

Time: 8:00 p.m.

COMMITTEE OF SUPPLY - INTERIM SUPPLY

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. When we adjourned at 4:30 p.m., the Honourable Member for Inkster had 25 minutes left in his time.

The Honourable Member for Inkster.

MR. SIDNEY GREEN: Fortunately, we are in Interim Supply so that none of us are really constrained, Mr. Chairman, but I can tell you that I'm not intending to deal with the entire matter because I'm reserving that for the Notice of Appeal which will be filed. Mind you, I think it's a superfluous notice. I think that the people of Manitoba have already reversed the conclusions that are made by Mr. Justice Tritschler and, certainly, the extrapolations from those conclusions. And I've learned something, Mr. Chairman, the First Minister continues to talk about the breeding of the Tritschler Report and, of course, he reads it. In answer to anything that is said, he reads it and that is his answer. He doesn't do anything to analyze it; he doesn't do anything to examine the conclusions and the evidence upon which it is based, he reads it.

And then I found out something else, Mr. Chairman, he doesn't even read the report. I believe that the First Minister actually believes that the document . . . There was a document prepared by the minister of falsification, the Minister of Finance. When the report was released, it was 10 or 12 pages of vituperative comments taken out of the Tritschler Report in case the press would have difficulty finding them. They actually went through this document and everytime something nasty was said they typed it out and put in on a page. And, of course, there were pages and pages of these little excerpts and the First Minister thinks that's the Tritschler Report. He got this document with all of these little excerpts, and he read it, and he thought that's the report. I can tell him that that is not the report. The report is the document that I am holding up and it contains not only those excerpts but it contains, Mr. Chairman, the basis upon which those statements were made.

And the way I found out is that the First Minister said that Jenpeg had never been recommended, and I said, "I'll test my memory with him on that." He said that Jenpeg had never been recommended, that right from the beginning it was a bad program. And then I said, "That's not so, it was recommended." He said, "Well, then, perhaps that's so," and I said, "I will test my memory on that." Okay, let's read the First Minister's Bible, the Old Testament, the New Testament, the Lyon Testament, let's read it: "The board accepted the recommendations of SPD and authorized a corporation to proceed with the design and construction of Jenpeg power plant, to be placed in service according to the most economic schedule considering both construction costs and revenue from the sale of surplus energy."

MR. LYON: What page?

MR. GREEN: Now, that's Page 152. He doesn't have that page, he only has those pages with the inserts, that's right. Now, the board recommended it. Now, listen what the Tritschler Testament says about that. "The Commission's consultants have found and the Commission accepts this to be a reasonable decision based on the information available to Hydro at that time including, of course, the fact that Lake Winnipeg Regulation had been committed for a 1974 in-service. The Commission's consultants have found - they put it out to consultants - the Commissioner accepts that to have been a reasonable decision, the construction of Jenpeg. All the time that the Conservatives were saying that it was a political toy - and, by the way, I walked into this inquisition one day, and I saw a Hydro expert being examined by the chief inquisitor, Mr. Justice Tritschler, and this is

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the judiciousness that I saw taking place. The man was trying to give decent evidence; it's in the transcript about Jenpeg and how it was viable and that how it could have been a good thing, and this is what the inquisitor said, "Now," and I forget the witness's name and you'll find it in the transcript, "This Jenpeg was Cass-Begg's toy, wasn't it?" That's an inquiry. That's a judicial inquiry that we're expected to accept as having found that we spent \$500 to \$600 million of the people's money without just cause. And even Mr. Justice Tritschler didn't say that.

A MEMBER: Even him, eh?

MR. GREEN: Even he didn't say that, they had to try to manufacture that and in order to manufacture it, they had to use Progressive Conservative arithmetic - which is referred to as Conservative arithmetic. But there it is and you heard the First Minister say that it was not accepted or he wouldn't take my statement because he hadn't read it. He's read those excerpts that he'll continue to read. In answer to every argument, he will take out that list of pages and read those excerpts, vituperative comments, that's what he reads.

Mr. Speaker, how did this thing arise? Because the former Member for St. Vital, the Minister of Finance, and his cronies and Mr. Stafford came in and said that \$600 million was wasted by going Lake Winnipeg first and Churchill River Diversion second. Nowhere, and that was the basis of the inquiry, Mr. Justice Tritschler doesn't find there was one cent, and he had consultants and the consultants told him that it wasn't there, and he made no such finding.

What did the Task Force say? What was conveyed to the public of Manitoba by the government and by David Cass-Beggs over those years? It was stated that there was a task force, an interdisciplinary task force, that they came to conclusions, that the conclusions showed that two projects are necessary, Lake Winnipeg Regulation, Churchill River Diversion, and the sequence was so marginally the same that it made very little difference which one went first; that there was a marginal difference and that the difference was within mathematical, scientific error. That's what was told to the people of the province of Manitoba. Mr. Chairman, that's what the Tritschler Report found. Even Tritschler found the Task Force Report said as follows: "Mr. Justice Tritschler would have you believe that all of the people of the task force had found that the evidence was strongly in favour of Churchill River first and Lake Winnipeg second. That's not what it was. The report itself says that the scientists were worried that the government wasn't ever going to give them a Churchill River Diversion, that if they proceeded with Lake Winnipeg first and Churchill River Diversion was delayed, they would never get it. And they were so worried about getting it that they said, "Let's have Churchill River first". Not on the basis of economics; on the basis that they were worried that they would get it.

Here it is, Mr. Chairman, here is what the report found. "The comparison of the short-term economics" - Page 103 of the abridged expurgated version - "The comparison of the short-term economics, five years of the sequences of development, indicates that if the Churchill Diversion is implemented first, a short-term saving will result". And then over the page he added, and this is the Director of the Task Force, Mr. Bateman: "That although the CRD appeared to the Task Force to be marginally the more economic project to undertake first, Lake Winnipeg Regulation had benefits that could not be quantitatively defined and if the Manitoba load growth were to continue at a higher rate experienced over the last few years, the importance of the order of development of the two projects, Lake Winnipeg Regulation and CRD, would be reduced". "Marginally more economic".

And then, Mr. Chairman, if that's not enough, the Tritschler Reprt itself, Mr. Justice Tritschler - and that's what we were told - "marginally different", and Tritschler has never found that there would have been a bigger saving if we proceeded with CRD. He says he can't find that. Not only does he not find it, he says he cannot find that.

Mr. Chairman, it is against this background - Page 107 for the Member for River Heights, the top of 107 - "It is against this background that one must assess the results of the Task Force studies. The three main sequences presented by the Task Force covered a sequence with LWR without CRD, a sequence of LWR followed by CRD, and a sequence of CRD but without LWR. The total system costs associated with

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each of these sequences, in present worth terms and including resource losses, were \$479 million, \$461 million and \$473 million, respectively". They were all within 10 percent of each other.

Now that's Tritschler's findings. Where is the \$600 million difference as between the two sequences? That's the findings of Mr. Justice Tritschler.

A MEMBER: It's in the short version.

MR. GREEN: Oh, yes, we're going to ask that, Mr. Chairman. --(Interjection)-- Mr. Chairman, I'll tell you. You just wait. Mr. Chairman . .

MR. CHAIRMAN: Order please. Order please. Order please. Order please. I'm having great difficulty following the debate. I would hope that there would be one member speaking at a time and we will allow that member the courtesy of listening and allow that member to continue.

The Honourable Member for Inkster.

MR. GREEN: The Member for Rock Lake needs settling down, Mr. Chairman, needs settling down. The truth is getting to him, Mr. Chairman, and the truth hurts.

A MEMBER: I don't think he read the short version.

MR. GREEN: Mr. Chairman, the Hydro Inquiry came up as a result of charges by the opposition, that when we went to Lake Winnipeg first and Churchill River second, we caused a loss of \$600 million. That is nowhere documented in this report. It is false, it is slanderous, it is malicious, it is irresponsible, it is based on no evidence whatsoever, and Mr. Justice Tritschler looked for it and couldn't find it. And it was a problem. He did look. He hired consultants. They had consultants, not who had to come and be cross-examined by members of the Legislature, as was Bateman, for a full day. Talk about suggesting that they were closed off. There was more information revealed to the public about this Hydro project than there has ever been in the past and that there will ever be in the future.

And Mr. Justice Tritschler, in saying that the Legislative Committee blocked debate, merely displays an abysmal ignorance of legislative procedures and reflects on the majority of the members of the Legislature who are much better able to make that decision than Mr. Justice Tritschler, with all due respect to him. He has never been on a Legislative Committee, he has never been elected to the Legislature, he doesn't know how the Legislature works, he is not an expert to comment on it, it was not within his terms of reference, and he introduced it as completely extraneous material because he didn't have a finding to show that \$600 million was wasted on a sequence of development. That's what he did, Mr. Chairman. --(Interjection)-- Mr. Chairman, will someone settle down the Member for Rock Lake, he's . . . yes, I think he needs a tranquilizer, Mr. Chairman.

A suggestion was also that somebody had lied about what that task force said. The task force of course was public; anybody could see it. Mr. Justice Tritschler says that the task force said exactly, Mr. Chairman, what Mr. Cass-Beggs and Mr. Bateman had said it said. That the sequence of development was based on the conclusions, it was never suggested to committee nor to the hydro board, nor ought it to be, nor should any government operate that way, and if Mr. Tritschler is giving his opinion as to how governments should operate, I say that the opinion is gratuitous and without wisdom and without knowledge and without any expertise. To suggest that a hydro board, when they are considering a report, should have all of the junior scientists come in and say what they felt about the report and not to get their chairman's recommendation. . . After all, what was Cass-Beggs called here for? Mr. Justice Tritschler, it may surprise, it may surprise the honourable members to know, that Mr. Justice Tritschler agreed that Cass-Beggs should be brought here and agreed that Cass-Beggs was the kind of man to bring.

When we brought him, you know what they said? They said, "communism, they're bringing in Cass-Beggs". Members of the Legislature may remember that; that Walter Weir, the former Leader of the Opposition, said, "It's a socialist plot". Because

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the honourable member might remember that I brought in from the library, our volume of Karl Marx. We have one, you know; "Das Kapital", it's in our Legislative library. Don't run out of the building. It will not contaminate you. And honourable members will remember that I opened up this book and I went right through the index in the presence of the members of the House and I showed them that it had nothing to do with communism. That Karl Marx, if you look through the entire index, you will not find Churchill River Diversion, you will not find South Indian Lake.

But what did Mr. Justice Tritschler say about it? Mr. Justice Tritschler said, "When the reassessment of the application for a licence was made, a sound evaluation of alternative options was justified". Page 85.

A MEMBER: Of the long version.

MR. GREEN: Yes, not of the expurgated version. "Under the circumstances the government was justified in seeking outside advice and the background of Mr. Cass-Beggs was such that he appeared to be a well qualified consultant".

What did the First Minister say about that? He doesn't agree with Mr. Justice Tritschler. I'm the one who embraced Tritschler, you see. The First Minister said, "They brought in a man who was a political hack who had been fired in Saskatchewan", that's what he said this afternoon. --(Interjection)-- That's what he said.

Well, Mr. Chairman, if we are to pay due respect and not make nasty remarks, Mr. Justice Tritschler said we were justified in hiring a consultant, seeking outside advice, and under the circumstances Mr. Cass-Beggs was such that he appeared to be a well qualified consultant. That's what he said. He didn't say it was Communism.

