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ST. VITAL	Fred Groves	3 Kingston Row, St. Vital, Winnipeg 8
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SOURIS-LANSDOWNE	M. E. McKellar	Nesbitt, Man.
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WOLSELEY	Hon. Duff Roblin	Legislative Bldg., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, March 4th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions.

MRS. CAROLYNE MORRISON (Pembina): Madam Speaker, I beg to present the petition of Edward Loewen and others praying for the passing of an Act to incorporate Mutual Trust Company.

MR. JAMES COWAN, Q.C. (St. Boniface): Madam Speaker, I beg to present the petition of Montreal Trust Mortgage Corporation praying for the passing of an Act respecting Montreal Trust Mortgage Corporation. I beg to present, Madam Speaker, the petition of City Savings and Trust Company praying for the passing of an Act respecting City Savings and Trust Company. Madam Speaker, I beg to present the petition of Investors Syndicate of Canada, Limited praying for the passing of an Act to amend an Act to incorporate Investors Syndicate of Canada, Limited. Madam Speaker, I beg to present the petition of Hugh Windsor Cooper and others praying for the passing of an Act to incorporate Investors Syndicate Limited. Madam Speaker, I beg to present the petition of York Trust and Savings Corporation praying for the passing of an Act respecting York Trust and Savings Corporation. Madam Speaker, I beg to present the petition of Wellington Credit Corporation Limited praying for the passing of an Act respecting Wellington Credit Corporation Limited. Madam Speaker, I beg to present the petition of Shirley Rosser Middleton and others praying for the passing of an Act to incorporate Fort Garry Trust Company.

MR. J. M. FROESE (Rhineland): Madam Speaker, I beg to present the petition of Jacob K. Klassen and others praying for the passing of an Act to incorporate Eden Mental Health Centre.

MR. D. M. STANES (St. James): Madam Speaker, I beg to present the petition of Helen Radclyffe and Edward Frank Radclyffe, praying for the passing of an Act for the relief of Helen Radclyffe and Edward Frank Radclyffe.

MR. B. P. STRICKLAND (Hamiota): Madam Speaker, I beg to present the petition of James William Jamieson and others praying for the passing of an Act to incorporate the Hamiota Golf Club.

MR. M. E. McKELLAR (Souris-Lansdowne): Madam Speaker, on behalf of the Honourable Member for Roblin, I beg to present the petition of William James Parker and others praying for the passing of an Act to incorporate the Wasagaming Foundation.

MR. HARRY P. SHEWMAN (Morris): Madam Speaker, I beg leave to present the petition standing in my name, and also to present the petition standing in the Honourable Member from Brandon.

MR. CLERK: The petition of Brandon Golf and Country Club, praying for the passing of an Act to amend an Act to incorporate Brandon Golf and Country Club. The petition of Ernest Arthur Birch and others, praying for the passing of an Act to incorporate Riverview Golf and Country Club. The petition of Union Centre, praying for the passing of an Act respecting Union Centre. The petition of James Malcolm Halliday and others praying for the passing of an Act to incorporate Selkirk Savings and Loan Association.

MADAM SPEAKER: Presenting Reports by Standing and Special Committees.
Notices of Motion.

Introduction of Bills. The Honourable the Member for Wellington.

MR. RICHARD SEABORN (Wellington) introduced Bill No. 25, an Act to amend an Act to incorporate Winnipeg Bible Institute and College of Theology.

HON. STERLING R. LYON, Q.C. (Minister of Mines & Natural Resources) (Fort Garry): Madam Speaker, in the absence of the Honourable the Minister of Welfare, I wonder if we might have permission to have the matter standing in his name stand?

MADAM SPEAKER: Agreed? Before the Orders of the Day, I would like to direct your attention to the gallery where there are some 96 Grade 8 students from Deer Lodge Junior High School under the direction of their teachers, Mr. Pemberton and Miss Douglas. This school is situated in the constituency of the Honourable the Member for St. James. We welcome you here this afternoon. We hope that all that you see and hear in this Legislative Assembly will be of

(Madam Speaker, cont'd.) . . . help to you in your studies. May this visit be an inspiration to you and stimulate your interest in provincial affairs. Come back and visit us again. Orders of the Day.

HON. DUFF ROBLIN (Premier and Provincial Treasurer) (Wolseley): Madam Speaker, before the Orders of the Day, there's a matter of information that I'm sure the House would wish me to lay before them at this time, as I believe is being done in the Federal parliament as well today; and also to make an announcement about government policy which will also be of some concern to the members.

The federal government and provincial government have now received the report from the Nelson River Programming Board respecting the phase of studies of the Nelson River that has been under discussion, and as the report is a short one, perhaps it would be well if I were to read it to the House. This is the second interim report of the Nelson River Programming Board (hereinafter referred to as the Board) and is submitted for the consideration of the governments of Canada and of Manitoba respectively.

"The Board was established by the agreement of 18 February 1963 between Canada and Manitoba to undertake studies and surveys of the physical and economic potential of the development of electric power on the Nelson River, and to assess the need for later more detailed studies. The Board consists of the following representatives" -- and here, Madam, it lists the names of the members that are well known to the House. I pass on. "These parties also established the Nelson River Administrative Committee (hereinafter referred to as the Committee) consisting of three representatives for Canada and three representatives for Manitoba and responsible to the Board for the over-all direction and supervision of the proposed Nelson River Studies.

"The agreement of 18 February 1963 further stipulates in part that 'the parties will consult together prior to 1 November 1963.' Pursuant to this stipulation an interim report was submitted by the Board to the Government of Canada and to the Government of Manitoba on 9 October 1963. That report contained a number of recommendations, including one that stated 'that the two governments, in consultation, agree to take no further action at this time but agree to review the matter early in 1964 after receipt of a further interim report from the Board.'

"The Board met with the Committee on 5 February 1964 in Winnipeg to review and discuss a report prepared by the Committee assessing the entire program of "Nelson River Investigations" to date. The Committee's report is, in turn, based in part on the interim report as submitted by the project consultants, G. E. Crippen and Associates of Vancouver, December 1963. A copy of the Committee's complete report entitled "Nelson River Investigations" is attached and forms part of this interim report. The Board, in accepting the Committee's report, concludes as follows: (1) An hydraulic power potential in excess of four million kilowatts is available on the Nelson River. In fact, there could be developed on the Nelson River an ultimate capacity in excess of five million kilowatts. (2) Of this total power potential approximately two million kilowatts will be surplus to Manitoba's requirements for a period of 20 to 25 years, and is therefore available for firm export outside Manitoba. (3) Present indications are that substantial markets may exist in the Southern Ontario region and in the north-central United States. Furthermore, there are reasonable prospects that the Nelson River power could be delivered to these markets at competitive rates provided substantial blocks are developed capable of being delivered at high load factors. (4) Whenever Nelson River flow conditions are better than minimum, which is a high percentage of the time, considerable additional benefits could accrue from excess hydraulic energy. If power were supplied from the Nelson River to power utilities outside Manitoba, further benefits would be expected to accrue from low diversity and from reductions in required reserve capacity on the systems on the then interconnected utilities.

"Recent discussions between Manitoba Hydro and Ontario Hydro, based on the data and information determined by preliminary Stage 1 and Stage 2 studies, indicate there could be advantages to Ontario in purchasing substantial quantities of power from Nelson River sites, providing costs are competitive with those applicable to alternative sources. There is also definite interest on the part of the utilities of the north-central United States in exploring further with Manitoba Hydro the possibilities of future transfers of large blocks of power from the Nelson River to that portion of the United States market.

(Mr. Roblin, cont'd.)

"There are indications that if Northwestern Ontario, Manitoba and Saskatchewan were firmly interconnected, they may be able to absorb up to a million kilowatts of Nelson River power within a reasonable period. The evidence revealed by preliminary Stage 1 and Stage 2 studies leads the Board to recommend that the Government of Canada and the Government of Manitoba enter into negotiations with a view to arriving at satisfactory arrangements for more detailed Stage 3 studies. The scope of these studies is described in section 4 and in Appendix A of the report attached to this interim report. These more detailed studies can be completed within a period of two years but, in order to provide the necessary lead time for construction, Stage 3 investigations would have to commence in the spring of 1964. All of which is submitted on behalf of the Nelson River Programming Board."

Attached to this report then, Madam Speaker, is the statement by the Committee called Nelson River Investigation, and I think it might be interesting to the House if I were to read the recommendations as contained in that report which are the basis upon which the previous statement rests. And I now report to you the conclusions shown in this report which read as follows:

"Pursuant to the field investigations and office studies which have been conducted under Phases 1 and 2 of the Nelson River Investigations, the following interim conclusions may now be expressed: (1) A hydraulic power potential of in excess of four million kilowatts is available on the Nelson River. In fact, the ultimate development of capacity in the Nelson River basin may now be envisaged as being in excess of five million kilowatts."

I add here, Madam Speaker, that this represents an increase from 20 to 25 percent in power capacity over that originally anticipated from this mighty river. I proceed.

"(2) The total power potential, approximately two million kilowatts are in excess of Manitoba's requirements for a considerable period and are available for export outside Manitoba.

(3) There are potential markets available outside the Province of Manitoba, and there are reasonable prospects that the Nelson River power potential may be able to be delivered to these markets at competitive rates. These markets include the north central United States area and the Provinces of Ontario and Saskatchewan. (4) Based on the appraisal conducted to date, and the assumptions indicated herein large scale development of power on the Nelson River could provide high load factor, firm power energy on site at a cost of approximately 2 mills per kilowatt hour. High load factor, firm power energy could similarly be delivered to southern Manitoba at approximately 3 mills per kilowatt hour."

And here I interject the comment, Madam Speaker, that this figure of 3 mills, or whatever it might be, compares with our present common bus price in southern Manitoba of from 5 to 5 1/2 mills. I proceed reading from the report:

"Similarly, this power could be delivered to Toronto at approximately 4.5 mills per kilowatt and to Minneapolis at approximately 4.25 mills per kilowatt. These costs do not take into account the excess hydraulic energy that would be available in the average flow year, nor is any allowance included for such a low diversity and capacity reserve benefits as may be associated with large scale interconnections." And I comment that this may be interpreted to mean that the price may even be better yet when the whole system is linked up.

"(5) The agreement between Canada and Manitoba dated February 18, 1963, envisaged that studies to determine the physical and economic potential on the Nelson River might be carried out in three states. The first two states, as encompassed in the agreement are now advancing toward completion. If it is the view of the programming board that the results of the investigations to date as summarized in this report, warrant the initiation of the third stage of studies, it is then proposed that the program identified as 'Phase 3 Investigation' and embodied in this report, be considered.

"(6) Assuming that the Phase 3 investigations are initiated forthwith and that the results of these further studies prove economically attractive, and that actual project construction is then subsequently advanced, the first delivery of power from the Nelson River could be effected by the autumn of 1969."

I want as well, however, Madam Speaker, to draw the attention of the committee to another page in this report, namely page 8, in which they make special reference to the cautionary notions that have to be associated with any project or development of this kind, and I read the

(Mr. Roblin, cont'd.) sentence which covers this particular aspect: "It is to be recognized that an exhaustive study of the optimum scheme of development has not been possible up to this time and the costs should be considered as indicative only."

I think however, Madam Chairman, that there is sufficient material available here for the government to come to some conclusions as to what its next step ought to be in this particular matter, and I can now announce to the House that as far as the government of Manitoba is concerned, we have decided to accept the recommendation of the Nelson River Investigation Board to proceed with the next phase of their studies, and I may also say that negotiations with the Government of Canada are now well advanced for a co-operative sharing of that particular undertaking, and I am hopeful that before long we will be able to come to an agreement, and it is quite likely that it will be on the same basis as at present, namely, a 50-50 division between Canada and Manitoba.

I may also say that the government of the province is intending to recommend in the Capital estimates, which will be before us soon, the appropriation of a sum of \$1.25 million, being that share of the continuing investigation and study costs that will be expected to be paid from the provincial treasury.

