them with some relief from the huge tax that is being charged at this time.

And, Mr. Chairman, the essential point I think is simply this. Subsidizing the cost of police protection is not the answer. I think the answer lies in reducing the tax load on real property so that the municipalities and these small towns and villages can raise their own taxes to finance their own police protection. And I think, Mr. Chairman, we must remember of course that almost all the costs of police protection in the larger cities are met by the taxpayers that live in that larger city; and while a substantial portion of the costs of policing these smaller centres across the province, rural Manitoba, is met by the Minister and his government under a contract with R. C. M. P. I think the time is right here when we must take maybe another look at it and see if we can't change our course. I would suggest that possibly increases in law enforcement could likely be reduced to a figure in your estimates of some \$3, 700, 000 from the 4.54 million that's recorded in your estimates. I hope in the course of your estimates, Mr. Minister, that we can debate this and hopefully provide the people, especially rural Manitoba with the police protection that they are asking for, but unfortunately they can't afford, due to this overloaded tax base.

MR. CHAIRMAN: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): Mr. Chairman, I wasn't going to speak at all tonight but after all the discussion we have had on pornography and of seeing movies and as a man who spent 18 years in the Springhill Coal Mine, I object, and object very strenuously, to the 90 minute movie "Springhill" that was shown on CBC last night. It was a false, phony, cheap and utter nonsense and did nothing, nothing at all to portray the true picture of the Springhill disaster. The producer was almost thrown bodily out of Springhill on this picture, Mr. Chairman, when he tried to capitalize on the suffering and the hardships, emotions of people who want to leave their dead in peace, and if there's any way we can stop this type of picture, I'd like to have it done. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, it wasn't my intention to participate, at least on the first item of the Minister's estimates but since the Liquor Control Commission is not itemized as a part of the estimates, I presume that one has to deal with it on the first item or not deal with it at all. My remarks are simply prompted by the comments made by the Member for Emerson and the letter that he read into the record, dealing with the

(MR. JORGENSON cont'd) stated intention of the Liquor Control Commission to close down the rural outlet in Tolstoi.

Mr. Chairman, I happen to be familiar with the area having had the privilege of representing the Tolstoi district in the constituency of Provencher in the House of Commons for 11 years. I know the people who live in this community. I know their desires, their ambitions and their hopes to be able to maintain the community that they live in, and I see in this example of the Liquor Control Commission a desire on the part of this government to eliminate rural communities in the Province of Manitoba. I see in the Liquor Control Commission, an extension of the arm of government in an effort to insure that rural communities must live by the standards that are set by bureaucrats, who know nothing about living in rural communities, an attempt on the part of bureaucrats to establish standards of living for people who live in rural communities and to tell them that they must live up to the standards that they set or move out and see, I don't know of anything that is more ridiculous or more crassly stupid on the part of a branch of the government to attempt to impose living standards on people who want to establish their own standards.

For many, many years, Sir, people in rural communities have been content to live the kind of life that they feel -- not the kind of life that the Liquor Control Commission feels or the government feels or the Premier of this province feels or anybody else -- but the kind of life that they want to live. And it seems to me, and it seems to me that the Liquor Control Commission is being used -- since the Chairman of that Commission is a former president of the NDP party, it seems to me that they are being used as a tool to insure that despite the loud proclamations on the part of the government, that say "oh yes, we want to retain the rural communities, we want to do what we can to insure that they survive". If that is true, Mr. Chairman, here is an opportunity to direct, at least one branch of the government, that the people living in rural communities have a choice of determining what kind of facility they will use, what kind of living standards they will adopt on their own and what kind of life they will lead.

MR. SCHREYER: . . . tell that to Major General Rogers.

MR. JORGENSON: I should tell that to the First Minister, who is so adept at interjecting when other people are speaking, always -- and you know, in one moment, in one moment, the First Minister is going to rise on a question of privilege and he is going to proclaim that I am out of order one way or another. This is a habit of his.

The Member for Inkster in a speech the other night was very loud in proclaiming that the opposition are not doing a job of opposing and yet -- Oh yes, I hear, "hear, hear" from the other side of the House -- and yet on every occasion when we strike a sensitive nerve, on every occasion when opposition is presented from this side of the House, the First Minister rises in his place on a question of privilege or a point of order, destroys the opposition, and protests, and protests because opposition is coming. As a matter of fact, on two or three occasions during -- the Attorney-General is one of them -- during the course of the Throne Speech Debate, during the course of the Throne Speech Debate, said, "How come we never, how come", he said, "we . . .

MR. CHAIRMAN: A point of order has been raised. The Honourable Minister of Finance.

MR. JORGENSON: I knew it.

MR. CHERNIACK: I believe, Mr. Chairman, that the rules require that a member when speaking should speak from his seat and not from away from it. The honourable member keeps walking into the aisle and it confuses me to know who is indeed speaking.

MR. JORGENSON: The Minister of Finance raises a legitimate point of order. I do have some difficulty because of the fact that that chair is so close to the seat I have some difficulty standing there. I'll move over here and perhaps I'll speak into the microphone so that the Minister of Finance, so the Minister of Finance will be able to hear the words of wisdom that I am imparting to this Chamber.

But as I was saying, even the Attorney-General a little while ago, during the course of the Throne Speech Debate complained mournfully because the opposition never had anything kind to say about the government. He suggested that this is a sort of a Soviet Congress where they gather together and indulge in self praise. I want to remind the Attorney-General this is the Legislature of Manitoba and that the task that lies before this Legislature is the opportunity of the opposition to examine the government's legislative taxation and spending program. Sir, we are doing that; we are doing that, and during the course of that examination, Sir, I am

(MR. JORGENSEN cont'd) attempting to point out that the kind of, that the kind of policy . . .

MR. MACKLING: I rise on a point of order, Mr. Speaker.

MR. CHAIRMAN: Point of order has been raised by the Honourable Attorney-General. State your point of order, please.

MR. MACKLING: I am reluctant, Mr. Chairman, to raise the point of order when the honourable member is in such a glorious flight of words, but in no way have I in any manner indicated the course of conduct he attributes to me. I could search Hansard and I am certain that he can too and find that his remarks are absolutely without foundation. If he is attempting to paraphrase, quote, re-establish in some way, I would like to hear the words that he indicated that I indicated that there was some lack of concern to be self praising towards the government and being somewhat of a Soviet yes congregation. I don't know where my honourable friend invents such a dialogue.

