

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, May 25, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 25 students of Minnewauken High School in North Dakota. These students are under the direction of Mr. and Mrs. Smith.

We also have 15 students, Grade 6 standing of the Florence Nightingale School. These students are under the direction of Mr. Kowalchuk. This school is located in the constituency of the Honourable Member for Inkster.

We have 40 students of Grade 5 and 6 standing of the Dominion City School. These students are under the direction of Mr. Gruenke and Mrs. Christiansen. This school is located in the constituency of the Honourable Member for Emerson.

We have 55 students of Grade 5 and 6 standing of the Montcalm School. These students are under the direction of Messrs. Nemish, Yaworski and Tindall. This school is located in the constituency of the Honourable Member for Logan.

And we have 56 students of Grade 5 to 8 standing of the Swan Lake School. These students are under the direction of Mr. Foidart and Mrs. Popplestone. This school is located in the constituency of the Honourable Member for Rock Lake.

On behalf of all the honourable members of the Legislative Assembly I welcome you here today.

I also have the pleasure of announcing that the Minister of Health from Saskatchewan the Honourable Mr. Smischek is with us too. On behalf of the honourable members of the Assembly it's a pleasure to welcome you here.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

The Honourable Minister of Health and Social Development.

MINISTERIAL STATEMENTS

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, it is with considerable pleasure that I am now able to announce culmination of the protracted discussion which has been carried on with the Salvation Army - the former owners of the Grace Hospital - whereby the hospital and seventeen homes adjacent to it have been officially acquired by the people of Manitoba. This acquisition makes possible the continuation on this site of the proud and humanistic tradition of the Salvation Army. The hospital will be utilized as an intensive care nursing home for elderly and afflicted persons, as a facility for the treatment of persons suffering from alcohol or other addictive elements, and as the West Winnipeg Regional Office of the Department of Health and Social Development which has in fact already been established there.

It appears to me entirely appropriate and fitting that the Salvation Army tradition of being that agency which was willing to devote its energy to the help of people in need whom others in society had given up and were ready to discard, will be maintained by the people of Manitoba at the Grace Hospital site. We have seen too many useful and potentially useful citizens destroyed by lack of facilities to treat their particular problem. The province is therefore proud to be one of those showing leadership in Canada in what promises to be a treatment centre which will have the effect of giving citizens previously abandoned an opportunity to help themselves to play a useful role in society. As part of this development the Province of Manitoba would be either renovating or demolishing the seventeen adjacent cottages. The present excavation will be filled to be used as a parking lot for employees of the hospital. Plans also include the creation of landscaped grounds and park area for both the enjoyment and comfort of the residents and for the aesthetic improvement of the complex itself.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUMEN (Fort Rouge): Mr. Speaker, I'm sure that I would speak for not only the members of the Legislature but the people who live in the area around the old Grace Hospital when I say that we're very pleased to hear that final decision has been made concerning the use of this facility. It has stood relatively idle and unused for a very long period of

(MRS. TRUEMAN cont'd) time and during the process of waiting it seemed to fall into a degree of disrepair which I think made the people in the area quite unhappy.

From the statement the Minister has made we can feel optimistic that the surrounding area will be improved. I know that the people in that community will be pleased that their elderly who need some nursing home care will no longer have to be moved far away from their homes, but that they'll be immediately accessible to the people in the area.

I think that as a detoxification centre or as the Minister states it a facility for the treatment of persons suffering from alcohol and other addicted elements that the people in the community had some misgivings about having such a centre in the neighbourhood but I trust and hope that the government will see that it's very well run and will be a credit to that community.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, at this time I too would like to make an announcement in regard to the highways paint shop to be established in Gimli, Manitoba, in the Gimli Industrial Park. The idea is to make more efficient use of the specialized equipment used in the production of modern highway signs and to ensure that future purchases of such equipment can be justified by maximum utilization. This would mean that approximately four employees from the Winnipeg shop, three from Brandon and one from Dauphin will move to the Gimli shop. Also, I might say that District 11, services and equipment from District 11 will be also moved to the Gimli Industrial Park which will mean employment of about seven men there as well as three or four equipment operators who will also work out from the Gimli location.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. The statement from the Minister regarding the paint shop in the Gimli Industrial Park will no doubt be welcome news to the Member for Gimli. The use of the Industrial Park by government and its agencies in that area should serve as some consolation for the Member for Gimli in that respect. However, we would like to thank the Minister for some effort to decentralize the affairs of the department and spread the work out throughout the entire Province of Manitoba and his next announcement we certainly would trust will see the efforts of his department located in some other part of the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I would like to make a statement to the House. -- (Interjection) -- Pardon?

Mr. Speaker, I am pleased to announce to the House that an Order in Council has been approved by the Cabinet to provide a further cost of living bonus to be awarded to civil servants who have retired. This increase is based on the increased cost of living since the last award made in 1971. The increase based on changes in the consumer price index will amount to 50 cents per month for each year of service. As a result of the action taken by this government in 1970 to apply cost of living bonuses to pensioner, a pensioner who had a maximum of 35 years of pensionable service will now receive an additional \$17.50 a month over what his pension was prior to 1970. It will be readily understood this government has little control over the cost of living increases but have taken action to offset the effects of increased cost of living on its retired personnel.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, this seems to be the day of Ministerial Statements, the day of announcements. Certainly the announcement by the Minister of Labour is welcome to those who will be the recipients of the increase. But, Mr. Speaker, I think we're reaching a point, both in this Legislature and in the Federal House of Commons, whereby the discretion that should be exercised by government as to when and how and in what form pensions should be increased is being questioned and rightfully so. I think we have to accept that in the inflationary period of time we live in, costs of living are increasing substantially for those who have been placed on fixed incomes and who worked during their lifetime or who because of some disability are unable to be able to provide for themselves. I think the time has come, Mr. Speaker, for far more than the pittance that may be offered by the Federal Government with respect to senior citizens and old age pensioners or even the pittance that may be offered by government at a given time be acceptable.

What I think we have reached, Mr. Speaker, is the time that a cost of living be built in directly as a natural increase for those who are on fixed income and those who are on pension,

(MR. SPIVAK cont'd) whether it be as a result of service within the civil service, provincially, federally, or whether it be provided through any other scheme that we have. So we welcome the announcement by the Minister but suggest, Mr. Speaker, that something better than the way we are operating is required and the time has really come in this decade and in this early part of the decade to correct an inequity and to maybe set the record straight on how we should operate in this particular area.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Minister of Tourism and Recreation.

INTRODUCTION OF BILLS

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface) introduced Bill No. 50, an Act to amend The Public Libraries Act and Bill No. 49, Le Centre Culturel Franco-Manitobain Act.

MR. SPEAKER: Oral Questions. The Honourable Minister.

MR. DESJARDINS: Mr. Speaker, His Honour the Lieutenant-Governor having been informed of the subject matter of the proposed resolution recommends it to the House.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder whether he can indicate to the Legislature whether he was serious in a recent speech in which he suggested that health care costs might be reduced if hospital patients were charged room and board?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, it would be difficult to answer the question in the short period of time that is normally allowed under House rules for answering a question. What I did indicate at the Public Meeting, at the address which I gave, was that it was certainly open to us to ponder the advisability -- and I invited delegates at the meeting in question to ponder the advisability -- of regarding food and lodging in health care institutions -- short, intermediate and long term health care institutions -- as being a cost not directly attributable to health care per se and therefore something which ought to be treated differently than under the aegis of health care financing.

MR. SPIVAK: A second question to the First Minister. I wonder whether he can indicate whether the government is seriously considering this as a policy?

MR. SCHREYER: Mr. Speaker, I cannot pretend that we are considering it seriously, however I do want to leave a very clear understanding with the Honourable Leader of the Opposition that I do believe that it merits some consideration. I have the impression that it has not received adequately serious consideration, you know, over the years.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, another question for the First Minister. I wonder whether he can indicate whether either Planning and Priorities or the Research Branch of Health and Social Development have been given instructions to review the particular suggestion and in turn to be able to review what costs . . .

MR. SPEAKER: Order, please. I do believe I've cautioned all members in the question period that they are to be brief, precise and to the point and they are for information, they are not for debate. I would -- Order, please. I would again appeal to all honourable members to honour the procedures of this House and to really cogently apply themselves before they ask questions, and also the same caution I would suggest should be regarded in regard to answers. Now once again -- Order -- I really am serious that members should apply themselves diligently to the procedures of this House.

The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. Has any instructions been given to any of the research branches of government to in fact investigate the suggestion that was made and to determine what costs are involved?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that is so clearly a matter of internal policy and internal administrative procedure, but while I'm on my feet, Mr. Speaker, I can indicate to the Honourable Leader of the Opposition that I was referring to the fact -- it is a fact -- that in some provinces of Canada consideration has been given from time to time to the advisability of levying

(MR. SCHREYER cont'd) so-called deterrent fees on hospital and medical utilization and I had indicated to the assembly, to the gathered body, that a much more preferable approach in my opinion, preferable to deterrent fees was the idea of making a charge for food that would normally be incurred by a person living in normal domicile.

MR. SPEAKER: The Honourable Leader of the Opposition has had three questions on this particular item.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development. I wonder whether he can indicate to the House whether the government is considering in its preparation of its white paper on health costs, deterrent fees?

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

MR. TOUPIN: Mr. Speaker, the Premier just answered the Leader of the Official Opposition.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, I have a question for the Honourable First Minister. Could he provide Members of the Legislature copies of his speech to the Health Association regarding health costs?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, since the request comes from the Honourable and fair lady member, I would find it very difficult to refuse the request. I'll certainly attempt to make a copy available to her.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I'd like to present a question to the Minister of Industry and Commerce. After the discussion in the House of Commons yesterday, I wonder if the Minister has been made aware of any move to use the Port of Churchill by Pan Arctic Oil Exploration?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, I have not been advised of such a move in this respect. I have not been made aware of this matter.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, yesterday the member for Souris-Killarney asked a question as to whether the Province of Manitoba had any of its buildings insured with the Saskatchewan government insurance office, and the answer is no.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is really a supplementary to the Honourable Member from Churchill's question. I wonder if the Minister of Industry and Commerce can indicate the last occasion on which there has been communication with either the group on Pan Arctic Oil Developments or the government with respect to the project in the north.

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

MR. EVANS: For the information of honourable members, I was on the telephone for 45 minutes this afternoon with the most senior person available in the Department of Transport which is concerned with the development at Churchill -- the Minister of Transport being out of Ottawa I had been advised.

MR. SPIVAK: A supplementary question. I wonder if the Minister can indicate the communication he has had prior to today, the last time?

MR. EVANS: Mr. Speaker, as all honourable members of this Legislature should be well aware of, this government is extremely interested in the development of the Port of Churchill. I tabled a lengthy document indicating all of our efforts over the recent months. We are leaving no stone unturned, Mr. Speaker, and we are in constant communication with Ottawa.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. PETER ADAM (Ste. Rose): Mr. Speaker, I am rising on a point of personal privilege to correct an error in Hansard on May 23rd. In my remarks on Bill 41 I am quoted as saying "I think we are prosecuting our wildlife for a few lousy bucks." My correct statement was "I think we are prostituting our wildlife for a few lousy bucks", and I would like to get that record straight.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker, my question for the Minister of Transportation. Can the Minister give any indication of when he intends to appoint a chairman to the Manitoba Motor Transit Board?

MR. SPEAKER: The Honourable Minister for Transportation.

MR. BURTNIAK: Well, Mr. Speaker, I think the honourable member knows that we have a chairman at the present time.

MR. GRAHAM: A supplementary question. Could the Minister indicate when he was appointed to be the full time chairman of the Board?

MR. BURTNIAK: This information is available to any honourable member.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): I should like to direct my question to the House Leader and ask him if he can give the House some idea of how many more bills are yet to be presented to the Chamber?

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: I'm sorry, Mr. Speaker, I cannot precisely at this moment, but I will endeavour to ascertain from my colleagues and his colleagues as well, as to whether or not they have any other bills that they are going to introduce or suggest for introduction.

MR. JORGENSEN: I wonder if the House Leader would also attempt to ascertain whether or not those bills can all be presented to this Chamber before the conclusion of the consideration of the Estimates?

MR. PAULLEY: No, Mr. Speaker.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, yesterday the Honourable Member for Morris and the Honourable Member for Birtle-Russell asked two questions relative to Manitoba Hydro and its policy with respect to Hydro District Offices in rural Manitoba. While much of this information was given to members of the Standing Committee this morning, nevertheless all members were not able to receive this information and I believe the Member for Morris did have a specific question related thereto.