Mr. Chairman, he then says . . .

MR. FILMON: Do you want to read the rest of the paragraph just for the record.

MR. GREEN: Oh absolutely. He then says a lot of nasty things about Cass-Beggs. Oh, Mr. Justice Tritschler, he has a way of dealing with that question. But when we brought Cass-Beggs in, the position of the opposition was not that we needed an outside consultant and that Cass-Beggs was a communist. That was the position of the Conservative opposition. Not that we needed an outside consultant, that we had the consultants in our own House and that Cass-Beggs was a communist and that's why he was brought in. That was the position.

Now, sure, then Mr. Justice Tritschler, in making certain conclusions, Mr. Chairman - and you know if somebody was convicted of purgery on the basis of the reason of Mr. Justice Tritschler with regard to David Cass-Beggs, there would be an uproar. There would be an uproar, Mr. Chairman. Because David Cass-Beggs appeared before a committee - go to Page 134, the bottom, get there in advance - "David Cass-Beggs standing before a committee said that the last estimate was \$50 million". Just as the Member for Morris said the last estimate was 35,000 gallons.

Mr. Bateman said: "I knew at that time that there was another estimate but I didn't advise Mr. Cass-Beggs".

Mr. Justice Tritschler says, and I'll read it to you: "Without any evidence" - Mr. Bateman didn't say Cass-Beggs knew. There wasn't a single witness to say Mr. Cass-Beggs knew. Mr. Cass-Beggs said he didn't know. On June 12, Mr. Cass-Beggs said that the estimate was \$50 million. Mr. Cass-Beggs insisted, however, that the new \$85 million estimate for LWR, the very figure put to him by Mr. Henderson, prepared by the Construction Division, was not known to him until its official date of publication on July 11, 1972.

The man says: "That they officially gave me the new estimate on July 11, 1972". What if the Member for Morris, the Minister of Consumer Affairs, said to this House, I did not have the new official . . .

MR. CHAIRMAN: The honourable member has five minutes.

MR. GREEN: . . . the new official estimate on vinyl chloride until two days ago and somebody said, "Yes, but you knew two days ago that it was 12,500

gallons", and the Member for Morris said, "I wasn't going to come out with another unofficial figure. I had been bit once and I was not going to be bit twice." Would you ask him to resign? Because that's what he did a week ago, that's what he did a week ago and I give him credit for it. I didn't criticize him for it. But what happens to Mr. Cass-Beggs when he does it?

Here is the answer: "It is not possible for the Commission to believe that by June, 1972, Mr. Cass-Beggs was unaware that \$56 million LWR estimate was not accurate and that costs for the project had not increased substantially. That's his finding. That's what the First Minister will refer to. It is not possible for the Commission to believe - not that he had evidence that Mr. Cass-Beggs knew different, not that anybody said that Cass-Beggs knew it, not that he saw that there was a memo to Cass-Beggs saying it. No, it's not possible for Tritschler to believe it and, therefore, the man is a liar. That is a reflection on Mr. Tritschler's possibility of believing things, has nothing to do with Mr. Cass-Beggs. If it's impossible for Mr. Justice Tritschler to believe it, does that make somebody else a liar? It merely means that the man has a very limited power as to his believing and non-believing, that's all it has. But nobody, Mr. Chairman, I say this without a shadow of being able to contradict, that nobody would ever be charged and convicted of perjury, which is in effect what is happening, on the basis of that type of finding, and if some judge happened to make such a finding, he would be overruled so quickly, that you wouldn't even have to. . . Mr. Chairman, it wouldn't even be argued by the other side.

Now the Member for River Heights has got it, I've given him the page number, it's not expert . . . and that is the finding upon which it is conveyed to North America, a man who's worked all his life here. And that's the only finding. The other findings that he makes against Cass-Beggs are what he was reporting to committee, to his board of directors - he didn't tell them, "Look, I've analyzed this, it's marginally different. I'm recommending Lake Winnipeg Regulation", that he didn't say at that time, and who is supposed to say it, and what board of directors operates that . . . "But there's a staff guy down at this station who says we should go the other first; there's another staff guy over there who is very anxious for this. There is another guy on the task force who would like Lake Winnipeg Regulation second, not because he sees any difference, but because he's afraid, he's afraid the government will not permit CRD." Is that the way your chairman of your boards are going to go to the Hydro Board and tell them, after they have analysed the report, that they are to know that civil servants below don't agree with that decision? Well, nobody is going to --(Interjection)-- some? I don't care any, Mr. Chairman. The fact is that he presented them the report. He gave them what the civil servant said. All of the members of the board had the Task Force Report and if the honourable member, the First Minister, says it was a new report, it's the second report, then I tell him and, again, I'll rely on my memory and I won't be able to find you the page right away, I'm sorry. Have you got it?

MR. FILMON: Read the whole first part of it, Page 109

MR. GREEN: 109, Mr. Chairman, 109. The consensus of the task force is reflected in a memo of April 27. Unlike the Draft Task Force report, it contained an unambiguous conclusion that the best sequence to be followed was one with CRD first. The views contained in this memorandum were consistent with those held by Hydro in September of 1969 when Mr. Justice Tritschler, by the way, said that those same people had mislead the Weir government. It said that those same people had mislead the Weir. . . But the memo doesn't say that you will save money going that way. And the fact that certain people are anxious to have that program in place despite the fact that it's only marginally different than the other program, is not something for the board of directors to consider. And I would not have them consider it. And I tell you I would do it again, because when we came into power, the administration was gung ho high level diversion, and fortunately - well, Tritschler can't say otherwise. He said that that would have been a disaster, a disaster, my friends.

MR. CHAIRMAN: Order please, order please. The Honourable member's time is up. The Honourable Minister of Government Services.

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HON. HARRY J. ENNS (Lakeside): Mr. Chairman, I too look forward and accept the premise that this is not the time that we will be debating the entire issue, but I think, particularly for some of the members, some of the newer members, who weren't here in the early '70s, when that particular member that just spoke, had of course a special reason for that rather eloquent and somewhat frantic defense of a person, Mr. Chairman, that he had a very special relationship with.

But, Mr. Chairman, I choose just to deal with one little item, because, you know, we used to try to seek information in those days too, and I personally, stood up on that side of the House and asked that question. I asked a very straightforward question, the same kind of question, by the way, that I am sure that honourable members will be asking of the present general manager and executive officer of hydro; how much are we paying him, Mr. Chairman? How much are we paying him? And do you recall, we never got the answer. We finally got part of the answer, we finally got part of the answer, but, Mr. Chairman, on page 87 - and it took till this report came - we got the full answer. That throughout the time that he was chairman of the hydro board, Mr. Chairman, he was being paid a consultant fee of \$7,000 to the Minister. Mr. Chairman, to the Minister. And the report indicates this conflict of significance arises when a chairman of the utility wears two hats, that of consultant to government and that of chairman of the board.

The chairman has, in effect, two masters, who may at times have conflicting views on the matters affecting the utility. In such a case, the effectiveness of the chairman can only be impaired. And, Mr. Chairman, that an Order for Return, an Address for Papers, questions in this House, did not solicit a truthful answer; did not solicit a truthful answer on it. Sir, I described it with some, you know, pizzazz, during those times. We called it a kind of a professional football contract, you know, no cut deals in it that provided pensions after thirty-four months of service, but we did not have, and, Mr. Chairman, it's understandable that this particular member, who was then a Minister of the Crown, who allowed his department to be the conduit through which an additional \$7,000 was paid to the then Chairman of Manitoba Hydro, to do two things. --(Interjection)-- The amount of money is not in question, Mr. Chairman. The amount of money is not in question.

That particular responsibility, that particular job is, undoubtedly, one of the toughest and most demanding, and as such has always been recognized as being at the very senior level of public service payment in this province. But, Sir, as in so many instances, we were not getting truthful answers, and on a small item like pay, the government at that time chose to mislead, to misrepresent, and not tell us the truth. And far more serious, Mr. Chairman, the government of that time, and the Minister of that day, saw no serious conflict of interest arising out of paying a chairman of Manitoba Hydro, \$7,000 directly through his department, while you are supposed to have an objective, you know, overview. . . a person that has some traditional arm's length distance from the government, particularly on the stage of the developments that hydro was at that time in.

But, Mr. Chairman, we'll have occasions to debate this testament, Sir. I like the way, of course, and I admire the way the learned friend from Inkster applies his best court room tactics. He embraces that part very close to his bosom of Tritschler, that substantiates and supports part of his interpretation of it, and the rest, of course, he casts away, that expertiated version that he thinks was somehow plucked out of nowhere, it's all plucked out of this testament. So, Mr. Chairman, we've witnessed, you know, one of the demonstrations that the Member for Inkster is so capable of providing this House from time to time, and I should warn, particularly new members to this House, he does this with great skill. He slips in an assumption early on in his speech, early on in any one of his subject matters that he's about to debate, and if you're not careful, if you don't examine that initial assumption, then his eloquence and his command of a speech, is so overpowering and so pervasive, that you believe he's telling the truth, that you believe he knows what he is talking about. Mr. Chairman, he is not fooling anybody that was in this House at the time of 1970, 1971, 1972, and he's not fooling the majority of the people of Manitoba. Thank you, Mr. Chairman.

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MR. GREEN: Mr. Chairman, I am grateful to my honourable friend for only taking five minutes because then it gives us the time to deal with it significantly, Mr. Chairman.

Mr. Chairman, you will note that I gave. . .I've been speaking now for an hour about conclusions of the Tritschler Report, and I've indicated that those conclusions entirely run against what the opposition was saying and run against what they are trying now to say. And the Member for Lakeside, my friend the Minister, all that he is able to do is try to throw a little dirt, and it is such, Mr. Chairman, when this came up before the inquiry, and I went there and I answered, when I went there and I answered, it was ludicrous, I couldn't believe that they were dealing with what they were dealing with. Mr. Justice Tritschler doesn't say that the money wasn't payable, that it wasn't part of the contract. He says that Mr. Schreyer said that Mr. Cass-Beggs was not an overall consultant; by that time he was working for Hydro.

Now how did we get into this jackpot, Mr. Chairman? The evidence was given both by the Member for St. Johns and myself, and for Mr. Justice Tritschler to put this thing in his report, is evidence, Mr. Chairman, that he wasn't thinking objectively when he did this thing. What occurred? Mr. Cass-Beggs was hired first as a consultant to the government, and he was paid a consulting fee. At a certain stage, it was decided to make him the chairman of hydro, and Mr. Cherniack, the Member for St. Johns - and I will not be precise on details, but I will just tell you generally what happened to show how ludicrous it is. The Member for St. Johns sent a letter to hydro naming him, I believe, as chairman, giving him a salary and a consultant's fee. The administration, Mr. Chairman, the administration. . . --(Interjection)-- It had nothing to do with having a handle on Mr. Cass-Beggs. He would have done the same thing in one capacity or the other. There is no argument by anybody on the government side that Mr. Cass-Beggs was not called in by the government. Nobody ever suggested it. It was never hidden, that Mr. Cass-Beggs was called in by the government to help us solve this problem; that his first capacity was as a consultant and then as Chairman of Hydro.