MR. JORGENSEN: I must confess to the Attorney-General -- you know he has no point of order, of course, that, Mr. Chairman, you will recognize -- but I must confess to the Attorney-General that some of the conclusions that I express I drew from myself, from the words of the Attorney-General in which he was mournfully complaining that the opposition never had anything kind to say about the government, and that's true. You know, I must confess that there is very little that we can say about this government that can be kind and be honest. What we attempt to do, what we are attempting to do is to point out the error of government's ways, and this is just what I am doing now, pointing out the error of government's ways in attempting to direct to rural communities, direct to the rural communities the standard of living that they must adopt, the standard of facilities that they must have, in order to even drink a glass of beer, the standard of living that they must have in their homes, what their water facilities must be, etc., etc. Sir, it's an indication, it's an indication on the part of the government as to how they intend to direct the total lives of the people of this province.

The First Minister, Sir, the First Minister is very eager to ask me a question and I want to say right now that I want to give him every opportunity to get all the information he can so that he can become much better informed on the way of life in this province than he apparently is at the present time.

MR. SCHREYER: I thank the honourable member for his kind offer, Mr. Chairman and ask him whether he is in any way trying to pretend that in the days when Major General Rogers was the Liquor Commission Chairman, or Mr. Halstead, or any of those years, that there were not certain standards and requirements that were enforced by the Liquor Commission of those days? Is the honourable member pretending that there were no such standards?

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: There have always been minimum standards. I'm not objecting to minimum standards but in the particular instance that was illustrated by the Member for Emerson, this is not simply a minimum standard that they're attempting to impose on a rural community. This is a dictum. This is a high handed dictum on the part of the Liquor Control Commission to determine the living standards of the people in a community, and it's this sort of thing, Sir that I object to. This is one branch of the government that is being used -- the First Minister wasn't in the Chamber, the letter was read into the record by the Member for Emerson. It has now been tabled and I hope, I hope that the First Minister takes advantage of this opportunity to peruse the contents of that letter and then having determined its contents, to use the influence -- well one questions how much influence he really has -- but to use what influence that he does have in insuring that the Liquor Control Commission is not being used as a means of destroying rural communities.

MR. CHAIRMAN: Resolution No. 22 (a). The Honourable Minister of Labour.

MR. PAULLEY: I don't want, Mr. Chairman, to hold up the procedure of the House but reference has been made to a letter that was tabled by an honourable member of the committee and really, it's not a letter, the original letter, but it looked to me as though it was about the twentieth copy going through the gristmill because it was hardly legible, even to the Premier, who is a young fellow, or myself who is relatively older and I wonder whether really, it is proper for the tabling of a document like this, because it is not the original. I am not going to pursue this, but I would suggest in all due respect that when a letter is read and asked to be tabled, it should be the original.

MR. JORGENSEN: On that particular point . . .

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Since the letter was one that was directed to the Liquor Control Commission, one could logically presume that the original is in the hands of the Liquor Control Commission.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I agree with my honourable friend that it could logically be presumed but -- and he may be perfectly correct. But surely to goodness we are entitled to more than the twentieth carbon copy in this Assembly.

MR. CHAIRMAN: Resolution 22.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. JOHNSTON: Mr. Chairman, I would like to just briefly rise at this time, because as the Member from Morris mentioned, there is no place in the Attorney-General's estimates to speak on the Liquor Control Board, so naturally it has to be done under the Minister's Salary. I just want to bring up a point very briefly. That there was a certain amount of discussion, and there was a certain amount of advertising, or I guess it was written up in the paper. I believe the Chairman of the Liquor Control Board was on by-line one time when this matter was brought up. I even believe that the Premier commented on the business of hotels changing hands and people selling licenses. It seems to me, Mr. Chairman, that anybody who has a hotel that has a liquor license is naturally worth more than one that isn't, so therefore that you can assume if the hotel does more volume for that reason, that license would make it more valuable. That's a logical conclusion. But also if a man were to own three hotels and one didn't have a license, it would be worth less than the other two and if two of them did and one of the ones that did, did more business than the other it would be worth more money than the other. But it seems to be a habit or it was a policy of the Chairman of the Liquor Control Commission to stop, basically stop the sale of a hotel in my opinion by saying that he would not transfer the license and the reason he gave in this particular case was the fact that he didn't think that the price that was being paid for the hotel was such that the new owner could make money. Now I admit, Mr. Chairman, that there are some extenuating circumstances surrounding these situations and I would suggest that if those circumstances are being practised that they be investigated in some way. But, Mr. Chairman, I don't think anywhere in the Act or the Liquor Control Act, that it says that the Chairman of the Liquor Board can basically stop a sale by not transferring the licence. He naturally does stop the sale because the buyer will not purchase the hotel if he doesn't get the liquor licence. This is an encroachment again into the private dealings of other people. This is an encroachment into an agreement between two people to make a sale or of a man purchasing. I don't know why the Attorney-General would allow the Chairman of the Liquor Board -- he comes under his jurisdiction -- to assume that he has those rights or that he should be able to use his offices to interfere in that respect and I think, Mr. Chairman, that unless there is a laid down policy or that this legislation says that the Chairman of the Liquor Board can do that, he has absolutely no right to do so.

A MEMBER: Read the Acts. Read the Acts.

MR. CHAIRMAN: The Honourable Attorney-General.

MR. MACKLING: Mr. Chairman, it is my understanding that pursuant to the rules in two and one-half minutes or thereabouts we must turn to -- (Interjection) -- I doubt that very much -- we must turn to private members' resolutions. As a result of the contributions of the honourable members I have some number of pages of notes to which I would like to allude and make comment on some of the very worthwhile contributions that have been made and I doubt that I could do that in two and a half minutes, Mr. Chairman. I would suggest that we call it 9:00 o'clock.

MR. CHAIRMAN: Agreed, 9:00 o'clock? (Agreed) In accordance with our House Rules the hour from 9:00 to 10:00 is Private Members' Day. Committee rise and report. Call in the Speaker.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I would like to move, seconded by the Honourable Member for Osborne, that the report of the Committee be received.

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

MR. SPEAKER: This is the private members' hour. According to our schedule on Thursdays we have Public Bills for Private Members, Private Bills, Private Members' Resolutions and Orders for Return. I would be of the opinion we do not have any public bills for private members at the present time or any private bills, so we will move to the third item, Private Members' Resolutions.