So very briefly, Mr. Speaker, I can advise honourable members that Manitoba Hydro has 118 district offices of which 54 are one man office operations. The number of such district offices will be consolidated from 118 down to 75. However, in addition to the 75, there will be retained 15 locations where the Hydro staff men are living. They will continue to live in those communities so that it can be said that there will be 90 communities in rural Manitoba that will have Hydro district staff residing. I believe that answers the question.

The Member for Morris asked specifically with respect to St. Claude. The answer is that the staff person now resident at St. Claude will certainly have the option open to him to continue to live there and I am advised that he will live there.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I know this is a rather detailed question but I wonder if the Minister could take this one as notice. Could he give the House the information relating to all the other areas in which they intend to consolidate, so that the House would be apprised of all the locations that are . . .

MR. SPEAKER: Order, please. I think the honourable member would concur it would be better for an Order for Return.

MR. SPEAKER: Orders of the Day. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I would like to direct a question to the First Minister. Has Manitoba Hydro applied to the Provincial Government for a licence of any type on South Indian Lake?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, application by Manitoba Hydro for the diversion of waters from the Churchill River was made three years ago. I am not aware that there is any statutory requirement to apply for a licence either de novo or at all.

MR. CRAIK: Mr. Speaker, a subsequent question. Is not the level involved of critical quantity on the licence and what consideration by the government has been given to the licence?

MR. SCHREYER: Mr. Speaker, to clarify the matter for the Honourable Member for Riel, I would simply -- when I have his attention, Mr. Speaker, I would simply advise him that it is not completely ascertained as to whether or not there is a statutory requirement for Hydro to apply for a licence, that in fact it may be done by agreement.

MR. CRAIK: Mr. Speaker, I might ask the question of the First Minister why Hydro applied for a licence on Lake Winnipeg if this is not a requirement?

MR. SCHREYER: I am advised, Mr. Speaker, that there is in effect an option open as to the way to proceed, either by license, the granting of an interim licence or permanent licence, or by way of agreement.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I'm not sure that the Premier has answered the question given . . .

MR. SPEAKER: Order, please. Would the honourable member state his question.

MR. SPIVAK: All right. Is it the government's intention to follow the same option with respect to Southern Indian Lake that it followed with Lake Winnipeg and apply for a licence to the Water Commission?

MR. SCHREYER: Well, Mr. Speaker, that is under investigation, consideration at the moment. For the present time it remains an open matter and I can advise my honourable friend that we certainly are not intending to follow the same option, procedure as was followed in 1969 which was by way of a bill asking this House to take an administrative decision as to the level of flooding that will be authorized.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q.C. (Inkster): Mr. Speaker, I rise on a point of order. I know there might be an inadvertence but there was no application for any licence to the Water Commission, such as is indicated by the Leader of the Opposition.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I wonder, Mr. Speaker, will you kindly call Bill 55.

GOVERNMENT BILLS

MR. SPEAKER: The proposed motion of the Honourable Minister of Finance. The Honourable Member for Birtle-Russell, Bill No. 55.

MR. GRAHAM: Thank you, Mr. Speaker. When the Minister of Finance gave second reading to Bill 55, he indicated in his remarks that he invited comments from members on this side and he also indicated that he considered this tax credit plan to be probably the single most important piece of legislation that will be brought forward at this session.

Now, Mr. Speaker, the Minister of Finance is certainly entitled to his own opinion and the importance of a tax credit plan as compared to a tax reduction plan is a question of interpretation. It's interesting to note that in his remarks there is no place where he gives any indication of reducing taxes in the province. He is going to have a tax credit plan but at the same time the change in taxation from one individual to say another individual is not going to reduce the taxation, the total taxation in the province. It's another question of "shifting" that this Minister has brought forward in the Chamber.

Mr. Speaker, it's rather interesting to note that while the Minister is interested in maybe a shift in taxation, the increase in taxation that the Minister is proposing to this House is approximately, or is approaching three times the cost of living increase in this province.

We find this year that in excess of \$12 million -- or 12 percent pardon me, increase in government taxation and I would like to ask the Minister what plan that this government has to control the spending of a relatively small province of approximately a million people? And if he doesn't plan on controlling the spending then the tax credit of anywhere from \$28 million to \$31 million, according to his figures, is really very insignificant as compared to the tax increase of approximately 68-69 million dollars which will occur if the spending of this province is not curbed in some form or another. So for every dollar which the Minister intends to return to some people and take away from others, at the same time they are intending to get another two extra dollars in some form or another. Instead of a saving of \$28 million the taxpayer in Manitoba can look forward to further taxation to the tune of \$68-70 million if the government proceeds in the plans and the methods that they have used in the past year.

To me, Mr. Speaker, this is a very serious situation. We are a small province and yet we are trying to spend our way into prosperity. To me the Minister of Finance is somewhat alike to an octopus, Mr. Speaker. He's got one arm holding out the propaganda for everybody to read what a wonderful program his tax credit plan is; he's got another arm holding out the actual tax credit, and it doesn't apply to everybody, it's only to some people; then he's got two arms which are reaching behind into the taxpayer's pocketbook and he's got the other four

(MR. GRAHAM cont'd) wrapped around him, one gagging him and the other three holding him kicking and screaming while he's taking the additional money out of his pocket.

Mr. Speaker, I don't think that this situation is healthy for the Province of Manitoba or is healthy for the taxpayer. We have had people on this side of the House make suggestions to the Minister but so far we haven't seen too much indication that the government is intent in reducing their spending program or their taxation program, but at this particular time, Mr. Speaker, I want to deal with one particular facet where the Minister has tried to identify this income tax credit, tried to identify it in the field of education and call it an Educational Tax Credit. I wonder why he has tried to do this. Is he really believing that those in the educational field are still relatively immune from criticism and that education is still a sacred cow and so he can identify his credit plan along with a program that can't really be criticized? Because I think that day is passed.

I think it is time when we start looking at our whole educational system and our programs in education. I don't know whether the program that he is putting forward as a tax credit and tying it specifically to education is one that the population of Manitoba will swallow or not. I don't know whether he has really listened to the people on this side of the House when they have suggested tax reduction which will be more meaningful to this province rather than tax credits.

I would suggest, Mr. Speaker, that at this particular time in history tax savings are more important. If substantial savings can be achieved the effect on the taxpayer will be even greater. He will never have to pay the tax in the first place and in effect he will have the use of his own money which government now proposes to take from him in September and return part of it to him the following May. If you have tax savings, Mr. Speaker, this in effect gives the taxpayer the right to spend his own money in the manner which he feels he knows best how to accomplish. But here we find the government is not going to reduce their taxation, they are going to take the taxpayers' money and in a system which they consider to be equity, they will return to the middle and lower class a portion of that money and they will spend the rest of it in what they consider to be their prerogative, and that is their right to know better how to spend a person's money than he himself does.

If the Minister is sincere he might very well attempt to have property tax billings coincide with the federal billing on the 30th of April, and then the taxpayer wouldn't have to pay out that money for the seven months and the programs would coincide and be coincidental. I don't think he would do this though. I don't think he would, I don't think he would put pressure on the Minister of Municipal Affairs to try and change their tax billing programs. But even so, Mr. Speaker, I don't think that this program will really be of that much benefit, especially to the people in my constituency.

First of all the farmers are really going to get very little educational tax benefits from this. The Minister says that 96 percent of the farmers will get \$100 or more. Well, may I quote, he says "some 96 percent of eligible farmers in the province will be receiving benefits in excess of \$100, and over-all every eligible farmer will be entitled to a credit of not less than \$50.00 unless the school tax happens to be less than \$50.00.

Mr. Speaker, many farmers live on a piece of property on their farm which is not the most productive, in fact they have taken some of the least productive land on their farm and established their farm buildings on that particular quarter of land. And there are very few farmers in Manitoba who just farm one quarter of land. In fact I would say that the average farmer in Manitoba approximates a section and half or six quarters of land. Now the benefits that the Minister has suggested the farmer will get will only apply to the particular piece of property on which his dwelling -- (Interjection) -- I am incorrect on this? It applies to every piece of property he has, the whole six quarters? Up to a total of \$140. Well then, Mr. Speaker, I have to take the Minister's correction on that. I understood it only applied to the piece of property on which his dwelling existed. I would ask the Minister again to check that point, because I was under the impression that it only applied to the particular piece of property, and when the Minister says no I will accept that but ask him to clarify that point when he closes debate on second reading. Because this, Mr. Speaker, could have a significant bearing. As you know many farmers put their dwellings on the poorest piece of property where it's least productive, trying to maximize every use of the land they have, and quite often you will find that in the assessment of their five or six quarters or some have more land some have less, that the piece of property on which the dwelling exists is quite often the lowest assessed, as

(MR. GRAHAM cont'd) regards to taxation. So I would like to see the Minister clarify this point for us without any doubt, so that when we get into committee this point can be debated again if my suspicions are incorrect.

There is another point, and I'm sorry the Minister isn't here. But when a farmer quite often has his son living in the same yard, on the same piece of property, and there are two houses on that one quarter section of land, I would -- I see the Minister is back, may I repeat again?

I have a second question for the Minister of Finance on this condition that occurs on quite a few farms where the farmer and his son have two separate dwellings on the same quarter section of land, they farm together or maybe the second dwelling may be one in which the farmer's hired man lives. But will the total exemption only amount to the total amount of school taxation that occurs on that particular piece of property, in which case would have to be divided proportionately between the two and this could in essence, Mr. Speaker, amount to very little saving to the farmer. Very little reduction at all. So it now happens, or it now raises doubts in my mind, Mr. Speaker, whether in effect 96 percent of the farmers are going to be receiving benefits in excess of \$100.00. I would ask the Minister to recheck his figures on that particular matter because I don't think that 96 percent of the farmers will in fact receive \$100 or more.

When he comes back to second reading I would ask him again to reassure members on this side of the House as well as members on his own side of the House, and the farmers in Manitoba, that the proper procedures will be followed; and in fact if they are entitled to claim more than one piece of property even though the dwelling is only on one piece of property.

Mr. Speaker, at the same time I want to now deal with another point. The Minister may from time to time have heard representations from this side regarding upgrading of the level of the Foundation Grant in this province. I would suggest to him that a program such as that would also relieve the property taxpayer both in the city and in rural Manitoba, and especially in the farming area where the farmer is in a rather unique position in that all of his farmland is assessed for school tax purposes; and in proportion to the income that he receives from his farm as compared to a doctor, for instance, or a lawyer he may be paying as much as ten times the proportion of his income as the professional man would be.

So I would suggest that a program that would increase the Foundation Grant would achieve a redistribution of the educational costs just as much as his Tax Credit Plan. I'll admit, I'll be the first to admit that probably a person with an income under \$4500 would maybe pay more than someone else, but if we even raised the foundation level where it would reach the point where it has reduced the special levy by one-half, the result would be a shifting of approximately 25 to 30 million dollars, and I would say that those over \$4500 income would be achieving a tax shift very similar to that of his Tax Credit Plan. But what would be more significant would be the fact that this government would then be showing signs of listening to the people of the province, rather than telling the people of the province what in their opinion is good for them.

Mr. Speaker, we've heard school boards, we've heard trustees conventions repeatedly urging a program such as this and yet we find that this government seems to continually turn a deaf ear to them.

May I suggest another example of tax reductions that would occur if suggestions from this side of the House were followed -- again dealing with the field of education. The Minister may remember last year when I suggested to the Minister of Education, he's now the Minister of Colleges and Universities, the establishment of a Legislative Committee of this House to look into the operations of the University Grants Commission, the Senate and the Boards of Governors of the Universities of this province, and at that time, Mr. Speaker, I was concerned mainly with the post-secondary field of education. But if you are going to look at the total field of education I would suggest that this legislative committee also have the power to call before it the Finance Board as well. Rising costs in education make it apparent that review, not just by the Minister or in this case we have two Ministers, but by every member of this Chamber or such members as may be appointed to a Committee of the Legislature would be most appropriate. I feel, Mr. Speaker, that substantial savings and reductions in taxation can occur in the field of education.

I think it is essential that we look at this, Mr. Speaker, because I think it was two years ago that I asked the Minister in the House if he agreed with the findings of the Watson Report.

(MR. GRAHAM cont'd) Professor Watson who was an Assistant to Dr. John Deutsch the former Head of the Economic Council of Canada, was commissioned by Canada Manpower to do a study of the cost of the return to the Canadian taxpayer for monies invested in University education. He came up with a finding that the Canadian taxpayer was only getting 50 cents return for every \$1.00 he was investing in University education. So I say it's time that we look into the field of educational spending -- and it should be done by all members of the House and I suggest the committee.