But the bureaucrats came, Mr. Chairman, and I'm not trying to be unkind. And they said, it is against whatever management procedure there is for the government to appoint a consultant to hydro and therefore his consulting fees will have to be paid through one of the departments. And I was not even the Minister at the precise time that it happened, or if I was I was away. I was made Minister on December 19. When I came back it was indicated that part of Mr. Cass-Beggs' salary, which was revealed to the House; it was revealed to the House, the Order-in-Council was read. He was told. It was argued about. If Mr. Justice Tritschler was presented evidence that we said one thing and we did another, I can assure you it would be here.

But he doesn't find that there was any difference. What he says is that there was something sinister; that Hydro was paying part of it and the government was paying part of it. And I said, Mr. Chairman, and I gave evidence, Mr. Chairman --(Interjection)-- I gave evidence. Well, Mr. Chairman, I gave evidence that that's the way it was; that that's the way we were told we had to do it; and that that's the way it was done.

But, Mr. Chairman, that's not the worst of it. After all they had my evidence. It was on the record under oath, and the Member for St. Johns. Mr. Justice Tritschler could have found out if there's something fishy. He could have called in the Provincial Auditor. He could have called in Management Committee. He could have called in Hydro and said, "Was this kosher", but Mr. Chairman, he didn't want to find out the facts.

MR. ENNS: It wasn't right. It just wasn't right.

MR. GREEN: Mr. Chairman, he doesn't even say that it's wrong.

MR. ENNS: I know because he's objective, took an objective, you now embrace him again, now embrace him again.

MR. GREEN: Well, Mr. Chairman, even Mr. Justice Tritschler doesn't say it was wrong. He just says there were two versions. Schreyer said one thing. Green

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and Cherniack said another thing. Somebody is lying here. There were no lies. I would not expect the Premier of the province to remember in 1979, that in 1970 an administrative procedure was suggested as to payment out of his salary. Mr. Schreyer wasn't lying. There's nothing to lie about, and he wouldn't lie anyway.

MR. ENNS: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please. The Honourable Minister of Government Services, on a point of order?

MR. ENNS: On a point of order. I would not want it to appear on the record that I suggested anybody was lying in the particular situation that the Member for Inkster is describing.

I certainly made no such suggestion. All I pointed out was whether or not a matter was considered to be appropriate. I don't think it is. It's a difference of opinion. But nobody is suggesting, neither Mr. Tritschler nor anybody on this side, that there was any lying involved.

MR. GREEN: Mr. Justice Tritschler is suggesting that . . .

MR. CHAIRMAN: Order. I don't think that the Honourable Minister of Government Services has a point of order. I think that it's on the record that you have made your statement and we'll allow the Honourable Member for Inkster to continue.

The Honourable Member for Inkster.

MR. GREEN: This Commissioner who is quick to destroy civil servants, who is quick to destroy politicians, who is very glib about saying people are not telling the truth and misleading, this is what he said: "The Commission is unable to conclude which of the irreconcilable versions of this matter accurately reflects the events as they occurred."

Is that not a suggestion, Mr. Chairman, that there's somebody not telling the truth? Which irreconcilable version is true?

Mr. Chairman, it is a snide, unjudicious, Mr. Chairman, an unjudicious comment which could have been cleared up if he thought either of us - if he thought either of us, was saying something wrong. He could have called the Provincial Auditor; he could have called Management Committee, and see whether we had . . . and for the member to say that it's been hidden, it's not a lie, Mr. Chairman, it's just ignorance.

A MEMBER: What about the Order-in-Council?

MR. GREEN: Not only the Order-in-Council, Public Accounts contained all these payments. Public Accounts contain these payments every year, everything that is paid out.

A MEMBER: There's no short version of Public Accounts.

MR. GREEN: But Public Accounts has got to contain these figures. I haven't even looked at them but I know that Public Accounts must contain these figures.

Why was the Auditor not called, and said, were these people doing what they should have been doing? Because he didn't want the Auditor, Mr. Chairman. He wanted two irreconcilable versions of something that happened in 1970, an administrative procedure which I am, as a Minister, am asked to testify to nine years later, and which everybody agrees there's nothing really wrong with. He didn't get more money than he was supposed to, but it was paid out of two sources.

When I read that, Mr. Chairman, I knew that this report was not an objective report. It is not an objective report. It is a subjective report.

But, Mr. Chairman, I am going to be finishing my remarks. I'm sure that that will make some of the honourable members feel happy. But I'm going to be finishing --(Interjection)-- Yes, Hydro paid the salary and I paid the consultant fees. That's right. --(Interjection)-- That's right.



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And you know what Mr. Justice Tritschler said? When he found out that I was paying these travelling expenses? I think that the travel expenses were \$175 a day plus \$25.00 a day expenses. The fees were \$175 and the expenses, I believe, were \$25.00 a day.

He said to me, "\$25.00 a day on which he doesn't have to pay income tax?" I said, that's between him and the income tax. I mean, I don't know. There are a lot of people who don't pay income tax for other reasons.

He said, "Seven days a week?" It seems to me people eat seven days a week. He said, "Didn't you think this is a little high?" So I said, well, to tell the truth, M'Lord, - and you will find it on the record - when I heard \$175 a day, I was a little annoyed. I thought it was high. But I am notoriously stingy. And the fact is that since that time I have had to pay, on behalf of the people of Manitoba, all kinds of consultants much more money for doing much less work and they are usually lawyers. Mr. Scott didn't ask me any more questions on that subject, because he was making \$125 an hour, not \$175 a day.

A MEMBER: But that's all right.

MR. GREEN: That's right. But, Mr. Chairman, I am going to make these assertions which, with all of the excerpts that they will take out of the Tritschler Report - and I'm going to be dealing with this report, it's not ended here - the material will be on the record but these assertions, Mr. Chairman, are not challenged in the report and they have been researched.

"The sequence adopted by Manitoba Hydro was based on and supported by the conclusions of the Task Force Report, which indicated there was no substantial economic difference as between either sequence".

Entirely, Mr. Chairman, contrary to what had been alleged irresponsibly for five years in this Legislature.

Secondly, the Commission heard no evidence and made no finding that having proceeded as was done there was a waste to the taxpayers of 600 cents, let alone \$600 million.

There is nowhere in the report where there is indicated that there is a waste of 600 cents with regard to the sequence, the sequence of development, Lake Winnipeg first and Churchill River second.

Thirdly, and this is most important, there is no evidence or finding by the Commission that any alternative program or scheme of development would have resulted in greater economy than that which was achieved.

That's the most important finding, Mr. Chairman. Because had Mr. Justice Tritschler said, if you had gone another way, I can show you you would have saved money", then you can show that there was money lost. But what Mr. Justice Tritschler said is that you should have built a thermal plant or bought power from Ontario and Saskatchewan, and conducted more studies on whether there should be a Lake Winnipeg Regulation or there should be a Churchill River Diversion. And that would have cost the people of Manitoba at least \$600 million and I use that figure merely because it's the figure that you use when you have no figures. I'm not alleging that figure; that's a Conservative figure. That's the figure that the Conservatives . . . And mind you, \$600 million didn't sound bad anymore; it sounded acceptable already. \$600 million wasn't getting anybody excited. They said, "Hey there, make it \$700 million; make it \$800 million; make it a billion."

Now, Mr. Chairman, the fact is that my honourable friend, the Member for Lakeside, says that we embrace and then we throw away. I embrace it, Mr. Chairman, because it vindicates the position of the New Democratic Party in government and it vindicates the people on Manitoba Hydro. And I'm going to be able, through the mouth of Mr. Justice Tritschler . . . You know, people forget and I'm going to give them notice.

Here's another Tritschler Report, another Tritschler Report; no, that's not the Brandon Packers. No, every time you need a guide to say something, the Conservatives that hired Tritschler . . . You want a report that's going to be anti-labour? Brandon Packers. --(Interjection)-- Get Mr. Justice Tritschler. It was also an irresponsible statement, but here's the beauty. This is an inquiry into Hydro, a Hydro inquiry. The Liberals were in opposition and they were yelling about Hydro and the terrible people in Hydro and the waste of money. And you should hear how Mr. Justice Tritschler says that Hydro is wonderful; the experts

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are terrific; the overages are explainable; that the board was wonderful. And, Mr. Chairman, he's talking about the same people in both reports. --(Interjections)-- No, Mr. Chairman, the same people, he said, and he went on . . .

MR. DESJARDINS: There were two exceptions . . .

MR. GREEN: I'll have to give the --(Interjection)-- Cass-Beggs, yes, Cass-Beggs.

Mr. Chairman, even Mr. Justice Tritschler says that the first report was merely for a delay of a year which Mr. Justice Tritschler recommends, which he recommends. But, Mr. Chairman, again, I won't find the page. I can't give it to the member; maybe he'll give it to me. But Mr. Justice Tritschler - listen to the way he dealt with Cass-Beggs, and see whether you gentlemen will think this is fair. When Cass-Beggs came to Manitoba, he looked at the Churchill River Diversion of raising the water by 35 feet. --(Interjection)-- Now, just listen what he did. He made this report and then he wrote a letter to the Manitoba Hydro staff and he said please understand that I have no criticism of the excellent engineering staff of Manitoba Hydro; that the design and the program as an engineering project was excellent.

Is that a bad thing to do for a man who is coming in from the outside, coming in to a group of people who feel that they've been cheated out of a program? And Mr. Cass-Beggs wrote that type of letter.

Do you know what Mr. Tritschler said about that letter? And you'll find it in the report. He said Cass-Beggs turned out to be wrong; it wasn't an excellent design, it was a lousy design. That's what he said, and he indicates that Mr. Cass-Beggs, in telling these people that they were excellent people, was wrong and that he should have them that they were lousy people. That's what Tritschler said. That's what he said, it's in the report.

A MEMBER: Isn't Tritschler an expert?

MR. GREEN: An expert on what? And then, he says, these people who - I'm going to read you what he said about them in Grand Rapids when they were under a Conservative administration - that these people mislead the Weir government and presented them with a program for a high level diversion, which was a disaster - the same people, the same people. So when you say "embrace and reject", I learned that, Mr. Chairman, from Mr. Justice Tritschler because who does he embrace? He embraces Eric Kierans; he says what Kierans said to Schreyer, "It was something wonderful."

I wonder whether he would embrace if we had an inquiry into the mineral industry in the province of Manitoba and asked Mr. Justice Tritschler to comment on the Kieran's report, whether he would say, "Oh, yes, Kierans." It's the same guy; therefore, what he said about Hydro must be right about mineral resources. I wonder whether he would do that.

So, when my honourable friend says I embrace what I want and I throw out what I don't want, I have good mentors in this respect and, by the way, I'm entitled to do that when I'm dealing with an adverse document. And when the Tritschler Commission started, the lawyers said they were not engaged in an inquiry. Mr. Burke gave it to the press: "Manitoba - our inquiry is for the purpose of charges against Manitoba Hydro. We are going to make those charges and it's up to Manitoba Hydro to refute them." That's an inquiry. That is the definition of an inquisition, Mr. Chairman, and that's what was conducted in this case.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. GARY FILMON: Thank you, Mr. Chairman. Like some of predecessors, I didn't have any intention of standing up to debate the Tritschler Report today either, but the Member for Inkster, who I admire greatly, has shown us some things today and said some things today that mark what I would call selective vision. He's like a former mayor that I had occasion to serve with, who used to be accused of selective hearing. He only seems to want to read and understand those things which are favourable to his argument, and even in suggesting that he's reading

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from the entire unexpurgated additon, not as he says the First Minister read out of just quotations and summaries, he only reads the things that he wants to read out of it and he doesn't give us the full story, which is normal.

