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BAIZLEY, Obie	Osborne	185 Maplewood Ave., Winnipeg 13
BJORNSON, Oscar F.	Lac du Bonnet	Lac du Bonnet, Man.
CAMPBELL, D. L.	Lakeside	326 Kelvin Blvd., Winnipeg 29
CARROLL, Hon. J.B.	The Pas	Legislative Bldg., Winnipeg 1
CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
CORBETT, A. H.	Swan River	Swan River, Man.
COWAN, James, Q.C.	Winnipeg Centre	512 Avenue Bldg., Winnipeg 2
DESJARDINS, Laurent	St. Boniface	138 Dollard Blvd., St. Boniface 6, Man.
DOW, E. I.	Turtle Mountain	Boissevain, Man.
EVANS, Hon. Gurney	Fort Rouge	Legislative Bldg., Winnipeg 1
FORBES, Mrs. Thelma	Cypress	Rathwell, Man.
FROESE, J. M.	Rhineland	Winkler, Man.
GRAY, Morris A.	Inkster	141 Cathedral Ave., Winnipeg 4
GROVES, Fred	St. Vital	3 Kingston Row, St. Vital, Winnipeg 8
GUTTORMSON, Elman	St. George	Lundar, Man.
HAMILTON, William Homer	Dufferin	Sperling, Man.
HARRIS, Lemuel	Logan	1109 Alexander Ave., Winnipeg 3
HARRISON, Hon. Abram W.	Rock Lake	Holmfild, Man.
HAWRYLUK, J. M.	Burrows	84 Furby St., Winnipeg 1
HILLHOUSE, T.P., Q.C.	Selkirk	Dominion Bank Bldg., Selkirk, Man.
HRZHORCZUK, M.N., Q.C.	Ethelbert Plains	Ethelbert, Man.
HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
JOHNSON, Hon. George	Gimli	Legislative Bldg., Winnipeg
JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
KLYM, Fred T.	Springfield	Beausejour, Man.
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LYON, Hon. Sterling R., Q.C.	Fort Garry	Legislative Bldg., Winnipeg 1
MARTIN, W. G.	St. Matthews	924 Palmerston Ave., Winnipeg 10
McKELLAR, M. E.	Souris-Lansdowne	Nesbitt, Man.
McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
MORRISON, Mrs. Carolyne	Pembina	Manitou, Man.
ORLIKOW, David	St. John's	179 Montrose St., Winnipeg 9
PAULLEY, Russell	Radisson	435 Yale Ave. W., Transcona 25, Man.
PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
REID, A. J.	Kildonan	561 Trent Ave., E. Kild., Winnipeg 15
ROBERTS, Stan	La Verendrye	Niverville, Man.
ROBLIN, Hon. Duff	Wolseley	Legislative Bldg., Winnipeg 1
SCARTH, W.B., Q.C.	River Heights	407 Queenston St., Winnipeg 9
SCHREYER, E. R.	Brokenhead	Beausejour, Man.
SEABORN, Richard	Wellington	594 Arlington St., Winnipeg 10
SHEWMAN, Harry P.	Morris	Morris, Man.
SHOEMAKER, Nelson	Gladstone	Neepawa, Man.
SMELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
WITNEY, Hon. Charles H.	Flin Flon	Legislative Bldg., Winnipeg 1
WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, March 22nd, 1961.

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.
Reading and Receiving Petitions.
Presenting Reports by Standing and Select Committees.
Notice of Motion.
Introduction of Bills.
Orders of the Day.

HON. STERLING R. LYON (Attorney-General) (Fort Garry): Before the Orders of the Day Sir, I should like to call to your attention the presence in the Speakers' gallery facing you, of 40 members of the Canadian National Railways Veterans' Association which as you probably know Sir, is an organization of retired railway employees with a membership of some 700 members. They are here today under their leader Mr. Alking -- these are all pioneer railwaymen I am advised from all departments of the railway, some of them have had from 40 to 50 years of service with the C.N.R. when they retired. I am sure that you, Sir, on our behalf would like to wish them a very enjoyable and profitable stay with us this afternoon and we hope indeed that they will come back and see us on many other occasions.

MR. RUSSELL PAULLEY (Leader of the CCF) (Radisson): Mr. Speaker if I may I would like to join in the welcome to these gentlemen who are with us this afternoon from the greatest public enterprise, I believe, in the whole universe, namely the Canadian National Railroad. (Interjection) -- one which occasionally receives it -- not Mr. Speaker, as evidenced here last evening. These are the men Sir, who have pioneered in the railroading industry in Canada. No longer do we across Canada hear the whistle of the old steam locomotive. Many of these gentlemen pulled the throttle on those engines. Many of them worked in the shops which created those box-cars, passenger cars and the other implements that are used in railroading. They have earned their just due, a comfortable pension which at times, while inadequate, allows them to enjoy life and to take under consideration all of the factors which govern our country and our daily lives. I want to join Mr. Speaker in a welcome to them, and may I as one down in this Chamber here this afternoon, say to them, that we in the Province of Manitoba should recognize and appreciate the job so well done, and may you be spared for a long retirement of enjoyment and comfort.

MR. W.G. MARTIN (St. Matthews): Mr. Speaker, I would like to draw your attention to a group of young people in the gallery to your left. Evidently Sir, this is the day when life begins at 40, because we have 40 senior citizens here, distinguished citizens, and we have 40 young distinguished citizens there in the gallery on your left. They are from St. Paul's College, students in Grade X and are here under the direction of their teacher, Father O'Neill. I trust Sir, that this afternoon, as they listen and watch the hurly burly of debates, they will discover something of the challenging aspect of our democratic way of life, that they will have an interesting and profitable time, and it will not be long before they will be with us again.

MR. MORRIS A. GRAY (Inkster): Mr. Speaker, I didn't know that such an organization exists as ex-C.N.R. employees otherwise perhaps I would have joined it, because I have helped lay piles 45 years ago on the railway. But I also have another question. I want to call the attention of the Attorney-General, who is the General Manager of the Headingly Hotel in this province. The other day -- yesterday I think, we had a notice in the paper where one who was sentenced to 20 months at Headingly Gaol, begged the judge to give him even 24 months in Stony Mountain Penitentiary -- (Interjection) -- the old hotel. This is something unusual and I think perhaps after the Attorney-General has spent so much time outlining the benefits and the privileges that we have in the Headingly Gaol, must have failed in his attempt, because when a man asks for a longer sentence, it seems to me that Headingly Gaol -- and I'm speaking seriously now -- is not giving a man the hopes of rehabilitation as the penitentiary; so I thought perhaps the Attorney-General may get this and make a note to see whether he could serve -- give the same service as the penitentiary.

MR. LYON: Mr. Speaker, this matter is of course under appeal and strictly not a matter for debate in the House, but I can only advise my honourable friend that not too many of these

(Mr. Lyon, cont'd.) . . . people who have come to visit the institution of which he tells me I am General Manager, usually consult me about their likes and dislikes as to what goes on in there. I admit it is an unusual type of case, but perhaps the circumstances are such where the person who is going or was committed to that institution has been there a number of times and would like perhaps a change of vista, I don't know.

MR. SPEAKER: Orders of the day.

MR. L. DESJARDINS (St. Boniface): Mr. Speaker, I deem it a privilege indeed to add a few words of welcome to those already spoken by the Honourable Member from St. Matthews, a word of welcome to the boys of Grade X, St. Paul's College. This group is a little unusual; that is the college, the building itself is situated in the constituency of my honourable friend and it looks like it might stay there for a while, but I think that the boys represent most of the constituencies of Greater Winnipeg and maybe some of the rural points in Manitoba. These boys are very fortunate indeed as they have as teachers those great educators the Jesuit Fathers and I am sure that they are making the best of it. I hope that they will like what they see today, especially if they watch this side of the House I think that they will be impressed, and I must say that we hope that some more of them will be down here with us one of these days. At the present, my honourable colleague from Ste. Rose and myself are old boys of St. Paul's College and we are very happy to welcome them here today.

MR. SPEAKER: Orders of the Day.

MR. E. GUTTORMSON (St. George): Mr. Speaker, is the Minister of Agriculture prepared to give me an answer on my question of yesterday, regarding the findings of the drilling at St. Norbert?

HON. G. HUTTON (Minister of Agriculture) (Rockwood-Iberville): Well they found water, and it's not uncommon when you drill down to bed-rock to find water, and that's about the extent of the explanation that I can give to you as to what happened.

MR. GUTTORMSON: Mr. Chairman, the Water Control and Conservation is quoted as saying that they did find a lake there. I was wondering if it was more serious than the Minister makes it out to be today.

MR. HUTTON: It might be more serious if we didn't find water when we drill down to bed-rock. They refer to them as lakes but actually it is supplies of ground water that they are drilling through, and at times when they are drilling it's a problem to be dealt with; but it's not an uncommon thing to run into a ground water when you are drilling to any depth. My department wasn't at all surprised that there was water beneath the river; they wouldn't be surprised to find water anywhere in the Red River Valley when they -- yes -- it has been suggested that that's why people drill wells -- to find water. When you drill a hole in the ground for any other purpose, you may very well run into water.

MR. SPEAKER: Orders of the Day.

MR. G. MOLGAT (Ste. Rose): Mr. Speaker, before the Orders of the Day I wonder when I may expect a reply to my orders for return addressed to the Minister of Public Works with regards to the Norquay Building? This was tabled in the early part of March; similarly in regards to access roads also the early part of March, and the Minister of Agriculture regarding crop insurance areas in the latter part of February.

MR. E.R. SCHREYER (Brokenhead): Mr. Speaker, before the Orders of the Day I would like to direct a question to the First Minister. I would like to ask the First Minister if the government has any policy with regard to compensation to municipalities for loss of tax revenue as a result of land being taken up by the proposed floodway?

HON. DUFF ROBLIN (Premier) (Wolseley): My honourable friend is asking me to comment on a matter of policy which I am not prepared to do at the present time.

MR. SPEAKER: Orders of the Day. Committee of Supply.

MR. ROBLIN: The second readings of Bills please, Mr. Speaker.

MR. SPEAKER: Second reading of Bill 39. The Honourable the Minister of Public Utilities.

HON. J.B. CARROLL (Minister of Public Utilities) (The Pas) presented Bill No. 39, An Act respecting The Manitoba Hydro-Electric Board for second reading.

Mr. Speaker put the question.

MR. CARROLL: Mr. Speaker perhaps I should say a few words on this occasion by way of what this Bill is intended to do. The Bill merely provides the mechanics whereby this

(Mr. Carroll, cont'd.) amalgamation of our two electric utilities can take place. All the essential features of the Hydro-Electric Development Act and the Manitoba Power Commission Act are included in this Bill, together with those features which are made necessary as the result of this amalgamation. We are also providing for the amalgamation of the Winnipeg Electric Company which is a wholly owned subsidiary of the Hydro-Electric Board, and we're providing for the power sale agreement between the three electric utilities in the province. The Bill also sets out the powers of the corporation; the powers of the Board and the powers of the Board with the approval of the Lieutenant-Governor-in-Council. I think we're setting them out possibly a little more clearly in this Bill than they were in the Bill previously, at least in the present statute. Now the functions of the Hydro-Electric Board and the Power Commission are probably not quite as clear cut as they might appear to be to most people, because we have the anomaly of the Power Commission which is essentially a distribution agency, of being also in the business of electric generation. They own the generating facilities in the Town of The Pas and they have certain portable generating units which have been used in Thompson, they have been used in Snow Lake and are presently being moved to Grand Rapids to provide power during the initial stages of construction at Grand Rapids. On the other hand we have the Hydro-Electric Board in the business of direct sales to International Nickel, to the San Antonio Mines, the Manitoba Paper Company, also to the Electric Utility in Ontario and in Saskatchewan.

I think what I would like to do is to go back to have a look at what happened when the Manitoba Hydro-Electric Board was first set up and why the utilities were not amalgamated at that time -- why they weren't incorporated into one utility. I think that if we look back we will recognize that the Manitoba Power Commission at that time was engaged in a very large rural electrification program and their time was pretty well taken up with the magnitude of this undertaking. On the other hand the Hydro-Electric Board was concerned with the building of an organization to begin with and then concerned with the generation and eventually the co-ordination of the electric generation on the Winnipeg River to make the fullest utilization possible of the waters that flow down the Winnipeg River. I'm advised that the senior people in both of these utilities did anticipate an ultimate amalgamation. They did seem to feel that this would be the best way of handling the power generation distribution facilities within the province; and as a matter of policy these utilities were very careful not to place any barriers in the way of ultimate amalgamation. Now the two utilities as you know are very large; I think they have assets in excess of \$300 million and they're expanding at a very rapid rate, something in excess of \$25 million a year. With the increase in generating capacity in transmission and distribution facilities we recognize that it does require additional staff -- larger organizations with which to perform the functions which have been assigned to them -- and we feel that an amalgamation will make possible the best utilization of the staff which is available to us. We've decided that the future growth of the utilities can best and most economically be accomplished by an early amalgamation. There are many departments and many functions which are performed by these utilities which are common to both. Departments such as purchasing, personnel, property management, office management, customer relations, planning and load forecasting, design and operating procedures, marketing, and in the field of technical and engineering services. The amalgamation will possibly not mean any substantial immediate savings in the operations of the utilities, but we do feel that it will mean a more efficient utilization of our existing personnel; it will cut out the possibility of duplication of services, and in the future it will mean that our future increases will be minimized. Now in considering the amalgamation we've given careful consideration to the agreement which is in existence between the City Hydro, the Hydro-Electric Board and the Manitoba Power Commission which is commonly known as the power sale agreement. This agreement runs until March 31st, 1964. It provides for the interconnection and the co-ordinated operation of the three power systems and provides for the cost-sharing of those facilities which are jointly used by the utilities. Through this agreement we feel that we've been able to maximize the output on the Winnipeg River and have been able to minimize investment in generation, in transmission and in terminal facilities. The pooling of these facilities has been a major factor in maintaining the very favourable power rates that we have in the province at the present time. It's also made possible the interconnection that we have between both Ontario and Saskatchewan and has meant greater reliability and a greater assurance of continuity of service. The power sale agreement makes provision for the allocation of costs

(Mr. Carroll, cont'd.) between the utilities. It provides for the apportioning of the Hydro-Electric Board costs between City Hydro and the Power Commission. The formula provides that the costs related to city redistribution are to the account of the City Hydro; and similarly the costs relating to rural distribution are to the account of the Manitoba Power Commission. We've established a system of accounts which we feel will assure that the costs arising out of the amalgamation which relate only to generation and transmission will be transferred to the city -- that's the major transmission not the distribution system will be transferred -- a portion of that will be transferred to City Hydro. We're satisfied that the present plans will give the same protection to the City Hydro as the power sale agreement and in fact the statute says that this must be done. Full particulars of the accounting procedures and so on that have been developed have been forwarded to the officials of City Hydro and we are confident that procedures will be satisfactory to those people.