The Honourable Member for Riel on the first proposed resolution.

PRIVATE MEMBERS' RESOLUTIONS

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Swan River THAT WHEREAS there is widespread concern about Manitoba Hydro's proposal to alter the levels of Lake Winnipeg, Cross Lake and other waters of the Nelson River system, and

WHEREAS the environmental threats to these lakes have not been clarified, Mr. Speaker, in the resolution it reads "classified". I would like to change that to "clarified". (Agreed), and

WHEREAS Manitoba Hydro has not provided substantiated evidence to show the power benefits for the proposed regulation, and

WHEREAS the people around Lake Winnipeg believe the program will not produce either flood control or power benefits commensurate with the environmental and financial costs, and

WHEREAS the present program being pursued by Manitoba Hydro is at variance with the basic intent of the Manitoba Hydro Act, and

WHEREAS the unnecessary added costs will be borne by the Hydro users of Manitoba, and

WHEREAS the Chairman of Manitoba Hydro is unwilling or unable to provide frank and complete answers to questions relating to the added costs, and

WHEREAS the recent Manitoba Hydro Task Force was restricted from examining all economic alternatives for northern hydro power development, and further from presenting a complete interpretation and recommendations based on their own professional work, and

WHEREAS the published engineering evidence indicated clearly that Manitoba Hydro is making a serious mistake by basing its policy on the Chairman's lonely interpretation and decisions,

THEREFORE BE IT RESOLVED that this Legislative Assembly request the Government to prohibit Manitoba Hydro from any further work on Lake Winnipeg regulation until such time as a thorough independent and non-political review is complete to show:

- (a) the cost of regulating Lake Winnipeg, documented by sound engineering and environmental evidence;
- (b) the expected benefits year by year for the next twenty-five years -- Mr. Speaker, that was-- I intended that to be 25 years, if that's acceptable.
- (c) the true comparative costs of all economic alternatives of northern hydro power development.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I suggest that maybe it would not be necessary for you, Sir, to read out the whole resolution. We are prepared to accept the resolution with the clarifications of my honourable friend, the Member from Riel, namely in the second Whereas, the word "classified" is changed to "clarified" and in (b) of the resolution itself, the changing of the word "five" to "twenty-five". And I would suggest, Sir, if it's agreeable to the House we accept that and I would not suggest that you should read the whole resolution again because it is now recorded.

MR. SPEAKER: The resolution as moved. Are you ready for the question? The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the decision of the government to alter control and alter the levels of Lake Winnipeg is the greatest waste of public monies that's ever happened in Manitoba and the intention of this resolution is to make one more attempt to have the government review this in a dispassionate non-political manner by a group which is capable of doing so. The request is not different than we made last year but the evidence supporting that request, Mr. Speaker, mounts and has mounted month by month and day by day, since this Session last sat.

We've seen, Mr. Speaker, no later than yesterday, a statement coming from the Chairman of the Manitoba Water Commission. A statement, Mr. Speaker, which I have checked out with him today to see if he was taken out of context. It's my belief, Mr. Speaker, that the Chairman of the Water Commission was not taken out of context. I have checked this through

(MR. CRAIK cont'd) with him and I am satisfied that what appeared in the Tribune yesterday is fact and Mr. Speaker, I must

MR. SPEAKER: Order please. The Honourable First Minister on a matter of privilege.

MR. SCHREYER: Yes, Mr. Speaker. My point of privilege is that I was asked in this House yesterday to comment on that statement; I rose at my place and said that I had communicated with the Chairman and I had been advised that the statement as reported in the press was taken out of context. I have stated that here and whatever the impression of the Honourable Member for Riel may be, under the rules of this House, he knows what he has to do.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I believe the statement that was made in the Tribune yesterday to be quite true and very factual. And I must say that I don't think it is a good reflection on the First Minister of this province to have passed that off as being bad journalism which essentially is what he did.

MR. SPEAKER: Order, please. The Honourable Member is imputing and is also inferring. The Honourable First Minister stated -- if I heard him correctly -- that the item itself was taken out of context and I think that's the point of privilege that was raised. I think the honourable member should take cognizance of it. The Honourable Member for Riel.

MR. CRAIK: Well, Mr. Speaker, I think I am perfectly entitled to say that upon my review of what was said in the paper and my discussion with the Chairman of the Manitoba Water Commission that essentially what was stated was pretty close, as close as I would expect anyone to be to the facts. And I do not think it is appropriate for any member of the government and particularly the First Minister to imply that what came out was not fact because it was.

MR. SPEAKER: Order, please. I believe I asked the honourable member and I stated exactly what I had heard, that the matter was taken out of context. He's not implying that it's wrong. I don't think I should have to explain what "out of context" means to the honourable member. I think he should be well aware of what it means. So therefore he should not impute as I say again anything to any member of this House. This is the second caution to the honourable member. The Honourable Member for Riel. The Honourable First Minister.

MR. SCHREYER: The point of privilege which I wish to pursue, Mr. Speaker, is simply this: that the Honourable Member for Riel is quite free to state his impressions as I am equally free to state mine, but what is specifically at issue is the statement which I made in this House yesterday when I indicated that I was advised by the Chairman that the statement as reported was taken out of context and that statement, Sir, which I gave to the House, the honourable member knows under the rules he must take my word for it. Now insofar as our personal impressions are concerned, I have no point of privilege.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I believe we both stated our personal impressions. I would like to show where the statement that was in the Tribune is well verified by other expert opinion that has not been brought to the public attention at this point. We have seen, Mr. Speaker, a series of very qualified people in this province who have either resigned their jobs, resigned their position or refused to be associated with the type of thing that is going on in the proposals for Hydro development.

The first of these goes back to Mr. Durnin who left this province in 1969, which I stated the other day I am sure the government is fully aware of the reasons for him leaving. We saw after that three engineers leave their job. We saw following that the former premier of this province resign from the Manitoba Hydro. We saw after that the assistant general manager, one of the most expert people in water control in this part of the country and probably in North America, with a background with the Tennessee Valley Authority leave his job. Now we have seen Dr. Newberry leave the Water Commission. And now, Mr. Speaker, we have the statements coming from the Chairman of the Water Commission which I believe do not cast any great deal of confidence in the work of the Manitoba Hydro in their proposals for Lake Winnipeg.