It is true, Madam Chairman that we have not yet sold a kilowatt of power from the Nelson River, if one excludes the development at Kelsey and at Thompson, and that there is many a slip between cup and lip, and it is far too soon for us to throw our hats in the air as to what the ultimate conclusion of this magnificent possibility may be, but I don't think anyone could be blamed at being unheartened by what we have learned today, because if it does prove possible to secure the development on this river on the large scale that we hope may materialize, and if it does prove possible to deliver some of this power at 3 mills per kilowatt in southern Manitoba, at, say, 3 mills per kilowatt on the seaboard at Churchill or anywhere else, at something like 2 mills per kilowatt on site on the Nelson River itself, at something in that order of magnitude one can see what it will mean. If we are paying today 5 or 5 1/2 mills per kilowatt and we can in our future power requirements lead into our system electricity at this price, its effects in undergirding the economic structure and development of the province indeed are attractive.

So I report this information to the House. I lay on the Table the documents from which I have been reading. I advise the House that the province is in the course of negotiation with the federal government for a cost-sharing agreement for continuing this enquiry into the Nelson River, and I also state that in our Capital Supply estimates the sum of a million and a quarter dollars will be found to cover Manitoba's share of this hopeful prospect.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I wish to thank the First Minister for the statement -- the most encouraging statement, I might add, that he made to the House this afternoon. I'm sure that all of the people of Manitoba will be very pleased to hear that this tremendous resource on the Nelson River does in fact appear to have potential developments within the near future for the Province of Manitoba. It's of course been known that the Nelson had tremendous possibilities for many years. The Hogg report, which I think was in 1948, indicated the possibilities, but there had not been the detailed studies indicating the possible sale of this product. The important point, and the one that we have made here in the House in the past years, has been that the matter of selling the power was of prime importance, and in order to be able to develop the Nelson quite obviously we had to have markets in which we could export this power. The obvious markets are the north-east United States and the Ontario complex. I am pleased to hear from the First Minister that the indications are that we can put the power into those areas at a competitive price. We will of course be very interested, Madam Speaker, in hearing the details of negotiations for the sale of this power in these areas, but I thank the Minister for his statement. It is certainly most encouraging. This can mean great things for Manitoba in the future, and certainly insofar as we are concerned we are most anxious to see this resource developed provided it can be done on an economic basis.

I hope that the Minister will be providing us with copies -- all members of the House, for that matter -- of both the statement and the report itself.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I too appreciate the statement of the Honourable the First Minister in respect of the development at Nelson and would appreciate a copy of the statements likewise.

I note that in his remarks the First Minister mentions that it is within the realm of

(Mr. Paulley, cont'd.) . . . possibility of power being developed and transmitted into this general area by the year 1969, if I heard my friend correctly. Also that we are going to enter into further expenditures of money to the degree of \$1-1/4 million on further study in respect of the power development on the Nelson River.

In recent days, Madam Speaker, I have read numerous reports of new sources of energy that are becoming available, and also that the development in atomic and nuclear power, the process and the development of power other than hydro power is rapidly expanding. There was quite a considerable report the other day that in the Province of Ontario and the Province of Quebec, that their technical staffs in those provinces are giving more emphasis than ever to the possibility of the development of nuclear energy for electrical power than ever before, and that they feel that they have reached the stage where it may not be too long before this source of power will be able to compete economically with that of hydro power; and I sincerely trust and hope that the Honourable the First Minister of the Province of Manitoba, while we are -- and I agree with him -- in further exploration as to the development of the power on the Nelson River, I sincerely trust and hope that his advisors, however, in the field of electrical energy are not discounting the future in the potentialities of other sources of energy. We're moving very rapidly these days in the field of energy and I respectfully suggest that, in addition to the surveys as to the potentiality of the Nelson River, coincidental with this other sources of energy receive due consideration and investigation. I think this is most important to the Province of Manitoba, and while I agree with my honourable friend as to the potentiality of markets to the south of us and also to the east and west of us, that these jurisdictions too are developing power and it has to be a development that takes all of this under due cognizance. So I say to my honourable friend I welcome his statement here this afternoon but, on the other hand, say to him I sincerely trust and hope that his advisors are taking into consideration other aspects of the production of energy for the Province of Manitoba and in the other jurisdictions as well, because science is not standing still.

MR. FROESE: Madam Speaker, I too wish to go on record as appreciating the statement that was made by the Minister. I think this is a step forward and certainly we all go along with greater developments of our natural resources, and if this is going to be put to the benefit of the people, so much the better. I think it's a very encouraging statement and I certainly look forward to reading up on the material that is placed before us.

HON. GURNEY EVANS (Minister of Industry & Commerce) (Fort Rouge): Madam Speaker, before the Orders of the Day I wish to inform the House that today I have written to the Honourable J. W. Pickersgill, Minister of Transport at Ottawa, to place in his hands the submission of the Government of Manitoba to the Minister of Transport, Government of Canada, on the interest of the Province of Manitoba in a Canadian National Air Transport policy. I table now two copies of this submission and additional copies will be available for all the members immediately.

MR. MOLGAT: Madam Speaker, before the Orders of the Day, I'd like to ask a question of the Minister of Industry and Commerce. Has he received as yet a copy of the Dixon-Speas report from the federal government?

MR. EVANS: No copy of the Dixon-Speas report is promised to us. I am told that an abbreviated form of this report may be made available. No such form has arrived.

MR. MOLGAT: subsequent question, Madam Speaker. Will the Government of Manitoba accept this copy when it is sent by the federal government?

Madam Speaker is the government not going to answer that question?

MR. EVANS: Well the question answers itself.

MR. MOLGAT: You are or you're not?

MR. ROBLIN: obviously to assist my honourable colleague in answering the question because I was the one that suggested to him that it answers itself. I would have been much better pleased if the Federal government were sending me the complete unexpurgated edition. Seeing they haven't decided to do that, we will certainly review the copy that they do send us when we receive it.

MADAM SPEAKER: Orders of the Day.

MR. MOLGAT: Madam Speaker, before the Orders of the Day I would like to address a question to the Minister of Education. Is it correct that the school board of Cranberry Portage

(Mr. Molgat, cont'd.) . . . has sent in resignations en masse to the Minister of Education?

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, no I haven't had any letter to that effect, nothing has been received as yet. I understand, though, in local communication with the community, both myself and the Minister of Municipal Affairs, of the concern of the local board because of the announcement by the Department of National Defence that they would cut the water off in that community on the 31st of March of this year. In that connection, Madam Speaker, the first news this government had of that was a copy of the letter which a member of the school board was good enough to send to us in Winnipeg. That is, we had no knowledge of this prior to that.

Today, the Minister of Municipal Affairs on behalf of the Province of Manitoba has sent the following telegram to Honourable Paul Hellyer, Minister of National Defence, in Ottawa, Ontario: "Closing of radar bases in mid Canada lines causing greatest local concern stop Shutting off heat in valuable buildings at this season will cause immediate and serious deterioration of same stop School additions built to accommodate base personnel children at Cranberry Portage not paid for stop Remaining owners of property cannot bear increases in costs for school debts stop Board cannot operate school without water stop CNR will not assume responsibility as suggested by you stop Suggest conference your staff and mine in Winnipeg soonest to find solutions."

Now, we have sent this telegram on the basis of a direct 'phone call between a member of the school board of Cranberry Portage who advised us of this closure and had previously sent a copy of the letter which he had received. We are most anxious to find out more information, and I think this telegram suggests that the next step would be for the Federal officials to meet with us, officials of this administration, in Winnipeg at the first opportunity to discuss the possibilities of continuing that school and assisting that community as soon as possible.

MR. MOLGAT: Madam Speaker a question of the Minister on this subject. I believe the government has known for some month and a half now of the intention of the Federal government to close this base. What steps has the government taken to either find alternate uses for the base, or to work with the people in Cranberry Portage for the continuation of the schools there?

MR. ROBLIN: Madam Speaker, I don't think that's a question that could be answered on the Orders of the Day. I'm sure we'll have an ample opportunity to discuss this at another time.

MR. MOLGAT: Madam Speaker, the Minister indicated he sent a telegram today to Ottawa, but the government has known this for a month and a half. My question is, what steps have they taken in the interval?

MR. ROBLIN: This is of course primarily a matter of responsibility of the Federal Government and we will be glad to discuss that at a convenient opportunity.

MR. MOLGAT: I take it then that the government of Manitoba has done nothing in the interval, Madam Speaker.

MR. ROBLIN: My honourable friend would be wrong if he came to that conclusion.

MADAM SPEAKER: Orders of the Day.

HON. STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, I move, seconded by the Honourable the Minister of Education, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider Bill No. 22 as shown on the Orders of the Day.

Madam Speaker presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole with the Honourable Member for St. Matthews in the Chair.

Bill No. 22 was read section by section and passed.

MR. CHAIRMAN: Bill be reported passed. Committee rise and report. Call in the Speaker. Madam Speaker, the Committee of the Whole has considered a certain bill and has directed me to report as follows: No. 22 without amendments and ask leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield, the report of the Committee be received.

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

MR. McLEAN presented Bill No. 22, an Act to amend The Testators Family Maintenance

(Mr. McLean, cont'd.) . . . Act, for third reading.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Public Utilities. The Honourable the Member for Lakeside.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, on this bill and the companion one, which has the same practical effect as this one, we have had already some considerable discussion and I have become more interested in the discussion as it has proceeded. Let me say at the beginning that I have no objection to this bill. I think that the practice that's suggested is perfectly all right. There is nothing new in the practice that is suggested here. It's simply -- it's putting into the form of a statutory provision something that has continued for many years by agreement, so I have no objection at all to it being put into statutory form. With the Telephone Company, and particularly with the Hydro in its various forms as Manitoba Power Commission and Hydro-Electric Board and later on Manitoba Hydro, this practice has been followed for years on end and all of the old-time members of the House will remember many occasions when one or both of these utilities have had their officials attend at one or another committee in order to make themselves available for questioning. I think that's a good practice. I think it's a good plan that we should have these folks who operate these large utilities come before a committee of the House and in the informal atmosphere of that committee answer questions that can be more detailed perhaps than the Minister would be expected to answer here.

Now, if that's all that there were to this discussion I would have no objection whatever, but the fact is that it doesn't end there. In connection with the bill, the Minister has made a statement, and it's that statement and its implications that so many of us object to, and frankly, Madam Speaker, I simply cannot accept the implications of those statements, because what the Minister says in plain and firm language is that having adopted this procedure -- which is not a new procedure -- of referring the report of the committee, in this case the Manitoba Telephone Commission, to the committee, from then on the Minister in this House will take the position that he does not answer in this House any questions dealing with those matters which by statute are referred to the commission, or as a responsibility of the commission. And Madam Speaker, by his own admission, during his statement in the House, by his own admission, the main, the most of the important responsibilities are referred to the Commission, and this is a position, in my opinion, an impossible one for a Minister to take in the House. Here we have the commission dealing with, in the Minister's own words -- I'd better quote them, page 277 of Hansard -- the Minister says, "Under the statutes as they stand at present, most of the powers and authorities confirm, are exercisable by the respective boards without the necessity of ministerial approval." Most of the powers and authority are exercisable by the respective boards without the necessity of ministerial approval, and those -- most of the powers and authorities are exercisable by the boards, and those are the ones in which he says that he will not answer in the House. (Interjection) About the middle of the page, just about exactly the middle of the page. I would think that there is a typographical error here perhaps, because the Minister's statements are usually -- they read a little bit better than that one. That word "confirm" seems to be a bit out of context, but I did not feel it was incumbent upon me to try and edit it in any way. The truth, I am sure, that the Minister is trying to convey there is that most of the powers and authorities are exercisable by the respective boards without the necessity of Ministerial approval.

