



Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XX No. 13 2:30 p.m., Tuesday, March 6th, 1973. Fifth Session, 29th Legislature.

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## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, March 6, 1973

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 50 students of Grade 9 standing of the Nordale School. These students are under the direction of Mr. Kazina and Mrs. Mihaychuk. This school is located in the constituency of the Honourable Member for St. Vital.

We also have 80 students of Grade 8 standing of the Steinbach Collegiate. These students are under the direction of Mr. W. Rempel. This school is located in the constituency of the Honourable Member for La Verendrye.

And we have a further 30 students of Grade 5 standing of the Kent Road School. These students are under the direction of Mrs. J. Zulkowski. This school is located in the constituency of the Honourable Member for Radisson.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Northern Affairs.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, I would like to table a supplementary return for an Order of the House No. 39, dated July 13, 1972 on the motion of the Member for Wolseley.

MR. SPEAKER: Any other Ministerial Statements and Tabling of Reports? The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General) (St. James): Mr. Speaker, I'd like to table several copies of the 49th Annual Report of the Liquor Control Commission. Lead copies of the report have been sent to each member.

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

HON. LEONARD S. EVANS (Minister of Industry & Commerce) (Brandon East): Mr. Speaker, I would like to table the Annual Report of the Department of Industry and Commerce for the year ended March 31, 1972 including the Annual Reports for the Manitoba Design Institute, the Manitoba Export Corporation and the Manitoba Research Council.

MR. SPEAKER: Any other reports or Ministerial Statements? Notices of Motion; Introduction of Bills; Oral Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is for the First Minister. Has an application been submitted to the Federal Government for permission to proceed with the Churchill River diversion, and if not, why not?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the answer is affirmative. I have been advised by officials of Manitoba Hydro that applications have been submitted to the Federal department -- the Federal Government -- relative to Lake Winnipeg regulation and navigation implications and Churchill River diversion and navigation implications, and both of these, of course, pursuant to the terms of the Canada/Manitoba Agreement of 1967.

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister can indicate when the applications were made by Manitoba Hydro with respect to Churchill diversion, the date.

MR. SCHREYER: Well, Mr. Speaker, I can't give the exact date offhand but I will take that as notice and give my honourable friend the information.

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

MR. I. H. (Izzy) ASPER (Wolseley): Mr. Speaker, my question is for the First Minister. Will there be public hearings on the federal/provincial license on the navigation restrictions on the Churchill River?

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MR. SCHREYER: Well, Mr. Speaker, matters pertaining to navigable rivers and streams is something that under the terms of the British North America Act is federal in jurisdiction. As to whether or not the Federal Government would hold hearings before taking a decision on the matter is something which is not possible for me to answer at this time except, if it's any information to my honourable friend, I suggest him to the past practice of the Government of Canada and he may get some inkling as to what their likely course of action is.

MR. ASPER: A supplementary, Mr. Speaker. In view of the announcement by the Federal Government that it intends to hold public hearings on the Mackenzie Valley pipeline by the Department of Energy and by the Department of Northern Indian Affairs, will the government of Manitoba follow the same precedent and hold public hearings on South Indian Lake flooding?

MR. SCHREYER: Mr. Speaker, the statement by the Honourable the Leader of the Liberal Party that the Government of Canada has indicated that it will proceed to hold public hearings in the case of prior to the construction of any Mackenzie Delta or Mackenzie Valley pipeline is not to be compared with a circumstance where the Government of Canada has affixed its concurrence, through a Minister affixed its signature to an agreement that has already been in force for six or seven years.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the First Minister. Would he indicate to the House whether he's instructed the Minister of Public Works to stop the construction of the washroom until such time as the city has given him permission.

MR. SCHREYER: Well, Mr. Speaker, the Minister of Public Works I understand has had some meeting earlier today to discuss this. I believe he has had some meetings on previous days in this matter and perhaps he could answer my honourable friend.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, two weeks ago and prior to that we were in discussion with the Chairman of the Environment Committee and we were informed that if the procedure to go ahead with a public washroom in Memorial Park, if that was acceptable to members of Midland Community Committee then it was acceptable to them. We obtained the verbal approval of the Midland Community Committee at that time, on Monday, February 19th; the following day we issued instructions to proceed with the construction of the washroom. I now understand that the Environment Committee has indicated that they do not wish to grant the approval of a permit. I'm waiting for a notification from them and the reasons for that denial.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): I would like to direct a question to the First Minister relative to the earlier questions on the Nelson River project. Can he indicate whether there has been any indication from the Federal Government of a reluctance to issue any license regarding the project.

MR. SCHREYER: I apologize to my honourable friend. Just as he was asking the question there were some noises and I did not hear all the question.

MR. CRAIK: Mr. Speaker, the question was whether or not the Federal Government has given any indication of any reluctance to issue a permit with regard to the Nelson River project at this point.

MR. SCHREYER: Mr. Speaker, I cannot say that the Federal Government has expressed any reluctance either to officials of Hydro or myself. Certainly no such reluctance has been expressed directly to me by any representative of the Federal Government and in the circumstance of the fact that the Government of Canada has agreed with the Province of Manitoba to the development of the Nelson River and to certain works being carried out as a condition of the development of the Nelson River, I'd be surprised if those concerns would be brought to us at this point in time.

MR. SPEAKER: The Honourable Member for Rupertsland.

MATTER OF URGENCY

MR. JEAN ALLARD (Rupert'sland): Mr. Speaker, I wish to move, seconded by the Member for Thompson, that the regular business of the House be now adjourned in order to debate a matter of urgent public importance, namely the continued flouting of the laws of this province by the Minister of Public Works as evidenced by the continuing construction activity on the proposed public washroom in Memorial Park and his statement just now, despite the fact that permission for such construction to commence has not been granted by the City of Winnipeg, has in fact been refused ...

MR. DOERN: It was granted.

MR. ALLARD: ... by the City of Winnipeg, by the City of Winnipeg which has zoning jurisdiction over the land in question.

MR. SPEAKER: Bring the motion to me. As the honourable member is aware, our practice is that each of the Parties now has five minutes in which to debate the urgency of the motion, not the contents or the matter itself but the question of urgency. The Honourable Member for Rupert'sland.

MR. ALLARD: Thank you, Mr. Speaker, and I'll be quite brief. The urgency of the matter is simply this. We have here a situation of the Minister of Public Works, a member of this House, a member of the body that makes the laws of this province, refusing to obey the rule of law as set out by this Legislature. The City of Winnipeg Act -- you want to know which law it is -- it is the City of Winnipeg Act; Section 6 subsection (54) clearly states that the agencies of the Crown are not exempt from the provision of the Act. The matter is urgent because the Minister has caused to be dug a hole for the construction of a washroom in Memorial Park. The urgency derived from that ... yesterday, the Environment Committee of the City of Winnipeg denied permission to the government to proceed with the construction, and yet the Minister by his actions in allowing the construction and by his statement just now, has said that he would break the law, our law, this law, the law of this House. The urgency derives, Mr. Speaker, from the fact that they are going ahead with the construction but, more important, the urgency derives from the fact that the law is being flouted in this province. The Minister is operating outside the law. The Minister is an outlaw.

A MEMBER: Impeach him.

MR. ALLARD: I submit, Mr. Speaker, that the urgency derives that the Minister of Public Works has shown no inclination to follow the rule of law. This Legislature should now debate the matter -- the flouting of the law -- not the question of a building but the question of flouting a law, and that this Legislature should express its opinion by way of a resolution as to what he should do. Perhaps this Legislature should censor him, perhaps it should ask for his resignation.

Mr. Speaker, the Mayor of the City of Winnipeg is here to back up the decision of the City of Winnipeg. It's not a question of whether the Minister has heard, has not received confirmation, the public fact that there has been refusal to grant this permit. Above you, Mr. Speaker, painted on the walls of this buildings, the names of codes of law. Mr. Speaker, the urgency of this matter is that as long as this House which makes laws allows any member of our society to flout the laws, indeed encourages it, then we're encouraging derision for the law, we're weakening the law, and I would suggest that all great societies have grown up under codes of law, and I'm speaking to the Premier because the Minister doesn't understand the meaning of what is being said. I don't think he does. He doesn't understand the meaning of what he is doing. We have impressionable youth all around us ...

MR. SPEAKER: Order, please. Order, please. I would suggest the honourable gentleman contain his remarks within urgency. He's getting into the matter of the debate.

MR. ALLARD: Mr. Speaker, the urgency lies in this, that for every minute every day that we allow this to happen we're encouraging disrespect for the law, we are breaking down the law, the law that we are here to make. We are being contradictory, we are being self-destructive and hypocritical in what we're doing. Those are the facts and I would ask the Ministers who are lawyers and the First Minister ...

MR. SPEAKER: The honourable member has one minute.

MR. ALLARD: Mr. Speaker, all civilized societies -- and I speak again on the urgency of making sure that the law is obeyed -- all civilized societies have grown up under strong codes of laws and when societies, and especially law makers, have started breaking the law and allowing each other to do so with impunity, those societies die. I suggest that in our

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(MR. ALLARD cont'd) .... society, our society is becoming decrepit by reason of a lack of respect for the law, and I suggest that here, above us, the youth of our province is watching us and saying, "Do they respect the law? Is a Minister allowed to flout it?" Mr. Speaker, it's up to the members of this Chamber to guard against the actions of any individual who would set himself above the law and I submit that the urgency is such that we should debate it now.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. DOERN: Mr. Speaker, I would contend that this cannot in fact be a matter of some urgency and I would like to put for your consideration the following information which bears on the relevance of the urgency of approval for a permit to proceed with construction. The Mayor of Winnipeg this morning was able to rent a portable toilet and obtain a permit from the City of Winnipeg to place that portable unit in front of this building. Apparently it took him only a few minutes to obtain permission for this really what I cannot help but regard as frivolous stunt.

Mr. Speaker, when the Province of Manitoba applied for permission to close the lane which was essential to the construction of the \$5.1 million office building, we applied in the month of May, 1972 and we were granted permission for the lane closing which was essential for that permit to proceed with construction in February of 1973, some ten months later. In addition in regard to the particular washroom, which apparently is such a burning issue in the minds of some members of the Assembly, we asked the Chairman of Environment Committee whether we could proceed with what I regard as a routine matter for a simple convenience for the people who use that park (space) -- thousands and thousands of our citizens -- we asked for permission from him. He said he would refer it to the Midland Community Committee; the committee was canvassed by its Chairman, the Chairman reported to us and to the Chairman of Environment Committee that it was fine with them. That was on February 19. I then gave the go ahead ...

MR. SPEAKER: Order, please. The honourable gentleman is debating the matter, not the urgency of the question. Would he contain ...

MR. DOERN: Mr. Speaker, if I might attempt to conclude or make my point, I am simply saying that in one instance the province had to wait ten months to obtain permission for a permit, in the other case we received verbal permission to proceed, and as far as I'm concerned if the Mayor can walk in and get a permit at the notice of two seconds it strikes me that there is something wrong with the system of issuing permits or denying them.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, one of the urgencies of debate, one of the main reasons is the comment and snide remarks and laughter we get from the other side of this House whenever we talk about obeying the laws. The Minister on the other side of the House, Mr. Speaker, didn't think it was urgent enough other than he could make cracks about the fact that this permit should be issued because he happens to say, "really it's funny; it's funny," he says, "that we should have an urgency of debate on the basis of urgency for a wash house." That's the urgency and the regard that this group has for the law in this Chamber. In fact, Mr. Speaker, we are finding that the regard for the law in this Chamber and the fact that this government does not regard this as an urgency debate shows that their totalitarian slips are showing more every day.

Mr. Speaker, every little man in this City, every man who owns a home, Sir, to build a garage or add an addition to his home, has to require a permit to do so from this City, and the urgency, Sir, at this time is the fact that those people do that because this Legislature passed Bill 36 giving the authority to the City of Winnipeg to do that. And yet we get laughter, complete laughter from the other side of the House when this is brought to their attention.

Mr. Speaker, quite frankly there is another urgency for debate in this. I think the Minister should check with the Legal Department of the government, and he probably hasn't because he's not really on the hook here, but if that contractor continues he could be in a lawsuit from this city, from the City of Winnipeg, and he's gone ahead on the authority of the Minister to go ahead and keep going with this suit. The Minister probably also should check with the Legal Department of the government that probably that construction company, now that he has dug a hole in the ground, could probably take action against the province for being asked to continue on the basis, on a piece of property that is owned by this ... for the

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(MR. F. JOHNSTON cont'd) . . . . province but the zoning is controlled by the City of Winnipeg.

Mr. Speaker, the urgency of debate is there: the complete disregard, the complete disregard for the principle of law and the fact that this government thinks that they can walk in anywhere in the City of Winnipeg, and if they'll do it to the City of Winnipeg they'll walk into any town in this province and just tell the town council what the hell they are going to do. Now quite frankly, Mr. Speaker, that is urgent and their slips are showing, as I said.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK, (Assiniboia): Mr. Speaker, I listened quite carefully to the Member for Rupertsland and what he has said to the House. If this is the case then the matter is very urgent and I think the matter should be debated, because the law is being broken. I understand there's been no permission granted. The construction is continuing so the Minister, therefore, must be breaking the law. If that is the case the matter is very urgent, Mr. Speaker. I believe that the government should be the servant and not the master, and this is the opposite of what we have today if what we heard today is true. So, Mr. Speaker, I say that the matter is urgent, the government should not be the master and the matter is urgent enough to be debated.

MR. SPEAKER: I thank all the honourable members for their contribution towards the debate in respect to urgency of this matter. Beauchesne's citation 100 subsection (1) indicates that the urgency in respect to debate must involve the administrative responsibility of the government. I believe the question resolves itself in respect to enforcement. That administrative responsibility does not fall within the purview of this Chamber or the members, therefore I rule the question out of order.

MR. HARRY J. ENNS (Lakeside): Shame.