I would like to quote, Mr. Speaker, a statement that is made that I think verifies the statement that was made yesterday by the Manitoba Water Commission. The statement there was that with development of the Churchill River Diversion that the costs over a thirty year period as indicated were 3.7 million dollars. The costs of developing Lake Winnipeg, Mr. Speaker, are of the order of 50 to 100 million dollars. We do not know the exact costs. The amount that is to be regained, Mr. Speaker, is very small and it is very inconsequential in terms of the cost of doing it. From a power point of view it is very clear that Lake Winnipeg

(MR. CRAIK cont'd) regulation is just a very bad investment. It is, in the words of one expert "a dog," Mr. Speaker, "a dog", that's all he would say, "it's a dog." That showed completely his interpretation of what was going on. This man who has been expert in this for many years -- and probably the most knowledgeable.

Now, Mr. Speaker, I would like to quote, not to quote those four colloquial remarks, I might explain, but let me quote his conclusions of his analysis. This paper was given to the Manitoba Water Commission, although because of the restricted terms of reference of the Manitoba Water Commission, the author of it did not feel that he could present it. But the conclusions, Mr. Speaker, the conclusions -- (Interjection) -- well I'll table it for you if you like. The conclusions, Mr. Speaker, are that the amount . . .

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

MR. SCHREYER: Yes, Mr. Speaker, my point of order is that I believe it is a requirement of the rules of this House that a document that is being quoted from must be identified as to source.

MR. SPEAKER: The point is well taken. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the letter is addressed February 9, 1972 to the Manitoba Water Resources Commission, 693 Taylor Avenue, Winnipeg, Manitoba. I do not think you want me to read the entire context of the letter because it's three pages long. It's signed by Mr. Gordon Spafford, Professional Engineer. Mr. Spafford is . . .

MR. SPEAKER: Order, please. Order!

MR. CRAIK: Mr. Speaker, Mr. Speaker, the conclusion of Mr. Spafford's analysis is that at development, this is his final sentence: "There is between this alternative and Lake Winnipeg regulation at an annual cost of \$5,000,000 plus the same again in lost energy, considerable scope for refinement of my analysis." The alternative that he had calculated is an annual cost of \$50,000. Mr. Speaker, this says that there are two alternatives that he sees: \$50,000 worth of power that can come through inter connect relationships either to the west or to the south; and opposed to that is Lake Winnipeg regulation at an annual cost of \$10,000,000 -- an annual cost Mr. Speaker -- \$10,000,000 every year in annual costs, capital and interest, to replace \$50,000 worth of power at development.

Now, Mr. Speaker, don't take my word for it, what we are pleading for on this side is to bring this sort of evidence -- we do not pretend to be expert but as members of the Legislature, I don't know how anyone -- and I see the Member of the Water Commission sits and laughs, I suppose that's a characteristic pose -- I don't know how members of the Legislature can defy this. These are not people who for purposes of political gain or any other reason do this sort of thing. They write these letters, Mr. Speaker, because they feel strongly that what is going on is incorrect. There is no question in this man's mind, and there is obviously no question in the minds of the seven or eight people that I listed to you that what is going on is wrong. Lake Winnipeg regulation is a terrible waste of money, and that is the purpose of this resolution, is to get to the heart of this matter.

We have asked that the Public Utilities Committee be allowed to call before it the expert witnesses. As you trace the history, Mr. Speaker, always before in the history of the Public Utilities Committee -- and the Member for Rhineland might be able to bear me out on this -- no chairman of Hydro acted as his own expert witness. That we have never had an opportunity to interview anyone at the Public Utilities Committee, except one person on this issue, namely Mr. Cass-Beggs. The late Don Stephens when he was chairman of Hydro always brought with him for purposes of questioning either members of his staff, or consultants to Hydro who could stand up and answer the questions that were put to them. The former chairman, Mr. Bill Fallis followed the same procedure. He put before the members of the committee, members of his staff and the consultants that were involved. I believe the member of his staff was Mr. Bateman and I do recall at least one member of a consulting firm who was intimately involved in the initial designs of the Nelson project.

But, Mr. Speaker, we've been very successfully on the government's point of view denied the opportunity to bring before open forum any people who have expert knowledge. I suppose politically the government in the short term can see the value in these people not coming forward because the opposition is going to ask some leading questions, bring out information that may not be to the government's benefit, but in the long run, Mr. Speaker, I think the government would be well advised to have the opposition place their questions before these people, the opposition is not going to eat them up or force them into compromising statements. We

(MR. CRAIK cont'd) obviously want to ask questions such as questions that would arise from the final paragraph of this letter from Mr. Spafford to the Manitoba Water Resources Commission.

MR. SPEAKER: The Honourable Member has three minutes.

MR. CRAIK: Thank you, Mr. Speaker. The question is why did he not present this to the Manitoba Water Commission. The other day I said that he had been prevented from presenting it. Mr. Speaker, that's not quite correct. He interpreted the terms of reference himself and decided after handing it in the terms of reference did not allow him.

Now, Mr. Speaker, the Member for Inkster says these people should speak up. "We haven't heard from Dr. Newberry, we haven't heard from these people, they can speak up." Well, Mr. Speaker, all people aren't like the Member for Inkster. They don't necessarily stand on a soap box and tell everybody what they think. It's not in their make-up to do it. But, Mr. Speaker, I'll tell you that if they are brought properly before a hearing, where they can be asked proper questions and cross examined properly, such as has happened in other cases in Manitoba, when we had open government, Mr. Speaker, -- not in this government, but when we had open government -- you'll see that there will be any number of people that upon proper invitation will present their evidence. And their evidence, Mr. Speaker, if it does not convince this government that they're making a mistake in their present Hydro policy, will certainly indicate to the people whether or not the present massive spending scheme that the government is going on, or is committing itself to, whether it is right or wrong. That's all we ask.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, one could have taken the Honourable Member for Riel seriously, I suppose, if one tried, until he, in his concluding stages of his remarks referred to the previous administration as being an open one. Because if the previous administration had a reputation for anything it had a reputation for dealing not only in secrecy but at times in falsehoods. --(Interjection)-- Not true? I'll give you a specific example. . .

MR. CRAIK: Point of privilege, Mr. Speaker. I think that when a person says that a falsehood . . .

MR. SPEAKER: Order, please. I haven't recognized the honourable member yet. The Honourable Member for Riel. A matter of privilege.