We also know, Mr. Speaker, that I believe it's a little over a year ago when the Boards of Governors of all the Universities in Canada met in Winnipeg and I think if memory serves me correctly that their projected costs for University education by the year 1975 was approaching \$5 billion and their cost in 1970 was 1.3 billion. So I say again that it's time we take a serious look at some of the spending that goes on. I say to the Minister that all the tax credit he wants to imply, and this is only a tax shift, it does not reduce taxation, but we must -- especially in the field of education -- attempt some form of saving of the taxpayers' dollar. Shifting alone is not enough, I say that we must seriously look at some way of reducing taxation. We may be reaching the point where our entire educational institutions are now being used or abused to the point where they are not fulfilling the purpose for which they were originally intended, and I would suggest again that a committee of this Legislature be set up to investigate it.

Mr. Speaker, it wasn't too long ago that the Member for Emerson made a suggestion, and he did it on more than one occasion, where he raised the point that the unequal position of educational costs throughout the Province of Manitoba places a burden on some particular division and he suggested that an equalization of the special levy throughout the province might be a way . . .

MR. SPEAKER: Order, please. I realize that I must allow a lot of latitude in regard to relevancy but the honourable member has been discussing education and not the tax bill before us. I would kindly ask him to get with the motion we have before us. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I would suggest that it was the Minister of Finance that tied his tax credit plan into the educational program and I am just as much concerned about tax savings and I suggest that in the field of education it was the Minister of Finance that also pointed out that he wanted equity. He was attempting to achieve equity and the Member for Emerson was trying to achieve equality, equality of taxation in the field of education, which would then give the taxpayer in Winnipeg and the taxpayer in Seine River or some other division, the same levy to provide the same type of educational opportunities across the Province of Manitoba. Now I know we can never achieve true equality. That was a suggestion that was put forward by the Member for Emerson and to my knowledge nobody on the government has really taken serious consideration, so that it would indeed be surprising to me, Mr. Speaker, if the government suddenly does listen very seriously to members on this side.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, I wonder on a point of order, and I raised it late because I wanted to check the wording of the bill. You called the honourable member to order on the question of how far he was straying from the subject. I just wanted to draw your attention that school taxes are in the bill and to the extent that there is a debate on the burden of school taxation on the real property taxpayer, may I suggest that that probably is in order, although I don't question your ruling if you want to rule on the question of education costs generally or university education, but I hope, Mr. Speaker, that you'll pardon my drawing your attention that school taxes are specifically part of the bill, that's school tax on real property, and I would hope that you would not limit the honourable member or other members from speaking on the cost of school taxation on real property.

MR. SPEAKER: I had no intentions of limiting anyone on speaking on taxation but not on a wide-ranging educational debate. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I'm not going to say too much more at this particular time. The main purpose in my few remarks at this time is to bring to the attention of the Minister of Finance that while this educational tax credit plan no doubt will require an awful lot of propaganda, that it will achieve no tax savings -- it will be a tax shifting -- whereas we on this side have suggested repeatedly to members of the government that tax savings would be most appropriate in the Province of Manitoba at this particular time.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 10 students of the Central High of Minnesota. On behalf of the honourable members I welcome them here today.

GOVERNMENT BILLS (cont'd)

MR. SPEAKER: The Honourable Minister of Finance shall be closing debate if he proceeds.

MR. CHERNIACK: No, no, Mr. Speaker. I wonder if I could ask the honourable member a question? I unfortunately did not hear his closing remark and therefore having heard all the rest of it I still don't know whether he's in favour of this bill which creates a tax credit or not.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, that indication will be given at the proper time.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I beg to move, seconded by the Honourable Member for Souris-Killarney that debate be adjourned.

MR. SPEAKER: Order, please. Is there any other member wishing to speak? The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Thank you, Mr. Speaker. I want to say, Mr. Speaker, that it gives me great pleasure to rise and speak in support of this tax bill. I don't think even on the government side or even on the Opposition side that there really is at any time any great enthusiasm for taxing the citizens of Manitoba or of our country. However, this is, Mr. Speaker, I think a unique bill because while it's listed as An Act to amend the Income Tax Act (Manitoba) (2), it is really an Act which will put money into the pockets of people in the Province of Manitoba who really need it.

You know the Honourable Minister of Finance said that he was very happy in introducing this bill and I don't doubt that whatsoever. I feel very happy as being one of the government members that can rise in support of this bill and I challenge the Opposition, they made their point very strong on Bill 21, they made their points very strong on Bills 5, 6 and 17 and also in the Budget Debate -- I think the Honourable Leader of the Opposition the Member for River Heights called it a "Tax shaft".

Well, Mr. Speaker, I challenge the Member for River Heights the Honourable Leader of the Opposition to tell the people of Wolseley, tell the people of Manitoba that this is a tax shaft because this is going to put money in their pockets. The average weekly wage in Manitoba I believe according to the latest statistics from the Department of Statistics at Ottawa is around 128, 129 dollars per week per Manitoban. That would make approximately an annual salary of 6,600 to 6,700 dollars per year, and according to the Table 1 that was distributed when the Honourable Minister introduced this bill, we find that a single taxpayer in the bracket between six to seven thousand dollars would be receiving a tax credit of anywhere between 87 to 97 dollars; married with no dependents in the same bracket would be receiving anywhere from 101 to 111 dollars; married with one dependent under the age of 16 between 104 and 116 dollars, and if he had two dependents between 107 and 117.

The Honourable Member for Birtle-Russell said that this is a tax shift and that the people of Manitoba were going to face an increase of taxes of 68 million dollars in order to be able to afford this \$32 million tax shift. You know evidently the honourable member wasn't listening too closely during the introduction of this bill or during the Budget Debate because part of the extra revenues that are going to be raised in the Province of Manitoba this year are going to come from increased buoyancy in the economy of the Province of Manitoba, notwithstanding what you might hear some little fellow outside this Legislature demanding, special debates and what not, that is beside the point.

I think that the Honourable Member for Birtle-Russell was a little bit confused also on just what this tax credit was all about. It was not dealing with university or post-secondary education, it was dealing with public school costs, and \$28 million of the 34 will be for a tax credit, a tax credit for easement to those who are on fixed income, low income, who are the least able to pay the taxes that are assessed upon them by their local school boards. Twenty-eight million dollars of that.

(MR. JENKINS cont'd)

Now the honourable member also stated well we should have put a tax - or not a tax - a foundation levy grant should have been increased. Well evidently he hasn't been too up to date on what's been happening or what's proposed to be happening in this House, because if he will look in the Estimates of the Department of Education you'll find that there is \$6 million credit for an increase in the Foundation Levy to the school districts of Manitoba, increasing the Foundation Levy support from 75 percent to 80 percent.

Now the Honourable Member for Birtle-Russell talks about that the taxpayer should have his own money to spend and in basis I say this sounds a very nice philosophy but really is not very practical, because if we look at the tax table that was distributed here there are some people who are going to be in the position of not having any taxable income whatsoever, they're not going to pay any tax; but these people if they're on fixed income or old age pensioners and if they do pay \$140 in school costs, they are going to receive a tax credit come the income tax year ending 1972 in the year of April 30, 1973.

The Honourable Member for Birtle-Russell also said this tax credit rebate or tax credit was going to be of no benefit whatsoever to his constituents. Well if we're looking at this year's \$50 rebate - straight \$50 rebate, never mind your income or anything - then we look at the proposed table on Page 1. I must then come to the conclusion that the constituents that the Honourable Member for Birtle-Russell represents, if they're single, must be earning at least \$11,000 per annum; if they're married with no dependents they must be earning at least \$13,000 per annum or over, and the same if they have one or two or three or four dependents. So when he says that this bill, this Bill No. 55, is of no direct benefit to his constituents then I must say, Mr. Speaker, that I congratulate the Honourable Member for Birtle-Russell on the affluence of his constituents. I wish I could say the same for my constituents. I think that there's an awful lot of members in this House would wish that they would be able to say the same thing. I'm sure that the Honourable Member for Churchill couldn't say that his constituents would earn an average of over \$11,000 a year if they were single or over \$13,000 a year if they were married with no dependents. But this is what, if I got the message, that the Honourable Member for Birtle-Russell when he stated that this tax bill - Bill No. 55 - this tax credit rebate would be of no benefit whatsoever to his constituents, no benefit whatsoever. So then we must say that he mustn't have any constituents that are in the low income group, the middle income group, they must be all in the high income group.

Now the honourable member also said we've got to take, and I hope you're not going to rule me out of order, Mr. Speaker, but we've got to have a good look at education and the cost of education and how they're going to spend this money. Well there's two ways that this can be done, Mr. Speaker. We can suggest to school boards that they curtail their spending hopefully, or is the Honourable Member for Birtle-Russell suggesting that we do away with school boards and that we have the Department of Education through its school finance board set the budget? Perhaps something like they have in the Province of New Brunswick where they have some very nice little school boards who can propose a budget, submit it to the school finance board, they can emasculate it, send it back to the school board and they have to take the rap for the cut in costs but really they have nothing to say about it and so it neatly lets the Provincial Department of Education and the Minister of Education in the Province of New Brunswick neatly off the hook. He can say, oh no, I didn't do it, it was the school board that did it. Is that what the honourable member is advocating? If it is then he better go back and talk to his own local school board because I think he would be in a little bit of trouble with some of the gentlemen that over the period of years have done an excellent job in the field of maintaining the costs of education, and if you think it's an easy job, it's not. -- (Interjection) -- That may be true that the honourable member was one of them. I congratulate him that he took that much interest in the education of the people within his constituency. I see, Mr. Speaker, that you are getting a bit excited, so I'll come back to the bill that is under discussion.

I basically want to say again, Mr. Speaker, that this is a good piece of legislation. The honourable member, and I haven't heard any one of the other members, I have heard them speak on succession duties, death duties, income tax bill No. 1, everything else, but lo and behold, and be damned, we won't vote for this, but I challenge them. Now if they are going to be consistent, and if the Honourable Leader of the Opposition, the Member for River Heights, says this is a tax shaft, you get up and tell the people of Wolseley, and tell the people of Manitoba, and vote against it. I challenge you to do so. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Yes, Mr. Speaker, I beg to move, seconded by the Honourable Member for Souris-Killarney, that debate be adjourned.

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I have a motion to make that is slowly, if I may admit, the motion I propose is that we will go into Supply . . .

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Can you give us the order of the Estimates?

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

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Riel.

MATTER OF GRIEVANCE

MR. CRAIK: Mr. Speaker, before you place the question I rise to air a matter of grievance. My grievance is the handling of the power development decisions for the Nelson-Churchill Rivers, and particularly the unnecessarily arbitrary costly manner in which these have been handled. My grievance, Mr. Speaker, is brought to bear to day because of the events of this morning and I think that this is in keeping with the intention of the grievance motion.

Mr. Speaker, on May 15, 1969 we had a document presented to the Public Utilities Committee by the then chairman of the Manitoba Hydro, Mr. W. D. Fallis. In his very closing paragraph of that very important document that was presented to the Public Utilities Committee at that time, Mr. Fallis said, and I think this should be placed on the record: "Mr. Chairman, the Manitoba Hydro Act charges us with the responsibility of providing for the continuance of a supply of power, adequate to the needs of the province, and to promote economy and efficiency in the generation, distribution, supply and use of power. We are firmly convinced that the developing of the mighty Nelson in conjunction with the Churchill River as planned, continues to be the best means of meeting this responsibility."

Mr. Speaker, that document that culminates in that statement by the chairman of Hydro was well backed up with cost-benefit documentation. We received today a document, May 25, 1972 three years later and a few days, a document which on Page 3 is backed up by the statement: "This proposal is made in the conformity with the requirements of the Manitoba Hydro Act which include 'to promote economy and efficiency in the generation of power'. This is the lowest cost diversion project that meets the requirements." Well, Mr. Speaker, both of those documents are presented on the justification of the portion of the Hydro Act which quotes directly that it is to provide economy and efficiency in the generation of power.

Mr. Speaker, I submit that the closing paragraph given by Mr. Cass-Beggs this morning at the committee meeting which says "this is the lowest cost diversion project that meets the requirements" is not an accurate statement of fact, nor is it a justifiable position to be taken by a chairman of Manitoba Hydro whose mandate and responsibility is clearly spelled out by the Act and does not justify the positions that have been taken by him. In that intervening three years we have seen political hypocrisy and we have seen a decision which culminates in the flooding of South Indian Lake as announced this morning. The realities of power development have forced the government to finally make the decision that it has attempted to postpone since it came to power. Since the 1969 election campaign, the question of the future course of Hydro development has been clouded with controversy. Today's announcement of the flooding of South Indian Lake proves that much of this controversy was artificially created and maintained for political purposes. In the effort to maintain its promise to avoid flooding South Indian Lake, the NDP government has demonstrated its willingness to waste years of Hydro potential and millions of tax dollars on the dangerous substitute plan to regulate Lake Winnipeg. The most regrettable aspect of today's announcement is its failure to cancel the Lake Winnipeg regulation plan which besides being economically wasteful, technically questionable, and environmentally questionable, are now obviously redundant and could be unnecessary.