Well, perhaps I'll just take the opportunity to read the rest of the material that he's quoting from, just so that we have the entire phrase and not just something quoted out of context. I think, perhaps, that might serve us well.

But just to start with the last point that he makes, the point about Mr. Cass-Beggs and the comments that he made about Manitoba Hydro and the designs on the Churchill River Diversion, and how they were excellent and everything else, I think one has to understand a number of things when he was making that sort of analysis. Number one, he was hired to do a report, to do an analysis on something that had been studied for years by major consulting firms who worked for several years producing all sorts of studies, information and technical detail. They had crews out in the field getting all of the information and Mr. Cass-Beggs came in as a sole consultant and, in a matter of less than two months, having his own resources just simply with a little bit of added expertise - I understand he consulted with Mr. Durnin and a few others. He was to try and do a complete analysis on something that had been studied by major consulting firms with tens of employees for several years. Of course not. --(Interjection)-- Well, the disaster was that Mr. Cass-Beggs did a superficial analysis and gave a conclusion based on no opportunity to get into the detail. --(Interjection)-- Of course he did. Ah, yes, let's take a look at page 79 and see whether or not he had any conclusions. "During his testimony, Mr. Cass-Beggs made it clear that at no time did he really consider that he was looking for alternatives." This is when we're talking about the sequential decision of CRD versus LWR. "At no time was he really considering that he was looking for alternatives. He was concerned with finding an appropriate solution . . ." --(Interjection)-- Well, you've been quoting Tritschler; can't I? Okay. ". . . an appropriate solution in which a low level CRD and LWR were essential in complementary components. The only element of doubt in his mind, he stated, was as to which should come first. When preparing his September, 1969 recommendations, he thought that it would be easier to handle LWR first because of the extreme difficulty he foresaw in dealing with the environmental problems that would arise with CRD.

"Premier Schreyer testified that Mr. Cass-Beggs' recommendations were tentative only and admittedly skimpy and preliminary." But on the basis of that, Mr. Chairman, the entire plan of development for ten years of Manitoba Hydro was committed.

MR. GREEN: Would the honourable member permit a question?

MR. FILMON: If I may, Mr. Chairman, I'll permit the question at the end, certainly. Okay, fine, excellent.

Further, the Member for Inkster read several of the comments that were made about the task force in showing that the Task Force Report was totally justified and lead to the inescapable conclusion that it was a 50/50 choice and they could go either way; except that the member doesn't say that that was after the Chairman, Mr. Cass-Beggs, changed the conclusions of the Task Force Report.

MR. GREEN: No, no sir, no sir.

MR. FILMON: Let me read, let me read from page 108, if you'd like the book. "Task force members testified that Mr. Cass-Beggs' recommendations to the Board flatly contradicted their conclusion, that CRD was a better project than LWR and should be built first".

MR. GREEN: I read that.

MR. FILMON: Okay. "The consensus of the task force is reflected in a memorandum of April 27, 1970. Unlike the draft Task Force Report, it contained an unambiguous conclusion that the best sequence to be followed was one with CRD first. The views contained in this memorandum were consistent with those held by Hydro in September 1969, when, in response to Premier Schreyer's letter of September 15, 1969, denying the high level diversion, Mr. Bateman reported to Mr.

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W.D. Fallos, then Chairman, that Manitoba Hydro favours a low level diversion, (CRD) as the best alternative from the power viewpoint.

"This consensus was reported to the Consultative Committee, chaired by Mr. Cass-Beggs, on May 1, 1970. Mr. Bateman described this meeting as stormy, and testified 'the Chairman probably realized that the Task Force Report wasn't going to help him - that's why it probably wasn't discussed at the board meeting - that's why he probably produced his own report.'" Right.

MR. GREEN: That's Tritschler, that's Tritschler. That's his evidence. I don't believe.

MR. FILMON: "This redistribution on Lake Winnipeg Regulation was entirely in keeping with Mr. Cass-Beggs' brief, but assertive report of September 9, 1969, and the Government's directive to Hydro of September 15, 1969. The point is best summed up by Mr. Bateman himself who testified, 'I believe that the decision was made to regulate Lake Winnipeg before the task force was even created.' The foregoing evidence indicates that it was not only Mr. Cass-Beggs who had made up his mind, but the Government as well. Mr. Cass Beggs was a dogmatic proponent of LWR from September 1969 onward." So we have a hired gun who comes forward and gives whatever conclusion he is asked to give before he even makes his study, Mr. Chairman.

Here's another paragraph, Mr. Chairman, relating to Jenpeg now. "Mr. Goodwin testified that shortly after the preparation of the cost estimate of March 17, 1972, as Director of the Systems Planning Division, he commissioned a re-evaluation of the Jenpeg project. This re-evaluation was completed in early May 1972, and amongst other things, concluded that, 'In view of the above increased estimated capital cost for Jenpeg Generating Station, the conclusions of this report, (Economic Evaluation of the Proposed Jenpeg Generating Station), are no longer valid. Jenpeg Generating Station is now an uneconomic undertaking." Reported in May 1972, presumably two months before Mr. Cass-Beggs said he was aware of the fact that they were proceeding with an uneconomic project.

Mr. Chairman, further, the Member for Inkster has alleged that Jenpeg was considered to be a viable project according to Mr. Tritschler. Along the way, Mr. Tritschler says that on the basis of the original estimate, the \$55.5 million, it was marginally, marginally, a viable project. The fact of the matter is, that it ultimately cost \$178 million.

MR. ENNS: That's part of the 600; that's part of the 600, in big chunks.

MR. FILMON: When cost benefit analyses are done based on one figure. . .

MR. CHAIRMAN: Order please, order please. Ray, are you having problems distinguishing which speaker is speaking? I am and I would hope that the honourable members would please give one speaker a chance to speak so that it could be recorded properly.

The Honourable Member for River Heights.

MR. FILMON: Thank you, Mr. Chairman. I suggest to you, Mr. Chairman, that if a project is economically, marginally economically viable at \$55.5 million, it is no way economically viable at \$178 million, and especially when it was known within time to stop the commitment. --(Interjection)-- Okay, there's another, there's another good argument from the Member for Inkster. How much does it produce, he says, how much does it produce?

The fact of the matter is, Mr. Chairman, that we have seen, and the figures . . . I wonder if the Member for Inkster would like to listen to the response. Is that permissible? He's asked a question and I'd like to give him the response. The fact of the matter is, Mr. Chairman, that although it may be producing \$20 million worth of energy a year; if it were not there, that same \$20 million worth of energy would be produced by all of the other plants in the system and it need never have been committed; it need never have been committed. We would still be getting that \$20 million, indeed, look into it. Indeed, we've got an overcapacity of almost 40 percent. We've got installed over 4,000 megawatts of hydro electric power, we have demand for 2,500, and we have 1,500 megawatts of unused capacity.

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But if it were not there the same energy would be being produced by the other plants. Obviously, Mr. Deputy Chairman, that's where the problem is. The members on the other side don't understand anything about hydro electric generation; they don't understand the difference between energy and capacity, installed capacity. I'll debate with you anytime, Mr. Leader of the Opposition; I'll debate with you anytime. So they give the analogy that it's producing energy, energy that would be produced by the other plants without its existence ever taking place. --(Interjection)-- Not true; it's not extra energy.

MR. GREEN: Ask the Hydro people . . .

MR. FILMON: I've asked the Hydro people, Mr. Chairman. The fact of the matter is that the energy that it's presently producing could be produced by the other plants in the system, and we don't need it there. In fact, as the Tritschler Report says . . . As the Tritschler Report indicates, and the Member for Inkster again only read a part of it so I'll attempt to find my place there, where as we speak of Jenpeg and the commitment of Jenpeg but in basic terms what it says is that if the proper analysis had been made, if the proper sequence had been followed, not the fabricated sequence in the fabricated Task Force Report which Mr. Cass-Beggs put forward, Lake Winnipeg Regulation may not ever have been required.

What does that mean in economic terms to us, Mr. Chairman? That means \$315 million has been invested in a plant and a regulation works for Lake Winnipeg that may never have been required. That means that the people of this province are paying in perpetuity the carrying charges on \$315 million. Now, if the going rate of carrying charges is something like 10 percent - and I don't know what Manitoba Hydro was borrowing for in those days, I think yesterday the Minister of Finance said it was 9 3/4 or something in Swiss money; let's say it's, for round figures, 10 percent - \$31.5 million a year in carrying charges on that project alone which was not required. Every year, in perpetuity, so how long does it --(Interjection)-- \$20 million that would have been brought in by the generation of energy from another plant down the line that was already there.

Okay, and the Member for Inkster says, "What's it worth?"; he says, "What's it worth?" What's it worth? Well, if it weren't there - I'll tell you, it may be worth less than zero if it's costing us \$31.5 million a year in perpetuity and we never needed it. It's the same thing as if you built that house that the member spoke of . . . --(Interjection)-- The Member for Inkster said today that if he built a house and he didn't need it, it was still worth something.

A MEMBER: Right.

MR. FILMON: Right, but if that house costs \$50,000 and he was paying 10 percent interest on it, and it was costing him \$5,000 a year, it might be worse than not having it at all. It might be worthless if he couldn't rent it. And, indeed, that's the situation, that unless we get into this western power grid, we have a house that we can't rent. We have power that we have no markets for, and that's what's costing the taxpayers of Manitoba, that's why our hydro rates went up 150 percent in a matter of three or four years; and that's what the people of this province wanted to find out.

But, Mr. Chairman, I don't want to go on any further with this. I know --(Interjection)-- Because I admire the Member for Inkster for his intellect; I admire him for his speaking ability; I admire him for the many qualities that he has gained an experienced member of this House. But, in the final analysis, when you listen to the kind of fabrication that he puts forward in justification of the decisions that he and his government made when they were in power, you have to realize that, after all, these are political considerations.

Those are the only things that really counted, that really mattered, were the political considerations. And in his debate on the Throne Speech I think he had a Freudian slip because this was his response to the Tritschler Report, to the condemnation of the Tritschler Report, in which he argued about the desirability of the thermal and the fact that Mr. Justice Tritschler said they should have installed thermal capacity which, incidentally, would have been at a much lower cost. It would have been a temporary interim capital cost for a short-term meas-

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ure, rather than going for long-term, hundreds of millions of dollars that need never have been committed. Yes, indeed, there is some wisdom in that, but this is what the crux of his whole analysis of it was. Mr. Chairman, do you know what the learned judge - I'm quoting from Hansard - what the learned judge says we should have done. I wish the former Minister of Mines, the Honourable for Lakeside was here. He said that when we came into government in 1969 we should have postponed all hydro development, built a thermal plant and studied what we should have done.

Mr. Chairman, if we would have done that, we would have been defeated in 1973, and deservedly so. So all he cared about was whether or not he was re-elected, not whether or not he made the right decision. Thank you. Thank you, Mr. Chairman.

MR. GREEN: Mr. Chairman, I . . . --(Interjections)--

MR. CHAIRMAN: Order please. I think it's the Chairman's prerogative to acknowledge the next speaker, and I usually acknowledge alternating the member who stands up in his place.