ORAL QUESTION PERIOD Cont'd

MR. SPEAKER: Oral questions. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the First Minister responsible for Hydro. Has he received any estimates of damages that would be suffered by the province if the licence is not forthcoming to permit the diversion of the Churchill River and yet we are bound by contracts that were outlined in this House earlier this week?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, of course the honourable member is asking a question that is quite monumental in its implications, I quite agree. He is asking as to, first of all, what the probable extent of damage might be and, secondly, he is asking whether the province would be liable all on its own to bear the cost of that. According to the advice that has been given me, if the hypothetical situation referred to by my honourable friend were to become fact, then there would be liability of course on the part of both the governments of Canada and Manitoba. We would of course take this back to the specific sections and clauses of the Canada-Manitoba Nelson River Development Agreement of 1967.

MR. ASPER: Mr. Speaker, this question is to the same Minister. Is the Government of Manitoba, through Hydro, carrying on presently, or has it recently carried on studies with other groups in the United States relative to the supply of power from the Nelson River project to the United States?

MR. SCHREYER: Yes, Mr. Speaker, for about ten years now.

MR. SPEAKER: The Honourable Leader of the Liberal Party, last supplementary.

MR. ASPER: Is it a fact or have the discussions reached the stage, as reported in recent hydro engineering publications in the United States, that a second phase of those studies are now going to be launched?

MR. SCHREYER: Mr. Speaker, there are ongoing studies of various kinds that are being carried out under the aegis of Manitoba Hydro and also under the aegis of Manitoba Hydro in conjunction with other entities of the Crown both provincial and federal.

MR. SPEAKER: The Honourable Member for Lakeside. Order please. Order. Does the Honourable Leader of the Liberal Party have one more supplementary? Very well.

MR. ASPER: Do those studies, are they based on a plan as reported whereby Manitoba Hydro will supply for fifteen years the total, in effect, output of the Kettle Rapids dam to Northern States Power Corporation for fifteen years from 1980?

MR. SCHREYER: Mr. Speaker, I don't know why my honourable friend feigns surprise.

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(MR. SCHREYER cont'd) . . . Studies of that kind, discussions of those kinds have been going on for quite a number of years. In fact they are postulated specifically in the Canada-Manitoba Nelson River Agreement. Furthermore, I say to my honourable friend that at the same time as Canada is selling non-renewable fossil fuels, oil and natural gas to the U.S. we are spilling water to the sea.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. Mr. Speaker, I direct a question at the Honourable Attorney-General. Is it correct that the government's special counsel in court this morning said that there were no grounds for not proceeding with criminal charges?

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: The Attorney-General was represented in court this morning but I wasn't there personally and I'm not in a position to answer that question and therefore can't answer it now.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the Attorney-General. I wonder if he could indicate whether he's received a request from the Minister of Labour to prosecute the city for breaking the Barber's Act?

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, the question of the failure of the City of Winnipeg to respond to the petition of the barbers was considered by the Department and the advice that I communicated to the Minister of Labour was that it appeared to our department that it would be quite in order for the barbers themselves to bring such proceedings on the basis of that Act as they considered in their interest.

MR. BOROWSKI: Another question, Mr. Speaker. In view of that reply, is the Attorney-General going to take action against the Minister of Public Works or will that be left up to the citizens to charge him for breaking the law?

MR. MACKLING: Mr. Speaker, as I understand it the work was constructed on the clear indication that all parties were interested, were in approval that this project go ahead, and as such I can see no basis for any wrongdoing.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, my question is to the Minister of Urban Affairs. Does he agree with the actions of the Minister of Public Works to break the law according to the City of Winnipeg Act?

POINT OF ORDER

MR. SPEAKER: Will the Honourable First Minister state his point of order.

MR. SCHREYER: Yes, Mr. Speaker. I believe a question in this House asking one Minister of the Crown if he agrees with the opinion or position of another Minister of the Crown is not in order.

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

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MR. ENNS: Mr. Speaker, I have a further question for the Attorney-General. Can the Attorney-General tell us why he would not commit the government today to pressing for the charges, criminal charges that are being talked about in court?

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, certain parties whose names have been indicated in open court as the probable recipients of criminal proceedings in the very near future, have hired public relations experts and I assume that the honourable member does not want to be in any way reflective of those public relations experts' concern to make as much publicity for them as possible. I therefore have indicated that in court we would have, we did, and I think the reports will indicate when you see the reports published tomorrow, that we made complete and open answer in court as to the attitude of the Crown in respect to these proceedings.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: I have a question for the Attorney-General. Will he proceed to charge -- I'd like to word my question carefully, Mr. Speaker, if you'll care to listen to it -- to

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(MR. ALLARD cont'd) . . . charge the Minister of Public Works for breaking the law by continuing the work that is going on on the washroom in Memorial Park -- not by having started it on a misunderstanding but by continuing to build it when the permit has been denied, when it is a clear contravention of the law ?

MR. MACKLING: I'm not aware, Mr. Speaker, until the present moment that anyone has declared that there is a breach of the law.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: I wish to place a question to the Honourable Minister of Education. The Minister has announced that he will provide computer services to every high school in the province. My question is, could he advise the House whether the terminals will be hooked up to the central processing unit of the Manitoba Government Computer Center in the Norquay Building ?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Yes, Mr. Speaker, while I'm on my feet I just wish to point out to the honourable member that this program be phased in gradually, and during the forthcoming fiscal year it will probably be about 25 or 30 high schools taking advantage of this service, and by and large I would imagine that they would be those high schools presently offering a course in some aspect of computer sciences.

MR. SPEAKER: The Honourable Member for Assiniboia, a supplementary.

MR. PATRICK: A supplementary, Mr. Speaker. Is it not true that the Government Computer Center now is working to its full capacity 24 hours a day? So my question is: will the government be using Phoenix data for this program ?

MR. HANUSCHAK: We'll be making use of a public facility for the provision of this service.

MR. PATRICK: A supplementary. Will the Phoenix data program be used for the school services? That's my question.

MR. HANUSCHAK: I believe, Mr. Speaker, I answered this service is integration of all the facilities in which the public has an interest.

MR. SPEAKER: The Honourable Member for Sturgeon Creek. The honourable member has had two supplementaries. The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, my question is to the Minister of Public Works. Can he confirm to this House that he or his Minister was invited to the last Environment Committee Meeting of the City of Winnipeg and nobody from his Department showed up?

MR. DOERN: Mr. Speaker, I discussed this point with my Deputy Minister. I understand that in general the Chairman of the Environment Committee indicated that if the Midland Community Committee approved, had no objection to us proceeding with the construction of a washroom, that it would be all right with them. Therefore we saw no need to send somebody to attend that particular meeting. -- (Interjection) --

MR. SPEAKER: Order please. Order please. Order please. Would the honourable gentleman please sit down or I'll have him asked to be removed. Order please. Order. Would the Sergeant-at-Arms please take the gentleman out. Order please.

SOME MEMBERS: He's breaking the law.

MR. SPEAKER: Would the gentleman please leave. Would the gentleman please leave. Would the gentleman please leave. Call the police. -- (Interjections) --

Order. Any other questions? Oral question period. The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): I direct my question to the Minister of Public Works and ask him if he has now received a permit, a Building Permit from the City of Winnipeg, for the construction of the government building to be erected on the corner of Kennedy and Broadway ?

MR. DOERN: Mr. Speaker, that is a very complex question and I would have to explain it in these terms. The Commissioner for Environment indicated -- and I have the copies of the press, -- that there was pre-permit permission given to the Provincial Government to proceed with that building. I might indicate that the following complex approvals were given by the province: First, we were given approval by the Public Works Committee; we were given approval by the Environment Committee; we were given approval by the Midland Community Committee; we were then, after ten months of waiting from May of last

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(MR. DOERN cont'd) . . . year until February, given three readings of the legislation to close a small lane. I then understand that this would constitute approval. The City, however, did add that they would like to have further discussions, additional discussions with the Minister to discuss our long range parking problems in the vicinity. Now as to whether or not technically we have approval after all that passage of time and all those approvals it's difficult to say, but as far as I'm concerned that constitutes approval and it was described by Councillor Yanofsky as pre-permit approval a month or so ago.

MR. JORGENSEN: Are we to understand then that up to the present time there is not a permit granted for the construction of that building on Kennedy and Broadway?

MR. DOERN: It is a matter of interpretation, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources, and it concerns the transfer of what appears to be Hydro Research, Research Activities, from the University of Manitoba to the Provincial Government. Did the government receive any preliminary reports from the University group on a basis of which the government decided to make the transfer?

MR. SPEAKER: The Honourable Minister of Mines and Resources.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I've indicated already that I have received no reports from the study board, I know of no contents of the report, and the decision to make a transfer was not based on any information that I expected to receive or anticipate receiving, it was based simply on the fact that Phase I has expired and that we prefer that Phase II be done in House.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a further question to the Minister of Mines and Resources. When he refers to Phase II being undertaken in House, what department of Government will be pursuing these studies?

MR. GREEN: Mr. Speaker, there is a Federal-Provincial Study Board set up under the aegis of the Federal and Provincial governments on which the Provincial Government has three representatives, two of them representing the Department of Mines and Natural Resources, one representing Manitoba Hydro. There are also three representatives from the Federal Government.

MR. SPEAKER: The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Minister of Mines. Who specifically made the decision not to renew the University's contract -- your department or the Study Board or Manitoba Hydro?

MR. GREEN: Mr. Speaker, the responsibility for the Department of Mines and Resources falls under the Minister of Mines and Resources. The details beyond that are internal.

MR. ASPER: Has that decision been approved by the board that was set up, the Study Board?

MR. GREEN: Mr. Speaker, the decision that the representatives of the Department of Mines and Natural Resources on the Study Board would be taking would reflect the Department of Mines and Natural Resources; the position that the Hydro personnel would take with respect to the matter would represent his superiors, Manitoba Hydro. The Study Board are representatives of the various governments who have passed money to secure this work being done and the appointees to the board are government appointees.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, I wonder if the Minister of Mines and Natural Resources can indicate whether there are any financial obligations left for the people who were hired to do the research for the University of Manitoba.

MR. GREEN: I'm sorry, Mr. Speaker. Either I didn't hear or I didn't understand the implications of the question.

MR. SPIVAK: Well, Mr. Speaker, I'll possibly rephrase it. Can the Minister indicate whether there's any financial or contractual obligations left for those who were hired originally for this study who are now essentially fired?

SOME MEMBERS: Fired? Fired?

## ORAL QUESTION PERIOD

MR. GREEN: Mr. Speaker, we now have a new definition. In addition, Mr. Speaker, in addition to lowering water by two feet constituting a flood, and 20 feet being the same as 10 feet -- 30 feet being the same as 10 feet -- we now have the not taking up of an option constituting a firing. Those are definitions which I don't accept but which the Leader of the Opposition apparently feels are proper definitions. As to whether there are any financial obligations left, let me say that the people concerned are full-time employees of the University of Manitoba; they are fully employed; there is no firing in terms of their continuing to work; the contract I understand goes until March 31st; the new phase is going to be done in House, and indeed, Mr. Speaker, some of the same people may be involved. That is internal and I cannot be certain of that at this point.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Mines, and it relates to the Lake Winnipeg control mechanism that is presently under construction. My question relates to the Lake Winnipeg control mechanism that is presently under construction. Could the Minister tell the House whether municipalities that have frontage on Lake Winnipeg will have some responsibility in the future for the establishment and maintenance of proper levels on Lake Winnipeg or will it be the ultimate and complete responsibility of the Minister as the Manager of the Manitoba environment?

MR. GREEN: Mr. Speaker, when the Lake Winnipeg regulation program was instituted it was indicated that there would be a Lake Winnipeg Management Board which would involve various people and which could include representation from the public but does not include it at this point since the lake is not being regulated at this point. The Lake Winnipeg Management Board is responsible for a total all-embracing inter-disciplinary program with respect to everything as affected by Lake Winnipeg regulation. There will be sufficient room for input from the people affected who, by the way, had been requesting that Lake Winnipeg be regulated for many many years prior to this government making the decision to do so.

MR. MCGILL: Mr. Speaker, a supplementary question. Will there then be management boards in respect to other Manitoba lakes where there may be a question as to the proper levels to be maintained, or will there be simply an ultimate and final responsibility with the Manager of the Environment?

MR. GREEN: Mr. Speaker, the only other regulated lakes are lakes where regulation went into force under previous administrations which possibly didn't have as all-embracing a view on the question as this government has had with regard to Lake Winnipeg regulation. There now is taking place Water Commission hearings with respect to the regulation of Lake Manitoba and Lake Dauphin; there may not be hearings with regard to both of those lakes but both are being considered by the Water Commission. We expect that we will be receiving recommendations from the Water Commission with respect to other lakes that are regulated. In specific answer, the only regulation program which we have instituted -- and I hope I'm right on this question, I'm speaking from memory -- is the Lake Winnipeg program which has not yet been regulated and which will be done under the aegis of a Lake Winnipeg management board.

MR. SPEAKER: The Honourable Member for Brandon West has a supplementary?

MR. MCGILL: Yes. With respect to the establishment of levels and maintenance in Southern Indian Lake, will there be a management board or will the Minister accept that final responsibility?

MR. GREEN: I suppose that there is a distinction between raising the water levels of South Indian Lake in order to obtain a diversion of the Churchill to the Nelson and the regulation of Lake Winnipeg as between its normal limits. As to the specifics as to the drawdowns on the diversions when and if necessary, I am unable to supply the honourable member with an answer.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable the Minister of Agriculture. My question is regarding, Mr. Speaker, agreements that have been entered into by other provinces with the Federal Government regarding small farm development as it is related to the federal Agricultural Credit Corporation. I am wondering if the Minister can tell us if the Government of Manitoba is considering similar negotiations and agreements with the Federal Government in regard to the federal Agricultural Credit

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(MR. WATT cont'd) . . . Corporation and development of small farms.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Well, Mr. Speaker, the member didn't quite put the question properly as I would read it, but I think I know what he is getting at. The negotiations that he is referring to are negotiations that have been on-going with the Government of Canada for several months and are at a stage of near completion, if you like; it's a matter of a week or two presumably. There are one or two points yet to be agreed upon and after that stage we will be in formal agreement.