MR. CRAIK: Yes, Mr. Speaker. I was taken to task here earlier for saying something had been taken improperly out of context which, Mr. Speaker, is quite mild to saying that a falsehood has been stated. --(Interjection)-- well I invite you to . . .

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: But one example of what I mean when I say that the previous administration dealt not only in secrecy but in falsehoods, was the episode in this Chamber some few years ago when a minister of the Crown at that time was asked whether or not the government of the day, through its Crown lending agency had made arrangements for the lending of monies to Churchill Forest Industries. The Minister of the Crown at the time said he had no idea, he didn't think it likely because these people were financiers in their own right. Testimony at the CFI inquiry that has gone on in the course of the past few months have established beyond any doubt, that in fact there was knowledge, and I say, Sir, in a very straight forward and flat out way - and I'm prepared to be challenged to the hilt on this - that the Minister lied when he made that statement. Now if you can prove otherwise, I'll withdraw my statement. Let's hear you prove otherwise.

MR. SPEAKER: The Honourable Member for Riel. The Honourable Member for Riel is speaking to what?

MR. CRAIK: Mr. Speaker, this is the most damaging statement. This is entirely . . .

MR. SPEAKER: Order, please. Would the honourable member state whether he is on a point of order, or on a matter of privilege.

MR. CRAIK: Mr. Speaker, I ask you to consider, Mr. Speaker, first of all, if this means that the CFI case is now open to this Legislature then from hereon in I, Mr. Speaker, would like full right to go into this in some depth and I want to refute immediately which was done at the recent hearings, that what the First Minister is saying is a lie.

MR. SPEAKER: Order, please. I have asked the honourable member to speak to a matter of privilege or a point of order. He has done neither, he is debating the issue. I would like to state that as in previous sittings, I think we should all be cognizant of what is sub judice and conduct ourselves accordingly.

I realize that some of the information is public knowledge at the present time but I do not

(MR. SPEAKER cont'd) believe we should entertain getting ourselves involved in debating issues which are not before this House and which may, as I say, still be sub judice. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I accept your admonition in that respect and I would like to . . . --(Interjection)--

MR. SPEAKER: Is the honourable member admonishing me; is he making a point of order? I would suggest, also, before he asks the Chair whether the ruling is correct or not, that he consider our rules in that regard as well. I think I made myself clear - Order! The honourable member can challenge the Chair.

MR. SCHREYER: I am prepared to accept your admonition with respect to the subject matter which was raised.

MR. CRAIK: Mr. Speaker, on a point of order . . .

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: I'm asking if you will clarify your ruling?

MR. SPEAKER: I indicated that I was not going to entertain subject matter which is sub judice, consequently all members should consider their thoughts before they express them. I did indicate that some of this matter may be already public information, but nevertheless I would trust to the good judgment of each member in this Assembly as to what they are going to entertain in regard to bringing forth in the Assembly.

The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, with respect, Sir, the Honourable Member for Riel still has a legitimate point of privilege and I would read back to you, Sir, your words in this Chamber on Tuesday night, March 21st. If you feel I am not correct when you said in this Chamber that a point of privilege is when there is a personal attack on a member, and the Member for Riel was a member of that former administration which has been charged with the allegation made by the First Minister.

MR. SPEAKER: Order, please. The attack, if there was any, was on a particular Minister, not on the Honourable Member for Riel.

MR. SHERMAN: With respect, Sir, the First Minister says the former administration was guilty of dealing in falsehoods. The Member for Riel is a member of that . . .

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if it will help you in the conduct of the affairs of this House, if there is some question in your mind as to whether or not a transcript of a hearing being held by a Commission of Inquiry is still sub judice or whether the transcript having been printed in the press, becomes a matter which can then be referred to in this House, if there is some lack of clarity on that fine point, Sir, I would for the meantime at least, withdraw my reference to the CFI matter until such time as you have obtained sufficient clarification.

MR. SHERMAN: Sir, may I?

MR. SPEAKER: I thank the Honourable First Minister. --(Interjection)--

MR. SCHREYER: Well, I can assure you . . .

MR. SPEAKER: Order, please, order please. The Honourable First Minister.

MR. SCHREYER: I can assure my honourable friend that if he wants to interject, I will take time out to tell him that if he thinks for a split moment that one should be content to leave unchallenged, now and forever into the future, the kind of episode that was involved, the way in which questions were answered in this House in 1966 and 1967 relative to CFI, he had better forget it.

Having said that, Sir, I wish to go on to deal with the subject matter of Hydro, which my honourable friend took time out to refer to in the course of a series of, in my view, great exaggerations. And perhaps it will be just as well, Sir, in the time that is left to me, which I hope is still the greater part of 20 minutes, to give a little bit of the sequence of the history of the decision to proceed with the development of the Nelson River for power purposes.

It was back in 1963 that the Honourable Sterling Lyon who was then Minister reporting for Manitoba Hydro, on behalf of the Government of Manitoba entered into an agreement with Canada, back in 1963, and subsequent to that, a Nelson River Programming Board was established which brought in a report recommending that the development of the Nelson River be proceeded with in four parts. No. 1. The Development of a generating plant at Kettle Rapids, which was done. No. 2. The entering into an agreement for the construction of a direct current transmission line from Kettle Rapids to Rosser on the outskirts of Winnipeg. No. 3. For the

(MR. SCHREYER cont'd) building of control works for the regulation of Lake Winnipeg. No. 4. The diversion of waters from the Churchill River at Southern Indian Lake. At that point in time, 1966, the Honourable Maitland Steinkopf was Minister in charge of Manitoba Hydro.

A couple of years later, in 1968, the Board of Manitoba Hydro made an application with the Water Control and Conservation Branch for a license to divert water from the Churchill River. And in May of '68 there was another Minister, the Honourable Stewart McLean reporting for Manitoba Hydro. And then, many honourable members here will recall personally, in the early part of 1969 Manitoba Hydro issued specifications and called for tenders for the construction of a high level diversion at Southern Indian Lake. And at that point in time, the Honourable Gurney Evans was Minister in charge of Manitoba Hydro. Four Ministers reporting for Hydro in the course of a few years. I make nothing of that. But what becomes clear from just recalling very quickly the sequence of the events which led up to the whole controversy, as to how to proceed with the development of the Nelson, one can see that the government of the time was far from clear in its own mind as to just how to proceed.