If indeed the government has decided to abide by the section of the Hydro Act which requires Hydro to promote economy and efficiency in the generation of power which I have quoted, it is under an obligation to abandon its proposal to regulate Lake Winnipeg immediately.

(MR. CRAIK cont'd) Besides its failure to prevent the unnecessary flooding of Lake Winnipeg, today's announcement contains one other major cause for regret. It is the continuation in office of the senior management of Hydro specifically as chairman, Mr. Cass-Beggs, who bears significant political and moral responsibility for the confusion and deceit surrounding the question of power development. Certainly Mr. Cass-Beggs' statement confirms several convictions which have been aired publicly in this Assembly, and outside of it, by myself and many others. The most important of these convictions are:

That the questions and objections raised by Mr. Campbell and Dr. Kristjanson, and so rudely rejected by the First Minister and Mr. Cass-Beggs, were and are valid.

Secondly, that some form of moderate Churchill River diversion using South Indian Lake, is and always has been, necessary and that those who have raised the spectre of high level diversion to mask the inevitability of that step, have been guilty of using irresponsible political scare tactics.

Thirdly that the warnings offered at the Manitoba Water Commission Meetings, and elsewhere, by those persons, technical experts and laymen alike, who were concerned about the costs and dangers of flooding Lake Winnipeg, must now be taken seriously by the government. I have no direct knowledge of exactly what or who motivated Mr. Cass-Beggs to make today's statement about the flooding of South Indian Lake. The fact that he announced the decision which was overdue and inevitable in no way qualifies him to continue administering this province's most important public utility.

If his decision was caused by a reevaluation of the facts, studies, and reports, then his previous contradictory and misleading statements, and indeed his professional competence which has been widely questioned in the past, since the publication of his very unfortunate report in September of 1969, must again call him into question. If, on the other hand, his statement was offered for political reasons, then his administrative integrity must be doubted. The operation of Manitoba Hydro requires public servants and not political henchmen.

Mr. Speaker, that's a strong statement, an unfortunate one that I myself would like to make about anyone who is a public servant in this province, but the decision today that we saw, and I must reiterate, is a vindication of the original planning for the power development in northern Manitoba. We have seen for three years a justification by the chairman of Manitoba Hydro, attempted justification by him, and by the government of the day, to follow a line of action and to spend millions of dollars fruitlessly looking for an alternative to South Indian Lake that had been examined fully by the many investigators that had preceded 1969 on this massive project, and despite the warnings of the most credible people in Manitoba that the scheme announced today was the one and only scheme that was practical for this province, we have seen three years of an effort by a man to justify a position in a report that was put together in great haste, put together partially with the assistance of an associate of his, who saw the folly of it and left the Manitoba scene to return to his home in Saskatchewan, and was finally issued in a hasty matter of several days by the chairman of Manitoba Hydro, and since that day every effort made to justify that very hasty, inappropriate, and untimely report in 1969.

So today we have on South Indian Lake a decision, a decision which the government says it may not even take through the normal hearing stages that it would be required by the Water Commission Act, but by which an out is provided in the Hydro Act where the government can by-pass normal hearings.

We have seen an effort by the government, a very disappointing effort, to see all representations denied opportunity to go officially on the record before the members of the Legislature, which is the court of final appeal, and successfully by the government, to avoid any of these people going on that official record. And from the Question Period today, we can tell, or we surmise, from the answer of the First Minister that it may not in fact be necessary to have a hearing; it may not in fact be necessary for Hydro to apply for a licence in the normal fashion that we thought was standard procedure.

Well all of it is pretty clear. It's very clear that the government have decided that come hell or high water on South Indian Lake, they are going to avoid any formal opposition to this decision that has now been made.

We also see in the report by the chairman this morning that he goes so far as to say that he recommends that there should be a study committee to discuss a matter of how much clearing should be done. Well, Mr. Speaker, the matter about clearing are matters for Mines and Natural Resources, and I'm sure that if it has come to the point where the chairman of Hydro

(MR. CRAIK cont'd) has to take the position of deciding on matters involving environment such as clearing, and the extent of, and request a special committee, it is a clear indication that the environmental homework has not been done by the government and that responsibility lies with the government and I think we all know that had the government spent the last three years, rather than thrashing around to look at the Hydro chairman's doubt about the technical viability, if that three years had been put, and that money had been put into logical and much needed environmental base line studies, we would now have a rational ground, rather than a political ground, on which to make the decision.

But what was happening, Mr. Speaker, well we have seen the very arbitrary approach of the government which has said, we are not going to hold normal hearings, we are going to let the Water Commission hold meetings, and even in spite of that, when they saw that there was a massive response to the call to the meetings, with hundreds of people showing up at the meetings, they even then took a casual approach and the former Minister of Mines and Natural Resources even abdicated the province for a period of time, midstream of these meetings being held, and midstream of hundreds of people appearing at those meetings to present their feelings, their thoughts, their concerns, their property threats and all the rest, the former Minister of Mines and Natural Resources decided that this wasn't important enough to keep him in the province.

And I single him out, Mr. Speaker, because I think that the approach of the government has been casual to this topic, and I think the former Minister of Mines and Natural Resources, the now Member for Inkster, has taken a casual approach to it, and I think the fact that he alone has abdicated from his post at a time when a decision is being made that affects the resources of this province like no other decision has in the history of this province, shows the casualness and the inability of the government to put together an administrative body that is supposed to be the Executive Council, the Cabinet of this government, to look after the interests of the province, but rather the former Minister decided that for political reasons, or some other reason, that he should enjoy himself discussing the matter of aid to separate schools, or some other issue, at the time when no other department in the history, and at no time in the history of the government, that particular department had a more pressing decision facing it. And I think he has exemplified the casualness of this government to the public interest. They've been on legal grounds, they've been on legal grounds; they did not have to listen to the people; they didn't have to call hearings, the Act says the Minister may have the commission hold hearings. The Act also says that the Manitoba Hydro can go to the government and not to the Manitoba Water Commission for its licence. Furthermore there is an out in the Manitoba Hydro Act that says they don't even have to do that under certain circumstances, they can simply accept the ruling of the Executive Council to do what they want to with respect to water power development, or any other matter, affecting Hydro, and that's apparently what they are going to do. And I say, Mr. Speaker, it shows a clear casualness and incapability to effectively administer the affairs of Manitoba at a time when it is needed most.

Mr. Speaker, at one time before in the history of Manitoba Hydro there was a crisis that was not as great as this but was similar, it was when there were political accusations made in the Legislature about haulage contracts for the Grand Rapids Development and at that time the government of the day asked Hydro to comb through its information and bring out as much documentation as it could to defend its position. Hydro did that. But they not only did that when they got to a certain point, Hydro, which then considered itself an agency and not a political wing, turned around and said to the government, we cannot do what you have asked us to do, we want you to have an inquiry into this matter so that we can clear our position, and the government of the day did that at the request of the chairman of Hydro to a meeting of the Public Utilities Committee. A decision was made by the government to set up a special inquiry that looked into all the matters affecting it. Well, Mr. Chairman, that was democracy and that is the position that a hydro should take under the circumstances.

At this point in time we have a crisis that exceeds that in terms of the amount of money that is being spent and also in terms of the overall implications for directions of power development in Manitoba, and we feel that there is much more justification for an inquiry at this time into the sequence of decisions that have gone on over the last three years to bring us back to nearly the point at square one where we were three years ago.

We think that there has been unnecessary spending of money. We think that the control of Lake Winnipeg is unnecessary. We are sure that the \$56.5 million stated for its development

(MR. CRAIK cont'd) is a minimum, that it will go higher than that. We say that the \$70 million announced this morning for the development of South Indian Lake is not comparable to the original \$45 million that was announced in 1969 for that purpose; that it is higher than \$70 million. We say in total that the amount of money involved here is staggering and that the position of the Chairman in the sequence of decisions that have gone on, the decisions have not been objective. They have been directed partly to vindicating a hasty decision which he made in 1969 and which he now only partially can defend by going to a similar type of diversion program but at a different initial level; and partly because he has been cut up in trying to serve the political interests of the Government, an undertaking which should not be in our estimation assumed by the Chairman of Manitoba Hydro.

He has a responsibility. The responsibility is: (1) An administrative one, (2) A technical one. We have found that order of responsibility to be somewhere down the list but that the first responsibility has clearly been to serve the political interests of the government. And we say with full vindication that we believe that a special inquiry should be made, that the Chairman of Hydro's tenure should be terminated according to the Order-in-Council which says that it is, the first termination option is in July 15 of 1972, and that Hydro should now return to where it was three years ago, follow on its policy under the objectivity of a person who can more adequately fill the responsibility as outlined in the Manitoba Hydro Act.

With those comments, Mr. Chairman, and in the limited time that we have had to look at this, and it is disappointing to us that had we not made the effort to provide the time for the Chairman this morning that as Members of the Legislature we would have found out all this information through the newspapers and not through the Public Utilities Committee. It was only through our own efforts to provide that time that we were able to have the Chairman make his announcement at the Committee, which again is a rather sorry state for the situation and relationship that exists between the Public Utilities Committee and the Manitoba Hydro.

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MR. DEPUTY SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I note first of all that the Honourable Member for Riel read the major portion of his charge from a prepared statement which of course is legitimate, I make no criticism of it, however, it does give me what may be some insight into the reason for the total inapplicability and total erroneous assumption upon which the honourable member has been speaking. Because, Mr. Speaker, I can only think of two, I can only think of two possibilities for the assumption that the honourable member is making. And the assumption that he is making essentially is that today the Government announced something new. That it is proceeding with a new program for the diversion of water from the Churchill to the Nelson at a level to a maximum of 850 feet and possibly to a maximum of 848 feet, with the actual level not being exactly determined. And what my honourable friend says is that this announcement indicates that everything that we have done in the past three years has been shown to be wrong.

Well where has my honourable friend been during the past three years? In September of 1970 it was announced to the Legislature, not in the Legislature, it was announced to the people of Manitoba, it was subsequently announced in the Legislature, that the program for the development of Hydro electricity at the present time involves two components: One is the regulation of Lake Winnipeg between levels 711 and 715; and secondly, the diversion of water from the Churchill to the Nelson with a maximum inundation of 850 feet. That was not announced once, Mr. Speaker, it was announced at the time of the making of the announcement. It was explained in the House on numerous occasions. It was explained by Mr. Cass-Beggs in an infinitum in Public Utilities Committee, and it was also explained that the reason, one of the reasons for proceeding with Lake Winnipeg first is that it was hoped that perhaps we could learn more about Churchill River diversion by the time that that plan had to fit into the sequence.

Now, Mr. Speaker, the fact that my honourable friend read from a text which assumed that water would not have to be diverted from the Churchill to the Nelson as part of the present Manitoba Hydro Electric scheme, which assumed that this was a new program and which he now says is adopting their position - and I'll come to that in a moment - must be that somebody who wrote that text doesn't know a damn thing about what Manitoba Hydro has been saying in the past three years.

Mr. Speaker, either that is the case, or in the alternative - and this I regret saying, this I regret saying - that it displays either ignorance at worst, stupidity as an intermediate question, incompetence as an engineer on the part of the Member for Riel in the third possibility or the fourth possibility which is worst of all, the complete willingness to be completely irresponsible and misleading in everything that he has said in his just given grievance. Because, Mr. Speaker, there is no other alternative. I speak here, Mr. Speaker, in the presence of the people of the Province of Manitoba. I say to the Honourable Member for Riel and I challenge anybody in this House to deny it, that the - - I'm astounded that anybody would not say that Lake Winnipeg regulation was in place of a Churchill River diversion and that we have been giving it to be understood that there would be no diversion of water from the Churchill to the Nelson.

Mr. Speaker, I have on every platform that I have ever spoken on this subject including the Water Commission meetings at which the honourable member was present, whenever the subject was raised in the House, whenever it was raised outside of the House, in numerous letters which go under my signature as Minister of Mines and Natural Resources or used to go under that signature, I have indicated that the Hydro program is presently Lake Winnipeg regulation between limit 711 and 715 and a diversion of the Churchill River with a maximum inundation level at 850 feet. Now the honourable member says that we have now adopted, we have been forced to adopt their professional competence. That three years ago it was stated by the engineers which were then part of the Conservative administration - - and I'm not going to use the same type of criticism of those engineers that my honourable incompetent friend has used about engineers that are now employed by Manitoba Hydro - - but what was the program of those competent engineers. And I say that advisedly.