Well now, if this is not right, Madam Speaker, the plain duty of the government is to make such amendments to the Act as will bring it into conformity with their belief. Earlier in his statement, just a little further up on the same page, the Minister says that "in our opinion sufficient provision for detailed accounting by these" . . . I should read more than that . . . a little further up on the page he says, "In effect, the management of important affairs has been delegated by legislation directly to certain boards of management without, in our opinion, sufficient provision for detailed accounting by these boards to the Legislature." Well now, if that's the opinion of the government then the government should make the necessary amendments to the Act. That's what to do with something -- and incidentally this Act has been amended in these very provisions within the -- just the session before last, so that it's been considered by the government very recently.

(Mr. Campbell, cont'd.)

Then a little later on, on page 277, the Minister says, "The statutory obligation of the two corporations to account to the Legislature and its members is at present limited to making an annual report to the Minister, which is laid by him before this Assembly. This does not in our opinion, secure the degree of accountability by the corporations to the Legislature that seems desirable in the public interest."

Madam Speaker, the way to get accountability is through the Minister. That's where the accountability comes. The statute lays down -- and this government has revised this immediate part of it quite recently -- it lays down what shall be covered in the reports, what the reports shall deal with, and they are laid before the House, but the duty of answering in the House is the Minister and that's where the accountability comes; and particularly when, by the Minister's own admission, they are dealing with most of the powers and authorities under the statutes are exercisable by the respective boards. And so the information that the Minister would deny to the House, in the House, through the responsible Minister are those things that deal with those very important matters.

Now what are some of the important matters that are left to the Commission itself? Or, as it's called in the Act, the Board. I think you can use the terms interchangeably. I'm reading now from Statutes of '62, when this particular area of The Telephone Act was revised in considerable detail. If there was anything wrong, in the opinion of the Ministers, I would think it should have been dealt with that recently. "The Board shall control, maintain and operate the system of the commission and" -- I skip (a) and (b) because they deal with officers and services of engineers, etcetra -- and (c), reading again, "The Board shall control, maintain and operate the system of the commission and shall regulate the installation and maintenance of telephone service to subscribers." Classify subscribers; fix standards of service to be furnished. The Board does that. And isn't that the nub of the telephone system in the province? They shall keep accounts, of course. They shall prepare from time to time schedules of rates for approval to the Public Utility Board. It isn't the government that does that. They don't need ministerial approval even. The Board does that; preparing the schedules of rates for submission to the Public Utilities Board. Then (f), "may upon such terms and conditions as the Board deems proper, acquire by purchase, lease, licence or otherwise, any property, real or personal, including without limitation, equipment, machinery, apparatus, lands and interest therein and works; hold, develop, use, maintain, operate and improve any such property, or construct buildings, structures, improvements or works thereon; sell, lease or otherwise dispose of any of them or any part thereof, and without restricting the generality of the foregoing, purchase or otherwise acquire easements, rights-of-way, licences, privileges, etc. etc."

There are many other powers. I would think -- to me those appear to be key ones, and those are the things that members of this House get asked about by the constituents. Those are the things that they want to get answers from. Where? Here, in the House. And from the person who is responsible -- the Minister representing the government that's in control of these things. Of course, it's fine to have the officials of the committee. I'm not denying that. It's excellent. It's right. I have no objection whatever. This is good. But the principle that the Minister shall continue to remain responsible in the House and the government through that Minister, I think is unchallengeable, and it has been denied, not by this bill, but the statement that the Honourable the Minister has made in supporting the bill.

Now, Madam Speaker, this matter has been debated at length and it's not my intention to argue the obvious because I think it is obvious that there is a principle here -- not in the bill, but in the statement of the Minister that we simply cannot and should not accept, and we will have no option, as far as our group is concerned, but to vote against the bill in protest of the statement that has been concerned. Of course we're not against the bill. It's the right thing to send the report to the committee but never, never can we accept the statement that the Honourable the Minister has made in presenting the bill to us.

The Honourable Member for St. George the other day read into the record of this House a statement by the Right Honourable Sir Robert Borden, one of the great Prime Ministers of Canada, and I would think acknowledged generally to be perhaps the greatest constitutional expert of all the Prime Ministers of Canada. And I'm not going to repeat his statement, though

(Mr. Campbell, cont'd.) . . . I did look it up in the Hansard, but I am going to read one sentence of it again from the quotation that he gave from McGregor Dawson text -- forget the name of it -- (Interjection) -- No I think it was "Cabinet and its Personnel" or something was the particular chapter that he read from. I want to read just one sentence of that statement. It's the concluding one. This is Sir Robert Borden speaking: "The Minister at the head of every department is held responsible for everything that is done within that department, and held responsible by the House in which he sits," Madam Speaker. And then the Honourable Member for St. George quoted from another, in my opinion, even greater parliamentarian than Sir Robert and an equally great statesman. Perhaps never took the same training in constitutional law that Sir Robert did, but a great statesman and a great orator and I read only two sentences from his statement. This is the Right Honourable Arthur Meighen speaking on the question of "What are Constitutional Principles?" And the last two sentences of the quotation that the Honourable Member for St. George gave were these: "Constitutional Principles. They are the injunctions taught by experience and matured by practise into authoritative conventions. They grow to have a more binding force, a higher sanction even than law."

These are the constitutional principles that apply in Parliaments of the British Commonwealth and they're the constitutional principles that have been followed, I suggest to you, Madam Speaker, through the years, and they're the ones that should apply here too, and the Minister, in my opinion Madam Speaker, and I quote not only my opinion I quote the opinion of these eminent authorities, is that we cannot, we should never allow the Minister to, in proposing this bill, make the statement that he as Minister will not be answerable in this House in any particular. I repeat, it's fine to talk to the officials in the committee room. It's all to the good. I'm entirely in favour of it. But we must always maintain the right to ask any questions that we wish to of the Minister in the House and he can get the information -- always can get the information. We don't ask many and we don't ask usually very searching questions because the most of us are not well enough acquainted, particularly with the technical matters that enter into the operation of these utilities, in order to ask very searching questions. We may not ask many questions. I personally have few and the ones that I have deal mainly with that area of telephone rates; the number of people on party lines; when is such and such an area going to get a telephone; when will the dial system be installed; when will modernizations take place; what was done about an easement across some particular land. These are the matters that usually come to us; these are matters that are delegated to the authority of the board and these are the questions we want to ask in this House, and if we want to ask them, we have a right to ask them and the Minister has no right to refuse to answer them. Of course he can't answer the technical questions all the time. He can't be expected to; but he can get the information and then he can say to us if he wants to, "Can I leave that one 'til we get to the committee?" And technical information, of course it would be better there.

And I close, Madam Speaker, by saying that thank goodness in this House we've got one Minister who recognizes his responsibilities in these matters. The Honourable Member for St. George has quoted and I repeat Right Honourable Sir Robert Borden and Right Honourable Arthur Meighen, but I want to give you another authority and he sits here on the front row and he didn't deny his responsibility, and I want to quote the First Minister of this Province as my authority for this statement. If you look on page 234 of the Hansard you will find that the Honourable the First Minister and I were having some discussion about the position that the Comptroller-General had taken with regard to the payment of the salary that was voted last year for the Leader of the Opposition and for the Chairman of Committees of the House. And the Honourable the First Minister had been attempting, in his words, to give the reasons that he thought the Comptroller-General had used for not paying out that money that I certainly thought had been appropriated last year, and the discussion had proceeded for some time and the First Minister had suggested that inasmuch as the Public Accounts Committee would be meeting within a few days that perhaps we would get the explanation there, and that was quite agreeable. The discussion continued, and after it had continued -- and if honourable members will look at the record they will find that it covers practically two pages -- and at the conclusion of it the Honourable the First Minister said this, quoted on page 234 of Hansard. Mr. Roblin: "Mr. Chairman, I think I'd like to say to my honourable friend from Lakeside that if he prefers I will get the information and the item can be held for discussion in this Committee. I don't

(Mr. Campbell, cont'd.) want to put him off, if he feels it should be discussed in that way. I merely thought -- I made the other suggestion but I recognize my obligation to get him the answer in this Committee, if he wants it that way, and if he just nods his head, that's what I'll do."

And there's a proper answer to questions that are asked in here. There's an answer that dealt with the position taken by the Comptroller-General of this Province. The Comptroller-General -- if there's any board or commission or person or authority that is to any extent independent of the Legislature, it certainly applies to the Comptroller-General, because he's removable from office only by a two-thirds vote of those voting in this House on the matter. The government can't fire the Comptroller-General unless they have two-thirds of the members of the House. Even if they suspend him -- and there might be some cases where the government would want to do that; it would be easy to visualize a situation on which they might find, in drastic cases, that it was unthinkable to allow a servant of the House to carry on if some cause had been found until the Legislature would meet, in order to dismiss him in that way, and so there's provision made in the Comptroller-General's Act that they can suspend, but how can they suspend? Only by the president of the Council getting the agreement of the leaders of the recognized opposition parties in the House. The most independent man or person or commission that we have in Manitoba, bar none, and this was the man we were talking about. This was the man who had given the opinion that we were talking about, and yet the First Minister of this province said, "I recognize my obligation to get you the information in this Committee," and when I join the name of my honourable friend the First Minister of this province with that of the Right Honourable Sir Robert Borden and the Right Honourable Arthur Meighen, I think that I'm quoting pretty distinguished precedents and examples, and I say that's the right attitude to take.

Now, Madam Speaker, once again, we can't perhaps blame the Honourable the Minister in this case too severely. He's a comparatively new man, he is a businessman, and he looks at questions from the point of view, I'm sure, of getting business done and getting it done in a businesslike way and I have no objection to that, none whatever. The proposal that's made is perfectly all right about getting a lot of the questions asked and answered in the committee, but the principle of the Minister continuing to remain at all times responsible to this House, even if it takes a little extra time, is not one that we can agree to have violated in any way, so Madam Speaker, I urge the government to take another look at this question -- not at the bill; no objection whatever -- but to the statement that is made by the Honourable Minister; get him to revise that statement, and say that he will urge the members of the House to keep their technical and detailed questions to be dealt with in the committee, but let him adopt the language of my honourable friend the First Minister, and say, "I recognize my obligation to answer for the Committee in this House."

MR. ROBLIN: Madam Speaker, my honourable friend has quoted such excellent authorities as the basis of his argument this afternoon, unimpeachable parliamentarians all of them, one of which well-known to me, and has generally couched his argument in such a persuasive tone that I feel that seeing there really is no constitutional difference of any degree whatsoever between us that I want to stand up and say so, so that is why I'm on my feet at this present time.

The bill that is before the House means precisely what it says and nothing more; namely, that we intend now to make it mandatory instead of occasional, once every so seldom, to call the Natural Resources Committee together and to produce the chairman of these and the boards of these public utilities to be available to deal with any questions that members of the Legislature would like to ask them. One reason for that decision is, first of all, that we should have a regular procedure for doing this.

In the past, this committee has only met as I have said every so seldom, when some little thing crops up that we feel it could deal with, and I think perhaps as members of the House we have lost touch with what is going on in these utilities. I think we have not had the opportunity to get the facts at first hand from men who are familiar with them in a way that would best meet the convenience of the public in getting answers to questions and getting information that they want. Having said that, I have explained the purpose of the bill and I have explained the intentions of the government, because I want to assure honourable friends -- members -- I

(Mr. Roblin, cont'd.) . . . almost said honourable friends, I think I could say that without any trouble considering who's in the House at the present time -- I could say to honourable members of the House that whatever sinister implications they have drawn from the words the Minister used, I can tell you that no sinister implications were intended and no dereliction or effort to avoid responsibility is intended. The bill means what it says. It is simple; it is straightforward. As the member who has just spoken said, it means what it says. We want to have these people come before the committee regularly every year so that we maintain that better contact with what they are doing than we do at the present time.

Now having made that clear, and having made it abundantly obvious that we are not intending to back away from any of the great constitutional precedents that have been quoted, even if some of the authorities aren't dead yet, I want to sketch some of the problems which have given rise to this necessity for better communication than we have between utilities and the House at the present time.