The Honourable Member for Riel must have a very short memory if he thinks that we have no recollection here what happened in this House in March or April of 1969 when Bill No. 15 was introduced which if passed would have given authority for the raising of the level of Southern Indian Lake according to Section 2 of the schedule of the Bill to a level of 869 feet above sea level, or in other words, some 29 feet above the high level, above the highest of the natural range. And it's interesting when one reads this, Mr. Speaker, to see that there was no guarantee that the level would be kept at 869. It says, "when the level reached 869 then the control works should be operated in such a way as to provide for maximum discharge". Well that makes sense. If One can't give a guarantee; one can give an assurance with reasonable probability.

But you know, Mr. Speaker, what is most interesting of all in this entire continuing controversy which the honourable members opposite are trying desperately to perpetuate, what is most interesting and puzzling about it, is that somehow, some way in the course of the last two years, the members of the Conservative party have somehow been able to pretend now that 869 feet, the so-called high level diversion, was not in their mind. I mean it's a fact in recent weeks, in recent months, the pretension of the Conservatives is that if they had been allowed to proceed, they would have gone for an 852-854.5 foot diversion.

Mr. Speaker, anyone with any memory and integrity knows that in 1969 they were proposing something of a far different kind, and I suppose it is the good works of providence that they were not returned to office so that they couldn't perpetrate the kind of ill-advised engineering works that they now, by their own lips admit would have been madness, virtually madness. Not only their leader but others of their group have indicated that they are no longer talking about a high level diversion. Yet here is Bill 15 which if rammed through the House, would have given the authority to flood up to 869 feet, and beyond and beyond that, too. So now, Mr. Speaker, precisely what is the great problem in the eyes of honourable members opposite?

They keep alleging that Lake Winnipeg regulation is a less effective way, a more expensive way of getting a reasonable guarantee of adequate flows of water through the Nelson River, they oppose it presumably for those alleged reasons. Well, Mr. Speaker, it is simply incorrect and dishonest for anyone to allege that there was a political maximum or guideline or directive that was issued to those that were charged with the responsibility of carrying out cost analyses, because if anyone reads the Task Force Report, one will see that the whole range of hypotheses were run on computer calculations - the whole range of hypotheses going beyond, going beyond the actual level that is being recommended for implementation. I know and I have heard it a number of times, I have heard it alleged from the other side, and other spokesmen, that the government issued directives which limited the extent to which a full scope was open to those carrying out cost analyses. I simply repudiate that suggestion or statement entirely and a cursory examination of the Task Force Report which has been made public, will show that a wide range of hypotheses were examined and various calculations run.

The Honourable Member for Riel wishes to quote certain engineering opinion that supports his contention, there is engineering opinion that supports the recommendation that was made to this government. And you know, Mr. Speaker, the Member for Riel who was so quick to show ruffled feathers and injured pride, it's the member for Riel who cast the kind of inexcusable aspersions on the Chairman of Hydro, and not only on the Chairman of Hydro but on the professional competence of all those engineers that were associated with the Task Force Study and

(MR. SCHREYER cont'd) with the recommendations of that Task Force Report. And we have from the . . .

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

MR. CRAIK: The First Minister may be correct on the first one, but he's certainly not correct on the second one, and if he's going to make that statement, he'd better quote some facts.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I will not quibble as to whether or not the Member for Riel has a valid point of privilege or not, but let me just say that if it wasn't he - and I rather suspect it was - but if it wasn't him, there were others who were trying in a snide and sneering way to cast aspersions on the professional competence of engineers associated with the various computer calculations and engineering studies, so much so that the matter was submitted to the Association of Professional Engineers, and on two occasions they have indicated in writing that there was nothing, nothing whatsoever in the conduct of the engineers, and in the way in which they set about their assigned task, that in any way whatsoever reflected adversely on their professional competence. --(Interjection)--

Well I'll just -- I have time, I'll read, I'll read a part of --(Interjection)-- well I have the entire letter here, I'm quite prepared to table it, Mr. Speaker. "Without going into the pros and cons of the various alternatives that are open to Manitoba Hydro in terms of the development of the Nelson River, the Association after holding a meeting did state in writing that there was certainly no suggestion that the results of the study had been misrepresented in the decision making process. The position of the individual members of the Task Force, as stated to counsel, was that there was definitely a professional unanimity with the conclusions drawn; that none considered that they had been placed in a position that compromised their professional responsibility."

Well, Mr. Speaker, that's a pretty clarion clear indication of where members of that profession that were involved with this project in the most direct way felt that they stood, despite that, the Member for Riel and those associated with him, continue to by innuendo and insinuation, cast doubt as to the position that the Chairman of Hydro and the professional engineers were placed in. I say again, Mr. Speaker, there was never any arbitrary political directive issued that was designed to limit the full scope of analysis that was to have been made, and which was made, with respect to various cost comparisons on the various alternatives.

MR. SPEAKER: The Honourable First Minister has three minutes.

MR. SCHREYER: Well, Mr. Speaker, I must say then in a very quick way that the costs that the Member for Riel alleges are the higher costs as a result of Lake Winnipeg regulation, that I simply repudiate his statement and his analysis, that the Board of Manitoba Hydro after receiving a Task Force Report and considering it in detail, voted in a ratio of 6 to 1 to follow a certain course of action, which we propose to follow and by some perverse kind of arithmetic, because one member of the board voted nay, six voted aye, the Member for Riel would say "the Nays have it".

Well, Mr. Speaker, not since the days of Abraham Lincoln has anyone presumed in a democracy to function on a method or on a basis of one nay, six ayes, therefore the nays have it. What stupidity! And not only that, Mr. Speaker, in respect to the - it must be said that the Board of Manitoba Hydro has on it today more engineers, more men trained in engineering that was ever the case with a Board of Directors of Manitoba Hydro in the past, and those staff engineers of Manitoba Hydro who were involved with the detailed analysis and the computer calculations, stand behind the Task Force Report.

The Member for Riel seems to be speaking as one possessed with the desire to proceed with a single purpose type of diversion of the Churchill River; no Lake Winnipeg regulation, raise the level of Southern Indian Lake by 29 feet, a community of Indian people - move them out like muskrats, that's the kind of thinking that seems to motivate some of the honourable members opposite. And quite apart from that, Mr. Speaker, I say that the Members of the Opposition had better come up with arguments more persuasive and more common sense that to argue or suggest that raising the level of Lake Winnipeg to 715 feet constitutes flooding. And so help me, I have heard members opposite, including the Leader of the Opposition say, that 715 feet was flood stage, and here, Mr. Speaker, we have the plotting on a graph of the levels of Lake Winnipeg since the first year that records were kept in 1913, and the level of the Lake has oscillated considerably between a range of 709 and 717 feet in its natural stages, and has in the past 20 years been above 715 feet as often as not. And they dare suggest that

(MR. SCHREYER cont'd) that is flooding.