The term he uses to describe the agreement, however, is not quite accurate. He suggests that it's the -- the Small Farm Development Program really it's more properly put as a means to remove certain farms from agriculture in this province and in Canada, so that it's more a retirement program than a development program, although I can appreciate the development aspect of it as it relates to enlargement of farms that want to continue.

MR. WATT: A supplementary question, and may I say at the outset of my question, Mr. Speaker, that I said in regard to the development of the small farm type of thing, so the Minister should surely understand what that means. I would like to ask him then a further question, Mr. Speaker, if the negotiations, if and when they are completed by the Provincial Government and the Federal Government, what assists will there be to the smaller farmers in the Province of Manitoba?

MR. SPEAKER: The question is anticipatory. The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Mines and Resources, in view of the comments I heard him make in regard to levels of various lakes in the province -- in this one I'm thinking of Rock Lake where it's government controlled as far as the levels are concerned. My question is to the Minister: does he contemplate on any changes in the dam there or probably reconstruction of a new dam in Rock Lake.

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, I believe that there have been numerous representations made from the area of Rock Lake, and I believe that they are presently being considered by the Minister of Tourism and Recreation. There are no changes contemplated to the sole jurisdiction of the Department of Mines and Natural Resources that I am aware of. Mr. Speaker, while I'm on my feet, the Honourable Leader of the Opposition asked me whether there were financial obligations outstanding respecting the previous contract which we had with the group that he was referring to. I now have a copy of what purports to be a letter from the Director-General of Water Control Mr. Weber to Mr. Lansdowne of the University which indicates that there is a \$5,000 deficit occurred during the last phase of the contract and the closing paragraph of the letter which apparently has been given some circulation, Mr. Speaker, but it's the first time I've seen it, which is not unusual: "Please be assured that this deficit will be paid upon receipt of a statement submitted by the University." If the Honourable the Leader of the Opposition, who I believe has a copy, would like my copy, take it.

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

MR. PAULLEY: Well, you asked for it to be tabled and it's going to be tabled. Now what the devil else do you want?

MR. SPEAKER: Order please. Will the Honourable Leader of the Opposition state his point of privilege?

MR. SPIVAK: Well, Mr. Speaker, the Honourable Minister implied that I have a copy. I have no such copy and I would like that to be withdrawn.

MR. GREEN: Mr. Speaker, I said that I believed the honourable member had a copy; now that he tells me that he doesn't have one, I no longer believe that he has a copy.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I would like to ask the Minister of Mines and Resources a supplementary question because of his answer being rather ambiguous as far as I could gather. Am I given to understand now, Mr. Speaker, that the Minister of Mines and Resources does not have the responsibility insofar as Rock Lake is concerned?

MR. GREEN: Mr. Speaker, I indicated that with regard to the responsibility of my department that there was no present program to do anything with regard to the levels of

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(MR. GREEN cont'd) . . . . Rock Lake, but because the people in the community feel that Rock Lake is not merely a local lake but is an area which has tourist potential for all of the citizens of Manitoba, the Department of Tourism and Recreation is looking into the matter just as they would look into the matter with respect to other areas where, even though water control measures are not necessary from the Water Control Branch department, they may be of value with regard to a Provincial Park department.

MR. EINARSON: Well, Mr. Speaker, I'll direct this question to the Minister of Tourism and Recreation. Can he tell me whether the government has any plans to change or build a new dam at Rock Lake?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Yes, Mr. Speaker. Notwithstanding what my honourable friend said, I know where it is; I've been there a number of times. I might say that we are certainly looking into it and we've had meetings with the people in the area. Now to tell you what priority that it has compared with the other programs that we have, I couldn't tell you at this time.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, I have a question for the Minister of Agriculture. Does this government have any plans to enact land use control of private lands in Manitoba in the near future?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: No, Mr. Speaker. At this point in time I am not in a position to indicate policy on this matter.

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

MR. ASPER: My question is to the Minister of Mines, Mr. Speaker. Will the Minister confirm that it was he who initiated the decision to drop the University study group from the environmental impact studies of the flooding of South Indian Lake?

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, I have indicated that I take full ministerial responsibility for the actions of my department. I will not, for the benefit of my honourable friend or for anybody else, say what happens internally, Mr. Speaker, and I do so not to protect myself but because I am not going to stand here and have my responsibility shifted off to other people in the department at any time and I don't intend to do it now. I accept responsibility for all of the decisions, and if one happens to be mistaken even if it's done at a lower level I will have to accept responsibility for it at that time.

MR. ASPER: Mr. Speaker, in view of the Minister's earlier statement that there was no defect in the work of the University on the commission, will the Minister not concede or inform this House as to whether or not . . .

MR. SPEAKER: The question is argumentative and it's out of order in that sense. If the honourable member wishes to rephrase it he may do so. I believe I've asked him before; we cannot allow argumentative questions.

MR. ASPER: Mr. Speaker, the question simply then is, is the work of the commission now impaired -- the study commission -- inasmuch as it is no longer being done independent of the Department of Mines and Natural Resources?

MR. GREEN: Mr. Speaker, surely we have made the judgment that we think that the work will be improved.

A MEMBER: I never heard of anything . . . in all my . . .

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the First Minister. Can he indicate whether the Kettle generating station will be officially opened before the next provincial election?

MR. SCHREYER: Well, Mr. Speaker, most of the units have been commissioned already and are in fact operating and generating energy, so much so that 25 percent of the entire Manitoba energy consumption is now coming from the Kettle plant. In light of all that, I think my honourable friend would be surprised if there wouldn't be an official opening some time soon, and I think that that might well come in April, May or June or thereabouts.

MR. CRAIK: A supplementary, Mr. Speaker. Then no firm date has been set for the official opening at this point?

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MR. SCHREYER: I do not have a specific date in mind but I can enquire and advise my honourable friend tomorrow.

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

MR. ASPER: To the Minister of Mines, Mr. Speaker. Was the Federal Government, who's paying I understand 50 percent of the cost of the environmental study, consulted in the decision to remove the University study group?

MR. GREEN: Mr. Speaker, I believe that the Study Board acted entirely within its frames of reference.

MR. ASPER: Will the Minister then table the minutes of the Study Board at which this was dealt with?

MR. SPEAKER: The Honourable Minister of Mines. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am advised that the Manitoba Hydro and Atomic Energy of Canada Limited have had some discussion as to the best time and most convenient time for the official opening of the plant. It is really under joint aegis, you might say, and that would be some time in early June but I'll check on the specific date.

MR. ASPER: To the First Minister, Mr. Speaker. In view of his earlier response this afternoon to the effect that Manitoba Hydro was in fact negotiating the sale of excess power to the United States, would he then say that the comments made by his Minister of Northern Affairs on television recently to the effect that no Manitoba power was to be exported to the United States were incorrect?

MR. SCHREYER: Mr. Speaker, I am not aware of the statement that the Honourable the Leader of the Liberal Party is referring to. The reply I gave him earlier today was to the effect that negotiations -- discussions, I think, was the word I used -- discussions and studies have been carried out by Manitoba Hydro for the past ten years relative to the possible export sale of energy and, Mr. Speaker, it is as I said earlier this afternoon, specifically referred to in the Canada/Manitoba Nelson River agreement.

MR. SPEAKER: Orders of the Day. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the First Minister. Did he not say to this House, or did you not confirm that Manitoba Hydro was negotiating ...

MR. SPEAKER: Order, please. Order, please. I would again remind all honourable members this is a question period, it's not the debating hour -- it is an hour already -- and that we should carry on specifically and make them questions and not a debate.

The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Speaker, on a point of privilege, the Leader of the Liberal Party has alleged that I made certain statements. Those statements were not made by myself as he framed them.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have a question for the Minister of Industry and Commerce. In view of the fact that the Federal Government has described the so-called safeguards in the Autopac agreement with the United States as being of a transitional nature, and in view of the fact that farm machinery comes under the Autopac agreement, has the Manitoba Government been in direct contact with the Federal Government to determine any potential effect that any change would have on farm machinery in this province -- that is manufacturing of farm machinery -- and the cost of farm machinery to our farmers?

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

MR. EVANS: Mr. Speaker, we're very much aware of the implications of the Autopac agreement as it affects not only farm machinery but also the manufacture of other items such as buses in Manitoba, and we have been in communication recently with the federal Minister of Industry, Trade and Commerce.

MR. SPIVAK: Well I wonder if he could -- second question to the Minister of Industry and Commerce. I wonder if he could indicate to the House whether it's the government's belief that the Federal Government does consider this to be of a transitional nature; in other words that there will be a major change in the Autopac agreement which will have its effect on Manitoba economy.

MR. EVANS: Well, Mr. Speaker, it's very difficult for me to know what is in the minds of the Federal Government. I can only say this, that it is planned that a meeting of provincial ministers and the federal minister will take place within approximately one month

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(MR. EVANS cont'd) . . . . and at that time this agreement will be one of the major items of discussion.

MR. SPIVAK: Yes, I wonder if the Minister of Industry and Commerce could indicate whether there has been a meeting either of his officials or himself with the Federal Government on this this year. Has there been . . . ?

MR. EVANS: Mr. Speaker, I met with the federal Minister of Industry, Trade and Commerce, Mr. Alastair Gillespie, only a short time before this House convened and this was one of the items discussed.

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

MR. ASPER: Mr. Speaker, I'm going to ask you to bear with me in this question because I've either misunderstood or misheard what the First Minister said. I'd like to put the same question so that I am sure I got the right answer.

MR. SPEAKER: Order, please. There may not be that urgency to the question. It can be read in Hansard, then it can be verified and re-asked again. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address a question to the Minister of Agriculture who is also charged with the Credit Unions Act. Did the government set down any guidelines or regulations under the stabilization fund as to the kind of money that could be invested and where moneys of credit unions can be invested?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I can't recall of any recent changes that were made but I will take the question as notice for a fuller answer to my honourable friend.

MR. FROESE: When can we expect the report of the Co-ops Services Branch to be tabled?

MR. USKIW: I presume it's one of those reports that must be tabled within the first 15 days. It will be tabled any day now, Mr. Speaker.

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

CORRECTION

MR. PETER ADAM (Ste. Rose): Mr. Speaker, I'd like to correct an error in the printing in Hansard on page 207 in which I'm quoted as saying, "but we do have time to analyze each different speaker and watch this firing going on between different leaders." What I did say, Mr. Speaker, was not the word "firing" but "sparring" -- verbal sparring, this is what I meant.

And while I'm on my feet, Mr. Speaker, I would like to correct a statement that appeared in the Free Press last week which implied that I was opposed to a low level diversion of South Indian Lake. I wish to state now that I do not wish to be associated with anyone who opposes the low level diversion of South Indian Lake.

ORDERS OF THE DAY - THRONE SPEECH DEBATE

MR. SPEAKER: Orders of the Day. The proposed motion of the Honourable Member for Flin Flon. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there is an undertaking that was given on Friday last that we would deal with certain remaining condolence motions and I don't know if there is any particular desire as to how to best handle this. It would be all right to defer them until tomorrow if there is no objection.

MR. SPEAKER: Is the House agreed to defer it till tomorrow? (Agreed) Very well. The Honourable First Minister on the motion.

MR. SCHREYER: Mr. Speaker, I left off at the adjournment hour last night referring to certain outstanding problems that exist in western Canada relative to freight rates, transportation freight rates, and relative to the attitude of the Government of Canada and certain of its agencies in particular to economic development here in western Canada. And of course, Mr. Speaker, it is very easy for some to exaggerate the difficulties that western Canada experiences under Confederation. It is true that this problem is largely cyclical in nature. From time to time, particularly in times of poor crops or in times of poor export markets for farm products, there is a direct relationship with that fact and with the degree of discontent with the terms, you might say, of Confederation, or really discontent with the practice within

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(MR. SCHREYER cont'd) . . . . Confederation.

Mr. Speaker, so much has been said about transportation. I can recall personally, as I think all members can, how with regular frequency there is reference made either in the federal parliament or in one of the provincial legislatures that really we must sit down together and do something about freight rates. And this has been going on for years and for decades.

Mr. Speaker, the point that does need developing, in my opinion, is that thus far in the last ten years for certain there has been little tangible, concrete results coming from all of the debates and discussions in the federal parliament and at Dominion/Provincial Conferences that have had transportation freight rates on the agenda. And I think we have come to a point in time where we ought to be making the case that if there is a serious intention on the part of the Government of Canada to try to do something specific, to ameliorate economic conditions in western Canada, particularly in relation to the overall Canadian economy's performance, then it ought to be prepared to look at the question of Crow's Nest rates and to expand them, to expand the application of them.

Because what is the sort of major malaise, if it can be called a malaise, in Canada today? It is that there is a growing concentration of manufacturing in the so-called golden triangle of southern Ontario and in the St. Lawrence lowland area around Montreal, that as the sort of urban conglomeration grows there, as the manufacturing output continues to grow there, there is a corresponding slowness in growth of manufacturing capability and output in western Canada. In fact, in a sense, the continuation of Crow's Nest rates just taken as they exist, as they stand, in a sense militates against the development of manufacturing capability because they are being perversely applied. By that I mean that, for example, wheat can be shipped to tidewater to export trans-shipment points under Crow's Nest or favorable rates. Rapeseed, raw rapeseed product can be shipped from prairie Canada to trans-shipment export points at Crow's Nest or favorable rates. Flour gets Crow's Nest treatment but rapeseed oil does not, and there is a very simple analogy.

Mr. Speaker, it surely ought to be accepted as a matter worth the most systematic analysis on the part of the federal authorities since they have initiated the desire to meet in western Canada in 1973, to come prepared to tell us whether or not they see any possibility, whether in fact they intend to take as significant a remedial step as that of extending the application of Crow's Nest rates to a far wider range of products than which they apply to at the present time. And it does, the present arrangement does militate against the building of and the operating of rapeseed oil, crushing plants, refining plants on the prairies. It militates against the operation of pulp and paper mills. It militates against the operation anywhere on the prairies of any food processing plant. And so when you look at this in total perspective, I think it distillates down to this one very fundamental point that the Crow's Nest rates ought to be applied as they are to flour relative to wheat, to rapeseed oil relative to rapeseed, to the processed product of any agricultural food product produced here in prairie Canada, and if that is done, also with consideration given to processed product of natural resources, if that is done then I think that there is obviously a probability of the remedying of a transportation freight rate problem that has plagued us for most of this century to date.