The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I will immediately concede that my motive is to get elected. I will concede that immediately. I will also immediately concede, Mr. Chairman, that the honourable member's motive is to get defeated, and I hope he is successful. But I believe, Mr. Chairman, that you get elected by doing the right thing, not the wrong thing, and doing what Mr. Justice Tritschler had suggested would have been the wrong thing and we would have been defeated for it, and properly so. And if the member does not understand that, if he does not understand that wanting to get elected and wanting to do the right thing in order to get elected is the highest form of political activity, then, Mr. Chairman, I give him less credit than I gave him when he entered this House. If he says that it's a slip of the tongue to say that we should have been defeated for doing a stupid thing like that - because it is a stupid thing and the Member for Lakeside would have told us that it's a stupid thing - Mr. Chairman, I believe that doing the right thing on the basis that I could stand up here 10 years later and say we did the right thing and sought election on that basis is not something that the honourable member will ever make me ashamed of. He should be ashamed if he does the other, and if that's the way he wants to behave, good luck to him.

But saying, Mr. Chairman, that I'm going to do something nefarious to get elected is a complete contradiction in terms. I have never believed that you can get elected by pulling the wool over somebody's eyes, by playing a trick, by engaging in a stunt, by trying to fool people, by taking shortcuts, by putting in one program when I should have put in another; and if that's the way the honourable member behaves, then he has made a slip of the tongue, Mr. Chairman, he has made a slip of the tongue. He thinks getting elected is playing tricks with the electorate. I have never operated that way and don't intend to now. And I will make some very quick corrections in the honourable member's . . . very quick analysis; an analysis is much quicker, Mr. Chairman, than Mr. Cass-Beggs' analysis. Because the honourable member starts off by saying, Mr. Chairman, that Mr. Cass-Beggs came and in a very short period of time, Mr. Chairman, he undid 10 years of excellent engineering; that these people had done all this work and in 10 years he undid it.

Mr. Chairman, he makes Cass-Beggs much smarter than Cass-Beggs was. Mr. Cass-Beggs didn't undo ten years of engineering in two weeks. All he said was that there was an alternative which should be studied, which is what Mr. Justice Tritschler said. But this man says that he undid ten years of work. Mr. Chairman, that's exactly what Tritschler said should have been done. Do he makes Cass-Beggs a bigger genius than Mr. Cass-Beggs was ever held out to be. Do you want to hear what the Tritschler Report said?

The Tritschler Report said, Mr. Chairman, listen to this, listen to what you guys have been saying about what Cass Beggs ran down, and how lucky we are that he did it. "The Commission finds that the Roblin-Weir and Schreyer governments were all misled by Manitoba Hydro in 1968 and 1969." That's before Mr. Cass-Beggs came on the scene. That the Weir-Schreyer and Roblin governments were all misled by Hydro in 1968 and 1969. So Cass-Beggs came in here and undid all of this mis-

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leading in three weeks. Mr. Chairman, even I would not make such a compliment to Mr. Cass-Beggs, and I think pretty highly of him. But that's not what he did. He came in and said that we shall set up an interdisciplinary task force, that the task force will look into the question; and the task force, Mr. Chairman - and I wasn't referring to the second task force. The honourable member is wrong; I am referring to the first task force, the task force that was brought in by Mr. Bateman in July 1970; the draft report. There really wasn't two - and I'll deal with that when I get to Mr. Justice Tritschler - there was one. It is not uncommon, indeed it is absolutely normal in dealing with reports to have a draft report and then a final report and Mr. Justice Tritschler is the only one who says it's two reports. It's one report. But they brought in the draft report quickly because they wanted to move, Mr. Chairman, and in that one, before Mr. Cass-Beggs had anything to do with it, "The comparison of the short-term economics, short-term economics," I'm reading from the first report. Mr. Chairman, 103, I'm reading in July of 1970, this is what my honourable friend refers to as the first report. "Five years of sequence of development indicates that if the Churchill Diversion in implemented, first, a short-term saving would result."

And then, Mr. Chairman - Mr. Chairman, I'm reading from the Task Force. I don't want to read what Tritschler says. Why should I go to the interpreter when I can go to the original source? I know that Tritschler takes everything and turns it into something nefarious. Mr. Chairman, I know, the next one, Conclusion 5, would indicate that a further review of the long-term savings, that may be realized by the initial development of the Churchill River Diversion, should be undertaken, unless the early Lake Winnipeg Regulation is deemed to be in the public interest.

And then Mr. Bateman, who presents this draft report, added, "That CRD appeared to be marginally the more economic." Now that's the first report, not the second report. "Marginally more economic within scientific error, according to Mr. Justice Tritschler." Where's the \$600 million on the first report?

Now then, there is some suggestion, Mr. Chairman, that Cass-Beggs came in and doctored up this report. Changed everything. Changed all the conclusions. Right? Isn't that what we are being told. Isn't that what the honourable member said? Until Cass Beggs changed it. And the First Minister. But that's not what Mr. Justice Tritschler said.

Page 114, "There was little difference in substance between the draft report and the final report apart from the consideration of the alternative, and the very high load growth projections on the request of Mr. Cass-Beggs, and the inclusion of a 30,000 cfs CRD with a maximum level of 850 feet on SIL, pursuant to the July 30, 1970 board decision." After the decision they put in those qualifications. But there was little difference in substance between the draft report and the final report.

We're lead to believe that Cass-Beggs came in and undid everything that had been said in this first report. The first report said, "marginally different", "short-term economics may result in some saving." And, by the way, we were all told this. The member wasn't here. We were all told this. They came and they said that there is very little difference between the two. If the government would prefer Lake Winnipeg Regulation first because of the problem with CRD, then there will not be any losing, and that, Mr. Chairman, is the only basis upon which we proceeded. Because if there was any indication to the government, and Mr. Tritschler does not find any, that CRD first and Lake Winnipeg second, would result in considerable savings, any savings that could be quantified, we would have gone CRD first. Because, Mr. Chairman, in my view, that's political.

If I was told - my honourable friend, he has a peculiar view of politics. He says that I knew - listen to this, listen to this, Mr. Chairman, - he says that I knew that CRD would cost more money than LWR, and because of politics. . . CRD would be cheaper than LWR. He says that I knew that CRD would be cheaper than LWR, but for political reasons I went to LWR. Well, if I thought that CRD was cheaper than LWR, it seems to me that for political reasons I would go CRD. But the honourable member is a different form of political person. He has given notice, Mr. Chairman, he has given notice of his politics. If he knows that option A is better than option B, he will choose option B, for political reasons. That's a politician; that's a politician, Mr. Chairman. --(Interjection)-- No, I didn't, Mr. Chairman.

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Mr. Justice Tritschler, whatever he can find, has no nowhere found that the government was advised that to proceed Lake Winnipeg first and Churchill River Diversion second, was to cost the province money, because the Task Force Report did not say that. What Doug Campbell said is exactly what the Minister said. What Doug Campbell said is, "You'll never get away with Lake Winnipeg Regulation. The people around the lake won't let you, and therefore, even if you want to do it you'd better go CRD because you're never going to be able to fight through Lake Winnipeg Regulation." That's a political conclusion. --(Interjection)-- Oh, you see, there's another politician over there. He says that that's right. Well, I want you to know that I told Doug Campbell, and I said it in front of committee, that if that's what you're worried about, whether the government can make it understandable to the people of Lake Winnipeg, we accept that responsibility; and I went to Norway House personally; and to Cross Lake Band, not in Cross Lake but at Norway House; and to Gimli; and to Selkirk; and to Winnipeg; and it's all in writing, and it's on the record as to what those people were told. And we went throughout this province and I went personally, I didn't - like the present Natural Resources man - I didn't send a bureaucrat to explain the fishing program, I went there. We won every seat around Lake Winnipeg in the next election, after imposing Lake Winnipeg Regulation. And Doug Campbell said that if you try to put this program through the people around the lake will never let you. We put it through before 1973. I went to each of those communities and we won every seat bordering on Lake Winnipeg on the next election.

And do you know why, Mr. Chairman? Because we are politicians; because we say that adopting the right program, not the one that seems the easiest which Doug Campbell wanted us to adopt, the right program, and we are prepared to fight for it; the people will respond, even if it sounds unattractive to start. And that's what we did and we won. And I believe, Mr. Chairman, that is the best form of politics and, unfortunately, the Member for River Heights has something to learn in that regard.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): I wish to refer, firstly, to the statement which was issued today by the government pertaining to the Western Electric Power Grid, and I note the comment on Page 4 of that report. "It was in 1966, that then Premier Duff Roblin committed the provincial government to developing our northern rivers for the long-term benefit of all Manitobans. This government remains committed to that goal." Mr. Chairman, it's interesting that between the period 1966 and 1969, that we witnessed in the province a large-scale debate pertaining to the direction which the then Roblin government wished to pursue. In 1968, the present Minister responsible for Government Services was then the Minister of Mines and Resources, and because of the concerns that were being expressed, it was that Minister that called two public meetings.

The first public meeting in South Indian Lake, he Chaired. The second public meeting in the City of Winnipeg, he appointed the Director of the Water Resources Department to Chair. And after a two-and-a-half day period and a mounting public opposition to the high level diversion, the Chairman of that meeting was unable to recommend high level diversion to the government. It was then that Minister, that presently sits as Minister of Government Services, then proceeded into this House with a bill to attempt to bull through this House and through the Province of Manitoba against the fair wishes of most Manitobans, the high level diversion.

We know what happened to subsequent to that, Mr. Chairman. Election was fought in 1969, election which was fought pertaining to the question of the destruction which would take place pertaining to the environment of Northern Manitoba; the possible effects upon the City of Thompson and the people of Manitoba rejected the moves which were under way in 1969 to introduce high level diversion to the province of Manitoba. It was a political decision that was made in the year 1969.

Now, Mr. Chairman, we have an interesting situation. We have a situation by which the dear Chief Justice, that members across the way wish to embrace so fondly, indicated that course of action would have been a disaster. However, it's interesting to note that honourable members across the way would like to, some way or another, associate themselves with findings which were rejected by the Tritschler Commission Report itself. Mr. Chairman, there were three courses of



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action, and the course of action I suggest that was proposed by the Tritschler Commission Report was the worst of all three alternatives that were proposed. It was an alternative that deserved little attention on the part of Manitobans. Honourable members across the way gave that alternative little shift when they were in government. The government lead by the then Premier Schreyer, gave that alternative little attention as well. Specifically because that alternative would have failed to have ensured a flow of waters requiring some 55,000 cubic feet per second through the Nelson River system in order to have ensured the use of the generators.

So that we had three alternatives, Mr. Chairman. The first alternative, the one that was attempted to be bulled through this Legislature by the then government; the Tritschler Commission recommendation; and thirdly, the approach which was then followed in the years 1970 to '77. Mr. Chairman, it's my view and I believe it will be established and confirmed clearly in the passage time that it was that approach, that imagination, that development that ensured that we were able to see witnessed the announcement today. The announcement that it was even acceptable to think in terms of a study to sell surplus energy to Alberta and to Saskatchewan. Without that development, without those moneys that were expended, those efforts, and despite the harassment that took place on the part of the then opposition, the present members that form the government, we proceeded with that course of action.