I notice that in the quotation from Sir Robert Borden the words used were: "responsibilities for anything done within the department", and that word "within" is not without significance because in recent times, as I think was pretty well outlined once by the Honourable Member for Brokenhead, we have this anomalous body politics, this anomalous political creation called a crown corporation which frankly, in some ways, we have not fully assimilated into the parliamentary system in perhaps its final form. We have found that it was advisable, and previous governments to this are the ones who found it advisable and I agree with what they found, that two particular crown corporations, in our instance the Hydro and the Telephone, should not be run by government departments.

Now that's the essential distinction between departmental responsibility and extra departmental responsibility. These two utilities are not run as government departments. There's absolutely no reason why they could not be if anyone were to recommend that to us, but I don't think that many members of the Chamber would wish to run the Hydro or the Telephones as government departments. They have been created as separate entities with a high degree of independence -- upon which I wish to make a further comment in a moment -- to run their own affairs themselves.

If you look at the statute you will find that except for approval of their capital supplies, extra provincial agreements such as the one I've been talking about with Ottawa or for the expropriation of land or anything else, with the exception of these various classes of functions such as extra provincial capital matters and expropriations that their board, appointed by the executive Council -- appointed by the Executive Branch, their board is responsible for the general administration in the very broad terms that were clearly outlined to us by the Honourable Member for Lakeside. And as a result of that, the departmental Minister who is responsible in a parliamentary way for the activities of these corporations is not consulted by them nor is his approval required for what they do in carrying on their business in the very wide terms that are mentioned by the Honourable Member for Lakeside.

Now that creates a problem, because here you have a body which by the very decision of the Legislature itself is given this independence and is able to carry on those wide and sweeping powers of which the Honourable Member for Lakeside properly quoted without any reference to the Ministers of the Crown for approval. In fact they don't know about it until something goes wrong and somebody asks them the particular circumstance. Nevertheless, the Ministers of the Crown appointed that board and in respect of that situation they are, as the Honourable Member for Lakeside rightly said, accountable to this House. If they don't like what's going on in the corporation they can fire the board. They cannot run the corporation themselves; that's prohibited by statute. They cannot give the corporation orders in respect of their field of responsibility; that is prohibited by statute. But if they don't like what's going on they can fire them and get a board whose policy they do approve of. And as the men who appoint the board, regardless of the powers the board may be vested with, they are then responsible in this House for what that board does.

So I do not think that on this line of reason there is any difference of opinion between the Honourable Member for Lakeside and myself, or, I trust, other members of this House as to the doctrine of constitutional responsibility. But the fact is that when all is said and done and when the government undertakes to answer questions or policy or indeed on anything else,

(Mr. Roblin. cont'd.) . . . as I agree with the member for Lakeside, it must do if asked to do so. I agree with him on that. When all is said and done, this is not the most satisfactory method of informing the members of the House. Now, please Madam Speaker, draw a clear distinction in your mind between responsibility and information. That I think is the point on which we have foundered, because some members opposite are interpreting the fact that we will produce these boards for information as meaning that we abjure our responsibility. Such is not the case. Let me make it abundantly clear. We do not propose any change, modification or weakening of accepted constitutional doctrine with respect to the responsibilities of Ministers, for crown corporations or indeed for anything else that comes within their responsibility. It's true that these crown corporations can carry on with not so much as a nod of your head or by-you-leave to the executive council, but we have our remedy if we disapprove; we can get rid of them and get a board that we can approve of. And because of that fact and because of the constitutional doctrines that have been quoted, we accept our responsibility to account in this Chamber, whether we have any say in the actual circumstance or whether we did not, because if the boards do something which is manifestly stupid and so serious that we cannot possibly condone it, why, then we have the power to dismiss them, to get a new board.

But when it comes to information as opposed to responsibility -- when it comes to information, what we are trying to say, and maybe we have said it clumsily -- and I must say that my honourable friend consulted with me before his opening statement was made and it didn't seem ambiguous to me. I must confess it didn't seem ambiguous, although apparently it has struck some members as really being ambiguous. But there's nothing in that statement that is intended to do more than to say that while we must continue to accept our responsibilities constitutionally and answer questions when put to us in the proper form, as members do in this House, we are hopeful that we will be able to use the direct contact in the committee to improve the knowledge and the flow and the relationship between these boards and the members by giving them first-hand opportunities to explore aspects of interest to them with respect to the management of these corporations.

Well, Madam Speaker, I don't know whether there is much more to be said on this, except to observe that I am sure we have not reached the end of the evolution of parliamentary government, particularly with respect to crown corporations. This is a matter which has perplexed parliamentarians in England and at Ottawa. Anyone who has read extensively in the literature -- I gather from reading his speech the Honourable Member for Brokenhead has done -- knows that this is not a question that perplexes us alone. It perplexes other legislatures as well. We are proposing this measure as an improvement, we trust, in the situation that we have at the present time, to secure the regular accounting of these officials to members of the House at their will and at their pleasure. What we recognize, and I emphasize -- there is a difference between information and responsibility. We will provide any information we have on request in this Chamber, as we have tried to do in the past. We accept our responsibility, as we have done in the past, but we hope by this regular convening of the committee and directing the attention of members specifically to their opportunity to cross-examine board members at that time, that in addition to what we do at the present time, we have a more satisfactory development in this process of growth in the relation of crown corporations to representative and responsible government.

So I thank the Honourable Member for Lakeside for his speech. I think it was a reasoned speech. There is practically nothing in it with which I disagree, except his fears as to what the government motives or intentions are, and I hope that I have now given a sufficient explanation of our views and of our approach in this matter to satisfy member of the House that they may with confidence vote for this Bill and for the one that follows.

MR. MOLGAT: Madam Speaker, will the First Minister permit a question? Is there anything in the Act now or in the statutes preventing this report from going to the committee and having the boards appear before committee every year. Is this not quite permissible under the present Act?

MR. ROBLIN: It certainly is permissible under the present Act, because we have called this committee from time to time. But the view of the government is that to formalize this procedure is part of the process of making sure that we do indeed have this regular consultation. I've sat in this House now some 12 years, or is it 14. How the time goes!

A MEMBER: It's a long time!

MR. ROBLIN: It's a long time. Almost as long as -- my honourable friend and I have sat here perhaps the same length of time. How many times has the Public Utilities Committee met during those 14 years of which I can recall? I can recall I think probably three occasions -- once last year, and before that I recall at the time of the Winnipeg Electric Plan "C" discussions -- the committee met at that time and the members of the Hydro Board were there to discuss the matter with us.

A MEMBER: And the gas as well?

MR. ROBLIN: I don't know -- well, that may be so. But we have not had a regular meeting of this committee as a matter of actual annual practice. That is what this measure is intended to do, and I believe it will improve the situation.

MADAM SPEAKER: Are you ready for the question?

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, I beg to move, seconded by the Honourable Member for St. George that the debate be adjourned.

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

. . . . continued on next page

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Public Utilities. The Honourable the Member for Portage.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, could I have this matter stand?

MADAM SPEAKER: Agreed?

MR. ROBLIN: Madam Speaker, I wonder before we go into Supply if you would be kind enough to call the debate on the Committee of Ways and Means.

MADAM SPEAKER: The adjourned debate on the proposed motion of the First Minister, and the proposed amendment thereto of the Honourable the Leader of the Opposition. The Honourable the Member for Brokenhead.

MR. E. R. SCHREYER (Brokenhead): Madam Speaker, I would like to take this opportunity to speak in the budget debate. Before I begin, I would also like to take this opportunity to comment, as most members on this side have done, about the way in which the cabinet have been shuffled and changed in the course of the past few months. I know that most members on this side have commented on this during the throne speech debate. I never really had an opportunity. I would like to extend congratulations to the ministers as they appear in their new jobs before us.

I would like to say in this connection that I was a little afraid about mentioning this matter entirely because the First Minister is very touchy about the shuffle that he made a few months ago and he replied very testily to the Leader of the Opposition that it's his business who he puts in what department and when he gets to that side it will be his prerogative. Well, I didn't want to get told off like the Leader of the Opposition, but I want to tell the Premier that granted it is his prerogative but everyone on this side and the people of the province expect him to use this prerogative power with "reasonable" discretion. As I look across I can see that a perfectly good Minister of Health has been taken out of that department and put into another department to which I wasn't aware he was too interested in before. The Minister of Education -- the former one, is now Attorney-General. It reminds me of the old Roman Emperor who one day just to test whether or not anyone would challenge his power to appoint anyone he deemed fit, one day in a fit of petulance appointed a horse as ambassador to France; and it seems to me that this...

MR. ROBLIN: Madam Speaker, it was Caligula, and he made him a senator.

MR. SCHREYER: Madam Speaker, it was Caligula, and he appointed him counsel, not senator -- but in any case it seems to me that that appointment and the series of appointments made here made about as much sense to me equally.

Madam Speaker, I would like to say that in commenting on the budget that was put before us by the First Minister, I would like to commence by pointing out that there is a lot that we in this province can be thankful for. Fate -- providence, if you like, and the giant processes of international economics have combined to give Canada and Manitoba a period of buoyance in our economy, and we have a respite from those forces that were pressing in on us just a few years ago, pressing in on us and threatening our economy, threatening slow-down, threatening ever increasing unemployment, and so on and so forth. So we can be thankful then of providence and also we can be thankful of the high rate of economic growth in Europe, in Japan, which are after all our larger markets for our foodstuffs. And then too, the giant unexpected sale of grain to Iron Curtain countries will give us at least another two years of economic buoyance. And on top of all that, our export position has improved, not only for the reasons which I've just given or mentioned, but also because of two other factors which I would like to just note at this time.

First of all, there was and is a general rise in the world primary commodity price; and secondly, the devaluation of the Canadian dollar. And in this last connection, Madam Speaker, I find it ironic that the advantages that we in this country have gained from dollar devaluation are now being claimed -- the advantages at least or the buoyance derived therefrom are being claimed by the Liberals in this country as being of their doing. They were the ones who in fact tried to ridicule this dollar devaluation, and they used, as members well know, they used extensively the Diefendollar as a campaign issue in 1962. So I say, Madam Speaker, that we can look forward to another full year, two years, of relative full employment, and we are at a period of relative full employment in this province. It is correct to say in the accepted sense of the term these days that a level of unemployment around two percent is relatively full employment. So we have this breathing spell, Madam Speaker. I suggest that we had better use

(Mr. Schreyer, cont'd)... this to put our economic house in order so that there will not again have to be the human wastage and suffering as we found here a few years ago during the more severe recession '58, '59, '60, '61. We know, and it's not a surprise to anyone, that in the post-war period we have been hit by recessions that have come with pulsating rhythm, and each one, each succeeding one has been of a sharper intensity than the one that went before. In the next four years and thereafter, the number of young people coming into the labour market will make the problems facing us all the more acute. And then there's automation, and that merely aggravates the problem. Some are of the opinion -- an erroneous opinion -- that automation does not destroy jobs but in its side effects and so on succeeds in providing as many new jobs as it destroys existing ones. Now this was a fairly commonly held opinion, but the fact of the matter is that most recent, and very recent studies in the U.S. on this point have shown that automation is wiping out, in a final way, 40,000 jobs per week in that country. And if you relate this -- at least try to relate it to the Canadian and the Manitoba economy you could say automation is going to have the effect of wiping out about 45 jobs per week once automation starts to set in with increasing intensity here in this province.

Now this is something which the COMEF report did not take adequately into account. I think that the members who have read COMEF with any amount of diligence will have noticed this point. Therefore, when COMEF speaks about us having to provide 75,000 new jobs by 1975, it really is, if anything, a conservative figure, if anything an underestimation, because of the effects of automation which it did not really adequately postulate.

Well, Madam Speaker, according to some of the Cabinet Ministers on the front bench here, according to their press releases that they like to issue from time to time, you get the impression that they have the task well in hand, and certainly when you look at the Minister of Industry and Commerce you get the impression, a visual one of course, that he is likely going to have the task well in hand. -- Yes, one would get the impression that they have some grand outline of policy they will pursue, but I think then the time comes to ask what is that outline which they presumably have.