A question was raised earlier as to the name by which the new corporation would be known; we said at that time it would be the Manitoba Hydro-Electric Board. This is because there are many millions of dollars outstanding in the name of the Hydro-Electric Board at the present time. This name is known and respected in the money markets of the world and we will be having to raise very substantial funds in the future for the completion of our existing plans for generation plus the future demands of the province for generating and distribution capacity. The Bill calls for the properties and assets and responsibilities of the Power Commission to be invested in the Hydro-Electric Board. The Bill also provides that the new corporation may be known as Manitoba Hydro. This is a name which is often attached to both utilities at the present time. I'm thinking of the sign that we see in the country that says: "Your Hydro- use it". Many people refer to the Power Commission at the present time as the Hydro, Manitoba Hydro. We feel that there will be no great confusion resulting -- in fact there will be some clarification in the minds of many people who don't fully understand the differing functions of these utilities at the present time. The Winnipeg Electric Company as I mentioned is a wholly owned subsidiary. The trusteeship agreement under which they operate provides for amalgamation and this Bill gives authority to the Hydro-Electric Board to be able to take them in as an amalgamated body and of course with the authority of the Lieutenant-Governor-in-Council. The Bill also provides that all the obligations and responsibilities entered into by either of the corporations before become a responsibility of Manitoba Hydro. Protection is being offered to the employees, all employees of the Manitoba Power Commission automatically become employees of Manitoba Hydro on amalgamation.

I'd like to say that in the two and a half years that I've had something to do with these two utilities, I've developed the greatest respect for the people who run the utilities and for the staff which operates them. We have the very highest regard for their competence and efficiency and it's been a great pleasure for me to have been associated with them. I'd like to say that the change is not taking place because the government is unhappy with the way the utilities have been performing but only because we feel that by amalgamation they will be able to continue to do a better job for the people of the province and for the power consumers in the Province of Manitoba.

MR. D.L. CAMPBELL (Leader of the Opposition) (Lakeside): Mr. Speaker, I have a couple of questions that I'd like to ask if I may. First, is it expected that there will be a decrease in the over-all number of employees as a result of this amalgamation? And secondly, is the Minister able to tell us the date on which one of the City Hydro plants becomes available to the province if it wishes to exercise its authority in that regard?

MR. GRAY: Mr. Speaker, tragically it comes to my mind at this moment the work in this House

MR. ROBLIN: I'd like on a point of order, Mr. Speaker, to inquire of the Leader of the Opposition if he wished for an answer now so that he may speak himself on this debate or if he would be happy to hear the answer later. (Interjection) He doesn't mind? Thank you.

MR. GRAY: I said, tragically it comes to mind certain individuals who have served this House in years gone by - men like Mr. Dixon, Mr. John Queen, Mr. Ivans and others, Mr. Farmer - who have for years fought the nationalization of the Hydro-Electric system and all its branches in this province, and every time they had strong opposition and have not been able to accomplish anything. And it's history when we see a Minister of the Conservative

(Mr. Gray, cont'd.) administration defending, actually, what they have fought for centuries for the very same idea and the same reasons. So I'm very, very happy now, and I regret that those gentlemen are not here today -- they would have a real pleasure, a real pleasure and comfort to see that their dreams and ideas have come true. And I want to call the attention of this House that many ideas which look foolish today, advanced by our group, will come true the same as this here amalgamation and the nationalization and the public-ownership of such an important department as the Hydro. People today get up in the morning and put on the switch and they have hot water and a hot breakfast, but they still do not realize what it means by bringing the power to the house. There is somebody somewhere in the wilderness who don't sleep all night to see that we here get our comfort of power, light, electricity and so on. I just want to mention this, to those, particularly to those members, who have not been here 25 or 30 years ago when this very question has been fought day in and day out, and I'm happy to be one of those who will record this very wonderful historical event. And I'm sure that the Minister of Public Utility, his name will be recorded in the history of Manitoba that he was the one to introduce a bill when other members for 25 or 30 years have rejected it. This is just a one moment general statement. Now I want to ask two or three questions. Was this bill requested by the Metro? I'm not suggesting it; I'm only asking an innocent question. Has the Cabinet or what they may call it, the Lieutenant-Governor-in-Council, any responsibility over the action of the board who are entrusted as the Minister stated -- a \$300 million utility; a \$300 million investment -- are they entrusted with the total administration? My last question is, they mention about expropriation in the bill -- is it still necessary? And finally, is a member of seven sufficient to administer such a huge business owned and operated by the people of the province?

MR. PAULLEY: Mr. Speaker, I'd like to say just a brief word or two in connection with the bill. I do believe that by the amalgamation of those concerned with the generation and distribution of Hydro-Electric Power that it is a step in the right direction. My colleague has pointed out this is something that has been thrashed out years ago and had been felt desirable and is now coming to fruition. Now I haven't had, or taken the opportunity of fully considering all of the aspects of the bill. There are one or two items that have caught my attention and that I wish to raise at this particular time.

The Honourable the Leader of the Opposition made reference to the status of the employees insofar as the amalgamation is concerned. The Honourable the Minister when he was speaking mentioned the fact of the good service that has been rendered by the employees. I would like to ask of him what is going to happen in respect of the bargaining agent of the two present corporations? It is my understanding that at the present time there is one organization which is the employees' representative of one of the two major parties in connection with this amalgamation, and then there is a different organization in respect of the other company. I would like the Minister, if he could, to indicate to us what will happen when the companies are amalgamated, in respect of the representative labour organizations. Also I was very very interested to hear the Minister make some comment of the fact of the agreement between the City of Winnipeg and the Hydro-Electric Board of the Manitoba Power Commission. I note that it expires in 1964 and we all know that at one time we had a proposition before us in the Greater Winnipeg area of all the utilities coming under one jurisdiction, and I'm pleased to note that the consultations are going on between the City of Winnipeg, Hydro and the government in respect of this.

There's one very important part of the bill, Mr. Speaker, that I raise strenuous objections to. I note that there is a provision contained in the bill which will make it possible for a member of this Assembly to be a member of the board, charged with the responsibility of conducting the affairs of not only the generating but the distribution of power here in the Province of Manitoba. I think it is a fact, Mr. Speaker, that for many, many years attempts have been made in our assemblies and all jurisdictions to make it impossible for any political influence other than the appointment of a board in utilities of this nature. The section says that notwithstanding anything contained in the Legislative Assembly Act, any member of the Assembly, including a member of the Executive Council, can be a member of the board; can receive remuneration for his services and on receipt of these will not be debarred from his seat in this Legislature. I think, Sir, that that is wrong. I do not think that any member of this Legislative Assembly who is answerable to people for his actions in constituencies should have the

(Mr. Paulley, cont'd.) right to sit on a board which has such tremendous influence in the Province of Manitoba as the Hydro-Electric Board will have. Because when one reads through the Act itself there are illustrations of vast power in the bill itself; powers which deal with making provisions in certain areas, or any area of power itself -- can give assistance to customers -- yes, give assistance to customers. It can, as my honourable friend mentioned, under the powers of the Act -- and I think they are essential at times -- under the power of the Act to undertake expropriation proceedings. I respectfully suggest, Mr. Speaker, that this is a clause which should be removed entirely from this Act. I frankly confess that I have not looked up the former Act of the Manitoba Power Commission or the Hydro-Electric Board to see if this provision was in those Acts. If it was I respectfully suggest to the Minister of Public Utilities that this be removed from here. We do not want in this vast organization, which is reputed to have under its control an operation worth \$300 million, we do not want to have in the interests of fair play any member of this Legislature having the influence which a member of the board will have if he's doing his job on this huge corporation. And so I say again to the Minister, take a second look at this because it could lead to the suspicion of our general public of political interference in this great enterprise. I suggest that what we have now at the present time, we have an elected representative and a Cabinet Minister who is charged with the overall responsibility of answering to this Legislative Assembly as to the actions of the corporations under his department; I think it would be a travesty of justice if he were to answer, or anybody else, be able to sit into this Legislature and be at the same time a member of the board. Now, Mr. Speaker, there may be other items in the bill itself, and sections in the bill itself, that we will be raising questions on in the committee and also possibly on third reading. But I repeat, let not any member of the board be a member of this Assembly or of the Executive Council. Let's keep entirely insofar as elected representatives are concerned, any association with the board of management with this huge undertaking.

MR. J.M. FROESE (Rhineland): Mr. Speaker, I came in a little late and the Honourable Minister was speaking when I came in. Maybe he has already mentioned this fact but I would like to know whether the rates charged by the two firms are identical for hydro power and if any change in rates is contemplated at the time of this amalgamation?

MR. F. GROVES (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member from Winnipeg Centre that the debate be adjourned.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Second reading of Bill No. 48. The Honourable the First Minister.

MR. ROBLIN presented Bill No. 48, An Act to amend the Loans Act for a second time.

Mr. Speaker presented the Motion.

MR. ROBLIN: Mr. Speaker, this is a relatively routine matter that has been made necessary by the decision to issue the Manitoba Savings Bonds. The purpose of the amendment is to make it clear that the government has authority to issue securities redeemable in advance of maturity, either by the government or on demand of the holder; and also that we have authority to provide a premium, that a premium may be paid on such redemption. This, of course, is something new in issues of this sort as far as the Province of Manitoba is concerned, and it was deemed advisable by our Legislative Counsel to make it perfectly clear that this innovation was in fact covered by the legislation under the Loans Act, hence the bill.

MR. GRAY: Mr. Speaker, may I direct a question to the Provincial Treasurer. Does this have anything to do with the present loan -- with the present bond sale? Has this anything to do with the present bond sale?

MR. ROBLIN: Yes, it has.

MR. E.I. DOW (Turtle Mountain): Mr. Speaker, I think this is the first opportunity that we have had in this session to express ourselves in regard to the Manitoba Savings Loan, and I would like to, Sir, point out my views on this in particular. I might say at the outset that from a buyer's point of view these bonds are a most excellent value, and when you consider that they're practically demand issue, that demand money at the rate of return with no market risk makes it a wonderful value for the buyer. If interest rates increase the bond holder redeems his bonds and reinvests at a higher interest rate; but if they decrease he holds his bonds and the government has no redemption rights. Now, Sir, these in my opinion are sold on the basis of being somewhat similar to the Canada Savings Bonds, and I would like to point

(Mr. Dow, cont'd.) out this that has been an established fact, it has been long recognized that the annual Canada Savings Bonds issued to the Federal Government yield the highest cost money to the Federal Treasury. However, the Federal Government appears to continue this sale and these issues largely I think, because of the payroll savings plan. I would suggest, Sir, that the payroll savings plan is set up to encourage savings by wage earners, and therefore I think it is quite true to say that it is part of the Federal Government's anti-inflation program. But Manitoba Savings Bonds are not available as payroll savings, and I would also suggest, Sir, that even if they were we haven't got too much to do with by way of responsibility of an anti-inflation policy.

I wish to point out Sir, that in December of 1960 the Province of Manitoba sold \$11,500,000 20-year term bonds at a money cost to them of 5.92 percent. The province has no obligation to redeem prior to maturity and the interest rates have declined a little since that issue was sold. Now Sir, the part that I wish to bring to the attention of this Assembly -- admitting that this is a wonderful buy for the person buying -- I do wish to point out this is very expensive money for the Province of Manitoba. It was admitted, I believe, to a question the other evening that the commission on these bonds is one percent. Now there's another cost that enters the picture that -- I am going to have to assume in my figures, and I don't know whether I'll be exactly right or not but I suggest I'll be close -- that there is a cost for the processing of these bonds through the legal departments, through the printing departments and through the servicing of paying of interest, and I am going to assume Sir, that the cost of that is approximately half of one percent. So if you take the half of one percent and the one percent commission, making a dollar and a half, the net return to the province is 98.50 per hundred. Now the issue as set out is that they are redeemable at the end of six months, and I don't profess to be a good mathematician, but in my opinion -- the date of purchase is April 1st, 1961; the first redemption date is October 1st, 1961 and the price that the government will pay the purchaser is \$100.00 and in my way of figuring that's costing the Province of Manitoba eight percent. And Sir, I claim that for demand money at six percent -- and there is nothing to say in the issue that the full amount, whether it be four million, ten million or twenty million dollars, won't have to be redeemed at the end of the six months period -- and I think we're putting ourselves in a very very critical position to have to go to the people on demand money at eight percent, because institutions over the years have always paid a much lower rate of interest for demand money and a higher rate for long-term money. Now if you process this issue down through the years and taking the same consideration of 98.50 as the net to the province, plus the premium at the end of five years of 50 cents, that costs the province 5.4 percent for the use of the money. If you go to the seven year period and add the premium of one and a half, that nets the province that they have to pay or the cost to the province is 5.5 percent. Now if you go to the ten year period and pay the premium of \$3.00 that makes the money cost at 5.5 percent. Now I have now quarrel at all Sir, with the five, seven and ten years, but I do have a quarrel, in my opinion, that we in the Province of Manitoba that have always stood out that our security and our opportunity of borrowing is quite good, the record over the years has been that we could borrow as low or lower than any other corporation in any type of Legislature, should now put ourselves in a position that we have to pay and are subject to pay at cost money of eight percent to us in the Province of Manitoba.