Well, Mr. Speaker, I daresay that what I have outlined is not new. It surely must have been outlined before; it has not been accepted before. There is no way in which any province or combination of provinces can make decisions for a federal government. We can advise them, we can present the case to them, but in the end the decision must be made by the government that has the jurisdiction of a particular subject field under our present constitutional arrangement.

And so, Mr. Speaker, that will be one of the areas that will be discussed in considerable detail at the upcoming Economic Council meeting and at the upcoming Federal Western Interprovincial Meeting this coming midsummer. If they're not prepared to do that, then they had just as well take all of their protestations, all of their utterances about having a good intention relative to western Canada wanting to participate in discussions from which policies will flow for the future improvement of economic development opportunities in the west, they might as well take all of those utterances and just wrap them in a bag and drop it in their golden triangle there somewhere, because it won't mean, the whole thing will not mean anything. Still, I can't help but express complete puzzlement as to why the Leader of the Liberal

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(MR. SCHREYER cont'd) . . . . Party should think that we face such grave conditions today in terms of Confederation and western Canada's position in it, when only a couple of years ago he went to his first conference of the Liberal Party, came back and said that they got all that they wanted - resolutions adopted at the Liberal convention presumably.

Mr. Speaker, you see, what is most unfair about the suggestion that we have a grave problem, so grave that it threatens Confederation, is that the Liberal Party has been in office at the federal level for many years in this century. I don't think that Confederation is failing us, I think it is federal policies that are failing us. I don't think that it is Confederation and the BNA Act as it stands that is failing us so much as it is the fact that federal Liberal policies have failed to take sufficiently into account the mood and needs of western Canada, and so I suppose, Mr. Speaker, it's not unfair of me to say that it's not Confederation that's failed, it is the Liberal Party that's failed. History proves that. I don't know if it will be thought that I am saying something -- well it's not unkind to anyone, that in the period of time when the Right Hon. John Diefenbaker was Prime Minister of this country, there was a far less feeling of western alienation and discontent than there has been for the past ten years, or nine years. How does one conclude, therefore, that Confederation is failing? Or is it a case of a federal Liberal Party that has up until now failed to carry out those policies which it has jurisdictional competence and authority to do? Their priorities have been skewed in a way that tends to ignore the west, I agree. Well then, let us try to help correct the failure of federal Liberal policy. Let us not aim, let us not aim a knife, let us not aim an arrow at the heart of Confederation, and therein, Mr. Speaker, lies all the difference.

Now I am very optimistic and hopeful that after all these years that the federal Liberal Party will - they have already announced it - they will take the unprecedented step of convening with the western provinces in the holding of a conference on western economic opportunities. I don't want to take any more time to indicate what specific preparations are under way preparatory to that point in time, but we will be ready for the discussion; we hope they will be productive.

Mr. Speaker, I think I will not dwell on that further. I want now to return to certain of the paragraphs of the speech of the Honourable the Leader of the Opposition which I did not have an opportunity to deal with the other day. He said, among other things, and it may even have been - I believe it was - in his non-confidence motion which we dealt with yesterday, so I will deal with his speech not with the motion since it is not before us. He accused this government of not being accessible to the people, the implication being that my colleagues and I and others of the government were not accessible. Well, Mr. Speaker, accessibility is a relative thing; when he says we are not accessible, the question must be asked: accessible to whom? Accessible to whom, and in what way, and in what frequency, because, Mr. Speaker, if the truth were known it is that in most ways this government is a more accessible government than my honourable friends ever were.

MR. ENNS: Not true.

MR. SCHREYER: One need only ask, one need only ask whether if the Minister of Municipal Affairs, for example, has managed to meet, and meet frequently, with representatives of the many municipalities of this province - the answer is yes. -- (Interjection) --

MR. SPEAKER: Order.

MR. SCHREYER: Well, Mr. Speaker, I doubt very much, I doubt very much that that applies to any of my colleagues; certainly it does not apply to any that I am aware of, and it does not apply to myself. I accept it, and I will deal with that right now. I accepted an invitation which had been extended, prior to the election of 1969 by the Government of Japan, to the Premier of this province to visit in that country with a delegation of businessmen from the province. That invitation had been accepted by the previous administration. It was a case of merely following up and continuity.

A MEMBER: Right.

MR. SCHREYER: I don't think there was anything unusual about it, Mr. Speaker; nothing was said at the time.

Then --(Interjection)-- I don't believe that I made any trip outside of the province beyond that with the exception of the trip to the Soviet Union last December. Mr. Speaker, that too was pursuant to a series of meetings at the technical levels, respecting technical or hydro equipment. I daresay, Mr. Speaker, that if one were to add up all of the time that I

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(MR. SCHREYER cont'd) . . . have spent out of the province, out of the office and various communities of the north, add it all up, compare it with that of former premiers, certainly Premier Roblin -- I don't want to go so far back as Premier Campbell; then we know that former Premier Roblin was out of the country a good deal of the time. Certainly as much, and more, than was ever the case in my case. I can tell my honourable friend that many of the, and this perhaps applies more to the Leader of the Liberal Party than to my honourable friend the Member for Lakeside, that it was not only uncalled for but it was also completely inaccurate to suggest that the Minister of Mines and Resources, the Minister of Tourism and Recreation, and I believe he mentioned one or two others, were outside of the province on every occasion on public, provincial public expense. The fact is that we have had since 1969 a number of invitations from the Government of Canada to participate in Canadian National delegations at various international group conventions and meetings of many different kinds, and so it should please the honourable the Leader of the Liberal Party to know that Manitoba, Ontario, New Brunswick, Quebec and the Federal Government have been on a number of occasions composing a joint delegation, the cost of which is borne entirely by the Government of Canada. All of the meetings in Madagascar for example, Paris - this was all done as a composite Canadian National delegation led by a federal minister, the entire delegation of which, including the provincial component, paid for by federal consolidated revenue or federal account.

I don't want to dwell on that I thought it was childish on the one hand but on the other it had been raised and no doubt the impression was gaining momentum that this was a Provincial Government expense, the answer is, that in most of these cases, if not all, certainly it was at federal expense and on federal invitation.

Now insofar as time is concerned, I, Mr. Speaker, don't want the honourable member to interject now and take my time. My colleagues - yes I know, but there is a practical limit, my honourable friend realizes there is a practical limit. He talks about accessibility. I suggest to my honourable friends that they should just reflect back on the number of occasions on which their Minister of Municipal Affairs met with municipal delegates and municipal officials. --(Interjection)-- Well I would like to make that comparison any time, any time. I would ask how many times their former minister or Commissioner of Northern Affairs, how much time he spent in the North, and in the many small remote northern communities. I would like to ask how many times Walter Weir or Duff Roblin ever visited in communities like Wabowden and . . . and Little Grand Rapids and Wabowden, Pikwitonei Thicket Portage, Churchill, South Indian Lake, Granville Falls. Did they ever . . .

A MEMBER: Lots of times.

MR. SCHREYER: Mr. Speaker, I would be prepared to say, I would be prepared to say that the great majority of small remote communities in Northern Manitoba were never set eyes on by former premiers of this province, Messrs. Weir and Roblin. I will make that statement; it's a pretty sweeping statement but I have enough to back that up. Community after community we would go to meet with the people to see what their local needs and desires are, what kind of winter works projects could be initiated, what kind of various attitudes and different local problems they had, and they would indicate, they would indicate in a way that only they could because they knew whether or not they had ever had a similar visitation, a similar opportunity to discuss in their local context, their concerns with the Premier of this province or with any Minister of the Crown.

So let my honourable friends not pretend that there has been some kind of negative or adverse change in practice, in fact, there has been a change of practice, but it has been in the opposite direction. My honourable friends, many of them from constituencies which left them in a position that they could not be that intimately or well acquainted with communities in the north, cannot now come here and pretend that they, that they had a practice, or that they will have a practice, of maintaining close contact and accessibility. They were accessible all right but I'll tell you to whom. They were accessible perhaps more than we are, I have to admit that, to certain elements of the business community, although not to all. They had their favourites. I know that certain Ministers of the Crown in the previous government had memberships in the Manitoba Club.

A MEMBER: Ah hah.

MR. SCHREYER: At a time when that Club was discriminating on ethnic and religious grounds. They talked about human rights - the hypocrites! The hypocrites talked about human

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(MR. SCHREYER cont'd) . . . . rights. They had a Minister of the Crown belonging to the Manitoba Club, more than one, at a time that the club was practising religious and ethnic discrimination. They talk about human rights now - the hypocrites!

In addition to that they paid memberships for civil servants to be member of the Manitoba Club. We have stopped that cold.

MEMBERS: Hear, hear.

MR. SCHREYER: They want to talk about favouritism in the Civil Service, they want to talk about favouritism in the Civil Service, Mr. Speaker. Well they had their favourites. They had their favourites, and some of them had memberships in the Manitoba Club. So, Mr. Speaker, let them be not so naive as to think that no one knows that they do their thinking all depending on whose ox is being gored.

A MEMBER: Right.

MR. SCHREYER: The Manitoba Club Mr. Speaker - I don't know if that's supposed to be the pinnacle of my life but I've had dinner there three times. But, Mr. Speaker, let them not, let them not distort past practice; let them not distort the facts so much that they can even begin to try to compare accessibility, because they were accessible in a way that was far excessive to those who had immediate dealings where they used to meet socially at the Manitoba Club, at the Manitoba Club.

A MEMBER: That's not right.

MR. SCHREYER: Mr. Speaker, I'd like to ask them, I'd like to ask them aside from their preoccupation with those businessmen who belong to the Manitoba Club, what about the smaller businessmen in the City of Winnipeg? How accessible were they to the smaller businessmen? It is no secret that the Manitoba Development Fund by 1968 had become so grandiose - oriented in its operations that in small business it wasn't particularly interested. They had to go for the big grand slam home run, multi-million dollars, or forget it, not interested. That was their approach. And then I'd like to ask them on the business of accessibility, how many times could you tell me, how many times did representatives of the native people, the Metis Federation, the Manitoba Indian Brotherhood, (Interjection)-- Mr. Speaker, Mr. Speaker.

MR. SPEAKER: Order please. Order please. Order please. Order please. Would the honourable member for Lakeside contain himself. The Member for Souris Killarney. Order please. I do hope the honourable members don't want me to name them. There are two in particular on one side there's a few on the other. I shall have to enforce the rules. Now let's keep it cool or I will. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, if my honourable friends opposite think that by raising a shout and bedlam they can cause me to go on to another topic they're completely mistaken because I will now . . .

POINT OF PRIVILEGE

MR. ENNS: Mr. Speaker, on a point of privilege.

MR. SCHREYER: Well what is your point of privilege?

MR. SPEAKER: The Honourable Member for Lakeside state his matter of privilege?

MR. ENNS: On a point of privilege, and the privilege is this, Sir. I did have the privilege, and the honour of being the Minister and sitting on the Privy Council that established and gave the first grants to the Manitoba Metis Federation and to the Indian Brotherhood. The Premier has implied that heretofore we had never had the time to listen to them, nor were we accessible to this. But I want him to acknowledge that it was a Progressive Conservative Government that established and made the first grants to these two worthy organizations.

MR. SPEAKER: The matter is not one of privilege; it's a debate. It's a matter of - - Order please. Order please. I heard the remark that it's on the record, if the honourable gentleman is going to use that tactics, I shall just have to ignore him. I will not tolerate tactics for the sake of publicity or any other means in this House. If that is what any honourable gentleman wishes to do then I shall just not be able to recognize him. Order please. Order please. Order. Order. Let's proceed with the debate in a cool manner.

The Honourable Member for Morris state his question?

MR. JORGENSON: Time after time the First Minister has interjected the speeches made on this side for the purpose, as he puts it, to keep the record straight. Surely, Sir,

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(MR. JORGENSON cont'd) . . . . we have the same right and the same privilege. The Minister is not telling the truth and we are trying to keep the record straight.

MR. SPEAKER: Every member is entitled to his day in court, as you people refer to it. I shall recognize everyone but if there is no matter of privilege, then I must state that it isn't a matter of privilege, and the point that was raised by the Honourable Member for Lakeside was not a matter of privilege. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, at least the record will now show that the Member for Lakeside by his own admission, rose on a point of privilege in order to get a certain statement on the record which had nothing to do with privilege, by his own admission. However, we will let tomorrow's Hansard indicate that. In the meantime the Honourable Member should not jump to conclusions. I had not even finished the sentence that I was on with respect to this question of accessibility and accessibility to whom. I was referring to the fact that insofar as the native people of this province were concerned I believe that in the last year, if not the last year the second last year of ten years of Conservative administration they did make a contribution or a grant of something in the order of \$5,000.00

MR. ENNS: \$60,000.00, I beg your pardon.

MR. SCHREYER: \$5,000.00

MR. ENNS: \$60,000, I beg your pardon.

MR. SPEAKER: Order please.

MR. SCHREYER: What organization are you referring to now?

MR. ENNS: Indian Brotherhood.

MR. SCHREYER: To the Indian Brotherhood 60,000?

MR. ENNS: 60,000.00.

MR. SCHREYER: And you denied that in the first year your grant was 5,000. Do you deny that? The point, Mr. Speaker, it's not the numbers so much, it's the fact that in the entire time that my honourable friends were in government, opposite, that they did not, they did not have the sense of priorities of accessibility relative to the people of small northern, remote and native communities that this government has demonstrated, I think, to just about universal recognition except my honourable friends opposite. --(Interjection) -- Mr. Speaker . . . . --(Interjection) --.

MR. SPEAKER: Order please. Would the Honourable Member for Lakeside please desist or I will have to name him. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can come also to Social Assistance, and will do so a little later on. But I simply, I simply put on the record my definite conviction that insofar as accessibility is concerned that we have been more accessible to more people from more ordinary walks of life than my honourable friends ever were. My honourable friends may have been more accessible to certain other people but I'm talking about people from ordinary walks of life; we have been accessible let them not pretend otherwise.

It would be interesting -- honourable friends may engage in this exercise if they like, make enquiries, make enquiries of people for example from small and northern and remote communities, how many times any of them were ever concerned enough to want to see the actual physical nature of the community and the kind of resource base that was available in the area; how many times did they actually make that kind of visitation?

A MEMBER: Once a year.

MR. SPEAKER: Order please.

MR. SCHREYER: I doubt even that. Now, Mr. Speaker, I go on. The next point that the Leader of the Opposition, apart from this business of accessibility, and I say accessibility to whom once more, was his point about disclosure, the need for more disclosure, the need for less secrecy. I think he used the expression that the costs of secrecy are simply too high speaking in debate here last week, that there must be more accountability of the government for its actions, that -- well I suppose it is best summarized in that sentence, "The cost of secrecy are simply too high; open revelation is necessary." Well, Mr. Speaker, one cannot deal with that question in isolation. One cannot deal with that question in isolation of what attitude determined the practice of my honourable friends when they were in office, because for one thing there is the legislation itself, the Manitoba Development Fund passed in 1958, amended in 1966. Look at the kind of provisions my honourable friends wrote into law -- this is bearing on this question of disclosure: Notwithstanding the Legislative Assembly Act or any

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(MR. SCHREYER cont'd) . . . . other act or law, the corporation, meaning the MDF, shall not, I repeat, shall not be required to produce to the Assembly or to any committee thereof: l) any application for a loan or other information furnished by an applicant or a borrower or otherwise obtained by the corporation respecting the applicant or borrower on his business or operations, or respecting any person who has applied for or obtained financial assistance from a community development corporation; or any of the books, records or documents of the corporation that would disclose anything contained in any application for a loan or any information to which sub clause (l) relates; and no director, officer or employee of the corporation shall be required to attend and give evidence to the Assembly or any committee thereof respecting any matter to which clause a) relates. That was Conservative thinking. They wouldn't even allow the Legislature to ask questions of the director or any of his staff.

MR. PAULLEY: Shame.

MR. SCHREYER: The director. The director is answerable; the director at least, only the director, but not even him. So then in 1966, that's more recent — my honourable friends will say, "Ah, but you're referring to a statute that was passed in 1958 or '59, come up to date". So I will. I'll refer to 1966. They were bringing in some changes to the Development Fund Act, and here's how it read, 1966: "Notwithstanding Legislative Assembly Acts or any other act or law, the Fund shall not be required to produce to the Assembly or to any committee thereof any application for a loan, etc., etc.

MR. PAULLEY: Shame.

MR. SCHREYER: . . . and it repeats the whole business.

MR. PAULLEY: Shame.

MR. SCHREYER: So that was my honourable friends' commitment to disclosure. But Mr. Speaker, it's even worse than that, because when we referred to Hansards now of 1966, the then Premier Roblin is being asked whether or not the government should not be investigating some particular problem that was existing relative to the MDC and some applicant or loan. And so we have the present Minister of Labour, we have the present Minister of Labour asking this question: "I have a further supplementary question, if I may, Mr. Speaker. Has not the government the authority to investigate into the use of public funds in the Province of Manitoba?" Referring to the MDC. And get the answer from the Premier: "Not unless we change that statute we haven't."

MR. PAULLEY: Shame.

MR. MACKLING: Shame is right.

MR. PAULLEY: That's right.

MR. SCHREYER: And so we have the then Premier saying that we, to read it back in a way that cannot be unfair or inaccurate, he is saying to the now Minister of Labour, who was then on that side, then Premier Roblin was saying — and this is perfectly correct: "Unless we change that statute we do not have the authority to investigate into the use of public funds in the Province of Manitoba relative to the MDC operations."

MR. PAULLEY: What a shame!

MR. SCHREYER: I mean, Mr. Speaker, does it not — at the risk of over-using a word, does it not boggle the mind, does it not cause one to really wonder whether my honourable friends opposite knew the meaning of responsible, accountable government? Now they harp on it. Now they harp on it despite the fact that we have changed the legislation to require the tabling of information on a regular annual, and I believe quarterly basis . . .

MR. PAULLEY: Hear Hear.

MR. SCHREYER: . . . as to who is applying, for how much is he applying with the loan, application rejected or approved, and if approved what is the rate of interest, etc. All that is a matter of public information now.

MR. PAULLEY: Hear. Hear.

MR. SCHREYER: And my honourable friends have the audacity to talk about inadequacy of disclosure.

Mr. Speaker, last night we saw the tabling of reports, we saw the tabling of reports relative to Manitoba Hydro and the development of the Nelson River. It's interesting to note when those reports were tabled in this Legislature. I think with the exception of two or three of those entire volumes, that they have been tabled subsequent to August 1969. Where was my honourable friends' commitment to disclosure and accountability? During the 1960's that

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(MR. SCHREYER cont'd) . . . . . commitment was at such a low ebb that it was practically non-existent and it caused them to engage in the kind of distortion of facts and inaccuracy of reporting in this House as to cause them to stumble into one of those grand slam, home run economic development projects that unfortunately also plagued certain other provinces like Nova Scotia and Saskatchewan as well as Manitoba.

Now they talk about the need for more disclosure. After all has been changed to provide for more disclosure they ask for more disclosure. That is some indication of the mental consistency, the mental gymnastics of my honourable friends opposite.

Going to give my honourable friends further quotations with respect to the Premier of the province back in 1966 on this question of the MDF and disclosure, but really it would be repetitious of the one simple point that has already been put on the record. They took the position that they were not responsible for nor capable of investigating into the activities of that agency. And so therefore not only is there CFI but there was also Columbia Forest Products; I raise this now for the benefit of my honourable friend the Member for Emerson. He is one of those who is, I think, more in line with common sense than most of the honourable friends opposite. He has stated for example, I believe he has stated - and this is to his credit - that if in the interest of maintaining some viability, some prospect of employment opportunity in a given rural community or centre, if it is necessary to use the instrumentality of the Crown, if it is necessary to provide by industrial financing by the Crown even under conditions of higher risk, then it ought to be done, and if the occasional consequence of that is that there is an industrial failure, that has to be accepted as a logical corollary of a higher risk industrial development policy designed to try to maintain viability in a rural community.

My honourable friend the Member for Emerson says that and I give him intellectual credit for saying it. The problem in his position, however, is that while he says it, when those events occur, his other colleagues immediately start to scream and squeal about the inefficiency of the public sector and how important it was to get back to the pristine purity of private enterprise; not to say of course, Mr. Speaker, how much they relied on pure private enterprise because they adopted a policy in the 1960's - I must admit they were not alone, some other provinces adopted it too - where they tried to use the Crown all right, they tried to use the public sector, but in a way which left the public sector as something there up against the wall to be raped.

There is no logic, there is no reason in some of the deals that were entered into in the 1960's whereby the Crown was committed to provide all of the loan capital financing by contractual agreement and the private entrepreneur was entitled to pull out any time the Crown refused to lend any more money. The operation was a private enterprise operation; the Crown was pledged by agreement to have to keep lending money. My honourable friend the Member for Emerson should get hold of the court judgment in the case of Columbia Forest Products. He will see why there was that disagreement between himself and some of us on this side last year, because the agreement entered into in 1966, now confirmed by court judgment, court decision, is that the agreement was such as to not require the private enterpriser to put in a plugged dime, a plugged nickel; that any time that private enterpriser were to approach the MDC for financing additional loans it was obligated to extend that financing to him. Failing to do so would mean that the Crown was defaulting on the agreement; that all the consequences flowing therefrom would be at the doorstep of the Crown. Has anyone ever heard of such an incredible type of commercial agreement? Mr. Speaker, that's not private enterprise, it's not public enterprise, it's some kind of bastard enterprise, and that's what my honourable friends engaged in, Conservative giveaway, and that's only one example.

My honourable friends, my honourable friends, they want information; they think there isn't enough disclosure. I believe, at the risk of being repetitious, that I should table information that's already been tabled giving in alphabetical order the names of all the firms that have loans with the MDC, the amount of the loan, the interest rate and the term. Was this done prior to 1969? Was it done?

SOME MEMBERS: No.

MR. SCHREYER: Therefore why are they asking for disclosure? My honourable friend the Leader of the Opposition, he was . . .

A MEMBER: He wants it tabled . . .

MR. SCHREYER: I'd be quite happy to do so, Mr. Speaker. Secrecy is not of our

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(MR. SCHREYER cont'd) . . . .liking. My honourable friend the Leader of the Social Credit Party I think believes that. The Leader of the Liberal Party is too cynical to believe anything. In any case, if my honourable friends want to talk about the costs of secrecy being too high, there's one point where I will agree with my honourable friends. The costs of secrecy are indeed very high, very high.

Now, my honourable friends they started the MDC; they used it in a way which was supportive of some conventional private enterprise, very little conventional public enterprise, but they use it a good deal in situations that could only be, as I've said, described as bastard enterprise; they used it a good deal in that fashion.

Now, Mr. Speaker, now, however, they would want to see an end to the MDC. They were its author; we've made major revisions in accountability since we've come to office, but even with that improvement they want now to end it, and they're going to do what? They're going to set up a Manitoba Growth Fund. Mr. Speaker, I am at a loss to know what my honourable friends mean by that. I thought that, you know, that two terms, growth and development, are about as anonymous terms as you are likely to find - growth and development. So, Mr. Speaker, my honourable friend can continue to play his little games he's going to have a Manitoba Growth Fund. I don't know where he'll find a Gordie Howe to run it, but presumably, presumably he will find someone to operate this Manitoba Growth Fund.

A MEMBER: How about Rex Grose? I'll bet he'd run it better than Howe.

MR. SCHREYER: No, the Member for Riel will know what I mean when I refer to Gordie Howe. And of course the Leader of the Liberal Party, he too is -- I find that there's often a great deal of similarity in the attacks of the Honourable the Leader of the Liberal Party and the Leader of the Opposition. One attacks something, a few days later the other one is sure to follow. And here the Leader of the Liberal Party has a -- well, now he attacks the secrecy of the MDC loans. Mr. Speaker, if he is attacking secrecy in the MDC, he must be entirely ignorant of the fact that secrecy in the MDC existed in the first 11 or 12 years of that organization; it does not exist and has not existed for the past two years. And I of course, I am aware of the fact that at the same time that the Leader of the Liberal Party has wanted more disclosure - I don't know what he means by more, more than what? -- he at the same time on one occasion said that we were guilty of breaching confidentiality in one particular transaction. You can't have it both ways; you either have disclosure or you don't have disclosure. What is this confidentiality that he wants all of a sudden to hide behind? There is need for consistency on his part as well.

But Mr. Speaker, I want to get back to a subject matter which I dealt with only in the most general highlight way last night and was prevented by time from completing, and that has to do with Manitoba Hydro, Manitoba Hydro development. I don't know whether all members of this House have had access to the information which was tabled last night, but my understanding and after checking the journals is that most of those documents, if not all, have been tabled since August 1969, and one or two were tabled prior to August '69 but only one or two. But in addition to that, for example, has the Member for Rhineland seen a copy of the Order - in-Council and the agreement, the actual agreement entered into between Canada and the Province of Manitoba when the Nelson River was first announced and announced in the House of Commons, signed by both governments, etc? It seems to me, Mr. Speaker, that a document of this kind ought to be available and accessible to honourable members of this Chamber, and accordingly it can be tabled here today. But I think that it would be desirable to put even on the Hansard record some of the preambles and some of the specific contractual obligations contained herein in order to help get some understanding of the entire evolution of this huge, huge, major energy development in our province. And the agreement goes as follows: " That this agreement witnesseth that, in consideration of the premises, covenants and agreements herein, contained the parties covenant and agree as follows: that there shall be construction of electric generating facilities including:

d(1) the station - meaning the Kettle Rapids station;

d(2) a control dam on the Churchill River at the outlet of Southern Indian Lake, a diversion for releasing water into the Rat River, a tributary of the Burntwood River, which flows into the Nelson River and certain other ancillary works for the purpose of making available considerable water storage in Southern Indian Lake and to increase the power production in the lower Nelson River and to increase the potential capacity of the hydro electric sites along the

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(MR. SCHREYER cont'd) . . . route of the Churchill River; and

d(3) a control dam, spillway and flood control work to be located in the vicinity of the outlet of Lake Winnipeg, which works will be designed to permit the levels of the water of Lake Winnipeg and the outflows of the Nelson River to be regulated and controlled."

And later on in the agreement there's reference to the division of cost, the loan, the basis of a loan from Canada to Manitoba -- this proceeds with all of this Hydro development, the calculation of the interest rate over 50 years for the construction of the \$200 million DC transmission line, it's all predicated on these preceding parts. There is reference in this agreement as well as to the onus for proceeding with the sale of power and to negotiate for the sale thereof --(Interjection)-- Yes.

MR. GEORGE HENDERSON (Pembina): I wonder if I can ask a question? In the article you are referring to there . . .

MR. SCHREYER: It is not an article, it is a contract.

MR. HENDERSON: The contract. Are you referring to the regulation of Lake Winnipeg at any certain date or at the end of the project? Is there any sequence in which way they should be done?

MR. SCHREYER: No, there is no sequence in the agreement but they are both specifically stipulated; that's my only point at this time is that they're both in there. So my honourable friend you see -- I must say with respect to my honourable friend, the Member for Pembina, that there is a valid argument that can be held in honesty as to which ought to come first, because that is not covered, but insofar as whether or not there was a commitment by the Crown, provincial and federal, to undertake certain works, let there be no mistake about that. This agreement, Mr. Speaker, can be tabled, I assume, of course that copies have been available.

. . . continued on next page

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

MR. ASPER: Mr. Speaker, I wouldn't ordinarily interrupt but because there was a pause I would ask at this time, is it not a fact though that whether or not Manitoba goes ahead with that agreement it's purely up to Manitoba, that no one is forcing Manitoba to go ahead with it at all, it's up to any government.

MR. SCHREYER: Mr. Speaker, my point at this time was to indicate that a very formal agreement was entered into and I indicated what at least some of those components of the agreement were and -- (Interjection) -- No, just a minute, just a minute. My point being that there was the commitment of the Crown and an indication as to what they were committed to do. Now of course I don't suppose -- You know, I think my honourable friend is right, the Leader of the Liberal Party, I don't suppose that if we took the decision that we did not want to go ahead with the Nelson River that the Government of Canada would impose some kind of constitutional force on us except that they would laugh up their sleeve and think that we were exceedingly stupid. Because, Mr. Speaker, there are already \$200 million of moneys from the Government of Canada that we have borrowed and they're paying 5-3/4 percent interest for the building of the transmission line. The transmission line unless it's loaded up is an uneconomic asset; it is not -- (Interjection) -- Mr. Speaker, the Member for Riel is in the awkward position where, although he would never admit it, he is in basic agreement with the necessity of developing the Nelson River by means of the utilization both of Churchill River diversion and Lake Winnipeg regulation. In any case I think he would agree to this much that the Nelson River must be developed, developed to the point with a speed which will enable that transmission line to be loaded to its capacity as quickly as possible. On that point I think we can agree.

Mr. Speaker, Jenpeg as a generating plant doesn't use a DC line, but Jenpeg has a control work provides for the generating of approximately four units spinning continuously, the power of which will in fact, yes, go on that transmission line. My honourable friend should know that. My honourable friend is supposed to -- he's an engineer but at times I wonder what in the world, what in the very world must have been going on when he wrote his final exams. -- (Interjection) If time is no problem to my friend, all right.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: The report which he has tabled, I believe, is reported in the spring of 1966 when he was probably sitting still on this side of the House, the agreement with the Federal Government. But with regards to the provisions . . .

MR. SPEAKER: Question.

MR. CRAIK: . . . is it not a fact that the report that was done after the First Minister took government after 1969, one of the first studies that he had initiated stated that -- and he can correct me if I'm wrong -- that Lake Winnipeg regulation is viable and economical only if it comes in at a price of under \$50 million. There's nothing binding about the agreement here then that says that it has to be done. Did he himself not at one stage say . . .

MR. SPEAKER: The Honourable Member is debating the point, he's not asking a question. I must rule it out of order unless there's a question.

MR. CRAIK: Well let me isolate the question, Mr. Speaker. Did not his own report, which he tabled last night, state that Lake Winnipeg regulation is only viable and economical at a cost of less than \$50 million in total?

MR. SCHREYER: Mr. Speaker, that is not my understanding, nor the advice given me by those who do understand, and who understand I think far better than my honourable friend since they -- I'm referring to people who are professional engineers working at their profession on a daily basis. Mr. Speaker, the fact remains, and you know how silly a question this is, he says just because the agreement with Canada stipulates that there shall be a control work at the outlet of Lake Winnipeg doesn't mean that it has to be built. But, Mr. Speaker, that's not the point. My honourable friend signed that agreement and then a few years later tried to say that it should not be built, and if it should not be built they should not have signed any reference -- (Interjection) -- it should have been put there in the hypothetical case; there's nothing hypothetical about the reference to Lake Winnipeg regulation in that agreement.

But, Mr. Speaker, that is an aside, it does not come to the heart of the dispute with respect to the future development of the Nelson River. -- (Interjection) -- Well, Mr. Speaker, there we have it, there we have I think the very apotheosis of proof, the very ultimate proof

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(MR. SCHREYER cont'd) . . . . that my honourable friend the Leader of the Liberal Party doesn't understand what's at issue at all because the Nelson River development is very much an issue when it comes to discussing Churchill River diversion, Lake Winnipeg regulation, the building of the DC line, etc.

And I would like now to indicate why it's at issue. I've already explained that in 1966 this agreement was signed, a transmission line was built and this line costing some \$200 million is being used to transmit energy from the Kettle Plant to the southern load areas of the province. It is also available because of its inherent design characteristics to be able to carry two additional plants the size of the Kettle plant to the load areas in the southern part of the province; and to maximize the economics of this, the construction of this DC transmission line, it would be desirable to build as quickly as is feasible two more thousand megawatt plants on the Nelson - not half plants of 500 megawatts, or third size plants of 400 megawatts, but to build full size plants on the Nelson River of 1,000 megawatts, or approaching 1000 megawatts. And to do that with anything that approaches economic common sense and engineering advice means that you have to build 800 - 1,000 megawatt units - plants rather - and that means requiring water, water, significant amounts to supplement the flow of the Nelson River in its natural flow conditions. The Nelson River is a great river, 120,000 cubic feet per second in the summertime; in the winter it drops to half of that and less. So therefore if there is excess water in the summer, late summer, early fall, and not enough in the winter, what is the logic of the course of action to be taken? Regulation of Lake Winnipeg? Yes. But that in itself is not enough. It certainly helps - - and that means diversion of the Churchill River as was initially provided for all along. My honourable friend, the Member for Lakeside, the former Minister of Mines and Resources, says storage in Southern Indian Lake. Mr. Speaker, I'm glad he said that. I'm glad he said that because storage in Southern Indian Lake means not only diversion, it means not only seven to ten feet of raising, it means 27, 30, 35 feet. Mr. Speaker, would 850 - - (Interjection) - - My honourable friends want to get back to this childish interim flooding - intermediate level flooding rather, 854 feet. Eight hundred and fifty-four feet, Mr. Speaker, will provide a grand total of about four feet of storage, and four feet of storage in Southern Indian Lake is equal to . . .

MR. ENNS: All of Lake Winnipeg regulations. All of Lake Winnipeg regulations . . .

MR. SPEAKER: Order, please.

MR. SCHREYER: Mr. Speaker, I cannot believe that my honourable friend was being serious when he made that last statement because, Mr. Speaker, it is exactly the opposite. What I mean is that four feet of storage in South Indian Lake, which means flooding higher, is equal to .5 feet on Lake Winnipeg - point five - anyone who has a semblance of understanding of the issue here knows that eight feet of storage in South Indian Lake is required to equal one foot of storage on South - - (Interjection) - - 8 feet of water, raising 8 feet on South Indian Lake is required to produce the same storage as one foot on Lake Winnipeg. Mr. Speaker, - - (Interjection) - - Well, you know, my honourable friends can say it's nonsense - - we will have a Public Utilities Committee meeting on the 19th of March, I believe, and they will be invited, in fact urged to ask all of the detailed questions they like - fire away. Well I'll say last year my honourable friends they were trying to pretend in the Throne Speech now that they were thwarted in the Public Utilities Committee meeting last year. They asked over 200 questions, received answers. But, Mr. Speaker, nothing can describe the complete and utter chaos and confusion that prevails in Conservative ranks because they started out, they started out with a bill - - no they started out with other than a bill. They started out with - - they were going to proceed with Churchill River diversion and Lake Winnipeg regulation; they signed contracts and they abandoned one, and they decided to go with all storage and all diversions from one source, Southern Indian Lake, and 835, 830 to 835 foot level. The entire community inundated. 869 as being the point at which they would have to start operating the works in order to have maximum discharge of water which meant that the water level would rise slightly above 869, 870 feet.

They were going to do all that because of some political considerations about problems around Lake Winnipeg. Then they decided that they were having troubles with some public hearings about which there was some misunderstanding, so they brought a bill into this House, Bill 15, asking the members of this House to endorse a particular level of flooding in statute form.

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(MR. SCHREYER cont'd)

Then we had the spectacle last year of them coming forward and saying, well - they try to avoid saying it but they certainly have to say it - that they were wrong in the first place; 854 is now their favorite, not 869, 854 - - (Interjection) - - 854. They admit that maybe it's a good thing that there was a change of government because if there had not been they they would have been at 869 feet today. Now they say 854; that's their favorite. Well then, Mr. Speaker, - - (Interjection) - - Mr. Speaker, let there be no doubt about it 854 means intermediate level flooding. It also means, it means the flooding of Granville Lake as well, High Rock Lake and the upstream portions of the Churchill River as far south as the Pukatawagan area. So now they say . . .

MR. SPEAKER: Order, please. Would the Honourable Member for Lakeside like to please keep quiet. I am trying to hear what is being said and I am having tremendous difficulty because of the continual chirping. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, now they apparently have made one more revision, they are going from 869 to 854 - now it's 850, and they say but 850 but without any flooding not even low level flooding. Apparently they are in favor now of pumping. Well, Mr. Speaker - - (Interjection) - - "pumping". Oh! You're not saying pumping. I'd like to get that straight. You're not advocating pumping because maybe it's the case of the Leader of the Opposition implying pumping and the Member for Riel saying no way. So I'd like to know who's who and what's what there. Because it can be 854. It can be 850 with seven to ten feet of raising of the water level. But if you say 850 without raising the water level of Southern Indian Lake then you obviously are talking pumping since you can't be relying on gravity. And if they're talking about pumping, I want to tell them right now that they're talking about an incremental cost of about double of a gravity Churchill River diversions plan. My honourable friends now perhaps if they're not in favor of pumping - - I don't know they can't seem to make up their mind which they favor.

They perhaps want to talk about an interconnection with Saskatchewan perhaps. Well my honourable friends don't want to but all right in this case now they can be, you know, sort of attentive, they need not interject because I will not be dealing with them. But I would like to put on the record, Mr. Speaker, some observations relative to the suggestion that there ought to be a tie-in with - - a massive tie-in with Saskatchewan and the two-power systems. Of course as a concept this is an interesting one and has future prospects for actual realization. But you know interconnection, Mr. Speaker, is something that was started I believe, I believe that in 1958 was the first tie-in of any kind and it was just on a very modest inter-area scale. In 1972, just last year, we have added additional interconnection capacity, transmission capacity, so that we have doubled last year the previously existing interconnection capability with Saskatchewan Power Corporation. And discussions are, and have been, under way with Saskatchewan Power relative to future sales of energy and capacity and the prospect of buying on occasion from that province, of buying a certain supply of energy.

But let it be very clear that in conversations, discussions at the policy level, and at the technical managerial level of the two utilities, and at the policy level here, there is no way in which the Province of Saskatchewan is either interested or in a position to accommodate our energy requirements over the next three or four years. In fact, they are and have been up until now, purchasers of modest, very modest amounts, nothing dramatic, but of some amount of energy from this province, and for them of course to be asked to guarantee the supply of firm energy to this province on the short term, immediate requirement basis, is something that they are not in a position to accommodate us on. They themselves are in a systems planning stage where Manitoba Hydro was, I would say, about seven or eight years ago, according to the advice given me and according to my discussions with people from that province. They are in a position where they have to consider options as between Churchill River in Saskatchewan or a Hydro development at the Gardiner Dam or on the Saskatchewan River, or a power development coal burning steam thermo power plant on the Estevan.

It's rather ironic Mr. Speaker that if there was to be a major increase in the thermo generating capacity on the Estevan coal fields it would require a diversion in order to bring supplies of cooling water from the Saskatchewan River, from the Gardiner Dam, Diefenbaker Lake, southeastward to Estevan, because building a coal plant is not as simple as just building a plant and sinking a shaft and bringing the coal up and burning it. There is strip mining

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(MR. SCHREYER cont'd) . . . . involved; there is a shortage of cooling water for the thermo plant, they would have to divert quantities of water from the Saskatchewan River.

And so I wonder what the environmentalists, those who do not look at the total picture, would - - which is by no means all environmentalists - - I wonder what they would have to say then if that course of action were to be followed. But in any case, Mr. Speaker, it is academic because in no way, even if the inclination and the physical circumstances were such that a thermal plant could be built in combination with strip mining of coal, it could not be taken now from square one and completed in time to meet Manitoba's requirements in the mid part of the 1970's and let them not think of course that thermal power, that coal burning thermal power is cheaper than hydro, because of course that is not the case. I am given an example that the Selkirk plant, the Selkirk steam plant, if it were running continuously for a year, generating electricity, that it would generate some 800 million kilowatt hours as compared with the water of the Churchill River going through the Kettle plant alone, which would give 1.6 billion kilowatt hours, or twice as much, and that's just the Kettle Rapids plant alone, the Churchill River water component flowing through the Kettle plant. If we look at this another way the Selkirk plant producing half as much energy as the Churchill River would produce in the Kettle plant even at that half performance, it would consume 650,000 tons of coal at an annual cost of \$4.5 million. What is more, Mr. Speaker, is that this would amount to approximately one trainload of coal of about 45 cars each day of the year. The same Churchill River water will of course produce additional energy at each of the plants built downstream of the Kettle when those plants are built and, of course, work will be starting this year with respect to the next hydro site on the Nelson at Long Spruce.

I would expect that the benefits of the Churchill River Diversion would be even greater when it is possible to sell some of the surplus hydraulic power that would be associated with it to Saskatchewan in the years when such surplus was available. Integration without the full development of our renewable resources is not going to provide the maximum economies that one could expect.

However, Mr. Speaker, rather than get into a detailed presentation on the benefits of interconnection with our neighbouring utilities, I would like to assure you, Mr. Speaker, that all honourable members will have the chance on Monday the 19th, and the 20th, and subsequent days as arranged, to question just as much as they like the particulars of the Nelson River development and all of the components predicated in the Nelson River agreement.

I have already referred to the pumping alternative which involves an increase in cost of some \$140 million. The earliest, and besides that cost escalation or increase factor is the fact that the earliest that a pumping scheme could be put into service would be 1977, and, Mr. Speaker, 1977 is not, is not the time frame in which that extra energy is needed.

The job that's involved in building a big pumping plant as an alternative to a gravity diversion would be about the same size, or the same magnitude of operation as was involved in building the McArthur Plant on the Winnipeg River and that is not done in just two or three years. And anyway, who is to say that there would not be opposition even to a pumping scheme, not just on the basis of it costing twice as much but on the basis that it would also affect the environment.