According to what I can gather it seems to be -- whatever policy they have -- seems to be based on two prime assumptions. First of all, this is according to the front bench opposite, first of all, economic development here depends directly upon private capital investment; and point two, provincial government policy had one purpose only and that is to provide stimulus and incentive to private capital enterprise. The Minister of Industry and Commerce, in fact, made statements almost identical to this when he was speaking to some of his barefooted friends on Bay Street or Wall Street, or wherever his friends are, just a few weeks ago, or last month. And at that time he underlined his position by saying that public expenditure was not crucial to economic growth. It was not the key -- public investment or expenditure was not the key, or it wasn't crucial. This is what he said. Now if we were to follow the Minister's reasoning through to its logical conclusion the result would be that public investment, or investment in the public sector, would be allowed to decline more and more, and in order then to fill the gap we would have to rely on private investment more and more.

Now in order to be sure that private investment could fill this gap -- the investment gap -- in order to be sure that it would, if it could, would put us in a position where we would have to use more and more public funds to stimulate, to entice, to cajole, to encourage this private investment. And that puts us in a very strange position, because we would be using public funds to stimulate private investment, more and more public funds to stimulate private investment -- for what purpose? For profit maximization? For increased dividends to be paid out to private citizens? Social needs would be secondary objectives and all the while we're using public funds. I suggest that this poses a serious moral dilemma or problem to us and I would suggest that the Minister of Industry and Commerce, despite his free enterprise leanings, should think about this neat little problem that he will be posing for himself if he continues along the way he has.

This government, Madam Speaker, should know better than to say that we can rely on private capital investment in itself to provide necessary jobs. You can talk all you like about giving stimulus and tax reduction incentives to large and corporate enterprises. The fact is, Madam Speaker, that even where there is an abundance of investment capital available it is not necessarily invested back into the economy. The plain facts are that from 1958 to 1961, when we were going through a period of fairly severe recession, at that same time there was an

(Mr. Schreyer, cont'd)... actual growth in corporate saving. This money was being held as idle balances. The availability of capital for investment was there. It was a simple case of it not being invested. So I want to ask, "What is all this talk these days about overhauling our tax system to give larger tax write-offs to corporations?" We hear all this talk today, Madam Speaker, that in order to stimulate private investment we must decrease the tax rate for corporations, we must allow larger write-offs and so on, in the hope that this will stimulate greater private investment. The fact of the matter is that the lever, or the amount of capital available has been growing; it's been a question of them not ploughing it back. So I say, "How fuzzy-headed can some people get?" Or to put it another way, how privileged and powerful can some of our barefoot captains of industry get; how much influence can they continue to play on some of our old party politicians?

We are now in a period of buoyance. Not because of tax reductions, but because of those factors which I pointed out when I began to speak, Madam Speaker; and also because of the fact that in the last two years the money supply in this country has been increased by 12 percent. I don't know how many are aware of this but if it weren't for our dollar devaluation in 1962, and if it weren't for the fact that our money supply has been increased at a relatively high rate, then we certainly would not be, despite the large sale of grain, we would certainly not be in anywhere as near a buoyant position as we are. And this points out, Madam Speaker, that the provinces are still very dependent on federal fiscal and monetary policies. I don't think that that has changed much in the past decade. In fact it's hardly changed at all. When the chips are down it's federal, fiscal and monetary policies that really determine the state of our economy. And of course that puts a provincial government and its policies in a rather restrictive sphere; they can only operate in a restricted band or sphere of operation. But still there is enough room, Madam Speaker, there is enough room to enable provincial programs to be either a success or a failure.

In view of our dependence on federal measures I would not -- I certainly wouldn't anyway -- I wouldn't want to be associated with those who are even now trying to undermine the fiscal integrity of the federal government. There are some provincial leaders, I get the impression, that are pursuing some weird objective in their federal-provincial talks. Some of them seem actually to be pursuing a goal of obtaining provincial fiscal autonomy -- if you can conceive of anything so ridiculous. But there are at least two provincial premiers that seem to be walking along this road. Some have practically come right out and said so. Others have been a little bit more discreet but their objective seems to be ostensibly the same.

Members may have seen a rather important statement in the financial pages of the newspaper a couple of weeks ago emanating from the Organization of Economic and Co-operative Development, and in that statement the point was made that the federal government of Canada would have to exercise its responsibility to operate its fiscal powers and its monetary powers to keep the Canadian economy buoyant. Now there's nothing new in that. But what that report did go on to say is that it was possible that the federal government would be hampered in seeking this worthwhile objective by the striving of certain provinces -- and I hope that Manitoba is not guilty of being one of them. In fact, Madam Speaker, I think that we in Manitoba are fortunate that we don't have fiscal autonomy, because if we did our Minister of Industry and Commerce here would pilot us on the rocks in pretty short order. He says public spending is not the key; and yet what do we see in the report of the Industrial Development Fund and in COMEF? There are two very telling statements which the Minister, and the government for that matter, have apparently ignored. On page 15 of the Development Fund report, I quote, and I'm quoting Madam Speaker: "Utilities have been the single largest capital investors. The bulk of this investment has been undertaken in the fields of electric power, telephone, gas, pipeline, and transportation. Hydro and telephone are provincially-owned utilities which raise their capital through underwriting a provincial and provincially guaranteed bond. The cost of money to the private gas utility is higher than that for the provincial utility." And then the second point, Madam Speaker, to quote: "The second largest investment sectors are government and institutions, government directed. These sectors account for spending on highways, roads, bridges, schools, churches, hospitals, and other public and semi-public installations."

Madam Speaker, if these statements mean anything, they mean that our provincial economy depends heavily on public sector investment, and if the province requires \$150 million a year

(Mr. Schreyer, cont'd)... in utility investment, as the report points out, that is key investment despite what the Honourable Minister might like to call it. If it is so important, Madam Speaker, as the report indicates and if the cost of money to a private utility is higher than it is to the government, then why in the world does this government not bring under public ownership the natural gas distribution system? There are two reasons why this should be done. First of all, as just stated, it is a means of obtaining cheaper money for expansion and expansion will mean more jobs and so on -- there's the multiplier effect. And secondly, a program of supplying natural gas to every rural centre in this province is long overdue.

This government can talk all it likes about industrial decentralization. There has been precious little that has come of all this talk so far. One of the most tangible ways to launch such a program would be for the government to take natural gas into public ownership and to initiate a program of distribution to the rural centres of this province. But they haven't, Madam Speaker, and apparently they don't intend to. They leave it to private capital; and if private capital won't invest at all times, then apparently accordingly to this Minister we're going to give them stimuli and advantages, and then they'll invest and then the benefits will trickle down to the wage earners, to the rank and file people in our province. The benefits will trickle down to the breadwinner earning \$5,000 or less. He comes second. And I ask, Madam Speaker, are we living in the age of enlightenment or aren't we? For all the good it seems to be doing the Ministers opposite, particularly the Minister of Industry and Commerce, men like Lord Keynes or economist Myrdal -- one of the most respected in the world, they may as well not have lived because their message hasn't got across yet, it would seem. This government is not interested very much in economic objectivity. It's true they did provide for a committee to investigate Manitoba's economic future, but I know this, that several chapters of that report, when they first came out, were just not according to this government's liking and so they had some retouch work done. I know that this is done in photography, retouching, but in the writing of economic reports and drafts...

MR. EVANS: On a point of privilege, Madam Speaker, if I may. There was no direct influence whatever by any member of the government upon any of the writing that appeared in the COMEF report.

MR. SCHREYER: Madam Speaker, I don't know that there's a point of privilege involved but I will take the Minister's word for it, that there was no pressure, there was no pressure and I will accept -- interjection -- yes, I will accept that there was no pressure but I'm not so sure that there wasn't suave indirect suggestions made and the end result is often the same.

MR. EVANS: I made no suave indirect suggestions -- interjection --

MR. SCHREYER: Well, in any case, Madam Speaker, I am of the opinion and I have had good sources tell me that the report was redrafted several times because of suggestions that it be redrafted to bring out a certain point and so on and so forth -- and that point being that the role of public capital should not be stressed too much. This is retouching of a sort. -- interjection -- All right, they are after all the government. They have the preponderance of political strength. They are given the task of taking care of the economic destiny of this province. They are going to do it their way. I want to ask, just what has been accomplished to date? What can they tell us that is concrete? What can the Minister tell us that is concrete about his design institute? What concrete accomplishments have come from the design institute? The Export Corporation? And the host of other permissive window dressing agencies that were established here in the course of the past several months, past two years.

I know it is a fact that this government has brought in some good men to head up some of these agencies, but a good man if he is not allowed to pursue his own convictions and his own beliefs in matters economic, he is not necessarily going to -- and his team -- are not necessarily going to bring results. The fact of the matter is that policy in this regard is laid down by the government opposite. The good men that have been brought from the east, the wise men from the east and other places, from my knowledge of the matter they are a distinguished economist, distinguished civil servant, but I'm sure that they won't be allowed to go too far in pursuing their own political and economic convictions about economic development. It's a pity, Madam Speaker, because we haven't seemed to make much progress insofar as economic development is concerned.

The Premier used to like to speak a few years ago about public investment acting as a

(Mr. Schreyer, cont'd)... catalyst in stimulating economic growth. The Minister of Industry and Commerce tells us now that public spending is not the key, or public sector investment is not the key. I think that we here have a right to ask them to make up their minds. And while they are doing this, I suggest that they adopt as their guide the policy, not of trickle down, but one of but the opposite. We should be, instead, encouraging and fostering any and every program that is most likely to provide greater purchasing power for the many. Madam Speaker, this is elementary and it's plain common sense -- in a time when we are worried about job opportunities and we are worried about lack of markets and so on -- it's just plain common sense to pursue programs of stimulating consumer demands, of increasing aggregate demand rather than worrying about the rate of investment and so on and so forth. If there is sufficient aggregate demand, sufficient purchasing power in a country, in a province, the rest will follow. It would be different if we were facing and fighting inflation, but this is not our problem, and yet we seem to be worried more about this than we are about the level of aggregate consumer demand.

We've had some time now, we've had an opportunity to see how the Department of Industry and Commerce is performing in the stimulating of private investment and so on, and not that I accept the Free Press editorial's word for it, but it would seem that the picture is rather dismal. Now it's true the Minister of Industry and Commerce did say in his defence a couple of weeks ago that that article in the Free Press was technically correct but that it really did not tell the whole story; and I want to say to him that even if the picture is not quite as dismal as that article points out, nevertheless it is disturbing. But I want to take issue with one argument he used in his defence at that time. He said that if you really looked at the matter you would see that Manitoba has been going up on a down escalator. I don't know what he means by that quite frankly, because when I look at the comparative figure for Manitoba and the national economy, I find that Manitoba's level of economic growth has not been approaching the national average, and so how could we be going up on a down escalator? It would seem that we've been slipping backward on an up escalator. Wouldn't that be more accurate, Madam Speaker? I certainly found that phrase or statement that he used there to be very misleading, because I say -- and I reiterate -- that our level of economic development and growth in this province has not been equal to the national average. Therefore how could he say that we were going up on a down escalator?

And to continue, Madam Speaker, I point out again that this government, which is not surprising for a conservative government, it's worried primarily about its investor friends and a little less worried about the purchasing power of the wage earner, at least it seems to get second priority. They and their friends go their merry way forgetting, blind to the fact that 40 per cent, or almost that many, of the people of our province, for that matter of our country, live in a state that the U. N. economist Myrdal has called a state of poverty or deprivation. In the United States which is certainly on a per capita basis a wealthier country than ours, there has been a surge of concern, an analysis about the problem of the forgotten people in the U. S. And are those forgotten people? -- The ones who, numbering about two-fifths the total population earn less than \$4,000 per year. And certainly if that's the case in the U. S. on a proportionate basis it applies to the people of Manitoba, and it's time that we were a little more candid about this grave problem. As I've tried to impress members here, the problem is one of under-consumption, of lack of adequate aggregate demand and it is not, and I say for the third time, one of stimulating private investment.