Mr. Chairman, what we are faced with, I believe, at this time is a question of the future of this province. The utilization of the renewable resources of this province for the benefit of all Manitobans in the 1980s. I believe that history will confirm that the course of action which was pursued in the early 1970s was the correct course of action and it is that course of action, Mr. Chairman, that will ensure that we are able to export our surplus energy to Alberta and to the United States. And, Mr. Chairman, if we had pursued the course of action that would have been followed by honourable members across the way, there would have been wholesale destruction of environment in Northern Manitoba; if we had pursued the recommendations as proposed by the Chief Justice in his report, there would have been no possibility of the announcement that was made today by the First Minister.

Mr. Chairman, words were made today by honourable members across the way to the effect that the public will make a decision. Mr. Chairman, let me say this, that we will be pleased to take our entire record pertaining to Manitoba Hydro to the people of Manitoba. We have no concern about the justification for the course of action that we undertook. It was an honest approach, it was a realistic approach, it was an approach, Mr. Chairman, that has meant much for the future heritage of this province.

And, Mr. Chairman, there's muttering about the hydro rates. Mr. Chairman, it's because of the action that was undertaken in the early '70s that the Minister of Finance was able to announce last year that there would be no increase in hydro rates over the next five years. No legislation was required for that, Mr. Chairman, no legislation was required. The rights were stabilized because of the initiative and the imagination of the former New Democratic party government in this province. The announcement that was undertaken today was possible because the initiative and the thrust of the New Democratic party government in the early 1970s. The Member for Roblin, the Member for Roblin is laughing. Mr. Chairman, the Member for Roblin hasn't produced his darn hydro bills for three years, hasn't tabled them in this House.

MR. WALLY McKENZIE (Roblin): Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please. The Honourable Member for Roblin on a point of order.

MR. McKENZIE: I have it in my brief case, and the day the former Minister of Agriculture gives my Order for Return I'll table that hydro bill, gladly.

MR. CHAIRMAN: The honourable member doesn't have a point of order.  
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MR. PAWLEY: Well, Mr. Chairman, first I would like your ruling as to whether that's a point of order by the Member for Roblin.

MR. CHAIRMAN: I think that if we would be paying a little bit more attention, I've already made a ruling on the Honourable Member for Roblin, and I would hope that it's been picked up in Hansard so that it can be for posterity to read, and I'll repeat it if it's necessary. I have ruled the honourable member out of order, that he didn't have a point of order, and I was asking the honourable member, the Honourable Leader of the Opposition to carry on.

MR. PAWLEY: Mr. Chairman, what we have enjoyed in Manitoba as a result of that thrust, despite the snipes by the Honourable Member for Roblin which has taken place since 1976 to the present time, he hasn't learned much, Mr. Chairman, is that we have in Canada today amongst the lowest rates, second lowest rates, in Canada because of that initiative and that thrust. Mr. Chairman, we rest content that the course of action that was undertaken during the early 1970s was a correct one; we rest content that the course of action that was proposed by the former Premier of this province, but the present Minister for Government Services, the present First Minister, would have been a disastrous course for this province. So, Mr. Chairman, in conclusion it's a fortunate thing that in 1969 we were able to ensure a change in government so that, in fact, we could have undertaken a sensible hydro policy to develop our renewable resources in the interests of all Manitobans.

MR. CHAIRMAN: The Honourable Minister of Corrections.

HON. GEORGE MINAKER (St. James): Mr. Chairman, I hadn't planned on getting into this debate until I had heard the honourable - I believe it's the Honourable Leader of the Opposition that we just heard - make his comments with regard to the early '70s in Manitoba, and the fact that the decisions they made were honest and truthful decisions. Mr. Deputy Chairman, I would suggest that the Honourable Leader was not listening to his colleague for Inkster because it's quite evident that the decisions that were made by the government in 1969 were political decisions. We know that in 1969, Mr. Chairman, that the flooding of South Indian Lake was made an issue by the then opposition and the next government of the day. They would not flood South Indian Lake; that was their platform, Mr. Chairman. They would not flood South Indian Lake, that was the platform they were running on and, Mr. Chairman . . .

MR. CHAIRMAN: A point of order. Order please, the Honourable Member for Inkster on a point of order.

MR. GREEN: No, on a point of privilege, Mr. Chairman.

MR. CHAIRMAN: On a point of privilege?

MR. GREEN: Yes, Mr. Chairman, and it will be confirmed by the Member for Lakeside, nobody speaking for the New Democratic Party ever took the position in 1969 that South Indian Lake would not be flooded.

MR. ENNS: Mr. Chairman, on the same point of order.

MR. CHAIRMAN: The Honourable Member for Government Services on a point of privilege.

MR. ENNS: The honourable member, again, in making that assertion is quite correct but not really answering the question, because when he succeeded to government, his First Minister is on record in Hansard as assuring the people of South Indian Lake that their lake would never be disturbed, and that's in Hansard, and they campaigned on that. Not in the House; in the House, the opposition was the Liberals.

MR. CHAIRMAN: The Honourable Minister of Corrections.

MR. MINAKER: Mr. Chairman, I would suggest to the honourable members that if the leader of their party at that time made that commitment, that is the platform of that party and they got trapped. They got trapped, they didn't know what to do and they hemmed and hawed for two years, and they brought in Cass-Beggs because they knew that they had to get somebody from outside the province to be the scapegoat, to make a decision that they knew was correct, that South Indian Lake had to be flooded; that the Churchill River Diversion was the correct method of development of hydro in this province. But they hemmed and hawed for two years, Mr. Chairman, they hemmed and hawed for two years over this decision. They could not accept the fact that they had declared to people in Manitoba they would not flood South Indian Lake. It was incorrect to do so and by taking the two years, Mr. Chairman, by taking the two years to make that decision they decided that they had to find power from somewhere, so they built Jenpeg to cover their butts. That's what they did. They built Jenpeg to cover their butts, and it's cost the people of Manitoba \$350 million that was not needed. And it was a political decision, Mr. Chairman, that was made. And who has suffered from it, Mr. Chairman? The people on the other side, the opposition. Mr. Chairman, I remember, being an engineer - I'm not the most expert on English but I do remember - I think it was Hamlet that we took at school, and I remember Hamlet saying somewhere in that Shakespeare play that the lady protesteth too much. Mr. Chairman, I suggest that the honourable members protesteth too much because the honourable members on the other side can try and protect their decisions, the wrong decisions they made when they were in political power; but the facts are here on the record. And as I said earlier, who is it that really suffers? And I think it's summarized to some degree in 410 of the report where it says, and it relates to the Hydro's paper that they send out to their customers, and it says: "The 1979 surplus does not prove that the course followed by Hydro was correct or that its building program is paying off. The rates charged to Hydro customers are based upon a cost of service which, in the opinion of the Commission, has been inflated by the necessity to recover the cost of facilities that were imprudently incurred and which were not required to provide for Manitoba's demands." The customer, who received the bill which accompanied the August "Hydro Lines" would not realize that the amount he was being charged was larger than it would have been but for some managerial blunders during the preceding several years; nor was he told off all the reasons why Hydro's 1978-79 performance was better than planned.

And it goes on to say, Mr. Chairman, that: "The Hydro Lines reader was also intended to understand that the generating capacity at Jenpeg and Long Spruce and the Ontario sales were 'good news.' He was shielded from the fact that evidence given to the Commission showed:

(i) Jenpeg generation was committed unnecessarily, was a financial disaster and the power produced the most expensive in Hydro's history; and

(ii) Long Spruce was constructed in advance of Manitoba's needs and export sales from that station, whilst providing significant revenues to reduce Hydro's net cost of service, are not profitable."

So, Mr. Chairman, the honourable members can protesteth to their hearts' content on the other side. The facts are here, Mr. Chairman. It is costing us in Manitoba much more for our hydro than is necessary, all because of their political decision to build Jenpeg to protect their butts.

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Thank you, Mr. Chairman. I've been trying to catch your eye for some time now but apparently those that are closer to you are spotted first and more easily.

I wanted to answer the Honourable Member for River Heights, who did not have the privilege and pleasure of sitting in this House during the '70s and listening to the debate on Hydro. --(Interjections)-- May I proceed, Mr. Chairman?

You know, Mr. Chairman, I would have been expecting the members on the government side to really be jumping up and anxious to get into this debate when we got onto Hydro and the Tritschler Report because the Conservative Party has spent some \$2 million of public money to produce this and you would have expected that they would have been extremely pleased with it and very anxious to get the entirety of their money's worth out of it.

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The Member for River Heights complains that all was not read to him and all of the facts were not given to him and all of the history was not given to him. Well, there is something like 483 pages in the report and I'm sure that he didn't expect anyone on this side to read him all 483 pages of it. But for his benefit and the benefit of other members who were not here in the '70s and hence missed those reports and the appearances of Hydro before the Public Utilities Committee, I would like to give them a little bit of history and background on it. This will perhaps answer the point of the Member for River Heights when he spoke of Mr. Cass-Beggs.

His leader made mention this afternoon in his statement of decisions made by Mr. Roblin when he was the Premier. I believe that was around 1965 that the decision was made by the government of the day, and that was a Conservative Government the member will recall, that the future of Manitoba's power production lay in the rivers of the north and that our production of electrical energy would be better served by producing it from hydro power than from thermal power. That, I believe, was a very wise decision and as a result of that decision, the Government of Manitoba entered into an agreement with the federal government in 1966 and that document has been tabled in the House and members can refer to it if they wish.

It was an agreement that led to the building of the DC Transmission Line from close to Gillam to just outside of Winnipeg, which was a fairly new concept at the time. The concept of DC Transmission was only in effect in some three or four other places in the world. It was done as much on an experimental basis to see how such a line would operate in Manitoba, and particularly in the harsh climatic conditions of northern Manitoba as anything else. The Government of Canada agreed to finance that line at very attractive rates to the province, payable over something like 20 or 25 years, and that was part of an agreement to do four things. One of them was the building of the transmission line; one of them was the diversion of South Indian Lake; a third one - I'm sorry, the member is trying to interrupt me. The second one was the diversion of the Churchill; Lake Winnipeg Regulation was the third one - and I am trying to recall what the fourth one was - I believe that was the next hydro plant on the Nelson River.

However, the agreement at that time was quite clearly for Lake Winnipeg Regulation and diversion of the Churchill River, and it was done for a very good reason, and that is that during the summer months the amount of water going down the Nelson River is something like 160,000 cubic feet per second. The river is about a mile wide. There is a great deal, a surplus of water for production. But in the wintertime the conditions are quite different with a large amount of ice on the water, not only of the Nelson River but on Lake Winnipeg and the rivers leading from that to the Churchill. The flow is reduced, not quite to a trickle, but not very much more. The idea of regulating Lake Winnipeg was to put more water down the Nelson in the wintertime. The principle behind diverting the Churchill River was also to increase the flow by some 30,000 cubic feet per second from the Churchill River Diversion through Southern Indian Lake.

That was the plan, and that was the plan up until 1968 and the Honourable Minister of Government Services will confirm that by 1968, Hydro came to the Minister at that time and said, look, we can do it cheaper for you. What they intended to do was not to regulate Lake Winnipeg and to divert the full amount of water from Southern Indian Lake, some 56,000 or 60,000 cubic feet per second. The Conservative Government accepted the advice from Hydro. That became their policy; that's what they wanted to do.