Mr. Speaker, the perversion of vocabulary, the meaning of words begins to enter this entire debate. When it comes to putting one's trust in engineering competence, I would say that as between the Chairman of Hydro, who is an engineer with experience in different places, including the Science Council of Canada, the Faculty of Engineering of the University of Toronto, him, and the Member for Riel, is like comparing a dwarf and a giant.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, the First Minister makes reference to the ayes and nays on Hydro Board. If Mr. Campbell will agree to appear before the Public Utilities Committee, will he invite the five or six others that he says were opposed to his decision?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I would find it very difficult, and I'm sure all of us on this side would find it very difficult indeed, if in the case of every decision that were taken on a ratio of six to one, or ten to two, that we would start interviewing those who constitute a minority of one.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, without exhausting my right to speak, would the First Minister table the letter he made reference to and probably also the chart in connection with the flooding, if possible.

MR. SCHREYER: Mr. Speaker, gladly.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I hesitate to rise to take part in this debate after two such eloquent speakers, and probably two such elegant such knowledgeable men, but since I entered this House in 1969, if there is anything that's been disturbing me, it's the way Manitoba Hydro has been handled. It seems that it was an election promise before the last election. We know what the Conservatives said and we know what the Liberals said, and we know what the NDP said.

The NDP were not in favour of the flooding of South Indian Lake. This was a position they took. After the election, when they were elected, they had to bring in a man that was going to act as a political man for them for a specific purpose. You brought in a political hack - that's what you did. He was brought in to provide Hydro for Manitoba, regardless of the cost.

MR. SPEAKER: Order, please. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I believe that there is a point which you must take under advisement and rule on, in that the Member for Pembina refers to the Chairman of one of our Crown Corporations as a hack. I think that that kind of reference to a person who is in effect the equivalent of a deputy minister, and a senior executive of a Crown corporation, that that simply cannot be accepted in this House. I know of no precedence for allowing such a comment to go unchallenged, Sir.

MR. SPEAKER: I would concur with the Honourable First Minister. I would like to suggest that I was remiss because I was trying to determine whether the Honourable Member for Pembina was within the context of the resolution. He started off with South Indian Lake and to my recollection I wasn't certain, but I thought we were discussing Lake Winnipeg regulation in the resolution. --(Interjection)-- Order, please. I am getting to the stage where I do not really appreciate some of the snide remarks that are being cast about, and even the ones that are being cast in my direction. I was awful lenient the other day in order to discuss the area of privilege. I indicated at that time that it ended up in a quagmire and I indicated I was going to eliminate that area by not being as lenient as I have been. In future I intend to try and take note of all the interjections and who makes them, and if I have to name people, on either side of this House, I shall.

I think this House should raise its decorum. It's yours. Act like it's something worthwhile being in. The honourable member may sit down. The Speaker happens to be on his feet. Now, I indicated that the point of order was well taken. Our civil servants have no way of defending themselves in this Chamber. I heard that remark. I indicate once more, I shall take note of the snide remarks and I shall try to conduct your rules explicitly.

The Honourable Member for Pembina.

MR. HENDERSON: Mr. Speaker, I'm sorry if I caused you this trouble. I probably should have said that the way it appears to me he was brought in to do a political job, and that job was to find other power for Manitoba without the flooding of South Indian Lake, because that's just the way it seems. I'm not familiar with all the heights and levels and all the commissions

(MR. HENDERSON cont'd) and I have read through them several times, but it seems to me that the government at all times has been placing restrictions on every committee that was set up, so as it couldn't turn out the type of results but the type they wanted. That's my impression, that they have been limited in their investigations. And if it makes any sense to anybody to regulate Lake Winnipeg, when it's going to cost the type of money that it is -- it is estimated at \$56 to \$100 million and it may be more, and according to the extra power that you are going to get because you are not going to add extra water to Lake Winnipeg, you are only going to regulate it, you are only going to sell a million and a half dollars worth of power. You are going to be paying more interest every year than you are ever going to be selling power, and if you would regulate South Indian Lake, the way I have read it and the way Mr. Campbell spoke -- and by the way, Mr. Campbell is a man that's respected by all people in Manitoba. He may have been accused of being a man that was tight fisted and thrifty, but he was never accused of being dishonest. And he has said that, and Mr. Kristjanson is another man of integrity. The other six were also on the Water - not all of them, there has been many of them changed, but many of them were on there before and voted in favour of flooding South Indian Lake. So they've got their Commissions and then they are on these Boards and they don't like to disagree with your Chairman, but we've seen some of them do it openly, and men that are knowledgeable. So it just looks to a person that's got a reasonable amount of common sense that you people have set about to get Hydro some other way at any cost. I can't see why if you regulate South Indian Lake and can sell in the neighborhood of \$14 million worth of power a year, and it wouldn't cost you more than \$30 million to do it -- this is the figure that's been posted many times. For a \$30 million investment you can get your capital back in two years, towards going on every year with your regulating of Lake Winnipeg and having to pay a total of \$4 million extra in interest, and always having this dead load of debt, \$100 million there, not even decreasing it. Anybody that's got any sense, to my opinion, wouldn't do it.

Now you talk about the Indians that had to be moved out, that nobody considered them. You know well the Indians were considered, you know well there wasn't the number of Indians out there the way you speak of and that regulating South Indian Lake at about the middle diversion there was only about 25 families that were actually going to be moved, and they were going to be well taken care of. So to try to say that we never cared about them, that they wanted to flood them out, they didn't care, you'd think we were drowning them. To hear you fellows, you'd think we were going to drown every Indian that was in there. But you fellows didn't care when you took over the automobile insurance, about what happened to a whole lot of agents. You didn't care, you didn't even propose doing anything about it until it was brought up by another member.