I suppose this government since it's so concerned about investment capital should be happy now that we are going to have a new bank established in the City of Winnipeg. The man who did so much -- and I say so sarcastically -- for the economy of Canada when he was governor of the Bank of Canada, is now, he and others, are going to establish a bank here in Winnipeg. I presume that they will be able to buy up shares, block shares, at a price that is much lower than will be the market price when it's made available to the public, and they'll cash in later. Well, Madam Speaker, time will tell if this new bank is really necessary. It seems unpopular at the moment to talk as though this bank isn't necessary, but I suggest that it really isn't going to do much for this economy nor for the people who live in this province. What this government could have been happy or could have been doing something about was to try in some way to stimulate the growth of credit union societies, or to put it another way: why doesn't

(Mr. Schreyer, cont'd)... this government stop obstructing the growth of credit unions? Because as the Member for Rhineland has pointed out each year that he has been here this government has not been doing anything in the least that is conducive to the growth of credit unions -- and it's credit unions that are the source of capital for investment for the small business man, for the small entrepreneur. There's been really no interest shown by this government in this regard.

Well, Madam Speaker, to leave my friends opposite and their friends, and leave them to their fate, and to make their money, I want to say a few words regarding the current financial position of this province and the remarks that have been made about it lately. The Leader of the Opposition when he was speaking last week, made two very telling points regarding the way this government handles its budgetary data. The Leader of the Opposition indicated that this government was masking its true debt picture and he also showed how this government was showing annual surpluses only because it juggled certain expenditures out of current into capital account that really are properly current and should remain in that category. I agree -- for the most part I agree, with the statement made in this regard by the Leader of the Opposition, although I would beg to differ slightly as to the true debt picture of this province, and also as to the necessity of debt, incurring debts at certain times.

But, to take first things first, Madam Speaker, let's look at the way the Premier handles current and capital. Very interesting. If you look at the main estimates that were tabled this year, there's \$151 million in the main supply estimates, and in that amount there is \$14 million that is capital. But then that isn't all because you'll notice that there is \$68 million in capital supply in another place, and of that \$68 million \$46 million can be legitimately called capital supply. But \$22 million of the so-called capital supply is for departmental purposes. So there we have it! \$14 million in capital supply for departments are in the main estimates, and \$22 million in capital supply for departmental purposes, kept out of the main estimates. It's the same kind of supply. Some is kept in; some is kept out. I could understand it if it were for Utilities, for the utilities' office, some crown corporation or so on, but it's for departmental purposes -- \$14 is kept in the main estimates; \$22 million is kept out. That, Madam Speaker, is juggling, and it is a form of phoney bookkeeping designed to the end of showing a surplus or a balanced budget. Madam Speaker, under circumstances such as that, that balance, if there is one, is a contrived balance, and if it is a surplus, it is a phoney surplus. No other province to my knowledge, certainly not Ontario nor Saskatchewan, follow this devious practice of excluding from the ordinary estimates capital supply required for departmental purposes. It isn't done that way. It is one thing to exclude capital supply if it is intended for commission or agency purposes, but to include in the main estimates a convenient portion of capital supply and to exclude the rest is a perfect example of unprincipled fixing of the books.

Saskatchewan this year has budgeted for a surplus; but it is a surplus, Madam Speaker, that has been arrived at after allowing for all departmental capital supplies, and this is a different kind of bookkeeping. And the comparison shows up this and exposes this fact! In the past five years, if we include all departmental capital supply we have not managed one true surplus despite what we were led to believe and what the papers were led to believe in the past several years.

And then, Madam Speaker, what about the debt structure? I do not take the position that an increase in the debt is always unjustified. Sometimes it's fully justified if it is the most effective means of creating the kind of economic climate that can obviate human misery and unemployment and so on, which in itself is an economic loss. So definite financing can be beneficial if it is planned -- especially if it is planned -- but it's not nearly of so much value if it's allowed to happen like Topsy. Well regardless, regardless of what we might think of debt, one thing that we can all agree on on this side is that it should be revealed with candor; we should get the facts. And in my opinion, what is sorely needed in our financial statistics and so on is some standardized treatment of our debt picture, of our debt loads and debt structures in the various provinces and throughout the country and so on.

Even the Dominion Bureau of Statistics' treatment of our debt is in many ways unsatisfactory. There are some who will argue that it's only direct debt that really has any pressing concern. Others will say that direct debt in itself is misleading, because different provinces have different components included in the direct debt. So it seems the only fair thing to do if

(Mr. Schreyer, cont'd)... you want to compare is to take total direct and indirect debt. And on that basis Manitoba does not have the highest debt per capita, as the Leader of the Opposition indicated or charged, but it is second, and that's scarce comfort to us. On a basis of total direct and indirect debt, Manitoba has a per capita debt of \$585 per man, woman and child, but it's second to British Columbia with \$830 per capita. Well, despite this, on balance I must agree with the Leader of the Opposition that this government has juggled figures in its financial accounting. It's not that we are so much opposed to what they have in mind with regard to programing, but rather that they have tried to mask the true financial picture of this province for political gain. This can be objected to. Successive deficits have been masked, surpluses have been fictionalized -- and for what? -- purely to make and create a political image of some kind or another. The end result of all this is that as all this starts to catch up with us, this province and this government will then -- we can expect, I would presume, this government will begin to make a pitch, to have the people accept the idea of the imposition of a sales tax. Well, Madam Speaker, the Premier of this province in 1958 and in '59 had said that the sales tax was as dead as the dodo; and to me the dodo is extinct, and so is the passenger pigeon and the Whooping cranes -- practically extinct -- and it's not for him to bring in a sales tax. Some other government perhaps, but not for this premier, because if he brings in a sales tax we can expect the return of the dodo and the passenger pigeon and all these other extinct species -- interjection -- We never said it was dead as the dodo. And furthermore, we would prefer to see a more rational means of raising revenue as by ability to pay embodied in income tax legislation.

In any case, Madam Speaker, the fact is we are fairly sure, or rather we're never sure of what tactics this government will follow in its budget and in its development policies from one year to the next. We therefore agree with the amendment that was proposed by the Leader of the Opposition. In order to clarify our reasons to some further extent, I move, seconded by the member for Seven Oaks, the following sub-amendment: That the motion be amended by inserting after the word "results" in the third line thereof, the following: "In any way proportionate to its expenditures" and adding at the end of the motion thereof: "Because it has been unable to provide a consistent framework and program of action that would provide for the effective expenditure of these public funds."

Madam Speaker presented the motion.

MR. FROESE: Madam Speaker, I beg to move, seconded by the Honourable Member for Brokenhead the debate be adjourned.

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

MR. EVANS: Madam Speaker, I wonder if you'd be good enough now to call the adjourned debate standing in the name of the Honourable Minister of Public Utilities and the amendment in the name of the Honourable Member for St. John's.

MADAM SPEAKER: The adjourned debate standing in the name of the Honourable the Minister of Public Utilities and the proposed amendment thereto by the Honourable the Member for St. John's. The Honourable the Member for Hamiota.

MR. STRICKLAND: Madam Speaker, this resolution deals with the Highway Safety Committee and the amendment of the Honourable Member for St. John's is like many other suggestions that could be added to this resolution, but I think it really falls within the wording of the operative section which reads as follows: "That a special Committee of the House, consisting of nine members, be appointed to examine, investigate, inquire into, study and report on all matters relating to highway safety." I'm sure that there are many other factors that members can think of that could be put down in writing, but I don't think it's necessary and we certainly have no objection to the amendment as proposed by the Honourable Member for St. Johns. It would be wrong to restrict the committee investigating any factor that would deal or pertain to highway safety. I could only hope that honourable members opposite would not get on their feet and propose amendments because we could be here forever filling in the pages of amendments that could go along with this resolution.

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

MADAM SPEAKER: The adjourned debate on the debate proposed by the Honourable the Minister of Public Utilities. Are you ready for the question on the main motion as amended.

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

MR. EVANS: Madam Speaker, I wonder if you would be good enough now to call the next debate on the proposed resolution by the Honourable Member for Morris.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Morris and the proposed amendment thereto by the Honourable the Member for LaVerendrye.

I have had under consideration this amendment of the Honourable Member for LaVerendrye and the proposed resolution of the Honourable the Member for Morris and in the light of the past rulings of the Chair, Rule 73 of our Rules, Orders and Forms of Proceedings has been interpreted whereby reports of standing committees could be sent back to committee but reports from special committees could not be sent back to committee as the special committee ceases to exist on the moment its final report is presented to this House. Furthermore, the committee of the House appointed to enquire into all phases of Livestock Marketing System in Manitoba was a special committee and it ceased to exist on the moment its final report was presented to this House. The report cannot afterwards be sent back to the committee with instructions to amend it in any particular. I refer the honourable members to Beauchesne's fourth edition, citation No. 286: Therefore I must rule that the motion of the Honourable Member for LaVerendrye is out of order.

MR. CAMPBELL: Madam Speaker, I realize that your ruling is not debatable but I would like to ask you the question; have you considered the correspondence that I tabled last year, or rather gave to the leaders of all groups last year? The correspondence from Mr. Raymond, Clerk of the House of Commons in Ottawa concurred in by the Honourable Mr. Michener, former speaker of the House of Commons, Ottawa?

MADAM SPEAKER: I would like to inform the Honourable Member that I have taken this into consideration in giving my ruling.

MR. PAULLEY: Madam Speaker, may I ask a question? Did you consider rule No. 322 of Beauchesne. I appreciate the fact I can't debate. I'm not debating but I was wondering if you did make reference to rule 322 of Beauchesne's fourth edition.

MADAM SPEAKER: I think I would like to suggest to the Honourable members that I have given my ruling on this and it is not debatable.

MR. CAMPBELL: Madam Speaker, if this is your final opinion on this matter I appeal against your ruling.

MADAM SPEAKER: Are you ready for the question.

MR. EVANS: Madam Speaker, I take it your motion is that the ...

MADAM SPEAKER: Oh. Shall the ruling of the Chair be sustained?

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

MR. CAMPBELL: Yeas and Nays.

MADAM SPEAKER: Call in the members. The question before the House is shall the ruling of the Chair be sustained?

A standing vote was taken, the result being as follows:

YEAS: Alexander, Baizley, Bilton, Bjornson, Carroll, Cowan, Evans, Hamilton, Hutton, Jeannotte, Johnson, Klym, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir, Witney, and Mrs. Morrison.

NAYS: Messrs: Barkman, Campbell, Cherniack, Froese, Gray, Guttormson, Harris, Hillhouse, Hryhorczuk, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Tanchak, Vielfaure, Wright.

MR. CLERK: Yeas, 31; Nays, 19.

MADAM SPEAKER: I declare the motion carried.

MR. MOLGAT: Madam Speaker, on a point of order at this point, I regret I was out of the House when this arose and I would like an interpretation of the decision taken by the House in the light of rule 50, of standing order 50, page 162 of Beauchesne which reads: whenever Mr. Speaker is of the opinion that a motion offered to the House is contrary to the rules and privileges of Parliament, he should apprise the House thereof immediately before putting the question thereon and quote the standing order or authority applicable to the case. Now in this particular instance, Madam Speaker, the honourable member had moved a motion which was read to the House by yourself. The question therefore was put to the House; an honourable

(Mr. Molgat, cont'd)... member spoke on it. I would assume that under this rule the House and yourself had accepted that motion automatically by virtue of this rule and the action that had been taken in the House by your reading the question and an honourable member speaking on it.

MR. ROBLIN: I think my honourable friend is raising a point which is really not in order because as members know, we are not allowed to ask the Speaker for opinion. If one looks at Beauchesne, paragraph 184, I think that the matter is quite clear. Questions are not allowed to be addressed to the Speaker; being presiding officer he cannot be drawn into discussions on the floor of the House. So I think that questions dealing with matters within the jurisdiction of the Speaker are out of order, and while it may be an interesting point, it is not in order to ask it of Madam Speaker in this way.