Was it to flood South Indian Lake at a maximum diversion level of 850 feet? Three years ago it was 869 feet. Mr. Speaker, 30 feet over the mean level of the Lake. And my honourable friend is saying that we should go back to the three year ago program and flood South Indian Lake at a level of 30 feet. Now, Mr. Speaker, even he doesn't believe that. Even he questions the competence of that decision, because that is no longer the program of the Conservative Party. I've read literature published by the Conservative Party which they say we are now

(MR. GREEN Cont'd) adopting to vindicate their program, which says that they would proceed immediately, Mr. Speaker, but immediately. That is the word that is used in the Conservative Government platform. Not after studies, not after ecological things are taken into account, not after any studies are made with regard to clearing which the honourable member says should now be made by the Department of Mines and Natural Resources, not with any questions being asked, but immediately. That's the words of the literature. To a maximum of 850 feet? No. To a maximum of 854 feet as determined by engineers when they were responsible for Hydro? No. As determined by engineers who were commissioned by this Government.

So, Mr. Speaker, if we are talking about which government is capable of commissioning the competent engineers, at least we know that the engineers, and I don't refer them to be incompetent. There's only one engineer who has demonstrated incompetence to me in this House and that's the Member for Riel. But if we are talking about the ability of a government to choose competent engineers then their engineers - - and I don't say that they're incompetent, but apparently the Member for Riel does - - said that we needed 869 feet of water on South Indian Lake. The engineers, Mr. Speaker, commissioned by this Government said that you need Churchill River diversion at a level of 854 feet. And, Mr. Speaker, they are now in their literature, which says that you should immediately go to 854 and ignore the Winnipeg regulation, they're not accusing their engineers they're accusing our engineers, if that's the way they want to put it. And I say they are neither theirs nor ours. That just as lawyers differ, engineers differ. That just as doctors differ in opinion, engineers differ in opinion. That just as every professional group including social workers and shoemakers and everybody else differs as to opinions, engineers can differ in opinion. That doesn't mean that they're incompetent.

Incompetence is demonstrated by what the Member for Riel said today. Incompetence is demonstrated by a person who sat in the House and listened for 2-1/2 years, and he listened to it being said not once, Mr. Speaker, but I leave it to the world to judge, not once, not twice, but possibly 50 or 60 times: That the program which Hydro announced in September of 1970 for the future Hydro Electric Development of the Nelson River involved two components, two - that's one plus one for the honourable member for the Honourable Member for Riel, who that probably didn't help very much. But I say it again, one plus one is two, two components - - shame? You didn't say shame when the Honourable Member for Riel got up, said that the Chairman of Hydro should be dismissed because he has now announced a program which vindicates their position because - - (Interjection) -- he said that, he said that after three years we have now come and suddenly made an announcement that we are going to - - he said that we were saying that South Lake - - the Premier will be astounded to hear this as I am sure everybody else would be. He said that Lake Winnipeg regulation was a program which was supposed to make water from the Churchill to the Nelson and flooding of South Indian Lake unnecessary. That that is the position that Hydro had taken. And I'm saying that that is a demonstration of incompetence, for a man to sit here for 2-1/2 years, heard it said not once, but twice, not twice but 50 times, that the present Hydro program involves two components: One, the regulation of Lake Winnipeg between level 711 and 715 for storage purposes; and two, the diversion of water from the Churchill River to the Nelson River with maximum flooding on South Indian Lake of 850 feet.

Mr. Speaker, that has been said so many times that I who am a lawyer and know nothing about Hydro Electric matters as a profession but only as a layman as the First Minister put it today, it got through to me, but it apparently didn't get through to the incompetent engineer from Riel who sits on the other side of the House because he gets up and shamelessly announces that this 850 feet program - and I want you to hear this too, Mr. Premier - is their program. This is what they have been saying all long. Apparently the Member for Riel not only doesn't know that one and one makes two, but he doesn't know the difference between 869 feet and 850 feet, because he says they're the same. And if he does know the difference between 869 feet and 850 feet he doesn't know the difference between 854 feet and 850 feet, because he says they're the same. And, Mr. Speaker, what is most astonishing of all, is that he has been a member, an engineer member of the Legislature between July of 1969 and May of 1972 and he didn't know, Mr. Speaker, and Mr. Premier, he did not know that the plan pronounced by Hydro in September of 1970 involved two components. He thought that with Lake Winnipeg regulation, and maybe that's why he's been so critical about Lake Winnipeg regulation. Maybe one can now understand it. He thought that Lake Winnipeg regulation was being proposed by

(MR. GREEN Cont'd) this government as a means of avoiding taking water from the Churchill to the Nelson River. And if that is so, Mr. Speaker, I forgive him for my criticism with regard to him making the statement but it reinforces my criticism with regard to his ignorance and his incompetence. Because, Mr. Speaker, nobody, nobody with an ounce of intelligence could have sat here through those 2-1/2 years without knowing something.

But, Mr. Speaker, the Member for Riel has given us another clue, he has given us another clue as to the reason for him making these remarks. He said that this program that we have for the development of power, that the government has announced, is a political program. That it's not really a technical program, it's a political program. And my honourable friend's view of politics is that when you do something politically it's not really not doing the right thing, it's putting something over on somebody. Now, Mr. Speaker, I have always been of the opinion -- and some people have criticized me for it, and perhaps I am wrong but I accept the fact that I am wrong -- I have always been of the opinion that what is right is politically right, and myself, Mr. Speaker, I believe, that if you are doing the right thing that the people have the wisdom to judge the fact that you are doing the right thing and that therefore the best way of getting the people's approval is to do the right thing, and what you have done right you will get political marks for. That has always been my opinion, that is always the way I have operated and, Mr. Speaker, I hope to operate that way in the future.

The Member for Riel by criticizing this program as a political program, what he is saying is that if it's political it must be wrong, because the only way you get anywhere politically is to lie, and to cheat, and to deceive. And since we are both in politics, Mr. Speaker, since we are both in politics, and I am trying to do things for political reasons, and I believe that the right way to make political mileage is to do the right thing, and the Member for Riel, I assume is in politics too, I mean he's here, he seeks political office, and since he believes that the political thing to do is to lie, to cheat, and to deceive, then what we have had from him this afternoon is his political thrust. Mr. Speaker, in his definition and therefore that the only way that he can get anywhere is not to tell the truth but to do what he thinks, Mr. Speaker, is the political thing, and he thinks that the political thing is to get up here and to say anything, to be as irresponsible as possible, to deceive, to, in any other way that he can, try to present a picture which is not in fact so, which, Mr. Speaker, is his acknowledged definition for "political," and if it isn't then why does he in making his most serious criticism of our proposal, why does he refer to it as a political proposal. What does that mean to the Member for Riel? Well, Mr. Speaker, obviously what it means is political is a definition of every criticism that he levelled against the proposal, and he levelled the criticism that it's incompetent, that it's deceptive, it is done not for the purpose of protecting the interests of the people of Manitoba. All of those things are political. Mr. Speaker, I ask this Assembly to judge the Honourable Member for Riel's remarks by his definition of political, deception, illusion, anything, Mr. Speaker, which he has attributed to this plan, which the Manitoba Hydro announced in September of 1970, confirmed today with a few possible bright spots in terms of the highest level of the lake to be achieved, but nevertheless confirmed today, and judge that, Mr. Speaker, by the Honourable Member for Riel's remarks and see who is trying to deceive, who is trying to deceive.

His remarks were to the effect that today's announcement represented a complete reversal of the Hydro Development Program by this government. Mr. Speaker, I repeat in kindness to the honourable member I would say that he's either ignorant, stupid, or incompetent. If I was withholding kindness, I would say that he is purposely attempting to apply his definition of political and that is deception to the Members of the House. Mr. Speaker, he can take his choice. As far as I'm concerned, it's six of one and half a dozen of the other. It really doesn't matter.

Mr. Speaker, the Honourable Member for Riel referred again to what he called the massive response to the public meetings that were held by the Manitoba Water Commission and, Mr. Speaker, I think in fairness I should say that when we originally contemplated the meetings of the Manitoba Water Commission it wasn't our intention that the Minister would be there at all. It wasn't considered that the Minister would attend the meetings of the Manitoba Water Commission. The only reason I attended subsequently, Mr. Speaker, is that a few weeks prior to the meeting an issue arose as to whether these meetings were really what was said would happen in the Manitoba Legislature of the previous year. And I will get my honourable friend from Riel's own words to the effect that he knew at the last session exactly what type of

(MR. GREEN Cont'd) meetings would be held, and he used the phrase that now they tell us that we are going to have meetings, a year ago, a year ago, that he used the phrase that now they tell us we are going to have meetings and not hearings. So that any suggestion that this was a surprise was again a deception on the part of the Honourable Member for Riel, but nevertheless there was some political input, let us say it in those terms, that there were certain politicians on that side who in employing their definition of politics thought that something had to be done to confuse the issue, and that's their definition by the very words of the Honourable Member for Riel, and we on our side, whose definition of politics is somewhat different, and felt that we had to be there for the purpose of representing in as good a fashion as we could the position of the government, and to try and give the facts as we saw them, and as they were not challenged and, Mr. Speaker, it was felt that it would not be fair to the staff of the Department of Mines and Natural Resources to have them involved in what had become a political issue involving the people at the political level rather than the technicians in the department. My honourable friend seems to find something wrong with that.

Well whenever my honourable friend finds something wrong he should look behind what he finds wrong to find out what he is really saying because when he talks of abdication, and, Mr. Speaker, I attended the Water Commission meeting at Cross Lake; I attended the Water Commission meeting at Gimli; I attended the Water Commission meeting at Selkirk; I attended the Water Commission meeting in Winnipeg; the First Minister attended the Water Commission meeting that following day; and the Acting Minister of Mines attended the Water Commission the following day. On each day there was a political representative of the government there to answer to the people for what we assumed responsibility for. The Honourable Member for Riel says that we should have been there, or I should have been there on every day. Well, Mr. Speaker, you know I'm not going to betray confidences that have come to me through the Civil Service of the Government, but I ask the Honourable Member from Riel to examine the performance of the previous Minister of Mines and Resources during the Churchill River crisis. And I say, too, not only on the outside, but in this House, he said that he is relying on his staff. He got up in this House, Mr. Speaker, and he said, I know this is a good program because Bill Mair told me that it's all right. And I said at that time, Mr. Speaker, that if I occupy a bench on this side of the House I will answer for my department, and I will not try to excuse myself by saying that I was told that this is good by my staff.

It was on that basis that I attended each of the meetings; it was on that basis that the First Minister attended the meetings; and it was on that basis that the Acting Minister attended those meetings. And for my honourable friend to now try to make out something of the fact that at one of those meetings I was involved in other government work, which I agree I enjoyed it - I don't know, did you fellows on the other side, did you not enjoy it when you happened to be on government service in a different place? Did the Member for River Heights, who was the globe-trotting Minister of the Conservative administration, you know, when he went to London or to the other European countries, I suppose he didn't enjoy himself. I mean he hated it, every minute of it. Well I tell you, Mr. Speaker, I enjoyed it, I enjoyed the weeks that I spent in Madagascar but, Mr. Speaker, I would be willing to put my record at my desk, the time I came in in the morning, and the time I left at night, the number of weeks I spent working for the public of Manitoba, beside any Minister who worked for the previous administration, and I would even say, Mr. Speaker, beside any Minister who worked for our administration. But I'm not fighting with them I'm fighting with you, and I'd be willing to put my holiday time, and everything else, on the line as compared with the Honourable Member for Riel. But, Mr. Speaker, I am guilty, I did accept an invitation by the Canadian Government to be a representative of them in Madagascar at a French-Speaking Conference. Mr. Speaker, I will also plead guilty to the fact that I enjoyed it, and I'm sure that the honourable members on the other side, they didn't enjoy those things which, you know, if they didn't enjoy it, I don't feel sorry for them. I hope they were miserable every minute of the day that they were Ministers, and seeing that they were so miserable every day of the year that they were Ministers, I know they don't want to occupy these benches again because they don't want to be miserable.

The honourable member makes a great deal out of the fact that I abandoned this government on this question, at this time, because of the school question. Mr. Speaker, I ask you, do I standing here right now look like I have abandoned this government on this question? How stupid can you be? Does this look like abandonment? Where does anything look like abandonment since the day we got into this House? Does anybody take that as a credible statement. It's just not credible. It's as credible as everything else that the honourable member has said.