Now Sir, I don't want to dwell too long on it, but I would like to just leave this as a question, that assuming that \$10 million of these bonds are sold by the first of April and that the interest rate does go up even a small amount, I am going to suggest to you that the very sharp investor or the prudent investor, he will exercise his right of redemption, and then the Government of the Province of Manitoba must borrow money by conventional means -- and I believe the bill before us now is -- chargeable to the consolidated fund by over-draft and so on -- that the government must borrow money by conventional means at the prevailing -- which would be a higher rate of interest and create a new series of bonds bearing competitive interest rates. This would mean that the government has paid eight percent money plus the expense of the new issue, and I personally can't see how the government can win under this type of condition. Now if you wish to take it personally, and as a matter of sound financing planning for business or to borrow demand money for a long term project, would you think it prudent for an individual to borrow demand money for the purpose of purchasing a home when he knew it would take him 20

(Mr. Dow, cont'd.) years to pay for it, and be subject to giving a premium of at least two and a half percent at any time to the man that has the mortgage, Sir?

MR. ROBLIN: Mr. Speaker, if no one cares to speak I could perhaps make comment or two. In reply to the question of the Honourable Member for Inkster. Yes, this has to do with the Manitoba Savings Bonds. I'd also like to make a few remarks about what the Honourable Member for Turtle Mountain has said, because he has said nothing that I have not already said or implied when discussing this particular matter in the House. I made it clear in answer to a question from the honourable member for the CCF Party, I think it was the Honourable Member for Inkster, that we did not really expect this to be really cheap money, and we also made it clear that we had no means of knowing exactly what the rate of redemption or the rate of encashment might be. That is the reason why we intend to proceed with a certain degree of caution in respect of this matter. It's not very difficult to do what the Honourable Member for Turtle Mountain did and set up a combination of all the most adverse circumstances, invoke them all at once and say this is too expensive money. If you follow his line of reasoning and if events turn out that people cash their bonds at the end of six months or whatever the term was that he said, it certainly would be unsatisfactory as far as the Province of Manitoba is concerned; but all the advice and experience that we can get is that this is not very likely to happen. He overlooks entirely the fact Sir, that we have purposely made it rather difficult for institutions to get very much of this money, because we know very well -- we're not that stupid -- we know very well that institutions and people who have money to invest for short term would like to get a great deal of this particular kind of bond issue for the very reasons that he mentions; but we're not aiming for that kind of money. We have limited it first, to \$25,000 per customer so to speak which in my language is a lot of money, but in terms of the kind of investment that goes on in this kind of security on a short term basis is not a very large sum of money; and secondly, we have limited to people who live in the Province of Manitoba. In other words we have no intention of allowing this fund to be raided, if you want to use that expression, by people in Toronto and the big money markets who have large amounts of cash money that they want to invest for short term periods and get an interest rate of this sort. It is for exactly the same reason that other people who have attempted this kind of a loan issue have done the same. They've done that in Saskatchewan and there are of course limitations on the Canada Saving Bonds as well. So I really don't think that this extremely adverse set of circumstances which he invokes as a possibility, is very likely to happen insofar as we are concerned, and that we will find that a great deal of this money is held for considerable periods of time. One of the reasons, of course, of attaching a premium to the bonds for those who hold them for lengthy periods of time, is to encourage them to do just that, and it has been found in other instances of this sort that that has quite an effect on inducing people to hold their bonds for the full term of the issue. I would point out to him that it is also a relatively short term issue, namely ten years, and that is a protection to us against technical changes in the interest rate structure which may be disadvantageous to us over a longer term than that.

I think that my honourable friend really misses the whole point of this venture -- that may be one way of expressing it -- it's really not because we think this is the only way to raise money, it's really not because we're having trouble going to the capital markets to get large sums of money for the Province of Manitoba, because that isn't the case at all. Why just last month we raised \$25 million in less than 24 hours in the markets of Canada at a very competitive rate of interest, and so it's not a question of our having difficulty in that respect, and he, I think, has missed the entire point. The point of this exercise is to try and secure the interest and the hard cash money of the citizens of our province in the programs of investment which we propose for the development of their own province and their own communities and their own interests right here. We want to get our own people involved and interested in what we are doing and this is one method that we take to do it. No one can say at the present time with any degree of assurance whether the cost of doing this is going to be more or less over the long run and over the term of the issue than the cost of raising money in some other way. You can sit down with a pencil and piece of paper and produce all kinds of permutations and combinations of interest rates and come up with all kinds of answers, but the plain fact is "we don't know". All that we do know Sir, is what has been the experience in other instances and the experience in other instances leads us to believe that this is a reasonable proposition to put

(Mr. Roblin, cont'd.) before the House and one which, I think, would be advantageous in securing the interest and the money of the people of this province in the things that we are trying to do here in Manitoba for them. We do not regard this as particularly cheap money; that point I said and made a long time ago. On the other hand we do not regard it as particularly expensive money either and it is our opinion that over the term of the issue it will turn out to be pretty well as I have stated here this afternoon. But that's something we'll have to wait to find out. We think it's a reasonable thing to do and recommend the bill and the whole proposition to the House.

Mr. Speaker put the question and after a voice vote declared the motion carried.

MR. SPEAKER: Second reading of Bill No. 52. The Honourable the Minister of Agriculture.

MR. HUTTON presented Bill No. 52, An Act to amend The Noxious Weeds Act for second reading.

Mr. Speaker put the question.

MR. HUTTON: This Act includes a number of amendments to the Noxious Weeds Act. It permits the Lieutenant-Governor-in-Council by regulation to designate certain weeds either as noxious weeds or as class one weeds. It changes the reference in the Noxious Weeds Act from a threshing machine to a harvesting machine, adapting the Act to the changes that have taken place over the years and brings it up-to-date. Some of the sections of the Act are re-written and the members in looking over the bill at hand will note what might seem to be large changes; if they read it in conjunction with the act itself, they will notice that it is re-written, that the principles involved in the act are pretty well abided by and that the changes are rather minor. It does provide however, for the Weed Inspector to do more than just cut down or destroy weeds; it permits him to make use of the herbicides and so on in controlling a weed problem. It also includes provision for the setting up of a weed control unit of less than two municipalities. We have one weed control unit in the province at the present time that is comprised of a municipality of more than 12 townships, and the act makes this provision, provides for this circumstance. There is an increase in the penalty of from \$15.00 to \$25.00, that is the minimum penalty; there is also an increase in the and provides for an increase in the amount of work that a Weed Inspector can authorize in respect of the controlling of weeds and charging the costs of this control back to the taxpayer.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Committee of Supply.

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

Mr. Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty, with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Department of Public Utilities, Department X. 1.

MR. CARROLL: Mr. Chairman, I'm sure some of the honourable friends opposite would be disappointed if they didn't hear some remarks on the introduction of these estimates. However, I will say that it's not my intention to make a statement on each item as we come to it in the estimates so I will say what I have to say at this time. During the past year the Motor Vehicles Branch are -- the motor vehicles registrations have continued to increase at approximately the same rate as last year, about 5 percent. Revenues increased from 5.3 million in '59-'60 to 5.5 million estimated for this year. The mail order system of renewals is continuing to function very satisfactorily enabling the staff to handle mail order renewals with the greatest possible speed and with the least delay and it has proved to be a great convenience to the public as well. Further mechanization is being introduced and will be of assistance in our driver improvement and driver control program. We're introducing the use of I.B.M. equipment and punch cards for the handling of our point system.

Increased revenues in the Motor Carrier Board reflects continued growth in the trucking industry in Manitoba. Revenues have increased from \$500,000 in 1954 to \$1,500,000 in '59 and approximately \$1,700,000 in this fiscal year. The granting of franchises to common carriers has resulted in a considerable degree of stability in the industry and it appears to be

(Mr. Carroll, cont'd.) operating to the benefit of truckers, producers and consumers alike. Payments out of the Unsatisfied Judgment Fund during the year amounted to \$160,515. Through the operation of the Safety Responsibility Laws practically all motor vehicles involved in accidents were carrying third-party liability. In 1960, fatalities in Manitoba dropped by 17.7 percent. This compares with an increase for Canada of 1.4 percent. The death rate in the first 11 months of 1960 in ratio to 100,000 of population was 13.8 in Manitoba; compared to Saskatchewan which was 17.2; British Columbia 19.2; Ontario 24.3; and Alberta 26.3. I think that what success we've had in this program, Mr. Chairman, can be attributed to the driver safety program, the program of driver-licencing, driver-improvement and driver-control, which we feel has been working so successfully in the Province of Manitoba. An extension of this program was established last year with the introduction of a driver-improvement clinic in Flin Flon and has further been extended during the past year with the addition of a mobile unit which is presently engaged in a program of testing school bus drivers throughout the province. Ultimately this mobile unit will be used to extend the present driver testing area which extends 25 miles radius around Greater Winnipeg, will be extended beyond this. A preliminary report on the school bus driver testing indicates that it's progressing very satisfactorily in spite of some bad weather just after the system was introduced. Our first report indicates that 120 drivers were tested with a failure rate of four percent. This program is continuing with the excellent co-operation of school boards, school bus drivers, and without any interruption to the school transportation system.

During the year our Highway Traffic and Co-ordinating Board was established to carry out those duties which were assigned to it by recent changes in the Highway Traffic Act. The board, while only recently established, has held hearings and made rulings on all but one of a backlog of applications which had been built up over the months immediately prior to the establishment of the board. Most of the applications were from municipalities requesting changes in speed limits within their boundaries. When an application is received the board conducts investigations to get certain facts before they make their rulings. The procedures that are followed -- they have representations from the applicants stating the reasons for the request; they get reports from the enforcement officers who are working in the area; they conduct special traffic studies by use of radar equipment; they establish the actual speeds that are travelled within the area in question. They do this in co-operation with the Metro authorities, the Metro traffic engineer and with the co-operation of our own traffic engineer in the Department of Public Works. They appraise the density of traffic within the area and consider the accident rates and the physical features of the highway, the width and construction of the roads and things of that kind. At the present time the board is in the process of investigating all of the highway approaches to the Greater Winnipeg area. It's perhaps too early to judge the effectiveness of this particular board but I must say that I am very much impressed with the enthusiasm with which they are attacking those responsibilities which have been given to it.

The License and Registration Suspension Appeal Board has now been in operation for over a year and I would like to report on the activities of that board during the calendar year 1960. The board held 35 hearings; heard 210 applications; have granted remissions to 143; refused 62, and five applications have been heard and decisions on them have been adjourned for the time being.

Under Section 115 of the Highway Traffic Act we had 161 applications; 42 were refused; remissions with no restrictions were granted to 74; and remissions with some restrictions as to driving privileges -- that could be restricted to the use of company vehicles, restricted to the driving of trucks and the operation of a business or restricted to daylight hours or things of that kind.

Under Section 134 of the Highway Traffic Act there were 19 applications; 16 were refused; 3 were granted with restrictions. Under section 115 and 134 we had a total of five applications -- four were refused and one was granted with restrictions. There were 14 life suspensions that came before the board. Eight were refused; one remission with no restrictions, and four remissions with restrictions.

Under the Public Utilities Board you will recall that a year ago the Public Utilities Board was organized and set up and they were given -- it was changed to enable them to devote more time to certain aspects of the work that was done previously by the Municipal and Public Utilities

(Mr. Carroll, cont'd.)...Board. The activities of the board during the past year have been in keeping with this philosophy of re-organization. It's recognized that the function of the board with respect to public utilities is one of protecting the public interests. Regulation in this field is necessary as a result of the normal monopolistic characteristics of public utilities. Regulation is designed to insure that the public receives reasonable and adequate service and that they do so at a price that brings only a reasonable and adequate service and that they do so at a price that brings only a reasonable return on capital investment. It also protects against discrimination in rates between customers and between various classes of customers. In the field of gas utility regulation the board has been looking into all aspects of safety in the operation of gas utilities. The board has made use of consulting engineers in an advisory capacity with respect to construction standards and procedures. Inspection services have been undertaken by the board to insure that the minimum safety standards are being adhered to. The board is presently in the process of organizing a gas advisory committee among those groups and their technical representatives who are especially interested in the installation of gas, services equipment and gas appliances. A uniform system of accounts was established for gas utilities and became effective on January 1st of this year. One gas rate hearing has been held during the past year and two others are planned for the coming year to determine the base rate upon which a reasonable return is allowed to gas utilities. The members will recall the spelling out by legislation of the rate base which is to be established upon which you can determine a rate of return to a utility. This was spelled out as follows: where the rate base is a factor in determining just and reasonable rates or tolls, the board shall allow a rate of return based on a rate base that includes as basic elements: (a) the original or historic cost of assets used and useful and prudently acquired, less depreciation; and, (b) a reasonable amount for working capital required for the operation of the business. We're in the process this year of having rate base hearings for the two remaining companies in the field of gas distribution.

During 1960 an underground structures committee was established in Greater Winnipeg to establish a uniform approach to the location of utility facilities under the streets in the various municipalities in the Greater Winnipeg area. Also during 1960 the Public Utilities Board Act was changed to enable the board to make regulations prescribing standards for construction for telegraph, telephone and powerlines. The board has subsequently passed regulations dealing with these construction standards and we now have a comprehensive regulation dealing with these standards for the first time in the province. During the year the board has established a new approach to rate making with respect to our waterworks utilities. This new approach establishes rates on a fair and equitable basis as between customers and classes of customers, and has already been of some assistance to municipalities in establishing their policies with respect to waterworks' rates. During the year the board has been actively engaged in the administration of the Securities and Real Estate Agents' Act. Both Acts have been extensively reviewed and are being reviewed with respect to the responsibilities of the board under these statutes and it is expected that several changes will be recommended to the House in due course. While the operations of the Board have been somewhat hampered by re-organization during the year, we are happy to say that they appear to have accomplished their tasks during the year with a minimum of inconvenience and without any detracting of the board's responsibility in the protection of the public interest. As you know during the year Mr. Bole came to the Board. He had of course, a special interest in gas distribution and he served with us for a time before going on to service with Metro Government. The board also lost a very faithful and dedicated member in the premature death of Pierre Raimbeault. Mr. Raimbeault also served as a valuable member of the Motor Carrier Board and the Taxicab Board. It is with regret that we have lost this member.