MR. HRYHORCZUK: Madam Speaker, this is not a matter of a point of order or referring to the decision of the Speaker. It's on the matter of the procedure of this House, which is entirely different to what the First Minister raised.

MR. ROBLIN: That is one of the questions ...

MR. CAMPBELL: Madam Speaker, to whom do we refer points of order. This is a point of order. This is not a case of the Honourable the Leader of the Opposition asking Madam Speaker a question with regard to something that's before the House. This is a point of order, and it's Madam Speaker who deals with points of order.

MR. ROBLIN: Well, in my opinion, Madam Speaker, your opinion is being asked on a matter in a way which is not in accordance with the rules as I read them. But after all, that's really not my business to make those decisions. I merely raised a point. Madam Speaker can decide whether she wishes to answer the question or not. In my opinion it's out of order. That's just my opinion.

MADAM SPEAKER: I will take what the Honourable Leader of the Opposition raised, the point he raised, I will take it under consideration.

MR. MOLGAT: Thank you Madam Speaker.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Morris. Are you ready for the question?

MR. M. E. MCKELLAR: Madam Speaker, I beg to move, seconded by the Honourable Member for Hamiota the debate be adjourned.

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

MR. ROBLIN: Madam Speaker, if we would now revert to the Committee of Supply I would move, seconded by the Honourable Minister of Agriculture that Madam 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.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for St. Matthews in the Chair.

MR. CHAIRMAN: Item 15. Water Control and Conservation.

MR. FROESE: Mr. Chairman, under item 15, could the Honourable Minister tell how much is going to be spent on the Hespeler Floodway in the coming year? Considerable work was done on it last year and I, as well as the Council of Rhineland and the people concerned, surely appreciate what was done. Close to four miles on the floodway they're constructing a new bridge. I would like to know just how much is anticipated being done in the coming year.

MR. HUTTON: Mr. Chairman, major construction is planned for this floodway. I don't have the actual -- I think it's in the neighbourhood of \$200,000.00.

MR. FROESE: Could the Minister indicate what this would mean in the way of miles, or the length?

MR. HUTTON: No, I don't have those figures but it would be several miles.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, last night during the debate, just prior to the adjournment hour there was a difference of opinion between the Leader of the Opposition and the Minister of Agriculture over the handling of drainage in the province. The Leader of the Opposition pointed out there was great difficulty in getting work done under the system of centralization, whereas in the previous years the engineers in the Department of Public Works were doing the work.

I can tell him from my own experience that we've experienced great delays in getting any

(Mr. Guttormson, cont'd)... drainage work in my constituency since the change was made. Last year I brought a number of problems to the attention of the Water Control and Conservation Branch in the spring, about May, and some of them or most of them, were never looked at 'till the fall of the year. I complained to the department about it and they just complained that they had so much work they couldn't even begin to look at them. I know early in the spring one of the problems I raised -- I tried to spur them on to do something because the farmers were trying to get on their land and were anxious for the government to take action, and at that time I was advised by the Water Control and Conservation Branch they couldn't send a man, Mr. Solmundson, the engineer for our area, because he didn't have a car. I was interested in the remarks made last night by the Minister who, when the Leader of the Opposition said, "Mr. Chairman, did your engineers reply to the people in the Interlake this year that they could not come out because they did not have a car." Mr. Hutton replied, "I don't know." I can hardly understand the Minister making that statement because I know that he knew because I went to him and told him the situation personally and pleaded with him to provide a car with the engineer so he could get on with the job. The Minister at that time advised me that he didn't know this was going on but I must confess that in a matter of days after I brought it to his attention the engineer was provided with a car and was able to start with his work again. So I can hardly go along with his answer that he didn't know about the car when I told him personally that the man didn't have a car, on the basis of what the department had told me.

Now the situation is critical up there in some of these areas. Drainage problems are creeping up from time to time. I will admit there was a lot of water in the area last year because of excessive rain but surely no matter how many problems there are surely we can get on with some of them. Last year they were virtually untouched because the engineer said, "We're swamped with work and we can't get out to do the work." Something's got to be done to alleviate the situation. Problems that I raised last May have not been looked at yet.

MR. JOHNSON: Mr. Chairman, I feel I must rise at this time to say something in view of some of the comments that have been made about the degree of centralization which has been occurring with respect to drainage, and while the Honourable Minister certainly doesn't need my support in explaining this, I think the record is going to speak for itself. But I did feel that, as one who became very interested in this in the constituency which I have the honour to represent, I did want to comment on some of the things that have been said here.

I think what the Minister has faced and his department has been the evolution of the drainage problems in the Interlake area, which I have claimed for some years would take 25 years and \$25 million to drain. In the particular area and constituency which I represent the drainage problems have been of the first magnitude because of the evolution over the past.

I think the Opposition have to tread warily when they accuse this administration of centralization, because for many years there was a policy of draining peter and flooding Paul. I can take honourable members to numerous spots in my area where there's a half a mile of drain, a half a mile of no drain and then the drain was continued. These were built sporadically in 1958 in the spring just west of the Town of Gimli at No. 8 Highway, there was a lake that stretched as far as the eye could see in every direction. I remember taking the Minister of Public Works out at that time and pointing out to him the problems faced by a municipality where, for the 10 years previous to '58, increasingly large drainage works through unorganized territories were dumping large volumes of water in large government ditches down on a municipality who had spent 80 years developing a municipal drainage system which now could not cope with those increased drains coming from the west. The municipalities weren't able to handle this water. They were becoming inundated and to a very marked degree. I knew the municipal engineers in the area by name, by reputation, and in speaking to the highways engineers there wasn't too much co-ordination and policy given out on an overall basis. It became apparent to these men and to the municipal men that without a major plan of drainage program for the area, this business of putting a half a mile here and a few feet here was never going to give the kind of drainage which that area of Manitoba was screaming out for. Therefore the degree of centralization within the department here through Water and Conservation was essentially meant to bring together the skills and to put the emphasis on these major drainage works -- to map out major areas of concern.

In addition to this, a drain such as the Washow Bay drain which was built in 1948 had not

(Mr. Johnson, cont'd)... been cleaned out in the 10 years and was full of -- that's one example of a major drain draining the west through my area -- had become overgrown with weeds and filling up with a very good willow bush, and it required desperately to be cleaned out because the water was backing up. Again major works were put in in this particular area and the overall picture called for a major clean-out. That ditch has been cleaned out very satisfactorily. In looking at the overall picture, drains in my area such as the Shorncliffe drain -- what we call the Petrochuck drain -- the complete clean-out of the Icelandic River drain which was lengthened one-third of its natural length westward over the years by the previous administration, draining water from the west down on these municipalities -- that had to be widened, straightened and deepened at a cost of around \$130,000 with PFRA, this administration.

These are the kind of works that are needed in an area such as the Interlake and these major drains such as this certainly require a central authority to a large degree to map out the overall drainage. You can't just treat municipalities in isolation in this area; you need this kind of study and this kind of activity. And to that end the department has been beefed up with engineers -- I know it. As the farmers in that Interlake and as the people I know in my area see this increased activity and overall planning they naturally demand more service, because the better a service the more the farmers want it and when they see that there's a chance of getting something actually of a curative nature around the corner they become more and more enthusiastic and the pressure on the department becomes almost unbearable at times -- and especially after a wet year and a high-water year such as we experienced in the last few years. What I'm trying to really say, Mr. Chairman, is that you can't avoid a certain large degree of centralization in planning major water courses that are going to involve not only municipalities but entire constituencies. Not one drop of water which drains my honourable friend from Fisher can find its way to Lake Winnipeg without coming through two of my municipalities and a large area of unorganized territory. These call for major drains, something which was never anticipated a few years back. It's because of the centralization and certainly certain delays, but what's the use of building or proceeding with certain small drains that are just as I say going to flood Peter -- or drain Peter and flood Paul.

With respect to the story of cars, I've heard this in my own area, Mr. Chairman, where the Reeve of my area last year wanted an engineer to OK a small section of road and I think the provincial employee in his distress at trying to meet the numerous demands of the people from the area made an unfortunate remark on that occasion which he later was very regretful for, but which was reported to me within a few hours when people heard of this matter.

However, to give some idea of the kind of drains, the honourable members should go up into the Interlake and see the Washow Bay Drain -- this drains a large section of the northern part; the Icelandic River Drain -- these have been completed in the last couple of years; the Shorncliffe drain and its extension, the Petrochuck Drain, the Crooked Lake Drain, which has been approved and is proceeding -- major drainage works that have been in the offering for years and years; drainage works that should be proceeded with before little tiny drains that can't fit into an overall pattern. More money can be wasted without proper planning when you're dealing with the quantities of water that are found in that area. The kind of projects that I anticipate the Honourable Minister of Agriculture will be -- provincially -- will be relating to the House with respect to the Interlake area, I think will show even further the kind of activity which has been going on in the last couple of years in my area.

But I just point this out, Mr. Chairman, to show that when you have a department who are sitting down and thinking of entire areas with master drainage plans and thinking of water conservation, major works of this kind, they do require detailed study. The municipalities are beginning to understand more and more how important it is that they not proceed with those kind of drains that will not fit into an overall pattern and I think they are quite enthusiastic about the kind of work that's being done. I know in the Municipality of Bifrost, which is in my constituency, there's been more work done on drainage in the last five years than there has in the last thirty, in developing the kind of drainage program that that part of the country requires, and I'm sure the department are giving this same considered attention to these other areas.

(Mr. Johnson, cont'd)...

While I'm the first to admit that I, too, as has been expressed here as a member, have wondered why in a local district office the municipal engineer could not go out and approve certain projects. I think the department in this reorganization and in this reorientation of their efforts in trying to build the best kind of drainage works for the Province of Manitoba have been reluctant to see the practice of the past of the municipal engineer going out and advising and approving the municipality for a few feet of drain here and there. Well it may seem innocuous and innocent enough on the surface yet it can lead to too many problems. I have seen these. I have them in my area, and this is the evolution of the departmental program, I'm sure it's the evolution of our province, that we're finally beginning to realize that we have to have centralized overall planning and integration of our water and drainage conservation program.

However, these major works have revolutionized and I'm sure will continue to revolutionize the constituencies of Fisher and Gimli, and certainly we must be most cautious in haranguing or harassing the department for the sake of a quick service and a quick small ditch. It's far more important that this fits in to an overall pattern, and the kind of consultation with local drainage areas such as outlined by the Minister, I think, is most welcome and the kind of activity that will fit in in the course of time with the overall program as being devised by his department. I just wanted to make these few remarks, Mr. Chairman, to see if I can help in a practical sense, because I have dealt with these a great deal in the last few years and I think that drainage is as important to our farmers as public sewage works is to our communities. It's most important that this receive the skills of the people at the central office as they are master-minding a provincial and municipal plan of drainage for our province.

..... Continued on next page.

MR. GUTTORMSON: Mr. Chairman, the Minister's remarks are actually out and out condemnation of the engineers in the Department of Public Works. Surely he isn't going to try to tell us that the work of the engineers in the Department of Public Works is all bad and the work of the engineers in the Department of Water Control and Conservation is all good. Does he not realize that the engineers that actually were responsible for these drains that were so bad in the previous years, many of them are the same engineers that are in the Water Control and Conservation Branch today? It was just a matter of how when the department was transferred some went into the Public Works and some went into Water Control and Conservation. They're all taken out of the same department and these men did the same work. He can't sell us a bill of goods that these were all bad because the drainage in the previous years was done by the engineers, and if it was bad, then he's blaming the engineers. --(Interjection) -- Just a moment. For this reason, I can't see why he should condemn all these drains, because they were laid out by engineers. They weren't laid out by politicians; they were laid out by the engineers in the different departments. So when he tells us that the engineers in the Public Works aren't capable of doing it, I must strenuously disagree with him.