There was considerable controversy that arose out of that decision and the member may recall back to 1968 and 1969 of the concern that was expressed about the Burntwood River, the City of Thompson, the natural environment of the north, the communities that would be severely affected or even flooded or drowned by the pouring of that much water into that river. That remained the Conservative policy and, as far as I am aware, that continues to be the Conservative policy. I have never yet heard any Conservative renounce that policy to go to the high-level flooding of Southern Indian Lake, and that is to raise the level by some 30 to 35 feet, and you can take whatever figure that you want. That was where it remained at the time.

Just as an aside, Mr. Tritschler happens to remark that at the time that the bill to carry this out went to the committee, that two members of the New

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Democratic Party Opposition at that time, happened to say that some inquiry should be carried on and he said, what a pity that they didn't do this at another time; neglecting to point out that never before and never since had the government had to bring in a Bill in order to carry out their policy as far as the building of Hydro construction was concerned. The honourable member knows what happened in the subsequent election.

My colleague from Inkster is quite correct when he said that it was never the New Democratic Party position that there would be no flooding in Southern Indian Lake, that it would be stopped. That was the Liberal position. They were quite clear that they would not flood Southern Indian Lake. The New Democratic Party position at that time was we will have another look at the whole affair; we will see whether it is necessary or whether there is a better way to do it, not necessarily a cheaper way to do it, whether there is a better way to do it.

The new government found itself in power in '69 under tremendous pressure from Hydro. They were threatening brownouts; they were quoting the increase in the demand for power and saying, "Look, you've got to do something quickly. What we are recommending still is the high-level flooding of Southern Indian Lake. That's what we recommend that you do, but you're the government, you make the decision." The government of the day brought in the man whose credentials in the field of hydro engineering were probably the highest that could be found anywhere in the world. The honourable member shakes his head and I suggest that he goes and looks in the appropriate reference book and find out what Mr. Cass-Beggs' professional qualifications were, and I think that he will find that they are second to none.

When Mr. Cass-Beggs came in, it was not a matter of starting from scratch and going back 40 years for the investigations that were done in the north, Mr. Cass-Beggs had the result of millions of dollars worth of engineers' reports, even up to 1966 when the recommendation had been for the regulation of Lake Winnipeg and the diversion of the Churchill River. What Mr. Cass-Beggs recommended to the government was, "Don't go with Hydro's new proposal, go with the original proposal. It was good in 1966, it's good now." That was the decision that the government made and went with.

There's been considerable criticism all through the '70s by the official opposition of the day and by experts and self-proclaimed experts outside that it was not the right course of events to follow. The honourable members have been quoting from the Task Force at each other. Let me just repeat what was said there. There was a considerable fuss made of the allegation that Mr. Cass-Beggs' proposal was categorically at odds with the first Task Force Report, as if the Task Force was solidly, unanimously, 100 percent in favour of Churchill River Diversion over Lake Winnipeg. Two or three pages before that, on Page 105, the specific reference is given, and this is what the Task Force says, and this is what Mr. Tritschler says of it:

"The letter of transmittal repeats this last conclusion, also in hesitant terms: 'At the present time, the scheme outlined for Churchill River Diversion appears to be marginally the more economic project to undertake first.'

Now, "appears at the present time marginally the more economic project." "However, there are also some benefits which cannot be quantitatively defined, associated with the regulation of Lake Winnipeg."

And Mr. Tritschler himself says that they stated that rather weakly. Now, from that rather weak and tentative statement is built the whole of the case that Mr. Cass-Beggs was totally singly-minded and overcame and contradicted what they did.

Much has been made of the fact that there were problems involved with Lake Winnipeg Regulation, Churchill River Diversion and Jenpeg and Long Spruce. --(Interjection)-- Well, Mr. Minister, if you'd like to stand up and say that I'm sure that future generations would just love to read that in Hansard.

Much has been made of the fact that Jenpeg was first estimated to cost \$50 million and came in at \$180 million and not the \$330 million that the Minister for Corrections used in this House just a few minutes ago - and I don't see him here right at the moment.

Bear in mind, gentlemen, that these projects were built at the same time that Syncrude was being planned and built. Syncrude, you'll remember, was first estimated to cost about \$750 million and ended up costing around \$2 billion; at the same time that the James Bay Hydro Development in Quebec was estimated to cost \$3 billion and now is not finished but is expected to cost in excess of \$7 billion.

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These projects were built at a time of worldwide inflation and soaring energy increases in prices.

But honourable members opposite seem to consider that anything that is built at a higher cost than originally expected was somehow wasted, or that there was mismanagement in there. The reason for that is that the Conservative Party will still not let go of their very precious closely held principle and policy of 1968, that only Churchill River Diversion and the high level of Churchill River Diversion was the way to go.

The Honourable Member for River Heights should now know that everybody except Conservatives agrees that that was impossible to do. Just to give that member and those other members an idea of what is involved to put some 55,000 or 60,000 cubic feet per second of water down the Burntwood River is like putting the flow in the Red River, when it's at peak spring flood, along the bed of the Assiniboine River. Now, just use your imagination and imagine that much water trying to be squeezed into the Assiniboine River. You cannot get a quart into a pint pot, gentlemen, it just won't go. Everybody now, excepting I think Conservatives, including Mr. Tritschler himself, recognizes the impossibility of that policy.

So what gentlemen opposite are doing when they talk in terms of \$600 million, \$800 million, \$500 million, use whatever figure you like, it really doesn't mean anything because what you are comparing is what was done during the Seventies as against what could not be done during the Seventies. Gentlemen opposite would suggest that nothing was done at all and nothing had been built. In that case I suggest to you that Manitobans would now go to the switch on the wall with some fear, not knowing when they flip that switch whether there would be light or whether there would not be light.

Members opposite take a great deal of joy in ridiculing Jenpeg. One of the members quoted the report to say that Jenpeg was the most expensive power that Hydro had ever produced. Not so, gentlemen, the figures I quoted you this afternoon at 9 cents and 16 cents a kilowatt hour are from thermal generation, from Selkirk and Brandon, compare with the cost per kilowatt hour from Jenpeg of what, 2.1? 2.1 cents per kilowatt hour and that is even before the station has had one complete year of operation.

And incidentally, for those who would mock those Russian generators, they should know that they are now producing at 5 percent over their rated capacity. --(Interjection)-- The honourable member says that that's expensive. Well let me ask him whether he thinks that Hydro will ever produce a single further kilowatt hour cheaper than 2.1 cents a kilowatt hour, and I tell him, never, never. And I tell him further that in 50 years time when he and I are both in our graves a long time, that Jenpeg will still be producing power, not at 2.1 cents a kilowatt hour, but one-fifth of one cent per kilowatt hour because that is the cost of the water rental.

And if you would have us go the direction that Mr. Tritschler suggested in building thermal plants, I ask you to speculate on the cost of oil or on the cost of coal in 50 years time.

MR. DOERN: And we'll be the government.

MR. WALDING: I wonder if the Honourable Member for Roblin, who considers that power from Jenpeg is so very expensive, I wonder if he would be prepared to tell the Committee what the cost of Limestone power will be. Does he know? Or the Member for River Heights, does he know what the cost of Limestone power will be? And that's rather odd, Mr. Chairman, because the Member for River Heights says that this Alberta deal will enable Manitoba now to sell its export to Alberta and get our moneys' worth from the present surplus capacity that we have. If that is the case, why do we have to build Limestone?

MR. DOERN: You got him there, Jim. You got him there.

MR. FILMON: All for growth.

MR. WALDING: Oh, I find that very interesting, Mr. Chairman, that the Honourable Member for River Heights says that Limestone should now be built for growth, after he and his party have spent the last eight years castigating the New

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Democrats for doing exactly that thing, for looking after the future power generation of this province, of ensuring that we have sufficient power for ourselves, for our children and for export, he is now saying that, no, we're not going to sell this surplus we've got; presumably we're going to keep that in the bank somewhere or we're going to put it in drums or a keg somewhere and build Limestone so that we can get the economy of this province moving and export the power to Alberta.

But does he know what the cost of Limestone power is going to be? Does the Member for Roblin know what the cost of Limestone power is going to be? --(Interjection)-- Well, those members who want to be told presumably haven't read the Tritschler Report because if they did, they would find it was slightly over three cents a kilowatt hour. That is produced up on the Nelson River. They say the Jenpeg power is expensive at 21 . . . Limestone power is 50 percent more expensive than that and that's up on the Limestone River. You bring that down to Winnipeg, do you know how much it costs to build a powerline? Half a million dollars a mile. You figure out 600 miles at that price. You figure out a further 900 miles to take it to Calgary. What does that cost to lay down power in Calgary? Five and a half cents a kilowatt hour.

And your Minister of Finance, the Minister of Energy is quoted in the Tribune last October 27: "Manitoba's Energy Minister, Finance Minister, Don Craik, said Thursday that economic feasibility studies on a proposed 20-year power deal between the two provinces should be ready by December". And I assume, Mr. Chairman, that he was speaking of this document. "The deal could involve sales to Alberta worth a total of \$2 billion". Now that's a lot of money, a lot of money. "Such a power deal would likely bring forward the start-up date for construction on the next phase of the Nelson Power Development, the 1,100 megawatt Limestone generating station now scheduled to resume in 1983".

And there's somewhere else in here that talks of a 20-year deal - oh yes - "A 20-year power deal between the two provinces". Now, how much is that a year if we're going to make \$2 billion in 20 years? To save the honourable member doing the arithmetic, it's \$100 million a year. Now \$100 million a year, that is a lot of money and that is about the same, or perhaps a little more, than we are presently getting from the Americans in those power sales. A \$100 million in revenue is not to be sneezed at.

But you will recall that the Minister of Finance was commenting just a few days ago on my colleague from Churchill's proposal to resume construction of the Limestone Power Plant where he said that the interest alone on Limestone would cause Hydro rates to double in Manitoba, and that's the interest alone, not to pay off the \$2 billion, the interest alone. Because he said, what is the interest going to cost? At 10 percent, it's somewhere between \$160 and \$200 million a year. Now, that's at 10 percent and I would challenge even this government to borrow money in this day and age at 10 percent.

You might recall the news reports this evening which said that the prime rate was up to 16-and-something percent. That will bring you up to interest costs alone of some \$300 million a year. \$300 million a year is what it would cost Manitoba and our revenues, according to his Minister of Energy, \$100 million a year.

Now maybe, Mr. Chairman, this is another example of Conservative arithmetic or maybe it's Lyonomics, that Manitoba should pay out \$300 million a year in interest alone for Limestone - and this is without even paying off the principle - and sell it to Alberta for \$100 million. Is Alberta that poor in energy or in money that Manitoba has to subsidize them to the tune of \$200 million a year? The honourable member seems to think that this is a good deal. Let's see the figures. Let's see how much they're going to pay for our power laid down in Calgary. Are they prepared to pay us 5-1/2 cents a kilowatt hour plus - because we want to make money on it. Those private power companies in Alberta can burn natural gas and produce their own power, and distribute it as well, for 3-1/2 cents a kilowatt hour.

MR. CHAIRMAN: The member has five minutes.

MR. WALDING: Thank you, Mr. Chairman. I really hadn't intended to go on for such great length, but I just did want to bring a few costs to the attention of honourable members and suggest to them that when they repeat things that they

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have heard from their colleagues and from their First Minister, that really they shouldn't take those things at face value. There is another side to the argument. If members want to get a better appreciation of the situation they should look back in Hansard, at the debates that were going on in this Chamber through the Seventies. They should also look in Hansard for the meetings of the Public Utilities Committee and see that the opposition of the day had every opportunity to ask whatever questions they wanted. There was no restriction, they could ask any questions. They went on and on and on at great length.