(MR. GREEN Cont'd) He said that there was massive attendance at the meetings.

Well, Mr. Speaker, I'm going to give my honourable member a clue about politics. What I consider to be legitimate politics. When we got to the meeting at Gimli we found that the only people in attendance, the only people in attendance were people who had obviously been dragged out by the fact that the Conservatives - Mr. Lyon was there; Mr. Campbell was there; Dr. Johnson was there; the Lake Winnipeg Property Owners Association was there, - oh wait, you won't be smiling in a minute. And, Mr. Speaker, every time one of us got up to say anything, there were maybe - oh, was there a hundred people in attendance? But any time one of us got up to say anything there was a booing squad, a booing squad, and you know that's kind of intimidating. Maybe my honourable friends find that that's easy to take, but there was a booing squad.

The next meeting was held in Selkirk. We told the Member for Selkirk - this is politics - we think that some of our New Democrats should be at that meeting. There was 200 at the meeting, I would say that 175 of them were New Democrats, and they were cheering, Mr. Speaker. The Honourable Member for Riel didn't mention that. They were cheering. There were very few boos at that meeting.

The meeting in Winnipeg where 700 people were in attendance, Mr. Speaker, -- (Interjection) -- that's right, that's right, that's right. You don't like it, I know you don't like it, because you don't like to hear people cheer for us. Mr. Speaker, -- (Interjection) -- well let's tell the story of the meeting. Seven hundred people in Winnipeg, Mr. Speaker, I tell you again that we told our organization that there is going to be a meeting with regard to Lake Winnipeg regulation and if you are interested in what the government is doing in this area, be there. And the fact that they were there on two days' notice, which is a marvel to the honourable friend for Riel, is only a marvel in what it says for the New Democratic Party organization, because what he didn't say is that at the Tech-Voc meeting again when Mr. Cass-Beggs uttered a remark that did not sound good to Conservative ears, people started to boo and the vast majority of the people in the audience, I would say 640 of them, started to cheer. There were no boos from that moment on, Mr. Speaker. So let's talk about the massive attendance. A total of 1,000 people attended those meetings and I would say that 800 of them were fully in approval.

Well, Mr. Speaker, the Honourable Member for Riel can go to the newspapers; he can ask what was the reaction of those audiences, and the next day, Mr. Speaker, after this was explained - the First Minister was there, I think that there was still a fairly good crowd, possibly 200 people - they tried to continue the meetings on and on and the next day the grand performance of the former Attorney-General, Saturday night, 40 people were at the meeting, Mr. Speaker. And they didn't cheer and they didn't boo because there wasn't anything said worth cheering about, and there wasn't anything said worth booing about. So let's put the cards on the table so far as those meetings are concerned. That's what happened at those meetings.

Now, Mr. Speaker, I believe that the crux of my remarks, and of what the Honourable Member for Riel has said this afternoon, is twofold. One: that they've lost the South Indian Lake argument on the facts, that therefore they're doing what the Honourable Member for River Heights, the Leader of the Opposition, told us he would do, he told us what he learned at law school. He said, Mr. Speaker, when I went to law school the first thing they taught us was how to manufacture a case. I don't know if - that's what they taught them in Harvard Law School. In my law school, Mr. Speaker, they taught us that you do not change the facts. You deal with the facts as they are, and you argue your law in accordance with those facts. The Leader of the Opposition said, first thing they teach you as a lawyer, is how to manufacture a case. So the first thing they have done is say our case is no good, so we have to manufacture a case. If their case is good, we will choose it as ours. The 850 diversion is a good thing, let's say it's ours, and he actually came into the House and said that they are now adopting our program, which was announced publicly by our program in September of 1970. The second thing that he said is he gave us an insight into his definition of political. His definition of political is that the way you get marks is you deceive, you cheat, you allude, but you never tell the truth. The truth is never good politically. That's their definition.

What does that say about my honourable friend's position? Well, Mr. Speaker, it reminds me of a story about how sometimes something comes out that you really didn't intend. It's about a story of a farmer who bought a bull for breeding purposes, brought this bull home; later on like Ferdinand didn't do a damn thing, just ate the daisies. The farmer got very

(MR. GREEN Cont'd) excited, he paid a lot of money for this prize winning bull and it doesn't perform. They called the vet; the vet came and said it's nothing. Just give it these pills and in two or three days it will be fine. So the vet gave the bull these pills, and sure enough after two or three days the bull not only serviced his cows but the neighbour's cows as well and the farmer was just astonished and the neighbour was just raving about this bull. And the neighbour said, "but gee during the first dew days it didn't do anything, how's that?" And the farmer said, "well it was nothing; the vet came and told me it was a change in atmosphere and all I had to do was give it some of these pills." And the neighbour said, "what kind of pills?" He says, oh ordinary pills, they come in a little round box about three quarters of an inch long, they're green glossy covered, oval shaped and, Mr. Speaker, they taste like peppermints. Well, Mr. Speaker, we know from the honourable member himself just what his view is as to how you make a political case. Mr. Speaker, he says they taste like peppermints. We know what he is saying.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, each member of the Assembly is entitled to one grievance during a session and I am sort of loathe to stand up and use the grievance time allotted to me this afternoon but on the other hand I'm moved by the presentation of the former Minister of Mines and Natural Resources and by his comments to say a few words. I think his remarks have to be discussed from a point of view of two parts. I think with the exception of the last five minutes when he exhibited some of the amusing debating characteristics that he's had, and illustrated in the past, I think up until that time the presentation by the former Minister of Mines and Natural Resources was a tragic presentation because instead of in fact dealing with facts, instead of in fact dealing in debate by a recitation of history and position, he commenced and continued with a personal attack on the former Minister of Mines and Natural Resources in the previous government, and in turn he tried to present an argument against what is obviously the position that we are now in. In the last few minutes he amused everybody by his tactics, and I would suggest that there was also a period of time when he and the First Minister commenced a little Laugh-In program of their own when he was reciting to him. He demonstrated that probably his new talent, now that he's not a Minister of the Government, would be, in view of the fact that we are going to have a new artistic director at the Manitoba Theatre Centre, would be on the stage, and it's possible that he should ask Mr. Eddie Gilbert for the opportunity of becoming an actor, or at least participating, because at least in that he would have an opportunity to maybe fulfill himself and demonstrate the talents that he's shown here, because I must suggest, Mr. Speaker, not only in this debate, but in the debates that have occurred before, his presentation has deteriorated miserably, and it's not just because he is not now a member of the government, but because he has become so paranoid because Opposition is opposing, and because criticism is levelled, and because in effect, he cannot logically or realistically justify the position that the government now has found themselves.

Mr. Speaker, we are in the situation that the government today have been found like the little boy who had his hand in the cookie jar and has been discovered and there is no way in which he can avoid his situation without explaining that he had his hand in the cookie jar. Mr. Speaker, for three years, the government attempted to try and convey an impression to those who were concerned about the Indian community of Southern Indian Lake, to those who were concerned about alternative solutions, that there was going to be some way in which they were going to be able to manufacture a decision that would show them more just, more humane, more concerned, more efficient, but the truth of the matter is that their non-management, rather than their management, has wasted three years, has in fact cost the people of Manitoba at least - and I'm going to say this because every indication from Dr. Kristjanson and from Mr. Campbell, would indicate at least \$100 million, that their non-management, mismanagement have in fact resulted in a situation that I suggest would have occurred, had the former government continued on.

Now, Mr. Speaker, this is going to be very difficult for the former Minister of Mines and Natural Resources to accept, because the engineers that we are quoting are his engineers; the engineers that he used were our engineers; the engineers who opposed the development that the government was proposing last year were our engineers, and they are made up of the Systems Planning Group within Hydro, and they are made up of the consultants that in fact, they hired. I am afraid that maybe the former Minister of Mines and Natural Resources didn't know that, but if he didn't, I'm going to suggest to him that they are.

Now, Mr. Speaker, I am going to point out again what took place before: An application, a decision was made for a high level diversion. All right, that was a decision. Did it

(MR. SPIVAK Cont'd) follow automatically because the request was made for a maximum level, that it was automatic that it would be at that maximum level -- (Interjection) -- it did? Well, Mr. Speaker, the best example and comparison that I could make would be to make the comparison to the architect who prepares a prospective and presents a prospective to a prospective developer, whether it be a home, whether it be a commercial project, and says here's my project, do you accept it? Yes we accept it. Now I'm going to work on the plans and specifications. My estimate is that this is the way it will be done. In the course of the plans and specifications, many many times, many many times, Mr. Speaker, the actual building and working plans will not be the same, Mr. Speaker, as the prospective.

Now the Honourable Minister of Finance has a grin on his face. -- (Interjection) -- You're laughing. I'll tell you, you are not laughing. What you're trying to do now in order to try and justify the wasted money and the waste of time and energy is to try and suggest that it was only high level diversion, that that's all that there would have been, that Hydro would have proceeded. Hydro would have had to spend, and the government of the day if it had remained in government, would have had to spend the same \$800,000 that you spent with Underwood-McLellan, and it would have come to the same decision. The only difference is, Mr. Speaker, Underwood-McLellan's decision said you know, you flood Southern Indian Lake first, maybe Lake Winnipeg by 1980 and surely this is what the gist of what former Premier Campbell said and what Dr. Kristjanson said, and why they resigned. I have you know the memorandums, the statements, the letters that were sent, that we were all - those of us on the committee received from former Premier Doug Campbell, in which he indicated, look, it's obvious from the Task Force Report, from the Underwood McLellan Report, that Southern Indian Lake is going to be flooded. It's obvious as well that the most economical way is to deal with that and maybe you will not have to regulate Lake Winnipeg. But the government of the day, and I remember the honourable former Minister of Mines and Natural Resources standing up and saying, "we don't know what will happen". He wanted to buy time. They wanted to look for the possible other results. Well, Mr. Speaker, there was no other possible result - they've now come to that conclusion. Why have they come to that conclusion? They've looked, they've spent money. We don't know how much money they've spent trying to look for alternatives, and there are no alternatives which proves - let's go back again - that the decision for Southern Indian Lake was a correct one. As to the level that was required that was something that was going to have to be determined by engineers and, in fact, it was determined by the Underwood McLellan report, and it wouldn't have made any difference what government had been in power, they would have come to the conclusion that Underwood McLellan had come to, and that's a fact Mr. Speaker. -- (Interjection) -- Oh yes, dishonesty, dishonesty. Yeah! I'll tell you where the dishonesty is, Mr. Speaker. The dishonesty is on the part of the First Minister and the government to now suggest that it was high level diversion and that's all that it would have been. The dishonesty is because, Mr. Speaker, if the facts were known and if the First Minister is prepared to stand up and tell the truth, he would indicate that he has privately said that the only reason that he had to proceed with Lake Winnipeg was a political decision, that the economics were not justified.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, despite the fact that I have a completely different interpretation and understanding of the word political, nevertheless because I know what it connotes to the Honourable Leader of the Opposition, I want to without equivocation, deny that I have ever said that the decision taken with respect to development of the Nelson River was directed by political considerations as my honourable friends understand that term.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, some time ago we asked that witnesses be called before the Water Commission. We indicated that certain questions would have been asked by them. We asked that those witnesses be asked to testify under oath. Mr. Speaker, I am quite convinced that had those witnesses been called, had they been asked to testify under oath, that the accuracy of my statement would have been proved beyond a shadow of a doubt. Yes, Mr. Speaker, beyond a shadow of a doubt.

Now, Mr. Speaker, there is no need at this point to go back and forth as I suggest we probably will between the arbitrary remarks that are going to be made about the personalities of the individuals who are debating, or the Ministers who were in the government, not in the present government. The truth of the matter is we literally are back to where we

(MR. SPIVAK Cont'd) started and not very much has been accomplished. But what we do have is a situation that has to be reviewed in a proper perspective. We have a situation in which the morale, the goodwill, the total effort of Hydro has been shattered, literally shattered by the way in which the government has operated. We have as evidence a report presented by Mr. Cass-Beggs which essentially said that the rationale for what took place with respect to the Nelson River development would have in fact changed had it been known at the time that high interest rates were going to be a factor. Now notwithstanding all of that, notwithstanding the fact that they have attempted to postpone it, they have come to the conclusion that we have to proceed with a diversion in Southern Indian Lake, that there is no other alternative, and it more or less, Mr. Speaker, vindicates three years of opposition on our part, it vindicates the actions of Mr. Campbell; it vindicates the actions of Dr. Kristjanson; and it vindicates almost all the actions of those who've objected. And, Mr. Speaker, we've had a triumvirate who have basically conspired in this respect. They consist of the Premier, Mr. Cass-Beggs, and the Member from Inkster, and they are the ones. The members of that caucus really know nothing about this. The members of that caucus, the members of that caucus know nothing about it Mr. Speaker. Mr. Speaker, Mr. Speaker --(Interjections)-- if they don't, if they don't want to accept the fact, then I think they should ask the former Executive Assistant to the Minister of Industry and Commerce who came before the Water Commission and who presented the brief, and who has in fact indicated basically - but nobody there really knew what was happening, but the triumvirate themselves have made the political decision and have come to a conclusion that was obvious from the beginning, that Mr. Campbell said would take place in any case, and that was that in effect -- (Interjection) -- in effect, grandstanding. Mr. Speaker, the grandstanders in the part of the government who have now, as I suggest, found their hands in the cookie jar, who are trying to explain it, and who are trying to get the response.

One thing the First Minister has always been very good at, is that he gets himself psychologically set for an answer for those positions that are embarrassing to him, and he has found himself in embarrassing positions, sometimes by his own statements, many times by the statements of his Ministers, who usually contradict government policy, or announce some policy that hasn't really even been finally determined. So what he does is he develops his response, and he has it ready, and you can almost be sure that at any given time in this House, on radio, on television, on the hustings, on questions asked, a response is given. Well it's very easy, Mr. Speaker, they've got their response. Their response will be to say that it was high level diversion before and ours is really not middle diversion, it's a little bit lower, in fact it's not the high of the middle, it's maybe the low of the high, I don't know how they are going to work that out. They haven't worked that out . . .

MR. SPEAKER: Order, please.

MR. SPIVAK: Well, Mr. Speaker, that response has been prepared, and that's going to be their argument. But the argument is that we have literally wasted money and time and effort, and they have gone against the advice of the engineers that they hired; they went against the advice of the Task Force Report because, Mr. Speaker, there is nothing in the Task Force Report that indicated Lake Winnipeg should go first and Southern Indian Lake afterward. Those were only the remarks of the chairman in the preface. There is nothing in that report, and they can't prove anything in that report.

Now, Mr. Speaker, one of the things that we wanted to do if Mr. Cass-Beggs isn't called as a witness, was to ask certain questions, and these questions have not been answered, and I suggest if an inquiry was held and they were answered, they would become very pertinent to an understanding of what has taken place. And the questions that would have to have been asked by him, or should be asked of him would be: When did you commence employment with Manitoba Hydro? When did you first suggest Lake Winnipeg alternatives? To whom did you first make this suggestion? When did you first suggest this alternative to the First Minister? Describe the analysis performed prior to the time of this suggestion. When did you first conclude that Lake Winnipeg alternatives should precede the Churchill Diversion? What analysis had been completed by that time? Describe the means by which your conclusion was communicated to the First Minister. State the reasons which you cited at the time for your conclusion. State the extent to which these reasons were related to political factors, past or then present. Who drafted the terms of reference for the Task Force Report? Who edited the first report of the Task Force? Did you delete or cause to be deleted any information

(MR. SPIVAK Cont'd) or conclusions contained in the first draft report? What information and what conclusion? Then the committee should be asked to ask Mr. Cass-Beggs for a copy of the Task Force Report as published, a copy of the draft report of the Task Force containing the material deleted from the published report. Do you have in your possession a technical report dealing with power benefits from the Jenpeg power site? Is it not a fact - well, all right. What is the least cost method of obtaining 40 megawatts of firm capacity?

There are other questions, Mr. Speaker. But I'm suggesting, Mr. Speaker, that what the Honourable Member from Riel has suggested should be conducted and it's not just Mr. Cass-Beggs that should be asked the questions, it is those who are in the engineering of the Systems and Planning Department - and I may have described that department wrong, but I think the members opposite know who I am referring to - they should be asked those questions, a series of questions, and then we can determine what has taken place. What has taken place has been a waste of money. What has taken place has in fact endangered to a large extent the efficiency of Hydro. There is no doubt that the taxpayers in this province are going to be paying more in increased rates as a result of the increased cost. We are now dealing with the control of Lake Winnipeg and I'm satisfied the government has absolutely no idea of what - -- (Interjection) -- Well I'm sorry - the First Minister says that the rates are going up - well I know that the rates haven't gone up, and I know that you put a freeze on -- (Interjection)-- Well, Mr. Speaker, somebody is going to have to pay for this \$100 million. Obviously somebody is going to have to pay for it. Yeah! And who's going to pay for it - the taxpayers. You know, Mr. Speaker, let's try to understand something. Was it necessary to spend the extra \$100 million? I don't think so. I think that if the Honourable First Minister and -- (Interjection) -- who cares what I'm saying? Probably you don't, and frankly I'm getting to a point where I really don't care very much what you say, but let me say this; we are going to have to go, we are going to be going to Wolseley in a by-election, and people are going to be concerned about what you're saying, what I'm saying, and then we are going to have to go to a general election and people are going to be concerned about what you're saying, what I'm saying, there's no question about that, but let me say, if you think that the people of Manitoba who today have found that Southern Indian Lake is now going to be flooded at 850, who now know that there is no other alternative, that all the time that was required for alternatives, which the former Minister of Mines and Natural Resources said should be at least attempted, because we should at least hold our options open. Now that the options have closed, Mr. Speaker, if anyone is going to believe that the people of Manitoba are going to be prepared to say that the government has managed our affairs well in the last three years, has spent an additional \$100 million because they wanted to keep the options open, because they didn't want to flood South Indian Lake, are now going to flood South Indian Lake at 850 and put in, in fact, a dam which would allow for more than 850. Mr. Speaker, if anyone is going to believe them, well I'll be surprised because they are not, and I want to tell you they are not going to believe you. -- (Interjection) -- I'm not in for a surprise. They are not going to believe you at all. They are not going to believe it, because they are going to be paying in their taxes for this mismanagement and, Mr. Speaker, there was a mistake, an error made. It was a very simple error. If the Honourable First Minister had not attempted to interpret his election win in 69 as being partially related to the issue of Southern Indian Lake, and if he had not, on the advice of some of his colleagues, considered the possibility of trying an alternative, and had in fact been motivated by trying to protect the interests of the people in this province, and had not in fact brought in Mr. Cass-Beggs to prepare, very quickly, a report that would justify the political action that they would have taken, we would not have been in this particular mess that we are today - and it is a mess.

Mr. Speaker, it's possible, and had we the time, and there will be time, to delve through the records, to take the statements, to take the submissions, to in fact look at the testimony that was provided in the Public Utility hearings, and I think that a bill of particulars could be prepared in a very very competent manner which would indicate and prove and sustain the position that we are making. And I am sure, Mr. Speaker, we are going to have time to do it.

But let me say to the Honourable former Minister of Mines and Natural Resources, the Member for Inkster. In your argument against the Honourable Member for Riel you said nothing. You said absolutely nothing. You made a personal attack to try and defend a position that isn't defensible. And, Mr. Speaker, -- (Interjection) -- I heard what he said. Mr.

(MR. SPIVAK cont'd) Speaker, when you can't defend a position I guess that's what you attempt to do.

The Honourable Member for Riel has asked for one thing, two things. He said and suggested that the Chairman of Manitoba Hydro should resign. He basically indicated that the Order-in-Council providing for his employment would terminate I believe in June or July and he said it shouldn't be renewed. And the Chairman of Hydro at this point I believe has to take a great deal. I would be sorry that he be the scapegoat for the decisions that were made by the First Minister and the Honourable Minister of Mines and Natural Resources. Because as I suggest those are the ones who made that decision.

I must tell you, Mr. Speaker, and I will say this for the record now. The Honourable First Minister is a historian of some type, I'm not sure how good. He is one who has some knowledge of the history of this province and when we're finished with the debate in this House of the administration that he heads and of the former administration and what may happen in the future, somebody is going to write about the period and about this decade and they are going to write about the good works and the bad judgments that were used by administrators and by leaderships. There is absolutely no way in which the First Minister will not find that his period of time will be stained and will continue to be stained as a result of the decision that he made.

Some mention has been made of CFI and I have some idea of the representations that have been made with respect to the former Duff Roblin's period of time and we'll have time to debate that. But I say to the First Minister, you made an error in judgment that was so incorrect and so bad that no matter what will happen in the future, and you know this as a historian, what you have done is you have gambled with the future of the people of this province. You in fact have affected the utilization properly of one of the natural resources that we have and by the action today, no matter how you may try and rationalize and try and sort of weasel out of it - - and you are going to try to the best of your ability - - there is no way that history is not going to record a great error in judgment that came from bad management and from bad political advice.

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MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am glad that the judgment as to the effectiveness and adequacy of this administration will come from history and not from my honourable friends opposite. But since my honourable friend has mentioned history and the way in which I see this administration's place in the perspective of history I must tell him that I already have some inklings of how I believe it may turn out. It may be the unfortunate lot of this government that we will be put in much the same position, and regarded in history in much the same position as the Norris administration that came after the first Roblin administration of the first decade of this century, because the Norris administration in almost every important respect was a reform administration that effected and brought about the important advances in social legislation. But it had to wrestle during most of its period of incumbency in office with the aftermath, the incredible, stinky aftermath of the last few years of the Roblin administration of the earlier part of this century. And so it is with us, Mr. Speaker, because we have to deal with two, two incredible errors of judgment on the part of the previous administration that have an order of magnitude approaching many tens of millions of dollars. So it may well be that we will be viewed in history as an administration that did have many problems to cope with and therefore was not free as much as it would otherwise have been free to pioneer yet additional pieces of social reform and economic reform legislation.

Because ever since the day in 1966 when the former Premier Roblin shook hands with Dr. Rieser, photographed in colour on the front page of the Manitoba Business Journal: "Duff Roblin shakes hands with \$100 million". That was one episode, Mr. Speaker, which there will be a lot of handwringing, not handshaking in the years ahead as we still ponder and scratch our heads as to how it was conceivably possible for an administration to put the rubberstamp to a recommendation that came before it 48 hours before the signature was put to it; which was rushed out to the Town of The Pas for signature by the Municipal Council of The Pas entering into contractual agreements which every reasonable person now in municipal administration will tell you would have resulted very directly and very quickly in bankruptcy for that Municipal Corporation. And even today despite the fact that windfalls of senior government money, federal and provincial, have been pumped into The Pas through DREE Agreements, through the removal of the artificial five percent ceiling on grants in lieu of taxes; in spite of all that, the Municipality of The Pas faces 10 to 15 mill increments. An incredible series of events directly traceable back to a former administration that posed under the mask of being businesslike. If ever this province had an unbusinesslike, incompetent administration team it was the preceding administration, posing as businessmen. Fronts for businessmen, perhaps, businessmen, certainly not.

Now we come to the second major decision that was initiated by the previous administration, and this one I have much less quarrel with as to the initial decision. But I have every quarrel with the follow-up that was taken by the previous government. I refer of course to the decision taken in 1966 to proceed with the development of the Nelson River. And, Mr. Speaker, may I say in a personal way, and here I do not in any way wish to commit any of my colleagues, and that is that I personally do not quarrel and have never quarreled with the decision to go for the full development of the Nelson River. But I wish to God that people would have the intestinal fortitude and honesty to tell the people that when they go for a multi-hundred million dollars, in fact multi-billion dollar Hydro Development that there has got to be very large, very expensive alteration of river flows, water levels and effect on the ecology. It is viciously dishonest to pretend that you can enter into a \$3 billion Hydro Development capable of generating 3,000 megawatts of power, and more actually - 5,000 megawatts of power - and leave the natural landscape and ecology in natural serenity. It is impossible, was from day one, but that point was never made very clearly.

Now, having taken that decision, having entered into agreement with the Government of Canada for the construction of a \$300 million DC transmission line which when completed will have a carrying or transmission capacity equal to three Kettle Rapids plants. Having started building the Kettle Rapids Plant which is also a \$300 million proposition, \$600 million already committed, Mr. Speaker, it would be irresponsible in every respect for this administration to try to step aside from the mess it's inherited - we have to. So far as I am concerned the die was cast when the millions of dollars were poured into Kettle Rapids and into the DC Transmission Lines system.

Now we must, regardless of the fact that my honourable friends opposite through

(MR. SCHREYER cont'd.) maneuvering with friends and allies and erstwhile allies and recent allies, despite all their maneuvering, the die is cast and we must ensure that there is a sufficient flow of water down the Nelson to spin the turbines that have to be put in place in order to make the whole project make economic sense. And if we draw back and don't provide for sufficient diverted flow and sufficient storage it throws the entire economics of a multi-million dollar project into a cocked hat, makes nonsense of it. So there we are.

Now what did my honourable friends, my clever friends opposite, what did they do in 1969? Unfortunately I missed the circus of that particular episode of high level diversion of the Churchill River, Bill 15 I believe it was of the 1969 Session, but my colleagues here, my colleagues here were present and are aware of the details of how that whole episode went. To me there are - I find more things incredible about my honourable friends' performance than my colleague the Minister the Member for Inkster. He found quite a number of things incredible and, Mr. Speaker, I find even more aspects of the Opposition's position posturing here to be incredible. And above all two things: First of all the Leader of the Opposition would have us now believe that despite the fact that Bill 15 was introduced into this Chamber, despite the fact that Bill 15 stipulated in one of its sections that Manitoba Hydro was hereby authorized by, pursuant to this Bill, this Act, to regulate Southern Indian Lake so that the control mechanism would be activated, water spilled, once the level of Southern Indian Lake reached 869 feet. Now without becoming too technical, Mr. Speaker, that means that the level is not kept at 869 but once it reaches 869 the regulatory gates are activated so as to slow the rate of increase of the level till it gets beyond 869 or 870 or whatever.

Now for the Leader of the Opposition to have the gall, to have the unmitigated gall as my colleague the Minister of Labour would say, to stand here and pretend - and it can only be a pretention - that it was not seriously intended to go to 869 feet just boggles the mind and makes one wonder out loud just what sense of ethics passes through the mind of my parliamentary colleague, the Leader of the Opposition. It surely could never have been seriously pretended that despite the fact that the Legislature was asked to pass a Bill to authorize 869 plus, that in the end they would have gone for 15 feet less. Mr. Speaker, I know of such a thing as the need to allow for a margin of error, but to allow for a margin of error of 15 feet - Mr. Speaker, that is tantamount in saying they were asking for a margin of error of 100 percent, and that just doesn't wash.

Mr. Speaker, I must say that despite the abhorrence that I have, my colleagues have for this whole concept of a high level flooding, nevertheless I must say in all candor that in order to make the Nelson River Development work, in order to ensure sufficient flow plus storage, in order not to take any chances with a multi-billion dollar project, it would have been necessary to go to high level if it were not for the fact that we are blessed with a natural reservoir in the form of Lake Winnipeg. But if it weren't for Lake Winnipeg then the Nelson River would only be possible as a Hydro Development with a high level type diversion which would provide something in the order of 24 feet of storage. And to pretend for a split second that we would risk all the hundreds of millions of dollars invested in generating plant on the Nelson River, risk it all on the hope that there would be enough storage in 4 feet on Southern Indian Lake, is the kind of unsupportable risk, mad risk, that this government would be irresponsible if it were to allow. But fortunately we were never put in that position because the Board of Directors of Manitoba Hydro, acting on the advice and on the data that was made available to it, took a decision by a vote of 6 to 1 to proceed with regulation of Lake Winnipeg with incorporation of Churchill River Diversion at a low level. And if I understood my colleague, the Minister - Member for Inkster - unfortunately I missed the Member for Riel and his grievance address - but if I understood correctly my colleague the Minister - Member for Inkster when he was sort of recapitulating what the Member for Riel had said, I gathered that he had tried to intimate this afternoon that because we now announced that we were proceeding with a low level diversion of 30,000 cubic feet a second of Churchill River at South Bay and Southern Indian Lake that we were now forced to admit that we were reversing ourselves.

Well, Mr. Speaker, if the Member for Inkster was puzzled to the point of anger, I can only tell my friend the Member for Riel that I have only contempt for either his gross ignorance or his attempt to deceive and mislead. Because I have before me, Mr. Speaker, a press release that was released to all media on September 23, 1970 in which we stated in a clear and unequivocal way that the Board of Manitoba Hydro had taken the decision to proceed with regulation of Lake Winnipeg in order to provide sufficient storage to enable a flow of 25,000 cubic

(MR. SCHREYER cont'd.) feet a second during the winter months, when we need that extra flow the most, and that this was incorporated with a low level diversion for Southern Indian Lake, and it goes on to two pages to stipulate what the outer parameters were. So what was announced today was not only largely, it was completely in keeping with the parameters of what was outlined on the 23rd of September 1970.

I know that the Opposition, as Oppositions have over the years, probably find it necessary to take the position of whatever the government proposes they will oppose. Frankly, I have never had that kind of an attitude with respect to the role and function of an Opposition, but I must say that some people I respect greatly in political life do in a rather - well it seems to me a rather cynical way, - take the view and the position that whatever the government proposes they oppose. Maybe that is the grand strategy of my honourable friends in this particular regard, but I tell them that what was announced today is completely in keeping with what was indicated on the 23rd of September 1970. There is not only no major deviation, there is no significant deviation. And in the interval, we have used the time of the interval in order to conduct further in-depth studies and analysis as to alternative diversion routes from the Churchill River which has never been taken out or dismissed as an absolutely necessary component part of the whole Nelson River Development.

Mr. Speaker, in 1966 when the initial decision, you might say the initial major decision was taken to go ahead with the Nelson River, in a sense at that very point in time the die was cast as to just what had to be done with respect to storage and diversion of flows in the Churchill basin from Lake Winnipeg, and in fact as I have to keep repeating and I don't apologize that the Churchill Nelson River Programming Board in their initial report back in 1966 recommended Lake Winnipeg regulation and Churchill River diversion as essential components of Nelson River development, and we are merely returning to the basic components that were first proposed. We are returning to that, and turning our back on the madness that was involved with an 870 foot high level flooding of Southern Indian Lake with a 55,000 cubic foot per second torrent through the Rat River and Burntwood River systems. I wonder if honourable members are aware that 55,000 cubic feet per second, which was involved with the high level diversion plan, is a flow which would be simply - how shall I say - the entire river or creek bed of the Rat River for miles and miles is only a tiny trickle and to force 55,000 cubic feet per second would have resulted in great spillage and broadening out of that creek bed, and it's questionable on technical grounds alone whether or not during the winter months when the extra flow is needed whether there would not have been really very grave difficulties in getting that 55,000 flow through a constricted stream bed, and not only that, but the flow through the Burntwood which is a substantially larger river than the Rat, even the Burntwood, Sir, is not capable of accommodating within its natural banks anywhere near 55,000. The order of 30,000 cfs. is pushing it to the limits of its natural capacity.

So, Mr. Speaker, there are good reasons, many reasons why a double-barrelled dual featured approach has been taken with respect to Nelson River Development, one involving Churchill River diversion, which we never deviated from, and the other, Lake Winnipeg regulation, which will provide the necessary storage and 25,000 cubic feet per second during the winter months. Add the two together you get 55,000 cubic feet per second, but from two different sources in a much more manageable way.

The former Premier Roblin when speaking in this Legislature in February of 1966 obviously must have foreseen that Lake Winnipeg regulation was an essential part of any Nelson River development. In fact he went so far, Mr. Speaker, as to refer to Lake Winnipeg as the great natural water power reservoir of this earth, and spoke in terms of using the entire natural extreme range which is eight feet --(Interjection)-- eight feet and I suppose when he spoke in those terms he must have spoken with the advice of technical staff, otherwise I can't conceive of him entering into discussion of such matters, that in so speaking he must have had the support of honourable members opposite at that time. Eight feet --(Interjection)-- and today when we talk in terms of four feet --(Interjection)-- Mr. Speaker, I am not just going to take that kind of nonsensical interjection from the Member for Riel because I happen to have a copy of Mr. Roblin's speech in my office, and I've read it, not once, but twice, and he spoke in terms of using the entire range from 709 to 717, the full range of the natural extreme. --(Interjection)-- All right, Mr. Speaker, I have a copy of the address, I'll be happy to table it with you, Sir.

So then we have the spectacle, and it's not unusual from my friends opposite to engage

(MR. SCHREYER cont'd.) in spectacles, where in 1966 they spoke glowingly in terms of an eight foot up and down draw on Lake Winnipeg and today we have brought it down to more manageable and sensible proportions, cut it in half in fact, cut the draw down to 50 percent of what was what initially proposed - my honourable friends opposite are complaining about the danger to the ecology and the environment surrounding Lake Winnipeg. Dishonest in every respect but engaged in because of the political maneuvering circumstances of the moment.

What I regret most of all is that the six people that we have on the Board of Directors of Manitoba Hydro - I happen to credit all seven that were board members a year ago - with equal degrees of sincerity and conviction, and they took a vote six to one. My honourable friends opposite because one voted against, seize on that and try to make a cause célèbre of it.

Mr. Speaker, I can assure you that as a layman if I were on the Manitoba Hydro Board I would without any equivocation be in favour and in support of the proposals that they have made with respect to the combined utilization of Lake Winnipeg regulation and Churchill River diversion in order to go for the development of the Nelson without raping the ecology and the countryside around either one of the two territories either Southern Indian Lake or Lake Winnipeg. My honourable friends seem to think that 854 feet is now the new white hope and in fact they would go to the contemptible extreme of pretending now in 1972 that in 1969 they were in fact proposing to go over 854. Well not only do I have contempt for that kind of change and posturing but, Mr. Speaker, I simply say that on technical grounds alone 854 feet at Southern Indian Lake is simply nonsense because 854 feet will provide for four feet of storage on Southern Indian Lake, which is approximately equal to eight inches of storage on Lake Winnipeg, and we would be fools if we poured millions of dollars into Hydro plants on the Nelson River and were satisfied with six or eight or even one foot of storage. I don't know whether it is possible in fact. Lord C. P. Snow has often stated and in fact wrote a book one time that there's becoming increasing difficulty in bringing about effective communication between the two solitudes, between sciences and the technology, the arts and the humanities. And I suppose in a sense we are victim to that very same difficulty here in this Chamber and in government itself, because on the one hand there is a complexity of technical and scientific and engineering information, on the other hand it is necessary somehow to try and communicate it so it can be assimilated by those who are not comfortable with technical and scientific information. But I don't despair, Mr. Speaker, nor do I feel at a disadvantage because if the Member for Riel is supposed to be a trained engineer, and his understanding of the matter I can tell you, Sir, is one which certainly is no match to quite a number of laymen who have concerned themselves with this matter.

But I would be remiss - putting aside now some of the technical considerations - I would be remiss if I did not answer once again the snide allegations of the Member for Riel with respect to the Chairman of Manitoba Hydro and the way in which the Task Force Report has been compiled, and the way in which there has been interface with the professional engineering community generally. Several weeks ago I had opportunity in this Chamber to table letters from the Association of Professional Engineers which made it pretty clear that notwithstanding, and despite, the allegations of the Member for Riel that the Association did not have any reprimands or any criticism to levy with respect to the conduct and deportment of professional engineers in the staff of Manitoba Hydro; and I can also advise my honourable friend that I have on file now letters from the Chief Engineer of Underwood and McLellan making it very clear that he disassociates himself completely from any suggestion, from any suggestion that Underwood and McLellan report has been misused, misrepresented by Manitoba Hydro, or its Chairman. He's made that very clear and he's disassociated himself from any suggestion that one Mr. Howard speaks for Underwood and McLellan, so let that be clear. If it has to be said again, I will say it again, that I can understand that people in professional capacities at the layman level have different views as to how best to proceed with development of the Nelson River, but after considerable detailed analysis and study the best advice we've been able to receive, and after listening to other points of view, I can assure my honourable friends that we have confidence in the decision taken by the Manitoba Hydro Board. We have confidence in the conduct of the Chairman of Manitoba Hydro and its staff of people. We have no reason to put any credibility whatsoever in what is being suggested by honourable members opposite. Because in the case of Churchill River diversion they indicated clearly in 1969 that they were prepared to go to a high level flooding without really having had the time or the facts necessary to come to such a decision. And then for them to pretend today that they were only saying it in the bill, but they weren't really going to do it, is to me such incredible nonsense that it

(MR. SCHREYER cont'd.) reminds me of the ethics of a sow at the trough.

MR. SPEAKER: Order, please. The hour being 5:30. One question?

MR. CRAIK: Is the First Minister not willing to put on the record the facts as presented in the letter of May 28, 1968 to the Manitoba Water Commission that said, "we conclude that a power range of four feet between elevation 710 and 714 would satisfy our requirements", rather than leave the impression which he did that the former government had said 716 on Lake Winnipeg.

MR. SCHREYER: Mr. Speaker, I was referring to Premier Roblin's speech. I have a copy of it; I'm prepared to table it. It refers to eight feet.

MR. SPEAKER: The question before the House is to go into Committee of Supply. Agreed to? (Agreed)

The Honourable Member for Logan.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Order, please. The time being 5:30, I'm leaving the Chair to return at 8:00 p. m. this evening.