So to try to say that all these Indians were going to be flooded out, that nobody thought anything about them is nonsense, because these Indians were going to be looked after. I have the feeling that there's many of those Indians up in there that wished that it had been done, because they'd probably have jobs or else be better off than they are now. --(Interjection)-- What am I going to do with what? --(Interjection)-- With the amount of money that you're going to be paying in interest here each year and never recovering it, you can look after those Indians in style for the rest of their life. Just on the dead weight interest, you'd look after those Indians for the rest of their life.

This is something that will not be forgotten by the taxpayers of Manitoba, because every time they pay their Hydro bill after this they'll be paying more than they should just --(Interjection)-- it can't be nonsense. If you are going to have \$100 million dead weight, you are still going to be paying \$4 million worth of interest on this thing, when you could be exporting power every year, exporting power if you'd done South Indian Lake - \$14 million. And you could be doing this again and again, year after year. On top of that, there could be more generating plants put on up there and you probably would never have to regulate Lake Winnipeg. It's just got to be stupidity, that's what it has. --(Interjection)--

Well you people can think you're pushing it over, you have the majority now, you have had commissions set up, you have had a man in for your specific purpose, but don't forget that the people of Manitoba are going to remember this. That's all I have to say about it for now.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I had not intended to take part in the debate - the result is I don't have any speech or any statistics. But listening to the other side, Mr. Speaker, just makes me sick. I have as much difficulty defending some of the actions of this government...

MR. SPEAKER: Order, please.

MR. BOROWSKI: ... as the members in the Opposition. You know, if they make a mistake I think the members in the Opposition will agree that I will probably be the first one that will get up here and let them have it when they deserve it, but I can tell you on this issue here, that if they turn around and took my wife and kids away, I would still defend them because on this issue they are 100 percent right.

The member talks about Mr. Campbell. Well no one has more respect for Mr. Campbell than I have. I went into Cabinet to get a bridge names for him because I felt, and all the front bench agrees, that this man has contributed more to Manitoba politics and development than anybody in this House. We all respect Mr. Campbell. That doesn't mean that he's a God or that he can't make a mistake. We all make mistakes. Mr. Campbell had certain views on highways when he was the Premier. You know he didn't build highways. Well, you know, he was wrong. He was right on other issues. He's on the Hydro Board, he has certain views that are probably as backward as they were on highways. That doesn't mean he's dishonest. He just happens to hold that kind of view. Just like the Member for Swan River and I happen to hold on pornography. Some people think we're old fashioned but we happen to have those views and they are honest views. Mr. Campbell has a view that he's expressed, but heaven help this Chamber and this province if we ever reached a point where one member, no matter how intelligent and how respected he is, if we are going to have to take his position over the position of the majority. There would be no government in this Chamber if we operated that way.

I recall when we discussed the question of South Indian Lake. I was not in this House. I was running for the by-election. We came in here and we presented - I believe the present member for Churchill presented a brief, I presented a brief - the effects not just on the Indians at South Indian Lake and on Granville, but how would it affect Thompson, how would it affect the Churchill town itself? When the water was to be blocked off at Missi Falls, the opposition knows this very well, that the minute you blocked off the water from flowing into the ocean at Churchill, the seawater would back up for 20 to 50 miles inland. This was brought out clearly. This would have ruined the fresh water supply for Churchill, and is just at that particular point in time in the history of Churchill, after being there 300 years, they were getting a Federal grant to put water and sewer, and at the same time the Conservative Government was going to build a dam that was going to stop the fresh water from getting down there. That was the issue that the Member for Churchill complained about - that I complained about then.

In Thompson we were going to get - our bridge was going to be flooded, our docks, all the buildings along the River were going to be flooded, one part of town was going to be - the engineers, the local engineers felt that our basements would have been filled with water. So when we are talking about flooding South Indian Lake, that the members seem to be now saying we really didn't intend to bring 35 feet in, we were talking about the flooding of 15 percent of Manitoba. But not only that, you can say well it's only bush down there so it doesn't matter. It was going to affect all the way down the line where the water flowed. It was going to affect a large part of Manitoba and three communities which were well established.

Now the members seem to have a very short memory. It is easy now to say well we really weren't going to drown the Indians. I know, I don't think anybody suggested that you were so unreasonable or foolish that you would go and actually drown Indians.

The fact of the matter is that I think the past history of the Conservative government didn't give us confidence when we were in opposition because we had the case of the Easterville. You didn't drown the Indians there, you took them from one spot and you moved them into another place. I think the Minister without Portfolio could tell you that that place today and has been for years, is a disaster area. The community is so badly off, there's been drunkenness, there's been family break-ups, the fishing has been in many places destroyed. The trapping has been destroyed. I think in 1969 the figure for welfare was something like 60 percent, and at that time we had sufficient reason to say that you cannot successfully move Indians from one place into another and have a successful move. And you know, it was only 600 Indians but there was that question we were concerned about, and there was the question of

MR. BOROWSKI cont'd.) the destruction of a large part of the northland, and the members are now coming in, and you know I guess I shouldn't argue it too much, but it seems rather strange when we are trying to do what they were doing, but at less destruction to ecology and no moving of people, and at the same time giving a large benefit to the people living along the lakeshore, which it seems to me you should be concerned with, because as I understand it, and I'm not an engineer, as I understand it, the controls we are going to put on Lake Winnipeg is something that has been talked about for decades. And if it's going to be controlled at 715 feet, Mr. Speaker, it seems to me that's something we should all applaud. In fact, some people should say, you know, is it justified to spend \$30 million. You know, I think that's a valid question to ask: is it justified to spend that. Five years ago it wasn't justified but it is today, because it's being tied in with the diversion. It is today.

So we can turn around and control a lake which is uncontrollable up to now, and at the same time get Hydro benefits at minimum expenditure. All I would ask the opposition is before they try and make an international case out of this, and the member that just spoke, that they should study the facts and forget about Mr. Cass-Beggs and forget about the other ones. You have some intelligence yourself, study the reports. I know that they are extensive and they are very difficult to understand, but study the reports and then come into this House and let's have an intelligent debate, instead of calling engineers - - anybody we hire is suddenly a political hack and he's incompetent, etc. You know you had your people. I don't recall when we were in opposition, calling the people that sat on this side or the people that you hired, I don't recall us calling them idiots or incompetents or political hacks. We listened with respect to them but we argued with the decision of the government.

MR. SPEAKER: Order, please. The Hour is 10 o'clock. The House is accordingly adjourned, will stand adjourned until 10 a.m. tomorrow (Friday) morning.