Mr. Chairman, in reporting on the operations of the Manitoba Telephone System this year, I'd just like to touch on some of the highlights of the system's operation. The net gain in telephones this year was 14,493 to make a total of 281,537 telephone subscribers as at December 31st, 1960. The held order list of applications for service hit an all time low with the held order number totalling 89 in the province with no held orders in the Greater Winnipeg area. The conversion program from two party to one party service which was reported to the House last year, has resulted in 9,626 subscribers being upgraded to one-party service. It is interesting to note this service was offered to 16,552 two-party subscribers and approximately

(Mr. Carroll, cont'd.)....42 percent declined the upgrading in service. The value of the telephone plant in the province as at November 30th rose to \$134,600,000.00. Extensions to central office switching equipment in Greater Winnipeg took place in six exchanges, with additional facilities to accommodate 10,900 subscriber services. Exchange office installations were completed at our new town of Thompson with installations of a thousand terminals and dial equipment. Additions of two thousand terminals were provided at Brandon and six hundred terminals at Steinbach. During the past year we had new community dial offices opened up at eight locations throughout the province. These locations are Kleefeld with 500, Niverville 500, Gretna 400, Libau 200, St. Lazare with 200, Sifton with 300, Snow Lake 100, Clearwater 100. Additions to existing automatic equipment were made at 15 other provincial locations. New carrier equipment was installed at numerous points throughout the province, a total of 1694 circuit miles for provincial and Trans-Canada calls established during the past year. This year for the first time scatter radio relay equipment has been installed in Manitoba. This system is between our new town of Thompson and Snow Lake and it's connected from Snow Lake to The Pas by means of microwave. The scatter radio system is a rather remarkable system; it beams a signal toward the horizon; it travels into the air some fifty thousand feet and is bounced back off a layer of cloud which is called troposphere and we have two dishes sitting on either end to transmit and to receive the signals. It's a system that is particularly well suited to the communications needs of the kind of rugged, sparsely settled terrain that we have in many parts of Manitoba, and particularly in the north and in the east. This system has an ultimate capacity of 48 voice circuits; its initial capacity is four circuits between The Pas and Snow Lake with eight circuits from The Pas to Thompson. Additional facilities will be placed on this system as demand requires. A new concept in construction technique was carried out during the year too with the adoption of the buried cable construction in some parts of rural Manitoba. In this technique we make use of a special plow where we plow a furrow, lay the cable and close it up all in the one operation. This we feel will have especially good uses in those areas subject to sleet and storm damage and things of that kind. Long distance traffic continued to increase during the year with 7,058,694 calls being completed. This is an increase of 7.3 percent over the previous year. Total revenues from long distance increased by over a million dollars for a total for the twelve month period ending the 30th of November to \$8,722,582.73. Now during the past few years the system has introduced and completed an extensive program of improved long distance service known as Operator Direct Distance Dialing. This is a program whereby long distance operators located at main toll centres throughout the province were able to dial numbers direct throughout the North American Continent. In its continuing efforts to supply faster and more economical long distance service the System has recently completed an extensive toll study to introduce customer direct distance dialing in the Greater Winnipeg Metropolitan area during the 1964-65 fiscal year. This improved long distance service will eventually be extended throughout the province on a planned progressive program. More commonly known as DDD it is the latest in long distance telephone service and eventually will be in use in virtually every part of Canada and the United States. DDD must be introduced to keep pace with our growing and progressive economy and to meet the ever increasing needs for better and faster long distance service. To enable customers to dial many of their own long distance calls special equipment known as automatic message accounting will be required to automatically record the number called, the number and place to be called, the time of day, the length of the conversation, to compute and produce the bill automatically. Many other technical improvements will be required in our present toll switching machine to implement this program. That's one of the many great technical advances that's taking place in the communications industry and I think it's really one of the most fascinating of all technological improvements taking place -- the great changes that we have in our communications medium. Total revenues for the twelve months ending November 30th, 1960, was \$23,176,889.48. The net surplus for the period ending November 30th is \$762,446.11; this is an increase of some 68,000 from the same period last year.

Now with respect to Manitoba Power Commission, during the last calendar year they added 7,294 customers to their system. Continuing rise and demand and use of power throughout the system resulted in a six percent interest in electrical energy distributed during the year to a total of 1.7 billion kilowatt hours. The system's investment in transmission and distribution

(Mr. Carroll, cont'd.)....facilities increased by \$8 million during the year. Expansion is continuing in northern facilities and equipment and on July 25th the Manitoba Power Commission assumed responsibility for distribution of electrical energy at Churchill, Manitoba. Until this time only partial electrical service was available to that community and it was provided by the National Harbour's Board. We now have approximately 400 services in this area and we're providing street lighting for the first time in the history of the community. With the Kelsey Hydro-Electric station coming into operation in June the diesel electric generators were withdrawn from service and enabled the Power Commission to reduce rates to the rates prevailing at the present time in southern Manitoba. During 1960 there was considerable reinforcement work done in the heavy load areas throughout the province to serve many new industrial customers in the south. The Manitoba-Saskatchewan interconnection was completed by MPC personnel under contract to the Hydro-Electric Board. Improved street lighting projects were undertaken in a large number of communities with this continuing trend towards replacement of the older style fixtures with the modern mercury type fixtures.

Manitoba Hydro-Electric Board. Last year we reported rather fully on the development of the Hydro-Electric Board from its inception; this year we'll deal with some of the current developments on the system. The year 1960 was a very busy and important year for the Board. The 160,000 kilowatt Kelsey generating plant on the Nelson River was commissioned; the Selkirk generating station was officially commissioned by the Premier last October and now...

MR. CAMPBELL: Mr. Chairman, I wonder if I could ask the Honourable Minister, this is the calendar year again. Is it?

MR. CARROLL: Yes, that's right.

MR. CAMPBELL: I appreciate that very much because I think it is helpful to have the calendar year because it sort of brings our records up-to-date. Thank you very much.

MR. CARROLL: The Selkirk generating station was opened and now both the 66,000 kilowatt units are in operation. That was opened last October. Of course there was only the one generating unit at that time placed in service. In November the 138,000 interconnection between Brandon and Boundary Dam in Saskatchewan was placed in service. At Kelsey, we have the first generating station built on the Nelson River and also the first Hydro-Electric plant built anywhere in the world where the forebay is confined by dykes entirely situated on permafrost. As you know, permafrost was one of the unusual problems that confronted the board in the construction of this particular project. Kelsey station is also operated by supervisory control from Thompson which is some 60 miles away, and we understand this is the largest supervisory-controlled hydro station anywhere in existence. The initial loads at Thompson are very large, amounting to 760 million kilowatt hours which is greater than the annual requirements of the City of Edmonton. In spite of the fire which we had at Kelsey last year which was reported to the House, the Kelsey plant was commissioned on schedule in June of last year. The units which are in the Kelsey generating station are the largest that have been so far installed in the Province of Manitoba and they tell me that each one of those units will produce two and three quarters times as much power as was distributed by the Manitoba Power Commission in the year 1946 which is some 14 years ago.

Now with respect to our interconnection we believe that this interconnection will be of substantial assistance to the power systems which are interconnected. Our agreements with the other utilities provide that where energy can be produced more cheaply on one of the other systems the cheaper source is utilized and the savings are divided equally between the two systems so that this will result in substantial saving, we believe, to the power consumers of Manitoba. The interconnection will provide a substantial increase reliability in the event of an emergency and last November we had rather peculiar ice formation conditions on the Winnipeg River which put out several of our plants in operation on the river. It was a freak condition where we had water at temperatures below freezing which were being whipped up by winds forcing the water against the intake side of the powerhouse and as the water touched the crashrack it immediately folds and we have blocks of ice, they're several feet thick and several feet out from the intake, making it virtually impossible to operate our unit from the Winnipeg River. And this of course would have meant substantial disruption in loads had we not been able to call upon the services of both Ontario and Saskatchewan to fill in the gap, and we're happy to say that there was no power disruption on our system at that time. I'm very happy to be able to say

(Mr. Carroll, cont'd.)....that we were able to return in kind to both of these utilities within a month of the time when our system was out. We were of assistance to both the Saskatchewan Power Corporation and the Ontario Hydro-Electric Board. Another benefit to be derived from this interconnection has to do with the reserve capacity, and as you know we must have sufficient reserves to cover any anticipated peak loads in order to cope with equipment failure and other eventualities, and with the interconnection of course, we require less spare capacity with safety and can still provide the service, and of course this means substantially less in capital investment in the system. The Manitoba-Ontario interconnection has made possible the Lake St. Joseph diversion and under this agreement Ontario water is diverted into the Winnipeg River. The result is that approximately 10 percent more energy is obtained on the Winnipeg River. This extra energy is divided equally between Manitoba and Ontario and we make a small charge to Ontario for the power which is generated in Manitoba and returned to them. When Ontario does not need the extra energy we arrange to use it and credit Ontario with either one-half of the fuel saving that we can save on one of our steam generating plants, or one-half of the revenue that we receive when this energy is put into electric boilers. This, I understand, is the first inter-jurisdictional power agreement under which the downstream jurisdiction undertook to pass some of the benefits to the upstream jurisdiction who provided the facilities. The savings to power consumers have been quite substantial and on the average the savings amount each year to more than the total investment in the interconnected facility; so I think this is rather significant. A further benefit to be derived from these arrangements between jurisdictions, has been that we were enabled to make agreements for substantial transfers of power between the jurisdictions. One of the problems as you know that face utilities has to do with the prolonged period required to build load to make large power projects attractive. This was a handicap which confronted us for some time in connection with the Grand Rapids project. The project seemed just to be too large when considered in terms of the annual load gross on the system. Substantial deficits were anticipated during the period of load building. Additional thermo-generation appeared to be the answer to this problem; however, with the interconnection with Saskatchewan in prospect we were able to make an agreement with them. As you know at that time they were anticipating the development of the Squaw Rapids project and this agreement has made possible for us to contract for the purchase of a large block of power which will not only enable their Squaw Rapids development to take place at an earlier date, but also make the consideration of Grand Rapids economic. During the year just passed there were several months in which power on the southern system the power growth, the load growth, appeared to be slowing up, the rate of growth during several months were running as low as two to three percent over the previous year. However, during December and January just passed, the systems recorded relatively high peak loads, firm power in January was 7.9% above the corresponding peak a year ago. This growth rate will appear to confirm the assumed long-term growth of about 7 percent per annum which the board has been using in recent years for planning purposes. The construction program during the present fiscal year --I'm going back to fiscal year this time--will amount to approximately \$25 million and includes expenditures of 5.8 million at Grand Rapids; 6.2 million at Kelsey; 5.6 at Selkirk and with capital expenditures on equipment and additional transmission facilities and terminal stations amounting to another 3.8 million dollars.

In closing, Mr. Chairman, I'd just like to say a word about our Grand Rapids generating station and the progress which is being made on that. Since the construction was authorized a year ago the Board has of course been exceedingly busy in getting this project started. During the fiscal year we plan to spend \$5,890,000. Besides the actual work which is done on the site there will be, expenditures will include contributions by the board towards the construction of the access highway from Gypsumville to Grand Rapids as well as a contribution towards the bridge across the Saskatchewan River at Grand Rapids. The board is contributing approximately one-third towards these costs. In addition to this the board has established the main construction camps required for the project with capacity sufficient to provide lodging, board and other facilities for approximately 700 employees. Sewer and water, fire protection facilities have been provided; permanent houses are in the course of completion. These houses are required for the permanent operating forces and will be utilized during the construction period for construction forces. The staff house which will be for the accommodation of single men employed on the permanent operating staff is being developed in such a manner that it may be used as an 18-bed

(Mr. Carroll, cont'd.).....hospital during the initial construction period. Other work carried out in connection with the project during the year has involved the provision of construction roads and extensive clearing operations. The major part of the effort during the past year has been in the grouting of the fine stone formations upon which the dikes will be constructed. This involves extensive drilling operations and the pumping of grout or liquid cement into the foundations in such a way as to seal the fissures in the rock and to provide what is called the grout curtain designed to impede the flow of water underneath the dike structures. These developments along with the development of docks and other facilities for water transport constitute the main items of work which have been carried out in that site. Now you could say that the job is progressing well and that the major construction work should be getting underway in the near future. Major contracts have been let for upwards of \$28 millions worth of work to a joint venture group, headed by Northern Construction Company and J. W. Stewart Limited at a total cost which was slightly under the Board's estimates. In addition, contracts have already been let to supply the three main turbines for this particular job, and in mentioning the turbines, there will be 150,000 horse capacity which I am told are the largest Kaplan type turbines yet to be developed and used in North America. I anticipate that there may be other problems which the board will be confronted with on the project. However at the present time we're happy to say that work is progressing at a very satisfactory rate. And that's the extent of my contribution on this occasion, Mr. Chairman.

.....continued on next page.

MR. J. P. TANCHAK (Emerson): Mr. Chairman, I would like to say a few words regarding this department. First of all, I wish to pay tribute to the personnel for two most important utilities, the Manitoba Telephone System and the Manitoba Power Commission, especially the Manitoba Power Commission servicemen in rural areas who certainly are doing a very wonderful job of seeing that the services, the hydro, is not interrupted for too long. They spare no effort under any condition, weather-wise or otherwise, to see that these services continue, and they certainly should be commended for that. I would like, however, to draw the attention of the Minister to the fact that many small villages or settlements in the Province of Manitoba are still without the services of the telephone. I do not know how many such villages or settlements there are in the Province of Manitoba, but I certainly know of two in my own constituency. The two are the Village of Carrick and the Village of Badger. I mentioned that in my complaint last year but nothing has been done about it. During the last election campaign, some candidates deplored the conditions existing in these villages as far as telephone services were concerned, and promised that the new Progressive Government would not condone such discrimination, as they called it at that time. Some of the constituents really believed it, and they felt that a new broom will sweep clean, but it seems to me that they were very, very sadly disappointed -- I know they are. I'm very happy that there was some improvement in my constituency in the Town of Vita, Village of Tolstoy -- there was introduced a new dial automatic exchange. The people are very happy about it. They're not quite used to it yet, but I am sure that they are happy to have that, but at the same time I do not think that other villages such as Badger and Carrick should be neglected; they should not be expected to continue without the vital service indefinitely. I think something should be done about it. I know some instances, two years ago, when the people at Badger had no outlet whatsoever, the roads were drifted in and there was an emergency case. One of the farmers had to walk eight miles on snowshoes to come to reach the closest telephone to ask for help. I think in our modern age we should not expect our citizens to undergo such hardships. It's time that something was done as far as these two are concerned. Some say that both of these towns are on the main line and they have been serviced by the telegraph, but as we know, in many of these small towns there are no telegraph operators, and even if there is a telegraph line they cannot send a telegram, and it is quite a hardship.

One other thing I would like to mention -- I mentioned this in my Throne Speech -- I would like the government to consider the advisability of a flat rate for farm trucks over a certain age. That has been mentioned before. Many of these trucks used by farmers are over 10 years old. They are used mostly on country roads and mostly during the rush season -- during harvest and so on. Some of them, I know quite a few in my area, the trucks probably are used only for about 500 miles or 1,000 miles during these rush periods, but still they are required to pay the same license fees as are paid by trucks that are used more extensively and are used on our public highways, while these, as I say, are mostly used on country roads or sometimes even just around between two farms or so, hauling the grain to the elevator. The Minister should look into this because I feel that the farmers are being over-charged under the present policy. Something could be done about it.

The Minister mentioned that the mail order of licensing is quite successful. I agree with him and I think that this is a very good policy; it speeds up matters. But some drivers and owners are still obligated to go to the Motor Vehicle Branch on Portage Avenue. I received quite a few complaints about the parking facilities around this building. They say that sometimes they have to park as far as three or four blocks away, and at the peak hours it's pretty hard to find a parking place at all there. I think something could be done about it; the Minister should look into this and maybe it could be rectified.

I don't think I have very much more to say at the present time; I think that later on as we come to the different items I'll have some more questions to ask. Thank you.

MR. D. ORLIKOW (St. John's): Mr. Chairman, I want today to discuss some aspects of the work of the Hydro-Electric Board which I think deserves the attention of this House, and it seemed to me in looking over the estimates that this was the best place in which time to raise it. The Minister is proud of the work, the engineering work which the Hydro-Electric Board and his staff is doing in the extension of power, the production of power and the extension of power facilities to customers all across the province, and I think, and I would agree with him,

(Mr. Orlikow, cont'd.) that he has a right to be proud of the work which is being done by the Hydro in this respect. I wish however, Mr. Chairman, that I could feel as happy and as proud about the human engineering which the Hydro is responsible for and the work which it does as I am about the engineering with regard to machines. I had the occasion, Mr. Chairman, as members will know, to visit Grand Rapids at the time that the bush workers there went on strike, and I want to say to you what I said outside the House, because I want the Minister to have a chance to reply, that I have never seen living conditions as bad, as inhuman, as I saw at that place, Mr. Chairman. I have visited slums in major Canadian cities, in quite old cities like Montreal; I have seen how the share-croppers in the southern United States live. Last summer I visited Jamaica and I visited the sugar workers who are amongst the lowest paid workers in that poor country, and I say again what I said outside the House, Mr. Chairman, that those people are living like kings as compared to the people who were clearing the brush whom I saw at Grand Rapids. I am not suggesting for a moment, Mr. Chairman, that I'm the only person concerned about this problem. I know that a number of the people sitting opposite have been concerned about this problem and are concerned about it. I know that a number of very competent civil servants in the Health Department, Community Development Officers were concerned about this problem, gave it a lot of thought, gave it a lot of attention. Mr. Chairman, I can only conclude that if conditions develop as they did, and if nothing was done about it, I can only conclude that we failed in the organization to handle this human problem, and I must assume, Mr. Chairman, failing better information, that the only people who must accept the final responsibility for what happened were the people who direct the Hydro-Electric Board. Now, Mr. Chairman, -- (Interjection) -- Certainly.

MR. W. B. SCARTH, Q. C. (River Heights): Did you ever live north of the 53rd Meridian, Sir, in the bush country?

MR. ORLIKOW: Mr. Chairman, I haven't, but if the honourable member will wait until I have finished, and I think I have the right to continue, Mr. Chairman, and I think I have been as easy and I will continue to be as easy as any member in this House about answering questions, I'll answer his question or anybody else's question, but I would like to develop my argument at this point. I think that when I finish he will see that I'm not only expressing my own opinion, but I will quote to him the opinion of people who have lived north of the 53. I want to tell the honourable member that I'm going to finish my statement this afternoon by quoting quite extensively from a report which was made following the visit by a minister of the church. The minister happens to be the minister to which the Honourable Minister of Public Utilities belongs to his church, and he's a minister who lived seven years with the Indians north of 53, and when I'm finished and when I quote him, if you want to ask any questions I will be glad to answer them. Can I continue, Mr. Chairman? -- (Interjection) -- I beg your pardon.

MR. ROBLIN: continue. We can't do anything about it, nor would we wish to.

MR. ORLIKOW: Mr. Chairman, I want to make one other observation before I continue with the things which I saw and the things which I was told. One of the newspapers while the strike was on in January, carried a story on its front page to the effect that there were differences of opinion between two sets of civil servants and that it was inferred that my information with regard to this situation came to me from civil servants, and that certain people in government circles were annoyed. I want to make clear in the House as I did in a letter to the First Minister, that the information which I received, which I used, correctly or not -- and the members of the House can discuss that if they please -- came to me from no civil servants. It was given to me by people who called me here in the city and by people whom I visited when I went up to Grand Rapids. As a matter of fact, Mr. Chairman, the first direct information which I had about the situation at Grand Rapids came to me as a result of a group of constituents of the Honourable Member from Brokenhead and the Honourable Member from Selkirk. They called the Honourable Member from Brokenhead and asked to see him, to discuss this matter. He, knowing that I was interested and that I have done some work in this particular area, asked me to go with him to visit these people, which we did. These three men, Mr. Chairman, and I want to mention by name one of them, because I think the Honourable Minister may want to check back on the facts which I will tell the House. Mr. John Martnuik, who lives at Honor, or near Honor, worked on the Grand Rapids project for seven days before Christmas. They worked

(Mr. Orlikow, cont'd.) eight hours a day, seven times eight -- 56 hours, and they received, Mr. Chairman, for their work, \$40.00. This, despite the fact that in the agreement, in the specifications which the contractor had made, who got the contract for clearing the brush in the specifications, in the agreement with the Hydro-Electric Board, they had agreed to pay the men \$75.00 an acre plus \$10.00 bonus when the men completed a five-acre strip, but certainly at no time less than \$1.35 an hour. Now, Mr.

MR. CARROLL: Will you permit a question, Sir?

MR. ORLIKOW: Certainly.

MR. CARROLL: Who were they working for? Do you mind?

MR. ORLIKOW: They were working for Drake Construction.

MR. CARROLL: Not for Drake itself, eh?

MR. ORLIKOW: They were sub-contractors like all the other workers were and I'll come to that later. Now, Mr. Chairman, these are experienced industrial workers. These are not -- I want to emphasize this Mr. Chairman -- these are not poor Indians who have never learned to work like the white man, who don't know how to work, who don't want to work -- these are some of the things that are often said. These are experienced industrial workers who have worked in the mines. As a matter of fact these men are on lay-offs until work picks up at the Selkirk Rolling Mill, so that they know how to work if anybody does, and they were making, if you follow my calculations, 72 cents an hour. Well, Mr. Chairman, after I spoke to these people and after the strike broke out, I decided that possibly it would be a good idea for me to go up and have a look at what the situation up there was like. Now I visited the people who were living near the job and who were at that time on strike. I met a man from the constituency of the Honourable Member from Fisher, and the honourable member tells me that he knows Mr. Haliko and that Mr. Haliko is a very competent worker, and that if anybody can make a go of a job that he can do it. Now, Mr. Haliko told me that he had been working from November 14th till the time we saw him, that he had been averaging 12 hours' work a day, that the pay which he had received had averaged out to \$6.00 a day, or an average hourly rate of 50 cents an hour. Mr. Haliko, like all the other men, assured me that he had never heard until the strike started that the contractor had agreed with the Hydro that men would get not less than \$1.35 an hour. -- (Interjection) -- Yes. I met a group, Mr. Chairman, who come from the Reserve in the constituency of the Honourable the Minister -- Mr. William Lachlin is one of the men. They both talked to me about their pay and it was in the line which I already referred to. I want to tell the Minister that there were seven men sleeping and living in a tent 10 by 10; that the stove which they were using could not possibly heat that tent so that men could live in it comfortably. I want to tell the Honourable Minister that they were living on hamburger, weiners, bologna, bread and tea, and when I asked them why they had no milk, they said they had no place to keep milk where it wouldn't freeze. When I asked them why they had no eggs they told me that there was no place they could keep eggs so they would not freeze. The only water which they had, naturally, was melted snow, and I know that the Honourable Minister of Health, who is in his seat now, will confirm the fact that there were and are absolutely no sanitary facilities anywhere near where these people were living. There was no place where these people could dry their clothes; there was no place for these people, except 20 miles away at the Indian Reserve, to get a bath. Does anybody wonder when people live like this that there are some people, who don't know the background, who say that Indians don't want to, or can't, live like the rest of us. This is the way we, you and I, Mr. Chairman, the people of Manitoba arranged it that other citizens of Manitoba were living in the year 1960.

Mr. Chairman, I want to mention just for a moment a very interesting illustration. The Indian Agent, and incidentally I understand, although I met him only very briefly, that he is a very competent Indian Agent, arranged for a group of people to come in to work on this project from Moose Lake. He picked these people -- he hand-picked them. He picked people he thought could do a good job. Now these people were there for seven weeks, and I want to give just one illustration of the kind of treatment which they had. Here is a case, Mr. Chairman, of Mr. Angus Martin; he worked one week for Patricia Transport, three weeks for Leggo and Wright, and three weeks for Drake Construction -- a total of seven weeks, during which time, Mr. Chairman, he made a gross earnings of \$302.21. Now before he left, Mr. Chairman, from Moose Lake, he had to get certain items, like pans, axes, sleeping equipment and so on.

(Mr. Orlikow, cont'd.) He didn't have the money, so he went to the local trading post and he got an initial grub-stake of \$69.60. Lamb Aircraft charged \$40.00 for the round-trip transportation. This man arranged for his family to be sent the tremendous sum of \$15.00 a week to enable them to \$105.00 for the seven weeks, Mr. Chairman. This is a total of \$214.60. On the job, in order to live, he drew from the company commissariat food and other items to the value of \$141.93. Mr. Chairman, when he went home after seven weeks, if you will total this amount, he was in debt by close to \$50.00, and this was absorbed by the trading company until after Dr. Martin's enquiry, when adjustments were made, and I saw in the newspaper that some of these people got some back pay. I want to just deal, Mr. Chairman, with one other example of the kind

MR. A. E. CORBETT (Swan River): About that case which you just cited -- was this man hired by the day or had he taken a contract?

MR. ORLIKOW: All of these -- there were very few people working by the hour. Most of the people working clearing the brush were sub-contractors and therefore not the responsibility of anybody under the law. -- (Interjection) -- That's right. On the advice, Mr. Chairman, on the advice and at the request and admonition of the Indian Agent who thought at the time he invited them to go there, that they could make a decent living for themselves and their families. What I'm pointing out simply is what he thought proved out to be wrong, and he thought they would have been better to stay on at Moose Lake and draw the relief which the Federal Department gives them. They would have been much better off.

I want to mention just one other illustration of another way of mistreating the Indians who were working at Grand Rapids. A man by the name of B. Artherson purchased a power saw. The power saw cost, from the company from whom he was working -- again I think it's Drake Construction but I may be wrong, it may have been Patricia, and the Minister, I'm sure, can find it if he goes through the reports which he received after the difficulty started and which for, I guess, good reason, reports which I was not allowed to read -- Mr. Artherson was charged \$159.50 for this power saw. He paid cash of \$100.00. This left a balance of \$59.50 owing. He kept the saw, Mr. Chairman, from November 20th, when he took it, to November 29th when he returned it. The company took the saw back; they gave him a credit of \$159.50 -- that is, the total original cost of the saw -- less \$16.00 for rental. They gave him a credit of \$143.50. Unfortunately for this man and for all these people, the expenses for the things which they drew, the food and other things which they drew, were charged against the group, because these people worked in teams, in groups, so the credit went to the group -- he never saw it. On his statement there was an item, \$59.50, which I have already mentioned as a charge against him; he returned the saw -- he didn't have the saw after four days; he didn't have his \$100.00 in cash; so that is how he wound up with this item. Now, Mr. Chairman, I think I have said enough to indicate what I saw. Now with respect to the wages I think I don't have to spend much time to convince this House that I am right when I say that a large number of people -- not everybody, Mr. Chairman; I don't say that everybody was underpaid; there were some people apparently who were able to make more than \$1.35 an hour or more, although I must say, Mr. Chairman, that I had difficulty finding them, and I went to as many people as I could see at random -- nobody directed me. But I think the fact that the men went on strike and that Dr. Martin was appointed by the government to look into it, and that he arrived at an agreement between the men and the company which guaranteed them \$1.35 an hour from that time on, it proved to everybody who wants to look for proof, that the men were, in fact, making less than \$1.35 an hour.

I want to deal, however, just for a moment with the question of the living conditions. Some members may think that I have exaggerated. It was intimated in the press that I exaggerated. Mr. Chairman, when I came back I reported what I had seen to some of the executive officers of the Winnipeg and District Labour Council. There is a new organization in the City of Winnipeg called the Religion and Labour Council. It is made up of labour people and religious people, and I think when I mention the religious people who are in this organization members of the House will realize that these are responsible people. The Chairman is the Rev. Ted Scott, the head of the social service department of the Anglican Church for this diocese. The Treasurer is Father Dunphy, the Director of Charities for the Roman Catholic Archdiocese in this city. The labour people to whom I reported, Mr. Chairman, took this matter to the Religion

(Mr. Orlikow, cont'd.) and Labour Council and they, after discussing it, asked for volunteers from amongst their members who would go up to have a look at what was actually going on. And the man who volunteered, Mr. Chairman, one of the two who volunteered was Rev. Ian Harvey, who is the Minister of the Silver Heights United Church, who lived, Mr. Chairman, for seven years in the north country near Norway House and at several other places, and who knows the north country very well.

Now, Mr. Chairman, Rev. Harvey went there with me; he saw what he wanted to; he spoke to everybody he could; he came back; he made a report to the Religion and Labour Council, a copy of which he sent me; he went to see the Honourable Minister whom he knows. I understand he gave him a copy of the report. I want to read just a few paragraphs, Mr. Chairman. It won't take too long because I think it's important that members realize that I am not exaggerating the situation, and I will read, Mr. Chairman, part of what he says and I can certainly table the report, the whole report, if honourable members want to see it. He says: "Every effort was made by Mr. L (the man he went with) and the writer, to see as many informed people as possible so as to have as broad a basis of fact as possible on which to base conclusions. While the actual time spent at Grand Rapids was all too short, every effort was made by Mr. L and the writer to see as many informed people as possible so as to have as broad a basis of facts as possible on which to base conclusions." Now, Mr. Chairman, I want to read some of the people whom he saw. He saw the spokesmen for the Indian, Mr. George McLeod and Mr. Harold Desbrook. He spoke to Indian and white bush-workers employed by both construction companies, some in their tents and some out in the bush where they were cutting. He saw construction company staffs including Mr. Oliver and his accountant and Mr. Wright and two of his men at Patricia. He saw Mr. R. Daggett, the project superintendent for the Hydro-Electric Board, who was most co-operative in showing the writer anything he wished to see, and answered an endless stream of questions which lasted on into the night. He saw the chief of the Grand Rapids Indian Band, an employee of the Hydro Board at that time. He saw Miss Emerson, the Anglican missionary at Grand Rapids. He saw Mr. Friesen, the union organizer, and when he came back he saw the Honourable Minister of Labour. He had Mr. Whitford, the community development officer, Mr. John Lagasse, and certain other people, for the companies.

Now, Mr. Chairman, here is what Rev. Harvey says concerning pay, and I quote: "It would appear that the pay rate dispute has been settled at least satisfactorily enough for the men to feel that they should go back to work. The cutters told us that they had now been guaranteed a minimum of \$1.35 per hour, should their cutting at piece work rates fail to yield that much return for their labours." And I think this is true. Concerning discrimination, and I quote further, Mr. Chairman, here is what Rev. Harvey says: "Mr. L one of our party has been reported in the press as having charged that the Indians were being discriminated against in Grand Rapids. This he did not say. In fact he said the very opposite. For all our inquiries we found no concrete evidence whatsoever on which to base such a charge." Then he goes on to say further, and I quote: "The main difference we found between Indians and whites was not the result of actual discrimination per se. Rather it was a result of what had gone on before the men ever arrived on the job. Most of the white men we saw were well equipped as to housing, tools, clothing and food, while the Indians mostly were just the opposite. One thing we did find, however, which verged on being discriminations, or not in a sense of determining official company policy but revealing itself rather as an inner attitude on the part of certain individuals. This was the attitude "that the Indian liked to live that way," or "the Indian is used to working under such conditions." This attitude we found both in the north and back here in the city. All we could say when we heard such statements was, "Have you sat with the Indian in his tent in 28 degree below weather and watched them enjoy the experience? We have, and he doesn't. This is the sort of discrimination which does the most damage because it is so degrading."

Now, Mr. Chairman, with regard to living conditions. Here is what Rev. Harvey said: "Living conditions among the piece workers and especially among the Indian piece workers on the Grand Rapids clearing job was, in our opinion, the main running sore still to be dealt with by those in charge, and until it has been dealt with, injustice is being done. We stood shivering in the cold in twenty-eight degree-below weather

(Mr. Orlikow, cont'd.) Interviewing Indian after Indian outside tents so low and small as to be utterly inadequate as housing accommodation for human beings on a permanent camp basis. Clothing cannot be hung up, let alone bedding, in such tents, nor can a decent-sized stove be placed in them either to warm the occupants or thaw their food. Sweaty clothes could not be dried if the owners happened to have clean ones to change into, which is doubtful. And icy bedding was the only prospect after a hard day's work. Little rest or sleep is possible under such conditions. As for food -- bread and weiners for breakfast, bread for lunch, and bread and hamburger for supper was the diet many of the men we spoke to

MR. CORBETT: Did they not have jam?

MR. ORLIKOW: Some of them did. Yes.

MR. CORBETT: Yes. I've never seen an Indian camp in my life, and I've been among a lot of them, where that wasn't a staple food.

MR. ORLIKOW: I hope the honourable member isn't begrudging them a little jam.

MR. CORBETT: a new name for that I've listened to an awful lot of tripe.

MR. ORLIKOW: Well, Mr. Chairman, the honourable member is of course entitled to his opinion that this is tripe, but I'm not surprised. The honourable member and I disagree on most questions, and if he agreed with me on this question I would think there was something wrong with me, so I'm not too concerned about the honourable member's opinion on this matter.

Mr. Chairman, this is the situation as the Rev. Ian Harvey saw it. One more matter, Mr. Chairman, which I think indicates a lack of interest, a lack of concern, on the part of the Hydro. The day Rev. Harvey and I were there, within one mile, Mr. Chairman, of the main office of Drake Construction, just off the road, there were sitting empty and vacant 12 tents which had been used by the Hydro in earlier work. The kind of tent in which people can live in the north and work. Tents with wooden floors and wooden walls, built with poles high enough to hang up wet clothes to dry, with a stove big enough to heat the tent. These tents were sitting there vacant and empty and useless. And why were they sitting there vacant and empty? Because the Hydro had no further use for them, and the Hydro was going to sell them to the highest bidder at a price of somewhere between \$75.00 and \$100.00 each. I want to suggest, Mr. Chairman, that while I'm not -- that the Hydro lived up to all its legal responsibilities -- I've never suggested they did anything else -- but I want to suggest, Mr. Chairman, that the Hydro officials, and the people of Manitoba, and you and I, and every member in this House has a moral responsibility to see that people who live in this province and people who work in this province live under conditions which are fit for human beings. I want to suggest, Mr. Chairman, that in my opinion at least, if the Hydro had had a little less of the "business as usual" attitude, if the Hydro had had a little less of the attitude that this was not their problem because these people were not working for the Hydro directly, that when the Hydro contracted out the jobs and when the contractor sub-contracted out the jobs further, that the Hydro was, in fact, and I agree that legally they were in fact absolved of responsibility, but I suggest, Mr. Chairman, that they had a moral responsibility. That they had a moral responsibility to police the contract which they had themselves made with the contractors which guaranteed, supposedly, that the workers would make not less than \$1.35 an hour, and they had a moral responsibility, at least, to see that the living conditions of the people who worked anywhere in contact with that project were such, which I think they and we would not have to be ashamed. Now, what has happened? The men went on strike in January. They sat there for about a week. When the contractors and the Hydro and the government saw the men meant business, Dr. Martin was sent up there. But unfortunately for the men, Dr. Martin's terms of reference were very specific and very clear. Dr. Martin was instructed to look into the wage problem, and he did that, and he arrived at a fair settlement to everybody concerned. But Dr. Martin had no authority, I am given to understand, to do anything more, and so the people who were living in tents in January, as I have described them, are still living in tents. The only difference is that it's not likely to be 28 below again as it was the day I was there. And they still have no place to wash. They still have no place to get cleaned up. They still have no place in which to cook properly, and this is the way they are living. Mr. Chairman, this project is almost completed. I understand that by June at the latest, the entire job of clearing the brush will be completed, and some members may wonder why I raise the matter. I raise it, Mr.

(Mr. Orlikow, cont'd.) Chairman, because I feel certain that this is not the last job which the Government of Manitoba or its corporations will be undertaking, and I raise it, Mr. Chairman, and I raise it publicly because I hope that those people in the government — and as I said earlier, there are many who are and who were concerned — will have learned what the problems are, and will have devised methods which will ensure that this kind of situation which in my opinion was inhuman, was disgraceful, will not occur again.

MR. SCARTH: Mr. Chairman, it seems obvious to me that the honourable member who has just spoke does not know the bush country and what is entailed; and, Sir, I do not know, having lived only in, for 15 years, in construction camps and so forth, but one must undergo just a little bit of hardship at times and if he has to sleep in a tent, that's not unusual. But I would suggest that the honourable member shake off his Winnipeg comforts and learn what the whole thing is about before he speaks. And, Sir, I say this that one should not go out from the centre of Winnipeg and then try to tell those people out there how they should live, or why.

MR. ORLIKOW: Mr. Chairman, the day this session is over if the honourable member is willing to go up and stay there for a week and live with those people, I will go with him.

MR. SCARTH: Sir, the Member for River Heights has lived for a long number of years, much longer than the honourable member who spoke, and I say this, that he does not know of which he speaks.

MR. J. E. INGEBRIGTSON (Churchill): Would the Honourable Member for St. John's like to join me in an igloo. — (Interjections) --

MR. STAN ROBERTS (La Verendrye): Mr. Chairman, the only similarity between what I have to say and what has been said by the Honourable Member for St. John's perhaps is that both concern the protection of every citizen of Manitoba. I think it is the unquestionable right of every Manitoban to expect the government to provide every means to insure their safety, and that this should be undertaken by the government. I'm referring particularly to our high-ways and our driver-training and our vehicle safety inspection here in Manitoba. Now the driver-safety program in Manitoba has been quite successful, I have watched it in operation in the urban centres. I still wish to point out that in many rural centres that there is no checking of drivers being done at the present time. That licenses can be purchased in municipalities throughout Manitoba without any test being given to a driver, regardless of whether the driver has been driving for some considerable length of time or whether the driver happens to be a new sixteen year old applying for their first licence. And I feel that the driver training program or driver inspection program should include those who live in areas which are not urban areas such as the ones that are being covered at the present time. In addition to the driver safety program, I feel that it is time the Province of Manitoba undertook a program of vehicle safety inspection as well. In this year of 1961 I think that the safety of our vehicles on our highways is more important than it has ever been before. Our cars now are much more complicated than they have been in the past. We have many power assists on cars; cars now have multiple headlights; cars now operate at higher rates of speed than they did a short time ago. And in addition to this with the greater increase in the population of the province of our urban centres and in the number of vehicles which are being registered within the province, the increase is also there in the danger of the vehicles on the road. Now other provinces have programs for inspection of vehicles to insure that they are safe for our highways. None of them, no province in Canada provides a complete service. But I think that other provinces have recognized the great need for vehicle safety and provide programs of sorts for the inspection and checking of vehicles to insure their safety. British Columbia has an excellent service in the Vancouver area. The urban area of Vancouver provides for the checking of cars twice a year and for which the automobile owner pays. But it has proven to be a very worthwhile service in that province. I'm told that the City of Toronto has the best equipped lanes known of at the present time. Even in Newfoundland it is necessary to safety-check all vehicles before they are issued with a licence to go on the highway. And of course, other countries such as England and Australia do, and have for some years, required the checking for safety of all vehicles before they are licenced to go on the roads. I think that our objective in a program of this sort would be, of course, to remove from the highways those vehicles which are potential killers. There is a shortage of statistics on the worthiness of safety inspection of vehicles but it's generally assumed that at least a quarter of our accidents are caused either directly,

(Mr. Roberts, cont'd.) or indirectly, by defects in the vehicle — one-quarter. I've received these statistics from the Automotive Trades Bulletins and other bulletins which recommend this type of vehicle inspection. This is not a statistically borne-out figure; this is their assumption. There are other figures which they have actually proven through tests in the United States or statistical recording that 15 percent of all fatal accidents are due to vehicle defects. In the State of New Jersey, for instance, they found after the first year of safety-checking, complete safety-checking in that province, that there was a 32 percent reduction in the number of traffic fatalities in the first year after the setting up of the safety-checking plan in that state. Now there may be many accidents caused in addition to this where it is not known whether a mechanical defect was the cause of the accident or not. For instance, if the left headlight of an automobile was burned out, it was probably never known after a head-on collision. Then in addition to this the psychological effect on the automobile owner, on the automobile driver, of knowing that his car may be tested, or if it has been tested and found to be not completely safe, I think are very worthwhile in the safety of our highways.

The Honourable Attorney-General in his estimate introduction the other day told us that in the radar station tests throughout the province, where they have been picking up cars for speeding or other pertinent reasons, that the radar station have found, I believe he said, one in every six automobiles or vehicles to be defective and unsafe for our highways. The American Safety Council through the Inter-Industry Highway Safety Committee, checked over 3,000,000 vehicles in 1959 and found one in five defective and unfit, unsafe for our highways. The Vancouver lane during its last year of operation recorded that 37.7 percent of all vehicles on their first inspection were rejected and found unsafe for the highways. The main offenders, the main reasons cars were found unfit for the highway and unsafe were found to be: No. 1, the rear lights being defective; No. 2 and 3 causes varied between headlight difficulties and brakes difficulties on the automobiles. Other high defectives on cars, automobiles, were the exhaust system and defective tires. Mr. Chairman, I'm quite certain that the safe operating condition of the vehicle on our streets and highways is vitally important to the safety of all our citizens. I would urge the government to show a great deal of interest in a program causing or setting about to inspect all the vehicles which are on our streets and highways at the present time. Such a program need not necessarily be owned and operated by the state of course. It has been found in Metro areas such as the one we're in at the present time, that a safety program set-up, owned and operated by the state, is probably the most effective. But in rural areas, more sparsely operated areas, that it has been found in other provinces and other states in the United States that garages licensed by the state after meeting basic requirements of equipment and personnel can effectively check automobiles to see if they are safe for our highways.

Mr. Chairman, that's all I'd like to say at the present time and I would urge the government to take this into very serious consideration and associate it with the present driver-safety program and insure greater safety for our citizens.

MR. SCHREYER: Mr. Chairman, after listening to the Minister's rather informative report on his department, I think that we in this Chamber do have reason to be somewhat gratified as to the progress in communications in this province, both telecommunications and others; and also reason to be gratified with the rather tremendous project being carried on so far as the generation of electricity is concerned. I have about three general points which I wish to put before him at this time and I would like some adequate explanation to them. The first point is rather specific, somewhat in the nature of the remarks made by the Honourable Member for Emerson. Namely, that telephone service, while it's been improving and improving constantly the last few years, there are still some areas in the province and in my own constituency where there is just reason for asking him for improvement. Now I know that in the completely rural area of my constituency there's with multi-subscriber lines and although it's cause for complaint I realize that patience must be exercised here before improvement will come. But I'm referring specifically to the area east of the Red River in the Metropolitan area, part of Metro now, where the people have to put up with -- and that's the proper expression -- have to put up with telephone service of 12 to 14 subscribers to the line. Now it seems to me if this government saw fit to include this area in the Metro area, they should take proper steps to see type of telephone service that they get is consistent with that of the rest of the area. St. Norbert, until

(Mr. Schreyer, cont'd.) last year also had cause for complaint, but I notice, according to a press clipping of February 10th of last year, that thanks to the good efforts of somebody, I'm not sure whom, they now have a standard of telephone service comparable with Winnipeg proper. Now I realize that I'm not the Attorney-General, but it seems to me that these people in the Metro area, East St. Paul, should by now be on the verge of getting an improvement in the service to the extent that there will be only at the most, dual subscriber lines, or possibly four or five. That would be the most per line that they should have to put up with. Then too, I would like to point out to the Minister, that for some unknown reason -- perhaps he knows why -- there exists in the same municipality, East St. Paul, a Hydro power rate differential of about 50 percent between those people living along Highway No. 59 and those living along the Henderson Highway -- now that's only a distance of two miles -- and why the people using power along 59 and those using power along Henderson Highway should have a rate differential of 50 percent seems hardly logical and I would ask the Minister to find out if he doesn't know and give me this information. The rest of my remarks pretty well confine to the activities and function and purpose of the Public Utility Board. I realize that the men on the Public Utility Board in this province are working at capacity, they're competent and men of the utmost discretion; but, I feel at the same time that the job they have to do is almost beyond them because of the very nature of the function of the Public Utility Board. What is its purpose and function? Well I was glad to hear the Minister say today that it was the duty and the function of the Utility Board to protect the consumer. This obviously is in contradiction to what the Minister of Industry and Commerce thinks about it, because I understand that last year he made a statement to the effect that they are merely to act in the role of a referee, between consumer and company. I think the Minister said that. In any case we have it cleared up now and I'm rather happy about that. So its the purpose of the Board then to act in the role of protecting the interests of the consumer and the public. Can it do so effectively? That is the question which I have tried to study and ascertain for a number of months now, and the more I look into it the more I become convinced that a Utility Board cannot regulate, cannot function effectively nor efficiently. It seems to me that we should have some information from the Minister as to what it is costing the province through the Utility Board to regulate the activities of the private gas utilities in this province. I see we have an appropriation here of \$87,000 for the Board; but how much of that \$87,000 is specifically being spent on the regulation of the privately-owned utilities? In order for the Board to attempt to operate effectively it must have engineering consultants, engineering economists to serve in an advisory capacity to the Board, if not on the Board, because the Board has to pit itself all the time and every time against the best of brains, the experts that are retained by the privately-owned companies, and so who does the Board have in this province, who does it retain for technical advice? I think the Minister should give us some information on that. For example who did the Board retain at the Brandon and Portage rate hearings? What technical expert advice did they have the benefit of? I think this is important -- I think the Minister should give us information in detail. Then too, since we have in this province, not a publicly owned natural gas utility but rather a number of privately owned utilities operating -- I think that the Board is keeping abreast of developments in the field of natural gas distribution. We should have a fairly detailed account as to what developments there are insofar as other centres, not now being served, but what other centres are likely to be serviced in this regard in 1961 and 1962. You hear rumours. Well, I think we should know without depending on rumour, whether or not there is going to be any considerable extension in natural gas distribution in this province in the next year or two. I don't want the Minister to say that, well this is all under a matter of policy of the privately-owned companies; we're not expected to know what their plans are. This is a matter which the Utility Board, if it is regulating and functioning properly, should know. The government must assume responsibility for protecting the consumer through the Utility Board.

I would ask the Minister another question. Does the government in any way feel responsible for the rate increase for natural gas in Brandon? The Minister earlier today in his report spoke at some length about the Utility Board and the rate base hearing held at Brandon, and he explained what was considered into the rate base -- prudent investment and so on. I would like to -- and this is a rather specific point, and then again there is no rush, Mr. Chairman -- I would like to ask the Minister if, at this rate base hearing, the Board allowed as part

(Mr. Schreyer, cont'd.) of the rate base expenditures involving the retaining of consultants experts — I want to get this right, Mr. Chairman. Yes -- does the Board allow consulting service costs to be figured into the rate base, to put it more simply? Not that the consulting experts are always doing a perfect job. They've made mistakes; we've seen here in the hearings and the turmoil at the time of the natural gas enquiry commission here in the City, where one of the most reputable consulting firms, Stone and Webster, gave expert advice which was only 20 cents per thousand out, but anyway I know that the privately-owned utilities retain the services of consulting experts. The cost of this service is pretty high. If it's allowed into the rate base and the private companies allowed to earn a rate of return on this swollen rate base, then it's costing the consumer, so I think we are entitled to know if this is the case -- if it's figured into the rate base. Then, too, the Utility Board, in its regulating, is supposed to have some amount of control over -- or say -- if it's not control at least it's some amount of say as to what is considered prudent investment. Can the Minister tell me of any specific incidents or cases where the Board has turned down certain investment being considered into the rate base because it wasn't prudently acquired? For example, Greater Winnipeg Gas had G. M. Gest doing some excavating work in the dead of winter, digging through frost level. This work was done before natural gas even came to the city. I am sure that the Board didn't object. It should have.

I would like to ask the Minister what happened at Portage la Prairie. From the account in the newspapers the privately-owned utility there, Inter-City, continued to charge a rate which it had no authority to charge, against the terms of the franchise, yet they continued to do so in anticipation of this being automatically approved by the Board. Now that's a fine kettle of fish. A privately-owned utility charging a rate which was in contradiction to the terms of the franchise -- seemingly no fear of disapproval on the part of the Utility Board. Well, apparently they wrote a letter to the Utility Board. The letter wasn't acknowledged. They continued to charge the unauthorized price. This is not meant in criticism of the people who sit on the Board. They can be among the most competent men in the world, but when it comes to regulating properly the workings of a privately-owned monopoly, you've got a hopeless, thankless and impossible job. The implication of all this is that natural gas should be distributed through a publicly-owned system, but I don't want to get into that, Mr. Speaker. I simply want information from the Minister, more details as to the working of the Utility Board.

Now normally that is all that I would have had to say by way of general comment on the item of the Minister's salary, but before I sit down, Mr. Chairman, I would like to take exception with those who attempted to drive my colleague from St. John's into his seat -- those who suggest that he should live up north before he feels qualified to comment. The fact of the matter is, Mr. Chairman, that naturally in the north, in the pulpwood camps of this province, there are living conditions which are almost unavoidably conditions of hardship, lack of comfort and so on, but when this hardship gets to the point of being oppressive, then it doesn't take, it doesn't take anyone who has spent 20 or 30 years there to be able to say that there's obviously something wrong and there is some need for improvement. I can speak with some little bit of experience in this, Mr. Chairman, although some might think that my years are too short to have experienced anything along this line, but my father operated a bush camp for about 20 years, during which time he employed from 20 to 100 men at different times, and naturally in the bush camp -- and I spent some time there -- you don't have the conveniences that you would have in the city or in the built-up rural areas, and naturally there was some -- well, the food was substantial but plain, but substantial. The living accommodation was plain, but there was adequate room in terms of cubic feet of space for occupants of the bunk-houses, adequate heat and so on. Certainly no oppressive hardship. And if you can operate under such -- if you can bring such conditions to prevail in a bush camp, 40, 50 miles, 30 miles northeast of Pine Falls or Lac du Bonnet, then there is no reason why you can't, if you try of course, have the same kind of conditions in any work establishment in our Manitoba north country. So my colleague is perfectly justified, and I don't think there is any cause for anyone to chide him for speaking about it because he happens to live in the city. I would compliment him all the more for it -- the fact that he hasn't been there for any length of time, but he can see the problem. Those who should almost be pitied are those who spent time there and still fail to realize when living conditions are substandard.

MR. CARROLL: Mr. Chairman, I feel that perhaps I should comment on one or two of the points that have been raised by some of the members opposite in this debate. I think I wouldn't like the members of the House to go away this afternoon with some of the impressions which have been left by the Honourable the Member for St. John's with respect to conditions and the responsibilities for these conditions in the Grand Rapids area. Now I happen to know one of the gentlemen that appeared on that trip with him. I certainly don't doubt his sincerity or his honesty in the things which he saw on that particular job. However, I have read his report too, and I think there are several statements in here that we could say were misleading. Now they weren't all read out to the House and I don't know that I should dwell on it. One very interesting point here is the remark that we did not find any evidence of exorbitant pricing. Some of the cutters just returned from the store showed us their slips: bread at 19 cents, same as Winnipeg delivered; powdered skim milk 26 cents four-quart box; other prices were comparable. I think this is an interesting point to note in his report on that job.

Now there does appear to be some misunderstanding in this report. He feels that the conditions were utterly inadequate as housing accommodation for human beings on a permanent camp basis, and I think that's something we should bear in mind, that this is not, nor was it intended to be, a permanent camp, but this bush operation was one which was envisaged apparently by the contractors as one which moves and progresses with the work, as happens, I might say, in a great many brush-clearing operations, where you do a little bit here and you move on possibly in a week or two to a further site. One or two things here, he mentions that people who can't keep up their strength and continue to do work, that it is little wonder that bush clearing slipped to almost nil, indicating that after fellows had been on the job for a few days, that really their efficiency dwindled to nothing, or almost. But I think this isn't borne out by the facts. Because there are some people who lived under exactly the same conditions, who made excellent money during that period of brush clearing. Now one other thing here, "Food, bread and wieners for breakfast, bread for lunch, bread and hamburgers for supper was the diet many of these men we spoke to were trying to live on and work on." And he says, ". rations to save the" I'll make some further comments on that in just a few minutes. And then he goes on here to say, "We were not suggesting that he be given anything," -- and here he's talking about Indians, -- "just that it be made possible for him to obtain at reasonable cost the sort of food and accommodations each one of us would expect were we working on the same project." Well I think there's a little contradiction in just some of the remarks which were made here, and I just draw them to the attention of the House, not doubting at all his sincerity in making those remarks. Well I don't want to deal with the question of price, the question of wages, because it's understood by the Hydro-Electric Board, it's understood by the contractors on that job, that the men were to get \$1.35 an hour or the contract price, whichever was greater. And this is understood. There was some doubt as to whether they were getting that kind of money, so we set up an inquiry commission that will report in due course on that particular matter. So I don't want to dwell on that part of it, except to say that some of the records that I have seen would indicate that some of these people are making pretty substantial daily, weekly and monthly incomes. There's one group, I believe it is, that made over \$2,000 each during a four-month period. Now this isn't really bad for a short period of time under these conditions. Now many other figures can be quoted. Many that I've seen. Some that our own Department of Labour people have shown me as a result of their visit there, which would indicate that really they're far from as low as some people might lead us to believe. But I will say this, too. There was a subcontract that was let by Drake Construction, and to their regret they found that after a period of three weeks or a little longer, they found that this contractor was not living up to the terms of the contract as they expected him to carry it out. And they got rid of that contractor, and I understand there are certain legal actions taking place at the present time between the subcontractor and the contractor and the company, Drake Construction have undertaken to make good any wages which did not meet the minimum standard as required by the Hydro-Electric Board contract.