My honourable friend the Leader of the Opposition must think that pumping will solve all the possible environmental effects. Mr. Speaker, pumping will still mean that the Rat River system will have exactly the same amount of water flow. It will have exactly the same amount of flooding of the muskeg around the Rat River, the swamp or muskeg. It will be removing nutrients for those who are concerned about that effect. So my honourable friends and the lower Churchill will be similarly affected as under a gravity scheme. So all of these things will not save my honourable friends any anguish and it will be costing twice as much.

Now perhaps the last point that need be dealt with here is the suggestion well, just put that all aside, go ahead with the Nelson but without Churchill River; see if Saskatchewan can accommodate you, and they can't in the short term time frame. Well then go ahead and build extra plants on the Nelson, build half plants, small ones, only half as many generators, because there isn't as much water, so build half as many generators and then go down river and build another power plant with half as many generators, and you'll solve your problem that way - half plants on the Nelson. It's true if you were to proceed with half plants, half-sized plants on the Nelson, then you wouldn't need Churchill River Diversion, and I don't suppose you would even need Lake Winnipeg regulation, and depending on how small you were willing to build these

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(MR. SCHREYER cont'd) . . . . plants, I suppose you could even, you could even dam up the Winnipeg River and reduce the normal flow. Mr. Speaker, this is the most childish of all alternatives that have been suggested, and the Leader of the Liberal Party has been the one that has been hanging his hat on that, or some simplistic variation of it, because the building of under-sized or half-sized power plants on the Nelson River is to make nonsense of the most obvious, the most obvious rules of mathematics and economics. It would be like, I suppose, like buying an aircraft of 100 passenger size and then deciding that you didn't want to allow for utilization beyond 50 passengers, and so you would be using the aircraft with a 50 percent load factor, an aircraft twice the size, twice the cost to build. The analogy is not a perfect one but certainly it is of some help in understanding the nonsense, in understanding that it is nonsense to suggest that it is practically, or in practical terms open to us to go ahead with half-size plants.

Now, Mr. Speaker, lest it be suggested again that we need more studies, I want to repeat that there have been approximately \$9 million worth of studies on Churchill River Diversion, its effects and alternatives of Churchill River Diversion, and that in total the entire Nelson River development has had a totality of studies, engineering surveys and studies, amounting to something in the order of \$25 million over a period of quite a few years now. The suggestion that more studies will make it possible to ascertain such imponderables as recreation potential, the value of sandy beaches on a lake that has a mean summer temperature of 41 degrees, things of that kind, Mr. Speaker, that is just not in the realm of the possible or the common sense.

Now it has been suggested that independent observers have looked at this -- the implication of course being that the engineers internal to Manitoba Hydro, that the engineers in the case of Crippen Acres, Underwood McLellan, were somehow not independent, but it's suggested now that there are others who are independent, those who oppose all this presumably are the independent ones. I think, Mr. Speaker, that among those independents that the Leader of the Liberal Party was referring to, he must have had in mind persons such as perhaps Lloyd Axworthy, perhaps Ken Arnason who was a Liberal nomination, such as Professor Newberry, Professor Cass Boeoy -- I don't know who he has in mind when he talks about independent observers. I am not allowing myself to be bitter about this but if my honourable friend is talking about independent experts, I would like to know who he means, and why he thinks that the experts with Underwood McLellan, Crippen Acres, Manitoba Hydro system planning staff, are not independent. Independent of what and of whom?

Mr. Speaker, I have a letter here by one who is joined with these what the Leader of the Liberal Party calls those who oppose the Churchill River diversion, and that letter is by Professor Cass Boeoy, and in the letter he indicates that the Manitoba -- it's September 16th, 1970 -- "The Manitoba Water Commission is in agreement with the recommendation to proceed with the regulation of Lake Winnipeg. The Commission considers the range between lake levels of 711 feet and 715 feet for power storage acceptable, subject to the following qualifications:" It goes on, "Regarding the Churchill River diversion, the Manitoba Water Commission agrees that the potential net benefits justify its inclusion on the planning for future power generation. The Commission also agrees that full attention be given to the ecological and sociological implications of major river diversions and of large changes in lake levels from their natural fluctuating pattern. The commission recommends that the diversion proposal be made part of a regional development plan for the area immediately affected."

And, Mr. Speaker, that has been stated by me and confirmed by my colleagues and myself on a, at least a number of occasions now, that the diversion of the Churchill River ought to be part of a regional development concept for northern Manitoba, the Nelson River basin if you like, analogous to the Tennessee Valley authority. Mr. Speaker, Professor Newberry, Professor Cass Boeoy, were both on the Water Commission; they were both therefore you might say, signatory -- actually Professor Cass Boeoy was signatory to this but with the knowledge and the consent of the Water Commission -- recommending the inclusion of the Churchill River diversion as part of the Nelson River development.

Mr. Speaker, in light of that, what is one to make, what is one to make of their position today? In the light of this, and in the light of the plethora, the multiplicity of studies that have been made over these years. Now the leader of the Liberal Party -- he has left the room -- he said the other day that the Liberal Party's position today is the same as it was in 1969. Well, Mr. Speaker, I want to indicate more clearly than my honourable friend the Leader of the

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(MR. SCHREYER cont'd) . . . . Liberal Party where their position was in 1969. In the first place when the bill to high level flood South Indian Lake was before the House they abstained from voting. They did not vote for it; they did not vote against it either. Then subsequently, subsequently, I assume the former Premier, Douglas Campbell, didn't want to have anything to do with the nonsense of not supporting Churchill River diversion at all, and so there is a difference of opinion there. But Mr. Bend became the leader and presumably, presumably, it is he that the leader, the now leader of the Liberal Party, is referring to when he says that our position today is the same as it was in 1969. Well the same as in 1969 as expressed by whom? Who was expressing the position in 1969? I assume it was Mr. Bend, and Mr. Bend had this to say at meetings in Winnipeg and in Brandon - there are actually some rather interesting, some rather interesting suggestions in there. Yes, I will try to read them all.

Mr. Speaker, I'm in the position of trying to complete my response, my reply, to all that has been said by a number of honourable members opposite and it will take a week, the Honourable Member for Thompson is right, I must try to bring it to a close. But get this for example, Mr. Speaker, the Liberal leader was criticizing the government, Mr. Weir, for not completing the work of the last session before calling an election, criticizing the former government for aborting the session of the House, calling an election, and he said, Mr. Bend said, it would have only taken another half day to finish the controversial Southern Indian Lake bill - the implication of that being that they should have sat at least another day and passed that bill. Mr. Speaker, I don't suppose we'd be having those problems today if that had happened. - - (Interjection) - -

MR. PAULLEY: Oh I'm ready for you any day of the week.

MR. SCHREYER: He said that a Liberal government would completely reverse the Weir policy, a policy which would allow the community of Southern Indian Lake to be flooded; a Liberal government would not grant a licence to flood Southern Indian Lake. He said that the policy had been formed on the basis of all information available, especially information contained in reports we couldn't find and which we now have. He said this alternative might result in slightly higher power costs but it is clear that any such difference in power cost between the low level diversion and the scheme to flood the Lake would be small. He goes on from there to indicate that they will support that they would proceed with a low level diversion. "Total Flooding." I am taking this now from the Brandon Sun of June 20th, 1969. "Total flooding can be avoided by implementation of the low level diversion which while slightly higher in cost would not impede industrial development in both northern and southern Manitoba." That's the position in 1969. What gall, what gymnastics enables the Honourable the Leader of the Liberal Party to get up now and say that his position hasn't - the Liberal position hasn't changed since 1969. There it is: "flooding can be avoided by implementation of the low level diversion which while slightly higher in cost will not impede industrial development in northern and southern Manitoba."

And then, Mr. Speaker, we have the Winnipeg Free Press editorial, the Winnipeg Free Press editorializing on the 21st of June, practically on the eve of the election - - and I am not placing credit on this, Mr. Speaker, except to indicate how the Liberal newspaper which does carry the Liberal message, perhaps not effectively but it is really like a campaign pamphlet, "Mr. Bend did not deny the need for power in the north. We as a party believe that the key to Manitoba growth lies northward and that we must develop the power potential of that area to unlock our riches" - - and that's a quotation from Mr. Bend. But he believes that all the power needed can be obtained without flooding the lake area. In support of his policy he said that practical alternative methods exist, and that one of these, the low level diversion, could be gone ahead with immediately, immediately, no public hearings, immediately." And then the Leader of the Liberal Party talks about public hearings, talks about alternatives, that their position is the same as the Liberal position in 1969. Mr. Speaker, it isn't; nothing of the kind.

MR. GREEN: Oh no, he would go ahead with it while the hearings were being held.

MR. SCHREYER: Well, perhaps, otherwise it makes no sense at all. - - (Interjection) - - There are many other things I could deal with, Mr. Speaker, but I do feel under some obligation to - - (Interjection) - -

MR. PAULLEY: Oh you're one too.

MR. SCHREYER: . . . I do feel under some obligation to conclude now, Mr. Speaker, because it's a case of, well I'm sorry, Sir, I'm sorry there is one thing, I apologize to my

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(MR. SCHREYER cont'd) . . . . honourable friend, there is one thing which has to be dealt with. The Leader of the Opposition and his attitude to industrial development. Well I think I used - - I was able to demonstrate last night that in terms of gross provincial income, and average per capita income, that there has been as much growth in the economy of our province in the last four years taken to the end of this year, the four years of our period of office, that there will be as much growth - - about \$1,5 billion - - as there was in the whole ten years of the 1960s when they were in office. But that's natural economics and it comes much more to the point when I deal with some of the specific statements made by the Leader of the Opposition.

He still - - he says he would abandon the approach of the 1960s followed by the Conservatives in those years. He would abandon that approach to economic development, but would he really because I happened to see a statement here by the Leader of the Opposition he made outside the House in Brandon the other night, he was talking about Saunders Aircraft, and it's clear what he's up to. If he were the government, if they were the government they would use the public development agency again as an instrument to be taken advantage of by certain selected chosen private enterprise instruments. He would take - - I don't want to mention the aircraft firm by name because I don't want to embarrass them. I'm sure they didn't ask for any help from the Honourable Leader of the Opposition and therefore ought not to be put in an embarrassing position - - but my honourable friend would take Saunders Aircraft and instead of trying to improve northern air services and prairie route air services, he would just have the Crown buy the two aircraft and give them - - for a dollar I guess. For a dollar? Would you mind indicating? A dollar, or would you do it on a normal lease rental commercial arrangement? Well I'd like to know to what my honourable friend was referring, I don't want to misquote . . .

MR. SPIVAK: Mr. Speaker, I assume that the Premier's asking a question of me. I do not have the newspaper article - - it's obviously the newspaper article you are referring - - but I think I know the intent of what I said on that occasion in Brandon, yes. I said because of the fact that the government has been unable to sell Saunders Aircraft except by financing it almost to a hundred percent because it appears the plane itself has very limited commercial value, it would be better because the public has sunk \$10 million into this project to at least have it used for some purpose for Manitoba, so at least let us try and salvage what we've already lost so far.

MR. SCHREYER: . . . the Honourable Leader of the Opposition confirm what is basically written up in this Free Press article of October the 6th, I guess it is, last fall, because Mr. Speaker, I couldn't believe it when I read it. Now that I've heard him confirm it, I want to indicate in what specific respects his information is grossly misleading, distorted, and unfair and prejudicial future prospects for this firm. To begin with, according to my honourable friend, he would use the Crown to buy a couple of aircraft and donate them to some airline, Transair or somebody - - I guess the donation of an Air Canada Viscount and one DC3 wasn't enough, we're to start donating a Saunders aircraft now.

In the second place my honourable friend is quoted here as saying that to date Saunders has been able to sell only one of its aircraft to Colombia in South America. No one knows the exact arrangements but it is rumored that financing has been arranged over a 40 year period, much longer than the service age of the aircraft. Mr. Speaker, that's a responsible statement; here are the facts. There's not been only one aircraft sold; there's been three aircraft sold to that one company alone; that the aircraft has been sold with financing not over 40 years but over five years. There have been six repayments required on the agreement, on the schedule of repayment, all six payments have been made on time. But there is in addition to that letters of commitment for purchase from an airline on the eastern seaboard of the U. S., eastern seaboard of Canada, and a number of inquiries from other parts of the country. My honourable friend says that there is only one aircraft sold, it's financed over 40 years. All of that is just irresponsible, Mr. Speaker. Five years not 40 years. Repayments are being made on schedule; three aircraft sold already; letters of commitment for purchase coming in. Now look my honourable friends know very well that the aircraft industry in Canada consists of two firms, DeHavilland and Canadair. One is in Montreal, the other is in Toronto. Both of them for the past ten years exist with the co-operation and the support of the Federal Government. Why should it be that in a country as large and as far flung from Atlantic to Pacific as Canada, that there should be only two aircraft manufacturing companies both located within a few hundred miles of the so-called golden triangle, St. Lawrence lowland focus. It's one thing to sit back

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(MR. SCHREYER cont'd) . . . . and curse the Federal Government because they will not support manufacturing in the west; in the meantime they let you curse and they keep pouring 50 million, 60 million dollars into DeHavilland and Canadair for contracts for the production of various manufactured aviation related goods and products. And we sit back in the west and curse, we never took any action. Well we have bitten the bullet. We have an aircraft manufacturing capability, admittedly of a modest size, but it is only in its incipient stages, and rather than sit back and swear and do nothing, and swear at the Federal Government, we've established it if the Government of Canada has any sense of fairness of regional disparities and regional distribution, they will come in, they will come in behind Saunders to the same extent or proportionately at least, as they come in behind Saunders and DeHavilland, and make no mistakes about it if it weren't for the Government of Canada, Canadair and DeHavilland would not be in operation today.

So I have rather interesting -- and don't think they're not aware that there is an onus of obligation on them to stand behind a third aircraft manufacturer in Canada, the only one outside of Ontario or Quebec. Here is a letter from the Deputy Minister, the Federal Deputy Minister of Industry, Trade and Commerce, to the President of DeHavilland of Canada saying that since we have given you support for the DHC7 program, how about getting some components, sub-contracts over to Saunders in western Canada. Now this is a start. It's only a letter, one of those many letters that go bureaucratically from one department to another, and from one deputy over to a president of a corporation, and so on. But this letter, Mr. Speaker, is the basis for a relentless campaign with the Government of Canada to ask them to do only that which is fair. They have supported with millions of dollars a Canadian manufacturing capability in Montreal and Toronto, we want a certain proportionate of spin-off for western Canada. We have taken that risk; we have taken that political stance, that political position, and we're doing something about it; we're taking the risk at least in trying to do something about it rather than saying it's too risky, sit back and swear at the Federal Government. -- (Interjection) -- Yes, I'd be very happy to table the letter.

Well, Mr. Speaker, on reflection the entire contents -- I think it can be tabled but I would like to check in the normal way. Well the copy was sent to me, it's a matter of public record. Let it be tabled. -- (Interjection) -- I don't have a copy; it can be photocopied. Let it be tabled.

But there you see, Mr. Speaker, is the essence of it. You either take the initiative; you either take the initiative and light a candle or else you sit back and curse the darkness. And there's been too much of that in western Canada, sitting back and talking about the disintegration of western Canada and cursing at the Federal Government. In the meantime there are opportunities open to take some initiative and some risk, grab it and then ask the Federal Government for equal treatment in proportion between one region and another. I'm glad that the Honourable the Minister of Mines and Resources, the former Minister of Mines and Resources, is enthused with the agreement; at least there are some things that we can agree on apparently.

It is interesting in connection with this, Mr. Speaker, that we have a federal agency called the Export Development Corporation. The Export Development Corporation was asked in the export sale of Saunders Aircraft from Manitoba to Republic of Colombia if they would provide the normal kind of export finance and insurance. It's interesting to note, Mr. Speaker, that the federal Export Credit Corporation, Development Corporation, which has existed I think now for, oh, 12 years refused -- it turned out we didn't need them anyway. But it's interesting, Mr. Speaker, that of this particular federal agency's work that about one percent, certainly less than five percent of its total volume of work, of credit insurance and finance, relates to prairie Canada. Less than five percent -- I really believe my recollection is about one percent. The other 99 percent relates to Toronto, Montreal, and to some extent the Maritime provinces, but not very much. So these are the kinds of things that we will be bringing to the attention -- we have already -- but we will be bringing it forward again at this conference on western economic opportunities that the Government of Canada has asked for this coming summer. We have indeed a number of very specific things to deal with and we will keep the amount of general and pleasant talk to a minimum.

Mr. Speaker, I believe that in all that has been said by the Leader of the Opposition and

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(MR. SCHREYER cont'd) . . . . that all that has been said by me in response, will indicate that there is indeed quite a difference, a divergence of view, as to the proper role of government, the proper role of government in meeting human need, the proper role of government in economic development. Certainly we are prepared to take initiatives and risks in combination with private enterprise and on its own. Private enterprise properly regarded is a very fundamental and important part of the economy of our country and our province. But we cannot allow a few, a few within the private enterprise sector spoil it for all the others in private enterprise, and we should not as a government make it possible, we should not even allow it to become possible, for those relatively unscrupulous few private enterprisers to use the Crown to be bilked, to be taken advantage of. I have given quite a few examples last night and today of the kind of thing to avoid. The example of the 1960s generally stated, that's what we have to avoid. We're going into the 1970s with a much greater awareness of the need for relying on the public, the instrumentality of the public sector. There's nothing to be ashamed of, there's something to be very proud of in the fact that much of our economy depends on private initiative, private risk-taking, private talent, private energy. But, Mr. Speaker, what should be your attitude when one discovers that in a particular sector of the economy a firm has grown to the point where it is a conglomerate. It has grown to the point where it has bought out all its competitors or virtually all is in a position then to expand horizontally and vertically so that it has no longer any competitors in the same field of action and is tying up sources of supply that supply the particular industry that it's engaged in. We see this happening, and either it's a case of prohibiting it by law, or it's a case of bringing an involvement of the public sector in competition with it. I would like to think that we will never allow it to happen that a privately owned conglomerate can grow and grow and grow till it suffocates its competitors and ties up all of the source of supply. That's been the story in some sectors of our economy - - it's happening now with respect to the construction industry to some extent, and we had better keep a close eye on it.

Well, Mr. Speaker, but all this I apologize for the time that it has taken but I have no hesitation whatsoever in feeling right, in feeling right, in feeling right about the fact that this government has worked steadily towards trying to bring about more equality, reducing disparity in income levels through the instrumentality of taxation, etc., etc. And all that has been said to date thus far in this debate, or almost all, some ideas have been worth listening to and worth taking note of, but for the most part the criticisms coming from the Leader of the Opposition and the Liberal Party have not been of a constructive kind, nor have they been productive. Thank you.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Thank you, Mr. Speaker, for not using seniority because had you I certainly would not be speaking right now.

May I start off by congratulating you for the fine job you've been doing: you've certainly have improved over the last year, although I must confess we are not making your job easier and I would predict that this session is going to be much more difficult than the other ones and you're going to have to use all your talents to keep all of us in line.

The Premier's taken a great deal of time, and I can't fault him, he's certainly got a lot to answer for, if that's the proper term, and he's covered the waterfront so well that it really doesn't leave very much room for the rest of us, but I'll attempt to speak on some of the points that I consider important.

And while I'm congratulating you, Sir, I'd also like to extend congratulations to the Member for Flin Flon, my northern colleague, who did a pretty good job of moving the resolution.

And also I think congratulations are in order for the Leader of the Opposition who for the first time in four years, I think, brought forth a reasoned logical blueprint for Manitoba should he be elected as the next premier. I can't say that I agree with all of the things, or even maybe half of the things; on the other hand I don't agree with many of the things that the government is doing so - - the point is that he has catalogued grievances against the government; he's also brought forth a platform that I think many people can support in Manitoba.

I'm afraid I cannot say the same thing for my friend whom I supported, the Leader of the Liberal Party. It pains me to say that, Mr. Speaker, because I've received a great deal of criticism from my constituency and from some of my former colleagues for supporting him, because at that time I was still a member of the government, and I supported his election and I

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(MR. BOROWSKI cont'd) . . . . think he has a -- and I still think in spite of all his blunders, he still has a function to perform. I think the Minister of Municipal Affairs will agree with me, that he has an important function to perform here. Unfortunately -- (Interjection) -- no, I think the Liberal Party will be around for a long time, with a new leader after the next election, but they will certainly be around, and I say this with great difficulty because the present leader I think increased the expectations of many people in Manitoba that he was going to offer a real alternative and I'm sorry to say, and I said it to him personally, I'm sorry to say that he has simply not done the job, the job of a responsible leader of a party.

Before I go to other points, I would like to give some criticism however to the Conservative Party regarding the criticism of appointments. I want them to know, and I'm not saying this to defend the government, rather perhaps to give the government heck, the charges made against the government on a political appointment or political patronage are simply not true, Mr. Speaker. If anything, if there should be any criticism, and they'll get it at election time, and it'll be from their members because they didn't have the courage to appoint and to hire some of their people. One of the main criticisms I received as a Minister, and since leaving, is that those guys haven't got the guts to hire their own because the press and the opposition will criticize them. And they're going to -- as a matter of fact, Mr. Speaker, I know of members who have torn up their cards because they say it seems to be that you are treated like a leper if you have an NDP card; you're almost automatically excluded from being hired by the government. And perhaps the Human Rights Commission . . . -- (Interjections) --

MR. SPEAKER: Order please.

MR. BOROWSKI: Perhaps the Human Rights Commission should look into that -- (Interjections) -- Mr. Speaker, the Leader of the Liberal Party has indicated that he has evidence, hard evidence to prove that what the government is doing is bad, and expensive and wasteful. And I said, "look, if you have it, I'm a free agent in the House; I don't have any obligations to support any party here, I'm prepared to listen to it," and he indicated that he will be bringing some experts, which I hope he still does, I'd certainly like to hear them.

But after listening to him dealing with the South Indian Lake, Mr. Speaker, I was appalled by his ignorance of what is going on in South Indian Lake and in the whole question of Hydro development. I assure you I'm not an expert, but I do know how to read the English and I know most of, at least, two syllable words; I've read some of those reports, not all of them -- I don't think there's a member in this House that's had the time to read that pile of reports that the Premier had put on the desk . . . ; I don't believe that anybody in this House has read them all, and I don't think it would be fair to expect everyone of us to do it. We get someone else to distill it for us and then we can base our judgment on that.

And listening to some of the interjections that the Leader of the Liberal Party, and some of the comments that he's made, I must say the only reason I'm not concerned or frightened too much is because I know that he will not be in a position to do anything about it; if he was it would be a frightening prospect because to think that after blowing a third of a billion dollars, or perhaps more, that we can be put in the position where we're going to say, well maybe we made a mistake. And let's forget about all that hardware that was put in there by the previous government and by this government, all the hardware that was put in there and we're going to look at some other scheme. Even if he was 100 percent right, Mr. Speaker, it's just too late, it's just too late. The CFI I think is a good example. I think there was one Minister on that side and myself who said to scrap the deal because it's no darn good; and all the advice we could get from the lawyers, they said, look, there's no way you can break that agreement; it's a legal document, you've got to go ahead with it. In this case it's worse, Mr. Speaker, because the money -- the money has been spent and it's a heck of a lot more than was spent on CFI -- a third of a billion dollars of our money that we have to pay interest -- I think we borrowed money as high as nine or ten percent -- that's a fantastic pile of money just to pay the interest on a debt. -- (Interjection) -- Yeah, trying to suggest that if we are elected we will stop it. Mr. Speaker, if I was his brother and he ran on that platform, I would have to oppose him, because we would be stuck with that hardware and nothing coming out of it. You know, the Hydro line is built, the hardware is built -- I think it's just a question of months when they'll have the official opening. It's all in there.

Mr. Speaker, I just spent a weekend in Thompson -- I didn't talk to his candidate Dr. Johnson, but I think he's on the verge of losing him because he is completely opposed to the Member for

## THRONE SPEECH DEBATE

(MR. BOROWSKI cont'd) . . . . Wolseley's policy. I've talked to many good Liberals -- (Interjections) -- I've talked to many good Liberals who've supported me in both elections when I ran and they're saying that they just can't understand how he could possibly take that position. They have a great deal of respect for D. L. Campbell, and I must say that I'm probably one of his greatest admirers. When I was Minister I fought to get a bridge named after him because he spent a lifetime, 49 years -- (Interjection) -- 47 years he spent in this House serving the people and he was probably as honest a politician and a Premier as sat in here. He is saying -- (Interjection) -- he is saying, Mr. Speaker, that never mind all those reports that Hydro has and all the studies that have been done -- and it was Mr. Campbell who brought in Hydro into Manitoba -- never mind what they say, I'm the only guy that knows what the score is. Now that, Mr. Speaker, is an incredibly, arrogant, egotistical attitude to take. Even if he read all the reports, . . .

A MEMBER: He didn't.

MR. BOROWSKI: . . . And I know he didn't, he still couldn't come to that conclusion, and couldn't make the type of statement he has. Mr. Campbell is going around the province and he has taken the position that is diametrically opposed to the present leader of the Liberal Party. Now, let's say that I just come from Siberia, I don't know anything about anything -- (Interjections) -- I look at the record of Mr. Campbell and the Leader of the Liberal Party, I would have no hesitation saying that out of the two I would have to accept Mr. Campbell's proposal, if I was faced with those two proposals. There's no way that anybody could accept their proposition in the light of everything that has happened; and I hope that the Leader of the Liberal Party has time to think about it before the election is called to perhaps, to perhaps say -- (Interjection) -- yes, stop, look and listen himself, and say that, damn it you know we have been misled, and it's possible. Many people are misled. I'm sure that the Ministers on that side have been misled on certain issues. It's possible that the people that he has listened to just didn't know what they were talking about, and say all right we made a mistake. I think the Member from Lakeside has said, we made a mistake. And you know, what's so terrible about that? It's not a disaster. People will forgive you a lot sooner if you say, we have made a mistake instead of saying, even though you know you're wrong, that we're going to stick to our guns because we don't believe in this, you know, hopping back and forth. I think that's an unfortunate position and I would ask him as my friend, and I mean that sincerely, I would ask him as my friend to reconsider his position.

But the other thing that bothered me, Mr. Speaker,

MR. SHERMAN: With a friend like Joe.

MR. BOROWSKI: . . . Mr. Speaker, was his attitude on dealing with Ottawa. Again I spoke to him afterward and I said, you know, you're going to get nicknamed around here "Izzy Levesque" because there is just no way that a sensible and level-headed western Canada is going to buy this naked, naked fist waving against Ottawa and against the rest of Canada. You know, we have listened to -- (Interjection) -- I see. We have listened to the bull from Quebec for ten years. They've had bombings in there, they've had violence, all of which culminated in the kidnapping of Cross and the killing of Laporte. You know, Canada was revolted over that; now they've kind of settled down. Here we hear another leader of a party is saying basically the same thing, and you know, the words have been quoted in here "peaceful settlement". Mr. Speaker, when I heard that word it was -- I suppose if he had walked up to me and punched me in the nose I'd have been less shocked than to use the words "peaceful settlement". You know, if any other member of this House made it, I think he may have even been expelled. I think we overlook it because he is a green member. I know when I come into the House -- (Interjections) -- the former Speaker certainly gave me a lot of latitude and perhaps that is why you, Sir, were so lenient with him, because I think that was, I consider, in my humble opinion, that was a very serious statement to make by a member of a House talking about if certain things don't happen, you know, there may be violence, or alluding to that. That, Mr. Speaker, is something that should not go unchallenged in this House. I know . . .

MR. SPEAKER: It's 5:30. The honourable gentleman will have an opportunity to continue later. I am now leaving the Chair and shall return at 8:00.