MR. JOHNSON: Mr. Chairman, if the Honourable Member for St. George is just trying to read something into what I had to say to embarrass me or to embarrass this administration, he's sadly mistaken. I wish he'd get off that tack because it's not going to do him any good or this province.

What I was trying to say was, and it is a fact of life. We're not condemning any engineers. Engineers work under policies and policies are laid down. There's municipal engineers, many of them who I was out with last year, certainly can go out to an area and be asked to do an engineering survey to build a ditch from A to B, but they never knew in the past whether that A to B ditch would fit in with an overall drainage program as devised in the central office for that area. A master drainage program was what was required and always has been required. They were required to go out. I went out with one last spring. He said, "On a municipal basis, we should dig the ditch from A to B." -- I can show my honourable friend the point -- but when it came into master profiles by professional engineers in the central office thinking not only of that particular farmer's problem but the boys around him, they had to have the master plan which the local municipal engineer in the past at the Highways Branch had never had before him -- never had it before him. He never had that policy to work under. There has been this difficulty in transition, but it's working happily.

The Highways' engineers, when they come to drainage problems that are of a regional basis, they defer to water conservation. In this particular case I can tell my honourable friend -- I'll name the drain -- the Okno Drain, one mile west of the Okno Church, down a 90 degree turn down to Washow Bay Drain, a right angle turn. A municipal engineer can tell you -- (interjection) -- certainly, you dig that a little deeper and you bring the water down. But we say to him now -- I said, "Fine, we send that in to the central office, the engineers do a profile of the whole area," and they say, "We'll correct the whole problem by a drain through another section which will obviate the need for this little drain that floods Peter --- or drains Peter and floods Paul."

This is the kind of thing that we have had in the past and we're trying to overcome. Certainly the staff, as I have pointed out, have been under tremendous duress in trying to inform the local folks, the municipal people of what they're trying to achieve. But I think as projects and programs go forward and they see the benefits of the kind of activity that's now going on, there is much more understanding will come into this problem. As I say, the major drains attacking the problem on a regional basis such as has been done with certain drains in my area has already brought this home to many of the people. I just want to make myself clear there. I would not at any time condemn or be critical of an engineer in his professional capacity in carrying out his policy.

MR. HRYHORCZUK: Mr. Chairman, I have listened with considerable interest to the Honourable Member from Gimli and it looks as if he's looking out for further and more experience on those front benches. He's not satisfied with the one shift. But he exhibits a complete lack of any knowledge of what has been going on in this province before he entered it, and a complete lack of any knowledge outside of his little bailiwick, the constituency of Gimli.

If he, Mr. Chairman, had only spent a wee little bit of time to get himself acquainted with

(Mr. Hryhorczuk cont'd) the situation, he would have never made the remarks that he has allowed himself to make, not only today but from time to time. He would have found out that there was such things as drainage districts in the Province of Manitoba. He would have found out that there were miles, and not little bits, but miles and miles of drains that were started at the source -- or the mouth and built up to the source. He can only travel down No. 5 and he'll see them in the Rural Municipality of Westbourne. If you want to go across, you can go into the Rural Municipality of Glenella, the Rural Municipality of Ste. Rose -- all through the southern country here, all through the southeast country -- all kinds of drains start where they should and end where they should.

What he is confusing is drains with the construction of roads. He doesn't quite seem to realize that when the little bit of a grade is built there's a ditch excavated to get the earth. He calls that a drain, and that's exactly what he's talking about when he talks about these little half-mile and mile pieces of what he calls drains. They are only these ditches alongside of a roadbed. The earth was taken from there and there's a little ditch. It was never intended to be a drain. I think that the Honourable Minister is away off base.

We know he comes from a swampy sort of a country that it took years and years to do anything with, and I can frankly say that there's been just too much money spent on some of those areas that are being reclaimed and they're not worth it. I don't know where he gets his influence, but he must have it because the estimates will show, if you look through the construction programs of the various departments, he had much more than his share of the money that people are paying into the Treasury of this Province. I think that he hasn't too much to brag about, because I think if anybody insists on having money spent where money should not be spent -- and I've been in his country -- I went to the Washow Bay development project when it was in its formation and the amount of money that went in there, I was doubtful whether it was worth it. You can foresee that willows would grow in there because very little else would grow in those ditches but willows, and when he condemns the previous government for not doing the drainage work properly, I say again, Mr. Chairman, that he doesn't know what he speaks of.

In his own area it'll be a long time before it is drained properly, if he wants to drain his constituency. In his constituency it seems the land is almost on the level with the lake and a lot of those drains running into the lake, when the wind is high, brings the water from the lake right back into these drains and floods that country. He knows that and if he doesn't he should, and why come out with an overall condemnation of the former government for its drainage policies?

I can point out to him some of the finest drainage schemes that have ever been evolved anywhere right here in the Province of Manitoba, and they were completed long before this government came into power. In the Duck Mountains alone we have the Pine River and the Sandy Creek development which starts with holding backwaters at the source by a series of dams, making sure that the water that comes down these creeks will never reach the stage where they'll flood, and the work was properly done. Not one single project of that nature has been undertaken by this government, and nobody is condemning this government that such projects have not been undertaken. At the same time, we don't want to hear about what happened in the past, especially from a source that knows nothing about it. We don't mind it coming from an intelligible source -- knowledgeable -- and knows what has gone on, but when you take out one wee little insignificant corner of the province and base your whole argument on it, it's bound to crumble.

Now I haven't any objection to a certain amount of -- well call it centralization if you want to. I don't think there is anything wrong in the way this is set up providing that there is some work done. But we can give you examples. What is the name of that -- the Honourable Member from Gladstone has got something in his constituency -- the Whitemud business. Let me take a look at that, if you will -- Excuse me one moment. We have something here that's much more interesting than what the Honourable Member for Gimli has been telling us about.

We've often heard about the 60 days on the floor of this House -- it didn't refer to this province but it referred to another jurisdiction -- but we can bring this down, this 60 day business right down to this Chamber, and if we look at the Neepawa Press of Friday, March 10, we see the headline: "Watershed Fate Known in 60 Days." Now what is it about -- 1961, just three years ago. "Proposals formally presented. The fate of the proposals for a Whitemud Watershed

(Mr. Hrhoreczuk cont'd) District should be sealed within the next two months. The proposals have been formally presented to the 17 municipal councils involved and they each have 60 days in which to pass by-laws approving or disapproving it." -- and so forth. This is three years ago. Nothing has been done, and that is the type of thing that we are talking about. It's all right. You need somebody at the head of this and you've got to make certain plans. You've got to make schemes -- right, but when you go ahead and you tell the people of a certain area that something is going to be done or a decision made within 60 days, and we've waited three years and nothing has been done, then there is a place for criticism.

Now, "Watershed Decision Referred to Hutton" -- February 27, 1962 -- and it's still talking about the RM of Lansdowne and all these other municipalities. They've all got together and evidently they all agreed. "The matter is now referred back to the Agricultural Minister, George Hutton for reconsideration." That's February 27, 1962 -- two years ago. We still have nothing concrete. Criticism of those nature are criticisms that are founded on fact, not the kind of criticism that we've been hearing from the Honourable Member from Gimli.

We can quite appreciate explanations given to us by the Honourable Minister of Agriculture and we can understand that you've got to have an overall picture; you've got to have your locality set up for the watershed area and so forth. That's quite proper and I think it's looking ahead. It's a good policy, a good program, but let's have a little bit of action.

But all of what is done under this particular branch of the department isn't entirely proper. I know of any number of rivers that are being cleared of brush and debris, which in itself is a good policy, but they don't start at the bottom of the river where they should. They haphazardly start anywhere, in the middle of it, at the top of it, which simply means that by the time they're through with that particular cleaning out of the river basin or the river channel, there are the possibility of hundreds of floodings. I had to draw the attention of the engineering staff to one of such projects started in my constituency this summer, right in the middle of a river. They were going to clean out a mile of brush out of this river channel and down below the river channel was plugged with brush and debris and so forth, which would have meant a faster flow of water in the spring and would have meant considerable flooding. Now this is repeated again and again, and I think that that part of the whole scheme should be looked into very carefully. Again I say that the criticisms that we hear from time to time levelled from the other side of the House about the former government are generally not based on fact and they're not altogether the kind of an argument you want to hear. I don't think the people of Manitoba are any longer interested in what the former government had done or what they failed to do. I think that the people of Manitoba have given the present government five years to show what they are going to do or what they could do, and I think they are interested in knowing what has been done and what they propose to do. I don't think it is necessary to start digging up a great many things like we've heard dug up by the front benchers of the other side. When they're really stuck for an argument they begin to criticize the former government. Well let me tell them this, that it won't make any difference how efficient or proficient this government is, the time is going to come when some of their programs and policies will look pretty silly. Your hindsight is always better than your foresight, and no matter how well you plan your things you're not always going to be right.

Now there's one thing I've noticed in this year's session which makes it entirely different from any that I have attended here in the past 14 years, Mr. Chairman, that there's a certain amount of disillusionment in the front benches there. That same cockiness is missing; that same feeling that we know all the answers; we're going to do everything, is gone, and when they get stuck for an answer they start to play with fantasy, and they'll go back to the horse and buggy days and everything else to cover up their own deficiencies. Well there's probably nothing wrong in that providing that we don't repeat it too often. But I want to say again that what we've heard yesterday and today is not quite the type of thing that we like to hear. I'm talking now not as a member of the Opposition but as an elector of the Province of Manitoba. We'd like to see a little more responsibility, a little more concrete work on the part of the government.

Now while I'm on my feet, I would like the Minister to give us, if he can, an idea as to what his programs are for the province in the way of drainages and water control; whether he intends to do any major works outside of the Portage Diversion and the continuation of the Winnipeg Floodway. I might remind him that these projects, the Winnipeg Floodway and the Portage Diversion, in themselves may be the answer to some problems, but we won't go into that now.

(Mr. Hrhorczuk cont'd) I don't want to discuss that, but I want to remind him that problems throughout the Province of Manitoba where there is the possibility of flooding, or where water conservation is necessary, is just as important to the people who are affected, although the project in itself may be comparatively small, is as important to these people as any project that is undertaken as elaborate as the Portage Diversion or the Winnipeg Floodway.

We've heard requests from the floor of the House during this debate and during some of the speeches that there are many problems throughout the province in the way of water conservation and drainage that are necessary, and more so in the areas which are flat, that is where the drainage is very poor and also where the drainage is too good, where the drop in the land is too big for a given mileage and I'm talking about escarpments along our mountains and the fall away from them. Now in my own area we have falls that run to about 20 - 25 - 30 feet to the mile, and then you run into the difficulties there of erosion when you build these drains. In fact we had the municipality try to redirect the course of a stream without the approval of the engineers and what actually happened, where they built the ditch approximately 10 feet wide and about three feet deep, it ended up -- it ended up 100 feet wide and about 15 to 16 feet deep. That is just another argument why we should be very careful as to what we do in the way of drainage and water conservation.

And I suggest to the Honourable Minister, if I may, that in all these areas he take exactly the kind of care that he's promising to take, that the plans are well made, and that we don't do anything haphazardly without making a complete study of what is in store, both not only the amount of water that comes down but the terrain, the lay of the land and everything else, and I'd again say, Mr. Chairman, that I would like him to give some attention to these small local problems of drainage. I know they're small but if you take the overall count of them, the numbers that there are in the Province of Manitoba and add them all up, you'll find that there are more people concerned or affected by them than there are by either the Winnipeg Floodway or the Portage Diversion.

MR. EVANS: Mr. Chairman, I move that the Committee rise.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker.

Madam Speaker, the Committee of Supply has considered a certain resolution, directed me to report progress and asks leave to sit again.

MR. W. G. MARTIN (St. Matthews): Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

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

MADAM SPEAKER: It is now 5:30. The House will now adjourn and stand adjourned until 2:30 tomorrow afternoon.