Now you've heard about the inadequate conditions, the inexcusable living conditions on this particular job. But I'd like the House to consider just for a moment whose responsibility is it that people should not live in dirt or filth? I think no one can condone living under these conditions; no one can condone people who live under these conditions for lack of a better

(Mr. Carroll, cont'd.) understanding of how to live properly in the bush. Lack of maybe the desire or lack of the initiative. And I don't think we on this side or anyone in this House will condone people living under these particular kinds of conditions. But I say whose responsibility is it that these people should maintain their homes, their accommodation on the job, in a tidy or sanitary condition? Whose responsibility is it to see that they comb their hair, brush their teeth, and all these things which we consider to be part of sanitary living? I don't think that this is particularly the obligation of the Hydro-Electric Board as our honourable friend would like to indicate. Now the Tribune shows a very interesting picture. I must confess that I saw the tents that were in that picture on the front page of their paper in January. We were in that, and we must confess that they were rather undesirable conditions, to say the least. But the amazing thing is that within a stone's throw of there you have tents that are entirely satisfactory. Tents that provide comfort, where men improvised and provided some of the conveniences that you might expect in a bush camp. We went in -- incidentally we were up there -- we saw men sitting around in their shirt sleeves in winter, playing cards, listening to the radio, and reading comic books. These are some of the things that we saw on that job, and I think that while some of the tents were bad, others were really quite adequate, and I think we had about as much variety in accommodation up there as we had men on that particular job. You mention here something about a little tent. A little tent that in the opinion of some was completely inadequate. Now I took it to mean the little tent that I saw on the job up there that was, oh about a mile towards the camp from the extreme end. And I was very much impressed with that little tent. I said, "Here's a man who has a lot of experience in living in the north, living in the bush." He built a small tent. It was low to the ground, easy to heat. And what did we have in there? We had a little bed made of poles, had a table placed underneath to store the pots and pans, and he had a stove that was adequate to keep this tent warm. We were in there about 10:30 in the morning and the fire was going, the flaps were closed, and it was quite comfortable. And I suspect that this is the way most of them were living. Well, it was small, and mind you it might not meet the standards that some of us might have for accommodation, but it was quite adequate and it demonstrated a man who certainly had lived in the bush and could improvise and make himself comfortable under these conditions.

Now what about tents? We've talked about the Hydro-Electric Board having tents available, and this is true. They not only had them available, they were selling them; they were selling them for about half of the original cost price. And they were in excellent shape, good floors, good walls and the canvas in very good shape. Now a crew of four men could buy one of these tents with a day's pay. One day's pay. And they were available for the men if they wanted it. Now, I'm sorry, this was the tent alone. If they wanted the walls and the floor, it would take two days' pay, if they wanted it fully equipped. But the tent itself, which was a very large and commodious tent, for four people, was available for one day's pay. Now the men knew that they were available; at least they were offered there. Some of the commissaries had notices up that they were available for anybody that might want to use them. And I really don't know how many took advantage of them. These tents, of course, are a capital investment. A tent isn't good just for the three or four months that they're on the job. They pack it up and take it home with them. They've got a good investment. It's not money that's spent foolishly. It's not wasted, because they can use this tent over and over again. Now we saw a little log cabin. I'm wondering if my friend from St. John's took the trouble to go over and see that little log cabin. Did you see it? Now there was a nice little cabin. Made out of native material. Here were fellows who knew how to cut down trees and put them to use. They built a little log cabin there that stood about seven feet high and it was, oh, 10 by 18. On no, it was wider than that. It was 14 by 18. A pole bed, a nice table -- a little slab of plywood -- and a piece of canvas hung down for the door. This was a terrific little place and it cost the people nothing except a little time and a little initiative. Now surely accommodation of this kind for men who had the initiative, the know how, was available to them all. -- (Interjection) -- It might even make a fallout shelter. It would depend on what was falling out I might say. Incidentally it was occupied by a squirrel the day we were there. The squirrel moved in when the fellows moved out. Now, we have health reports here -- (Interjection) -- but I'm not thinking of the reports you're thinking of. I'm thinking of health reports which said that the men on that job who were good men, experienced men, were living well under those conditions. The men who knew how to live in

(Mr. Carroll, cont'd.) the bush were living in a fair degree of comfort, and others weren't. -- (Interjection) -- I'm talking about the health report; you're talking about the welfare report.

MR. ORLIKOW: No, tell us what the health officer said. I'm very interested. Tell us what the health officer said.

MR. CARROLL: Now, things are bad on that job. My honourable friend says they're terrible; people shouldn't be under these conditions. But does he know that there are crews whose homes are in Grand Rapids who refused to drive back and forth? Out to the job in the morning, in at night? They refused to do that because they preferred to live in the tents out on the job. And we met some of those fellows when we were up there. We didn't have any guided tour. We were on our own, and made our own inquiries, not like your delegation who had a guided tour, and I'll tell you about that in just a few minutes.

MR. ORLIKOW: Now, Mr. Chairman, Mr. Chairman, on a point of privilege, on a point of privilege, Mr. Chairman, the Honourable Minister is suggesting that I guided them and if the Honourable

MR. CARROLL: No, no, you didn't guide them; you didn't guide them. I'll say that for my honourable friend, he didn't guide them. No, he stayed in where it was warm that day.

MR. ORLIKOW: That's not true, either, and the honourable member knows it.

..... Continued on next page

MR. CARROLL: Now, my trip to the Indian-Metis conference. This was the end of January. I had the occasion to ride up there with one of the officials of the Sherritt Gordon Mines, and I was asking him, "What are the problems, what kind of problems are you having with your exploration crews that are out working?" He said, "All my crews are out today. They're living under canvas - no floors, no sidewalks or anything else, and they're getting along fine. No complaints from anybody." They apparently enjoyed living under those conditions. He said himself, he was out in 1947 when Lynn Lake -- where they were laying out the ore body, exploring it, laying it out, definitely for Lynn Lake -- he spent that winter under canvas, no floors, no tents. He said it's the best winter he ever spent in his life. Now he lived under identically the same conditions as these people were living under at Grand Rapids. Now admittedly they did more possibly with what they had. They had more to begin with. I must confess that some of these fellows may have gone in there not as well equipped as they should. Now, I had a friend in the House here three weeks ago, an old dog musher from The Pas. He won the World's Championship Dog Race there in 1931 or '30 I think it was. He was telling me -- I asked him the same question, "What about living outside in winter?" He was telling me about a trip that he had with one of the officials of the CNR when they were laying out the rail line going to Sherridon in 1928. He said they spent ten days out where the weather ranged from 20 to 50 below. They had no tent at all. They just lived under a piece of canvas that they draped over them. They got the dogs fairly close to them; a little fire; they lived well and came home without any bad effects at all. They enjoyed the experience. Quite a challenge. Quite a challenge. I will say this, too, that if we're ever to develop our resources here in the north to the fullest extent possible, we've got to have more people that are willing to go out and live under pretty adverse conditions sometimes, and put up with a little hardship in order to encourage this kind of development.

Now there's been some suggestion that the food was inadequate or available in insufficient quantities. It's been said, bread and weiners for breakfast, bread for lunch, bread and hamburgers for supper. Well now, we know that they were available at reasonable prices. Food wasn't denied to anyone on that job from the commissary. Any worker on that job could go into the commissary and get quantities of food to go on his bill, and I saw all kinds of bills and I'll say that the variety was quite wide, quite adequate, and they had sufficient quantities in my opinion to keep crews like that working, and I'm told food was not denied to anyone working on that job.

MR. ORLIKOW: If they had the money.

MR. CARROLL: Credit, Credit. Now what of winter clothes? They had winter clothes available in the commissary too for anybody that wanted them and there's no real reason why anybody should go out in winter and be cold, because the clothing was there and available to them. Now what about heating in a tent? Now here's the most ridiculous thing I've heard in a long time. Anybody ever had a little airtight heater with a whole bushful of wood for the cutting who said he couldn't keep warm in winter in a tent? Well this is utter tommyrot in my opinion. Because those little airtight heaters will get hot, red hot in 10 to 15 minutes and it will drive you right out of the tent if you want to keep it stoked up. Now we lived out there just one night. We got in at 12:30 and in ten minutes that tent was too warm and the fire was dead when we came in. It wasn't quite as cold as when my honourable friend was there. Yes we were in a tent. Very pleasant and comfortable evening. Well what about Now what evidence --there's just one other point I'd

MR. PAULLEY: I would ask whether the Minister has lengthy replies still to go because it is twenty-five to six. I don't want to stop my honourable friend if it's just a question of a few moments, but if it's a lengthy report....

MR. CARROLL: Just a moment. There's only really one other point. We talk about evidence of destitution and poverty on this particular job. Now one amazing thing to me was these taxis that they've got up there. They're running every which way all the time and they're out on the job. How far out there? Mr. Orlikow's gone. Oh there he is. I didn't see him. Eighteen miles is the figure I've got. Well the night we were there there was evidence of a taxi having arrived just before we got there, obviously gone back to town, and he obviously had come out to that location again before morning and gone back again. Some of these fellows had their girl friends or their wives out there that evening, the night that we were there -- it

(Mr. Carroll, cont'd.).... was a Friday night -- presumably somebody paid for that taxi ride because these fellows didn't have a car there. They obviously paid a taxi bill back and forth. Portable radios, a new portable radio in one of the tents we were in. No evidence of poverty here. Liquor, evidence of bootlegging -- sure.--(Interjection- Oh, no!)-- Oh yes.

Now what about Mr. Orlikow's friend out there? Mr. Des..... You recall Mr. Des.....? Well that's the man who guided your party, isn't it? He's your contact man from the liaison committee. He's the man that you're looking to for further advice. You know he got into a little trouble after you fellows left. He may have been in trouble when you were there, and the Attorney-General's magistrate up there fined him. He paid \$104.50 in fine and costs. He paid it in cash. No evidence of poverty from this man. Now, I was told by one of the construction companies -- it is a report to me, February the 2nd, some Indians were working for them, came and reported to the Superintendent that there was bootlegging going on in the Drake Lines, selling wine, liquor, beer to Indians on the job. The Superintendent went out and what did he find? Forty men off the job drunk or in various stages of intoxication. One passed out with a bottle of beer in his hand. If they hadn't got him in he might have frozen to death. And oh, incidentally, another report we got at the same time was that Mr. Des.....who was a leader in the strike originally, Mr. Des..... the leader in the strike, one of them, and the union agent were planning another strike. They were agitating at that time for a further strike. I don't know what this was all about but I report it to the House for what it's worth. I honestly think that there are some people who are trying to discredit the Indian as a workman in that part of the country. This is a personal opinion, and many people disagree with me, but I have that conviction. -- (Interjection)-- I wouldn't like to hazard a guess. I don't know at the moment and I'm not attributing it to any member on that side of the House. -- (Interjection)-- Well now, I said I was just about through. In all honesty. But I will say this, though, just before I close, that we as a white civilization have really done a great deal to destroy the Indian's old way of life. His hunting and fishing and trapping grounds, we've encroached upon them, and we've placed him in a very awkward and difficult position. There's a language barrier; there's a cultural barrier, and many other things, and we must confess that these things do all exist. But what are we doing in that area? What's the Hydro-Electric Board doing in that area? They're creating jobs for these people. They're giving preference to these people and this was a conscious effort on their part. They're specifying minimum wages so there will be no exploitation, as some people have suggested about Indian labour. They want to protect these people. They want to give them a chance. They want to give them jobs. They want to give them training on those jobs so that they can find their place in our society. I think insofar as this particular job is concerned, if it does nothing else, it's providing jobs when they're needed very desperately by those people and we think that history will say that this job has done a great deal to advance the cause of the Indian, to help him in becoming integrated into our society.

MR. ROBLIN: Mr. Chairman, before I move the committee to rise, I would like to ask the indulgence of the House to bring in a message from His Honour so that the Interim Supply and the Supplementary Supply figures may be on members' desks tomorrow or the next day before we bring in the Bill. It will only take a few minutes after the Speaker resumes his seat. I move the committee rise.

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply has considered certain resolutions and asks me to report the same, and asks leave to sit again.

MR. MARTIN: Mr. Speaker, I beg to move, seconded by the Honourable Member for River Heights that the report of the committee be received.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Mr. Speaker, I have a message from His Honour, the Lieutenant-Governor of the Province of Manitoba.

MR. SPEAKER: Errick F. Willis, Lieutenant-Governor. The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba estimates of a further sum required for the services of the Province for the fiscal year ending the 31st day of March, 1961, and recommends these estimates to the Legislative Assembly.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce that the message of His Honour the Lieutenant-Governor and the

(Mr. Roblin, cont'd.).....estimates accompanying the same be referred to the Committee of Supply.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Mr. Speaker, the House may be interested to know that at the close of business today, applications received on the Manitoba Savings Bonds totalled \$9,211,200.

Mr. Speaker, I beg to move, seconded by the Honourable Minister of Education that the House do now adjourn.

Mr. Speaker presented the motion and after a voice vote declared the motion carried, and the House adjourned until 2:30 Thursday afternoon.

FRENCH SPEECH GIVEN ON TUESDAY, MARCH 21st.

MR. G. MOLGAT (Ste. Rose): Monsieur l'orateur il est un plaisir pour moi d'expliquerpour ce bill en particulier. Je sais que vous ne desirez pas que j'aie en details a ce moment ici mais que je discute tout simplement le principe general. Ces deux bills ici sont une succession de bills tels que nous avons passe l'annee derniere pour quatre autres congregations dans la province. Il se trouve que ce sont une autre organisation de Soeurs Grises dans ce cas ici -- les Soeurs Grises de St -Hyacinthe qui gerent une hopital dont je suis certain le Ministre de la Sante est tres interesse a The Pas et une a Flin Flon et elles demandent l'incorporation des deux separement de facon a ce qu'elles puissent faire affaire avec le gouvernement de facon plus efficace. Je crois que cette demande a l'accord complet de mon honorable ami, le Ministre de la Sante. Si les deutes ont d'autres questions, monsieur l'orateur je serai enchante de leur donner tous les details necessaires. --Interjection--
Certainement, monsieur l'orateur.

TRANSLATION OF ABOVE:

Mr. Speaker, it is a pleasure for me to explain... for this bill in particular. I know you will not want me to go into details at this time, but I will simply explain the general principle. These two bills are part of a series of bills similar to those passed last year for four other congregations in the province. In this case, it happens to be another branch of the Grey Nuns -- the Grey Nuns of St. Hyacinthe who manage a hospital, in which I am sure the Minister of Health is very interested, at The Pas and another at Flin Flon. They are asking the incorporation of these two separately so that they can deal with the government in a more efficient manner. I believe that this request has the complete support of my honourable friend, the Minister of Health. Mr. Speaker, if other members have any other questions, I will be simply delighted to supply them with all the necessary details. --Interjection--

Certainly Mr. Speaker.