They attempted for eight years to prove that there have been waste and mismanagement in the building of Hydro projects. They had not been able to do so in 1977. They commissioned Mr. Tritschler to prove it for them. It must have been a terrible disappointment to them that he proved just the opposite. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, it's not my intention to take too long because the night's getting late and I'm sure that there'll be lots of other occasions when the Tritschler Report or the Hydro is discussed in this House.

The Honourable Member for St. Vital talks about the Committees and the privilege of the members of this House to ask questions in Committee. But it would be rather nice if the answers that were given in Committee were accurate.

MR. GREEN: They were.

MR. JOHNSTON: Well, Mr. Chairman, on Page 134, Mr. Cass-Beggs is stating that the Jenpeg would cost \$50 million but would go up to \$56 million because of the engineering costs --(Interjection)-- Lake Winnipeg. But during the questioning --(Interjection)-- Well, I'll read it then.

During the question SCPU on June 20, 1972, Mr. Cass-Beggs reiterated his position on the \$56 million estimate. He acknowledged that he had heard other figures, such as \$85 million, suggested by member of the committee, Mr. Henderson, MLA, but stated that there was no basis for any other figure and there never had been any other figure than either \$50 million or \$56 million, according to which factors you included, and there is no evidence that these figures will be exceeded.

In giving evidence to the Commission, Mr. Cass-Beggs acknowledged his response to Mr. Henderson was capable of being misunderstood by simple MLAs, who were not engineers. That's the type of person Mr. Cass-Beggs was. Mr. Bateman, who, at the time was General Manager - Engineering, in evidence was more direct. He described the statement as an untruth and testified that he was unaware that the \$56 million estimate was being modified but chose not to correct Mr. Cass-Beggs in public because his experience with Mr. Cass-Beggs had by this time indicated that it would be really futile if he were to try to correct him in public on a figure that I knew that he knew was incorrect.

Mr. Cass-Beggs insisted, however, that the new \$85 million estimate for LWR, the very figure put to him by Mr. Henderson and prepared by the Construction Division, was not known to him until it's official date of publication July 11, 1972. It is not possible for the Commission to believe that by June 1972, Mr. Cass-Beggs was unaware that \$56 million LWR estimate was not accurate and that the costs for the project had increased substantially.

Well, Mr. Chairman, it's the old story, you know. The Opposition are choosing to be critical of the man who wrote the report.

MR. GREEN: Well, who was he critical of? He called the man a liar.

MR. JOHNSTON: Well you see, they were choosing; you know, when you know that you're in the wrong, you try to kill the messenger instead of the report. That is exactly what is happening at the present time. The Honourable Member for St. Vital. . .

MR. DESJARDINS: What are you saying about Cass-Beggs?



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MR. JOHNSTON: I will in a minute. The Honourable Member for St. Vital, he says that the costs went up, inflation. We can understand that, anybody can understand that that has a reasonable knowledge of business during the Seventies. But when you knew ahead of time, when you knew ahead of time. . .

A MEMBER: Where's the evidence?

MR. JOHNSONTON: . . .and when Mr. Goodwin stated . . . I am prepared to answer the question that Jenpeg was not a necessary addition to the system at that time either, when you knew that Mr. Cass-Beggs regarded the task force as his own personal advisors and he would decide what the boards and what this Legislature would be told. Mr. Cass-Beggs was brought in, was brought in because the previous government, when they were elected, had to find a way out. He produced that 52-page report. He went back and he just went into the Lake Winnipeg and he went into Jenpeg and through this whole report, through this whole report, it shows that he had knowledge that the proper surveys weren't done on channels, the proper surveys and costing wasn't done on Jenpeg and through the whole report Cass-Beggs mislead his board and this Legislature and the people of Manitoba.

MR. GREEN: That's false, that's false.

MR. JOHNSTON: It's just as simple as that. Read it.

MR. GREEN: I read it.

MR. JOHNSTON: Yes, you did.

MR. GREEN: Yes, I did.

MR. JOHNSTON: And you were the person . . . Mr. Chairman, the man sitting right beside me at the present time is in the position in this House in this Session of continually defending himself. It doesn't matter what subject it is, he has to defend himself.

A MEMBER: When he's attacked, why not?

MR. JOHNSTON: He's attacked and it's put in writing. It's put here in writing.

MR. GREEN: That makes it good, eh?

MR. JOHNSTON: Well, I don't know know of any other way to put it down but there it is for the people to see, that the task force and everybody around Cass-Beggs was held down by a hand over top of them. They did it in their move, they were in fear, and all he did was mislead the members of this House and the boards that he was supposed to be responsible for. And that government of the day let him do it. Mr. Chairman, it's right there and of course. . .

MR. GREEN: There it is; there it is.

MR. JOHNSTON: . . .of course, being understood by simple MLAs who were not engineers. That's the kind of snobbish person he was.

MR. GREEN: There are some simple MLAs.

MR. JOHNSTON: He thought he was God; you let him be God, and he cost this province a lot of money. There is no way, no way at any time, that Mr. Cass-Beggs didn't know what he was costing the people of this province.

MR. DESJARDINS: How do you know to call us people liars?

MR. JOHNSTON: Because it's right here.

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MR. DESJARDINS: But it isn't there.

MR. JOHNSTON: It's right here. Well, I tell the honourable member, read the report as far as the channels are concerned. Read the report as far as the surveys that were done on the channels.

MR. DESJARDINS: Read it.

MR. JOHNSTON: Read it all and you'll find that there was not any proper preparation done for the Lake Winnipeg and Jenpeg.

MR. DESJARDINS: You call people liars and that is supposed to be all right.

MR. JOHNSTON: And, Mr. Chairman, if the honourable member keeps speaking from his seat saying that I'm calling Cass-Beggs a liar, I haven't said that but I'll come damn close to it. He purposefully mislead this House, the committees he was responsible for, his board and everybody else, for the benefit of political decisions to save face for the previous government.

MR. SPEAKER: The Member for Winnipeg Centre.

MR. J.R. (BUD) BOYCE: Mr. Chairman, I thought that we were in Interim Supply, that we were considering. . . but we seem to be into this particular debate, and it's very interesting.

Mr. Chairman, the only reason that I entered the debate at this time was that somebody seems to take affront to the fact that they were called simple MLAs. You know, if I ever become anything else except a simple MLA, I think it's about time I left.

But, Mr. Chairman, it's very interesting. I think it's regrettable that Mr. Tritschler allowed himself to get into this position, because to be a commissioner of one . . . Now, I will confess, I will admit that I know precious little about the difference between a joule and a jowl . . .

A MEMBER: A who?

MR. BOYCE: A joule, j-o-u-l-e, or a die or an erg or anything else. I don't purport to be an authority on hydro-electric energy. But, Mr. Chairman, for those people that weren't in the House at the time, I remember the former Leader of the Conservative Party standing in this House and taking \$33 million worth of reports and piling them on the desk and throwing them on the floor and spitting on them.

It used to be, Mr. Chairman, that you took a book and you looked at the back of it and you skimmed through the bibliography to see what bias this thing was written by, debased. In fact before that any book that was published had to have the imprimatur of a bishop in it, and by knowing what the bishop thought you knew what kind of a book it was.

It's regrettable that some of the things change as we move through the centuries, but precious little attention is paid to bias. This much abused word of research, that I go and if I want green answers, I go get a green man and if I want orange answers I go get an orange man.

MR. DESJARDINS: Oh God, not an Orangeman.

MR. BOYCE: I guess I'm going to get that boiling river boiling tonight. But, Mr. Chairman, I was shocked, I was astounded because I happened to attend the meeting that the Member for Inkster referred from and heard the bias of this question of this man who is "the" commissioner. If you will recall, Mr. Justice Rhodes Smith never got himself in that position on the former inquiry with the CFI, which you people completely rejected; you completely rejected it, which was given evidence and the evidence was in five volumes of evidence. Evidence, invoices, statements by experts completely rejected. This is nothing but opinion. It's just opinion. And the First Minister stood up here today and gives us evidence, opinions, and he's a lawyer; he's a lawyer.

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MR. EINARSON: The evidence was their Hydro bills.

MR. BOYCE: The evidence was their Hydro bills. When I said earlier I didn't know much about the difference about a joule and a jowl, I do know that there is some comparability that you can convert energy, BTUs this way or that way, converting it from gas or some form of energy can be converted to another. But, Mr. Chairman, some of the arguments that I have heard flowing from the government in defense of this document, they're just incredible. Because the basis issue is where is the \$600 million; where is the \$600 million? It's not there. And that's the only thing at issue, that you have said that we wasted \$600 million - no, \$700 million, I'm sorry - on the sequence. It is not true. It is patently false for you to stand and pretend that that document, as bad as it is, and it's a bad one, from a technical viewpoint on how it's written, the inconsistencies in it. You know, if an argument is valid on Monday, it should be valid on Tuesday, Wednesday, Thursday, Friday, on page 117, 118, 132, through a book. And he mixes fact and fiction as if they were the same thing; they are not. I hope everybody in the Province of Manitoba reads that ludicrous thing. And I hope everybody in Manitoba listens to the fallacious debates that have taken place here the better part of today.

The Member for Lakeside, and I respect the Member for Lakeside because we have had some excellent debates with the Member for Lakeside and he's never backed off from the position that perhaps he should have proceeded, as he had the authority at the time, to issue the permit to go for 35 feet, or we wouldn't be debating this; it would have been an error and I think even that government will admit that it would have been an error, a disaster, but these \$33 million of studies, even to what effect did it have on the ducks, I think it was that extensive.

But, Mr. Chairman, the fact that Alberta is in a position. . . Gosh, wouldn't it be wonderful if we could charge all the people in Canada the cost of development of the hydro-electric potential of the north, as Alberta is able to charge all Canadians for the development of the Syncrude or the tar sands, because that's what's happening there. And when we get down to the final analysis fifty years from now, this is what Manitobans are going to be looking for, is how prudently we discharged our responsibility to future generations.

I used earlier in a couple of debates the term "regressive" Conservative because years and years and years ago we have Progressive Conservatives in Manitoba, and especially in the City of Winnipeg where the Winnipeg Electric Company was charging 17 cents a kilowatt hour, 17 cents a kilowatt hour, and the people in the City of Winnipeg got together and built a plant on the Winnipeg River that paid for itself. And this is what we're talking about. --(Interjection)-- If the Member for Rock Lake has a question, I'll be glad to answer.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to ask the Member for Winnipeg Centre why he does not address his remarks to the announcement made by the First Minister this afternoon, instead of the Tritschler Report.

MR. BOYCE: Mr. Chairman, I am going to end my remarks right now because the Member for Rock Lake has put it right there. They don't want to talk about it. They don't want to talk about the Tritschler Report because nowhere does it prove their case that the former administration wasted one cent of public money in the Province of Manitoba.

MR. CHAIRMAN: Interim Supply.

Resolved that a sum not exceeding \$568,587,270, being 30 percent of the amount of the several items to be voted for departments as set forth in the Main Estimates for the fiscal year ending March 31, 1981, laid before the House at the present Session of the Legislature, be granted to Her Majesty for the fiscal year ending the 31st day of March 1981--pass.

A MEMBER: I move committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise.