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THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Friday, March 20, 1964.

MADAM SPEAKER: We were on the debate for the second reading of Bill No. 99.

MR. MOLGAT: Thank you, Madam Speaker. I believe I was on my feet at the time the debate adjourned. My only point in speaking at this time, Madam Speaker, on this particular bill was that it seems to me that the provincial government and the federal government might at this time consider the matter of the home production of wine by a lot of people in the Province of Manitoba.

Now this is a matter which was discussed some years ago when we were amending or putting in the new Act. The federal government permits under their legislation the production of home-made beer and wine. There are many areas in Manitoba, particularly where we have immigrants of fairly recent arrival from Europe, where this is a common practice. Under the Manitoba legislation, this matter is not permitted. The new Act that was brought in some years ago still did not permit it. The federal Act, I understand, does permit it. I don't think there's any question that none of us and no one in Manitoba wants to see a traffic in this product; no one wants to see it sold or made for sale; but it seems to me that under the federal law and under the, shall we say, fairly common practice in Manitoba, it has been admitted that this practice goes on. Yet under our own Act, it is not permitted.

I have to say quite frankly that in my own constituency this matter comes up on a number of occasions. I've had some fairly recently in which I was in some contact with the Provincial Attorney-General's Department, where persons who believed they were operating completely within the law, and certainly on consultation of any federal Act completely were so, were found to be guilty of producing alcoholic beverages outside of the Act of Manitoba.

I wonder if the Minister could not review at this time, this situation, to somehow permit in the Act in Manitoba the production of home-made beer and wine, not for re-sale but simply for home consumption, because I do believe that across the Province of Manitoba this practice is reasonably common and that the Act might be made to fit into these circumstances.

MR. HILLHOUSE: Madam Speaker, in connection with the matter just raised by my leader, I might say that I was in one of the chain stores tonight, and advertised quite prominently and displayed on the shelves was malt for making home-made beer. Now if I go ahead and I purchase that and I make it at home, I'm breaking the law, because I'm having in my possession liquor which was not purchased from the Commission.

I can even go farther than that under our law. I can get a licence from the Excise Department to make my own spirits, provided the still has not a capacity of more than 1½ gallons, and those licences are obtainable. Even if I make my own spirits lawfully under federal law, I am guilty of an offence under provincial law for having liquor not purchased from the Manitoba Liquor Commission.

Now I realize that there's a big danger in allowing people who are in the habit of making their own wine and making their own beer, because you don't know where that kind of traffic is going to stop, but I know the situation raised by my honourable leader, and that is that there's a tremendous number of people in Manitoba from the Old Country who do make their own beer and who do make their own wine. They don't sell it. It is good stuff. In fact, some of it's a lot better than the stuff you get at the Liquor Commission, and if there was only some way that we could licence those people in Manitoba -- licence them in Manitoba under our provincial law the way they can be licenced under the federal law, I think everybody'll be happy.

MR. FROESE: Madam Speaker, did I understand the Minister to say before that the matter of liquor advertising had been dropped altogether for this year?

MR. PAULLEY: Madam Speaker, just before the Minister answers the questions, I have one or two questions. Seeing as the Honourable the Member for Rhineland brought up about advertising, I wonder if my honourable friend the present Attorney-General has contacted the former member in relation to a promise that was made to me last year that the Commission would take down these terrible looking signs that they have in the liquor outlets and the beverage rooms, advertising the fact that you can purchase within the hotel, generally speaking, eight or nine different varieties. I pointed out last year, the Minister may recall, that many of these establishments have spent thousands of dollars in order to brush up the appearance of the

(Mr. Paulley cont'd) . . . . lounges and beverage rooms only to have the appearance marred by the signs that the Liquor Commission insists that the proprietor display.

Last year the Attorney-General indicated to me that I wouldn't have to raise the question this year. I regret to say that either he didn't have any influence with the Liquor Commission or that orders were not carried through, because the signs are still there; they still look as terrible as ever. As a matter of fact, they don't improve with age, I wonder if my honourable friend would take a look at the matter and possibly find out whether the Commission were asked to do it and refused to do it; or if they weren't asked to do it, I wonder if my honourable friend the present Attorney-General would get these signs off beautiful drapes and the like of that that they have in some of these liquor outlets.

MR. McLEAN: Madam Speaker, representing as I do the constituency of Dauphin, I'm not as well acquainted as the Honourable Member for Ste. Rose or the Member for Selkirk with the home-made wine or the home-beer to which they have made reference. I think, however, I could assure them that the points they have made certainly warrant the serious consideration of the Attorney-General and they will receive that consideration.

The Honourable Member for Rhineland asked about liquor advertising. There is no provision in the bill now before the House to provide for anything concerning liquor advertising. I can't say to the Honourable Leader of the New Democratic Party that I received any communication from my predecessor about the signs. I'm half inclined to agree with him that they do look like something or other -- an unparliamentary word. I intend certainly to look into the matter. I would remind him of course that, by law, the Liquor Commission is sort of at arm's length from the Attorney-General and I'm not too certain that I have any authority in the matter. It certainly is something that can be considered.

Finally, to the Honourable the Member for Inkster, he asked why it is necessary to bring in amendments each year. Well I don't really think the perfect piece of legislation has been enacted yet and experience, working with the statutes, brings to light from day to day improvements that can and should be made in the drafting of the legislation, and that is the reason that you often find what are in effect small matters being brought forward in bills for the more efficient operation of a statute, and I think perhaps there is no other explanation than that.

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

MR. ROBLIN: Madam Speaker, would you call the Resolutions in the following order, if you please: first, the Ways and Means motion; secondly, the Shared Services Resolution; and then finally the motion for the Committee of Supply, if you please.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the First Minister and the proposed motion in amendment thereto of the Honourable the Leader of the Opposition. The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, may I have this stand until Monday? I assure the House that if I'm here it will be proceeded with on Monday; if not, I'll pass it on to somebody else.

MADAM SPEAKER: Agreed. The proposed resolution of the Honourable the First Minister. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, I would beg the indulgence of the House to have the matter stand, but I have no objection whatever if any one else wishes to speak on the subject.

MADAM SPEAKER: Does any other member wish to speak? Agreed to stand.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Public Utilities, 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: Department X -- 1. Administration.

MR. STEINKOPF: Mr. Chairman, last evening the Honourable Member for Carillon and the Honourable Member for Radisson brought up a few matters that I'd like to reply to if I may.

With the matter of a letter that was written by the Council of Steinbach to The Manitoba Telephone System and dates were given, I've now been able to find a reply under date of November 12th from the Manitoba Telephone System to me, that for some reason or other was inadvertently not passed on -- the information in it was never passed on to the Municipal Council

(Mr. Steinkopf cont'd) . . . . . of the Town of Steinbach, but the matter complained of was dealt with quite thoroughly by The Telephone System in their usual efficient manner, and if there's any blame to be laid I'm afraid it will have to be in my office.

The complaint, if you'll recall, was in the manner of the service that was being given to the Town of Steinbach on matters of service and repair, and the situation at that time was not good because there had been a routine change in the manner in which it was being handled, but since that time it has improved considerably and now the program is that service calls are scheduled not to exceed three days in the Town of Steinbach itself and five days in rural areas, and since January 1st of this year these intervals have never been exceeded, and in fact requirements were usually met on the same day in the Town of Steinbach or on a two-day basis in the rural parts, and I must apologize for that letter not having gotten to the municipal council but I think that they'd be more interested in having the service improved than getting a lot of correspondence from us. One of the ways I find that I can do these things is to cut out the paper work a little bit.

The matter was brought up on the question of loading rural lines. This matter is rather a chronic problem all over the province and it's something that the telephone system is quite conscious of and as a matter of fact it's not happy with the situation but is proud with the record it has made these past few years in trying to alleviate it. The situation is now that the system's program to reduce the number of subscribers on rural lines is progressing as planned, and at present the average loading is 8.2 subscribers per line. At present, 65 percent of all rural lines are eight or less subscribers, and 88 percent of all lines are 10 or less. The remaining 12 percent rural lines with 10 or more subscribers will be substantially reduced in this coming year's program. You would be interested to know that 38 percent of the outside plant money is being spent on 10 percent of the subscribers, which is quite a ratio, and these of course are the provincial rural subscribers. The system spent close to \$500,000 in the current fiscal year in regrading existing rural lines, and plans to spend an estimated \$700,000 on reducing existing customers per rural line in the coming fiscal year. In total, the system spent something like \$2,300,000 on rural telephone service and plans to do the same approximate amount this year. In the last five years and including this year, the sum of over \$10 million has been spent on alleviating the situation of the loading or unloading of rural lines.

We have, as you know, some 34,000 rural subscribers and it is these subscribers that all attention that can be paid is being paid to them, but the costs for improving the service are astronomical, and if the telephone system was just to adopt a helter-skelter approach to it the cost per rural subscriber would go up so much per month that I don't think any of them could afford to pay for the service that at that time would be pretty good. To reduce the residential rural lines to six parties per line, just to give you an idea of what it would cost, and business rural lines to four parties per line, would require an immediate capital expenditure on the order of \$15 million. The system's additional fixed cost, maintenance and operating charges for this additional plant would amount to approximately \$2,700,000 per annum, and in terms of monthly charges if you were to divide the monthly subscribers into that amount you'd get another \$6.60 per month per rural subscriber, and if we just eliminated the problem completely we'd require 500 percent more plant equipment, and if this were done why the debt of the province would just keep on going, get out of sight, and someday would be pretty hard to refinance.

The problem is a serious one, and in the remarks of the honourable member last night he suggested with a smile that it might be a good idea if we all got out on some of these lines and saw what was going on, that if all of the people tried to call the Minister why there just wouldn't be enough time left to do that, but I know the situation exists. As a matter of fact, in one case where I had occasion to use it, I tried to get the line for such a long time that it paid me to get in the car and drive the eight or ten miles and get my message across that way a little bit faster, so it is one of the first matters that I tackled with the management when I took on this position, and I was soon confronted with these figures, and the decision, I think, that has to be followed is that of the board and the management to do it as fast as they can. It looks to me like it's another good eight years before we'll get it to a point where everyone will be reasonably satisfied, but that is the goal, and I can assure the honourable member that everything will be done just as fast as it is economically feasible to do it. We must also remember

(Mr. Steinkopf cont'd) . . . . that there's a certain amount of imbalance in the cost of this operation between urban and rural, and one must keep that in mind at all times and where that subsidy should lie and how much that subsidy should -- the balance should be tipped one way or another, because sooner or later there might be an objection from the one side that might consider themselves being treated unfairly.

This business of extending the Grunthal area, giving them a wider scope, probably bringing them into the Steinbach exchange, is again another one of economics and will be watched very carefully, and the moment that those toll lines can be eliminated I can assure the honourable member that they will be. There was some reference made too last evening to the editorial in the Deloraine newspaper. This is another matter of conversion and at the moment was being looked at by the management of the Manitoba Telephone System with the Chamber of Commerce at Deloraine and the others interested, and this is another case of having to wait until the conversion is complete on the matter of dial telephones. There is still some \$18 million to be expended in this field and that is another few years away from being done, and Deloraine too will be receiving close attention.

The matters brought up by the Honourable Leader of the NDP were all so complimentary and flattering that I think I'd better sit down while I'm still ahead on that score, but I do want to thank him for those remarks and I hope that maybe by the end of the estimates, or this time next year, they'll still be forthcoming.

MR. MARK G. SMERCHANSKI (Burrows): Mr. Chairman, I'd like to possibly ask the Minister and make a few observations with reference to the motto of cheap power in Manitoba, and at the outside I find that I do have to find disagreement with the policy and with some of the news releases concerning government policy on cheap power, because I think that cheap power is a wonderful idea. It's a kind of a mysterious catch-all phrase, but possibly taking a cue from our First Minister, it somewhat smacks of politics. I got a great deal of information together and was very much interested in the recent report indicating the substantial cost improvement in nuclear and thermo power production, and I'm wondering if it could be possible that Manitoba may find an undeveloped Nelson River project which would be too costly to develop. The advance of nuclear power leaves only a limited time to bring in big new hydro developments.

The other problem that might be very interesting to answer is that is it possible that our highly expert and capable management of the Manitoba Hydro Commission is in constant fear that the government's enthusiasm for hydro development of the Nelson River project may run counter to sound and economic planning? And I at this time want to give full recognition to the interim conclusions which the First Minister read to us and which were tabled for our information, also giving due consideration to such matters as fully loaded conditions on transmission lines and whether the transmission will be done at a higher voltage compared to what is being done today. I also appreciate that decisions of this type, Mr. Chairman, are not easy to make and carry out, but they do require re-study and they do require a great deal of re-consideration from time to time.

The problem would appear to be one of markets rather than physical development and construction of the hydro plant itself. I think that even the third phase as shown on page 16 of the report will give us only the final overall appraisal of the Nelson River potential. Therefore, there is a rather confused image of failing to segregate the economy of sales, the promotion of sales of power versus the economic cost of development and especially so in view of the fact that, as stated by the Manitoba Hydro annual report and also as quoted by the First Minister in his Manitoba Budget for 1964, to the best of my knowledge and calculation it would appear that at the present time we have something in the vicinity of 58 percent excess power in Manitoba.

Last spring, during our spring session, the First Minister talked about vision and an agreement that the Nelson River power site would eventually become part of the national power grid. The First Minister also clearly indicated that there is a need to export power south of the border. He also stated that Hydro power is more economical than nuclear or thermo power plants, but I don't think that he really did mean this and I feel that it is the government's responsibility to take advantage of the ever-changing technological changes in power generation. It is also the responsibility of the government to provide an abundant supply of electrical

(Mr. Smerchanski cont'd) . . . . power at the lowest possible cost. Doing these things it will stimulate the economic growth and the industrial growth of our province.

Now in the report that was tabled Interim Conclusion No. 3 in this report says, and this is rather an important observation, "There are reasonable prospects that the Nelson River power potential may be able" -- it doesn't say it will be, "it may be able to be delivered to these markets at competitive rates" and these markets include the North Central United States area and the Provinces of Ontario and Saskatchewan. And I would like you, Mr. Chairman, to note very definitely that it stipulates Ontario and Saskatchewan. Also that the cost should be considered as indicative only; and yet, Mr. Chairman, we have this being misinterpreted as these costs are a reality and as if these costs are an actual fact.

Now one of the big dangers that we have facing our hydro development in Manitoba is the fact that in North Dakota alone there is an estimated 350 billion tons of lignite, or approximately 18 percent of the total coal reserves of the United States which are available for the generation of cheap electrical power. When we examine the costs of the various methods of power generation and compare these charges here is the interesting comparison -- and don't for a moment think that we in Manitoba are going to take advantage of the entire electrical outlet markets in the United States when the State of North Dakota is sitting on such a potential source of power generation. Now coal generating units -- and over 80 percent of the electricity in the United States is produced by coal generating units today -- we find that presently it costs them approximately 7.5 mills per kilowatt hour but costs on larger units have been about six, and a good likelihood of a reduction to more like four and four and a half kilowatts per hour.

Now I'd like to talk about the nuclear plant on the same comparative basis, where you need no transmission line, or rather limited transmission lines, where you have no line losses and the cost of this is running approximately 5.9 kilowatts per hour. Based on an overall capital investment such as in Point Douglas in Ontario that was just recently completed, we come up with a capital cost on nuclear power of approximately \$407 per kilowatt. And I'd like to bring this back to you because there's a very interesting comparison coming up. The Ontario Government estimates in their 1962 report of last year that it will be possible to develop nuclear power at 4 to 4.3 mills per kilowatt hour in Ontario -- and this is based on their Point Douglas Plant that is going into operation as of the present time.

Now our Hydro Power Development taking the average across all of Canada, as of present-day development costs, the approximate average Canadian cost of all hydro electric development is 6 mills per kilowatt power. So on the one hand you've got that the old generating units will vary from a 4.5 to a 7.5 high; nuclear is running around 5.9; and our hydro power development is running at 6 mills. Another interesting fact; as of last spring there was on the planning board of United States 3,833,000 kilowatt hours of nuclear plant design, and if we understand that better in terms of our hydro development at Grand Rapids, that would mean roughly 100 Grand Rapids plant developments in the United States that will be on nuclear energy within the next two or three years. Mr. Chairman, this is a fact. These plants are not only on the drawing board, these plants have their foundations in and they are constructing them.

If it is the intention of this government to export power, and if my analysis are wrong -- they could be a little bit in error, but they are not wrong -- just what are the plans of this government in reference to the Nelson River project? Are we stalling? Are we just going to phase out on our No. 3 phase? Giving full consideration, Mr. Chairman, to the possibility, to the fact that the United States utilities can develop their own generating sources at a cost of below 6 mills per kilowatt as compared to the average cost of hydro development of 6 mills per kilowatt, and making due allowance for the competitive cost of nuclear and thermal generating plants, under these conditions the negotiations on the Nelson River project and the National Energy Board as far as export of power are concerned, should be brought to a proper conclusion, otherwise hydro-rich Manitoba with its Nelson River project may have to face a real showdown with nuclear power. These are sobering but factual and rather stunning and unfortunate comparisons, and I dare say even sad conditions, not unlike the disappearance of the buffalo from the prairie. But nevertheless these are actual facts.

And I'd like to illustrate that a little stronger in that the other day in our committee on utilities it was remarked -- and there was a newspaper report after that that ran something to the extent that nuclear development and hydro power on the Nelson River have complimentary

(Mr. Smerchanski cont'd) . . . . features and that we haven't got sufficient expert advice on nuclear energy. And, Mr. Chairman, when I started to make the comparison on the power cost in the Province of Ontario we have got two-thirds of the capacity of the Grand Rapids power plant of today that is being generated by nuclear energy. I use the Grand Rapids as a comparison because this gives us -- we were all there. We saw this tremendous development; we're only going to utilize two-thirds of it. And this is the same amount of energy that Ontario is developing today from nuclear energy. Now, in Ontario their costs were as I mentioned initially, \$407 per kilowatt.

Now Business Week of March 14th, which is just a few days back, comes up with research and facts on "Power reactors launch business drive." And the amazing thing is that the General Electric Company and that the Westinghouse Electric Company are coming up now and are able to build nuclear thermal plants at \$130.00 per kilowatt -- at one-third of the cost of what it took the Province of Ontario to build their nuclear energy plant. In other words when we compare it on these basis, this nuclear development power is averaging something in the vicinity of 4 mills per kilowatt hour as compared to the present average cost in Canada of hydro development of 6 mills per kilowatt hour. Now these are very sobering facts and something that I think should be brought to the attention of the people that are concerned with the policy of hydro development in the province.

If, on the other hand the development of the Nelson River is going to attract industry to our province because of the more favourable power costs which the First Minister talked so much about yesterday as to the cheap power -- which I claim is not so -- and if this government feels that this is the right decision and that this is the proper timing, and good timing, then we should hear about these plans. I don't think we should drag our feet, one way or the other, because it may be a little later than we think.

However, I want to again re-emphasize and bring to the attention of this House and this committee that the power costs to industry in Manitoba are higher in Manitoba from 25 to 40 percent higher than they are in Ontario. And I have absolute proof of this. What we did, we sent some of the bills that are being paid to the Manitoba Hydro to Ontario and they came back and the comparison cost is 25 to 40 percent less than it is in Manitoba. And I want to ask you, Mr. Chairman, and the members of this committee, how they explain this cheaper power. Maybe the cream is out of the cream puff -- I don't know. The First Minister was telling us that sometimes figures which appear to be so conclusive, but in reality are hidden behind a screen and we kind of glide smoothly over it. I am just as much concerned being a citizen of Manitoba as anyone else is; and I'm just as much concerned that when I find on a feasibility study report in connection with industry in this province, that our power costs are consistently running 25 to 30 percent higher than in Ontario, and then to have somebody tell us that this is not so, this is a very very difficult pill to swallow. I think that the Honourable Minister of Industry and Commerce is fully aware of this. I think he is.

Let me, Mr. Chairman, bring to the attention of the committee as well the comparison of our power costs in Manitoba. They are based on the Dominion Bureau of Statistics, and I'd like to ask the Minister, and I'm not feigning facetious on this matter, but I'd like to ask him this: what is the matter with our own research department? Can we not produce comparative figures on our own? Why should we go to the Dominion Government and then say that we are not quite sure what basis, or what the facts were surrounding the circumstances of compiling this type of comparison and averages. Because these are obviously wrong. This comparison shows that the power in Ontario is higher than in Manitoba; and it's just the reverse. Just the absolute reverse.

Now it might sound very nice to make these statements in this House but it is not very nice when you are trying to develop industry in the province and when you know doggone well that the power costs to your industry are 30-40 percent higher and somebody comes and tells you they're cheaper.

Mr. Chairman, I was very much interested and in co-operation with the Department of Industry and Commerce, when plans were announced for the heavy water plant in Canada. This would have produced active operating personnel of about 300 and this would have given employment to approximately another 700-800 people. In other words it would have equalled close to 1,000 new jobs in Manitoba, and I want to go on record, Mr. Chairman, that we made a



(Mr. Smerchanski cont'd) . . . . . complete study of this and we found that our power costs were higher than those that were being offered in Ontario, in Nova Scotia, and those in Alberta. Now then, I ask you this simple question. If our power is cheaper, why wasn't it made available to us? I also would like to ask this question. If our power is cheaper, I'd like to know what industries are paying less for power than the standard industries in the Province of Manitoba, because this is most unfair to the average businessman and business concern in the Province of Manitoba, and this is the kind of comparisons we get. Granted, I don't know too much about the details or the finances of this province possibly in detail, but I think I do know something about the operation, of the costs of business, and being able to make a profit, and being able to employ people, and when somebody tells us that these are not facts, I think I'd like to bring to their attention that maybe they'd better get their pencil and paper out and they had better do some research and they had better get the actual facts concerning some of these matters.

I would like to have this government through the Minister consider this: If the policy of this government is that nuclear energy is not so cheap, then give free enterprise the permission to set up a nuclear energy plant of their own and let them compete against your operation. If they are willing to spend their money, if they are sold on the idea that this can be a success, give them this opportunity; and I want to go on record that private industry if given an opportunity will produce electricity from nuclear energy on a competitive basis and will be able to create a new industry, and I would like you to give this some real good hard consideration.

I believe in public ownership and I think we've got a fine Hydro Electric Commission, but let us not get carried away with ourselves that it is cheap power, because we're only fooling ourselves, and if you would give us power cheaper in Manitoba than in Ontario I can assure the Honourable Minister of Industry and Commerce that we would have so many industries in here that it would make everybody's head swim. That's what you would develop; but this is not the case. The fact -- Business Research Feasibility Reports do not suggest it and they certainly do not point in this direction, and that, Mr. Chairman, is all that I wish to say. I feel that what I have mentioned is rather an important -- a very, very important matter in reference to hydro planning and hydro policy in reference to the Province of Manitoba, and I certainly take most strenuous objection and disagree with the First Minister completely in his statement that power in Manitoba is cheaper than it is in any other Province of Canada, and I think that was corrected and somebody mentioned Quebec, but these are the facts and I felt that I did want to bring it to the attention of the Minister and to the government in connection with the department of private utilities. Thank you Mr. Chairman.

MR. PAULLEY: . . . . . say while the thought is on my mind. I'm sure that the Minister has many answers to my honourable friend. I was quite intrigued to listen to my honourable friend for Burrows advocating that we return back to private industry or free enterprise in the production of power in the Province of Manitoba. Give them an opportunity, he says Mr. Chairman, and what does that mean but allow them to come back in? We had competition here for many years between private and public enterprise insofar as electrical energy is concerned, and thank goodness this Legislature, albeit it took a long time to do so, but thank goodness this Legislature eventually came to the opinion that power should be developed in the Province of Manitoba through public enterprise for the benefit of the public. Apart from this, Mr. Chairman, I listened and was fascinated with the discourse of my honourable learned friend in the field of nuclear energy this evening. I hadn't heard him before. I know he was at the Committee on Public Utilities the other day when I was asking a number of questions of the management of the hydro, and he must have got some ideas from listening to the questions that were asked of the Commission at that time, and I'm glad to see -- yes he did, because up until that time or this evening, none of your group have ever raised a question of power from nuclear energy in this House to my knowledge. And I think, Mr. Chairman, this is clearly indicative, this is clearly indicative of the fact that members of my group here are constantly giving the lead to the Official Opposition in matters for debate in this House.

Apart from this, Mr. Chairman -- and I suggest this is a truism or what I just said is a truism -- but apart from that I would like my honourable friend the member for Burrows, who has just suggested that the costs of the development of energy from nuclear power are now rapidly becoming cheaper than that of hydro power, and he went on to illustrate in many locations in the United States of America to which we hope if we have excess power as a result of

(Mr. Paulley cont'd) . . . . . the Nelson to export power, he went on to illustrate that many of these communities are in a position to develop nuclear energy at less cost than they would be able to receive the same power by export from Canada. If this is so, Mr. Chairman, and if my friend has studied the question to the depth that he appeared to have this evening, I wonder if he would justify the position of the Liberal Party at the Federal level, in agreeing with huge expenditures of taxpayers' money in British Columbia for the development of the hydro power in B.C. and also the export of that power from British Columbia into the State of Washington and other parts of the United States

My honourable friend's answer might be: "well I'm only dealing with Manitoba," but I say to him, Mr. Chairman, that as responsible legislators here in the Province of Manitoba we should also be concerned with the cost to the taxpayer or possible fiascos, no matter whether they happen here in Manitoba or British Columbia, and I'm sure my honourable friend's got more influence on the Right Honourable Mr. Pearson and Company down at Ottawa than I have, but I would suggest if he has got any influence at all, if he can establish to Mike Pearson and Company what he's attempting to establish to us here in Manitoba that nuclear energy is right at our doorstep and it's going to be cheaper, that it would be -- he didn't use the word "silly" -- but it would be uneconomical for us to develop the Nelson because of the close proximity of nuclear energy and our export market would be gone, for heaven's sake, Mr. Chairman, I say to the Honourable Member for Burrows, tell Mike Pearson and the Federal Liberals -- and Conservatives too -- so that the people of British Columbia will not make huge expenditures on the Columbia River in the hopes of recouping their expenditures from export trade.

Also Mr. Chairman, my honourable friend in his deliberation and his very thorough analysis of the power situation, dealing with the Central Plains and also just across the line into North Dakota, he mentioned tonight -- and of course this is one of the areas that hydro if they do develop the Nelson River want to have as a customer -- my honourable friend here told us about -- what was it Mr. Chairman? A billion tons of reserve coal, readily available for the creation of electrical energy? Does not my honourable friend know, Mr. Chairman, that this has been the problem of our sister province to the west of us, who in the Estevan fields have -- I don't know if they've got a billion but I would say they have millions of tons of cheap coal, and when we look at the comparative costs of energy we find that the Province of Saskatchewan cost of power is almost triple what it is here in the Province of Manitoba. Surely my honourable friend hasn't given the study to this question that his voice implied here this evening. Apart from that, I do suggest to my friend that if he is right insofar as production of nuclear energy being here, and being cheaper, that he not only convince the First Minister and the Government of Manitoba -- and I know they need convincing on many matters -- but he also convince Mike Pearson and the Federal Liberals in respect of the development on the Columbia River, which if memory serves me correctly, is going to cost about half as much again as the development of our own Nelson River. Then my honourable friend further went on, laying such great emphasis on the cost of power and related it to the industrial development of the community. I just want to tell him, and I'm critical of the government too and they'll hear more about this later. I'm critical of the government too because there has been a lack of industrial development -- (interjection). Yes, Duffy's boy. There will be criticisms coming, but I'm going to tell you, Mr. Chairman, unlike the criticisms and the poppycock of my honourable friends to the right, it will be constructive and accurate criticism. Laugh. There was a song that they used to sing during the depression and if my honourable friends to the rear and to the right of me continue to advocate their policies, Mr. Chairman, Manitoba will be back in a depression ere long, if accepted by my friends opposite.

But apart from this, Mr. Chairman, my honourable friend was criticizing the government because of the fact that we are not progressing industrial-wise to the degree that we should have because we have a higher cost, in his words, of electrical energy here than they have in Ontario. I wonder how my friend would justify that in the Province of Saskatchewan -- where incidentally they're going to have a general election on April 22nd, and this has no bearing on that -- I wonder how he would justify that in the Province of Saskatchewan, where they have to pay almost three times as much for electrical energy, the users, they have a labour shortage because of the influx of industry into that province. People went away -- my gosh. No, they don't subsidize them at all, Mr. Chairman. But I say, I'm only using this as an illustration

(Mr. Paulley cont'd) . . . . . of how my learned friend from Burrows, as I said to him the other day when speaking on another resolution, I think you had better put in a little more study and a little bit more overtime and consideration. So I come back again. I'm interested in the development of nuclear energy, and I'm sure everybody here in the Province of Manitoba is, but thus far it hasn't been shown, although they are working rapidly toward it, that the energy can be developed as cheaply as our power can be from our water resources. And I do say to my honourable friend, if he has the answer, then I suggest to him that he let his federal friends know it so they can tell the people of British Columbia and save them about three-quarters of a billion dollars that they are going to spend in the hope of exporting hydro power into the United States.

MR. SMERCHANSKI: Might I say a word, Mr. Chairman, in reference to the nonsense that was referred to -- (interjection). Okay?

MR. STEINKOPF: Mr. Chairman, after I get off my chest what I have before I forget it. I hope that that continues for a little while because my predecessor here had a sort of help, there were two Ministers on the job. My assistant seems to be across the hall. It's a little hard to get together with him and some of these things --(interjections) -- When the Honourable Member for Burrows talks about thermal energy and power, I must admit he's got me buffaloes, but when he talks about industrial development he's talking my language because since 1931 when I was chairman of the Made-in-the-West Committee of the Industrial Development Board, it's been a little bit of a crusade of mine to get industry in this province and I think that he was talking with tongue in cheek when he suggested that if we had cheaper power, industrial power or power that was less than Ontario we'd just be inundated with requests for setting up industry. But while the Honourable Member for Radisson was talking about B.C. he might have gone a little bit farther and mentioned there the tremendous amount of industry that comes to the province because of the natural resources. Good examples of that would be a major operation like Kitimat which put in its own power plant, tunnelled through a series of mountains, brought in power and did it under a lot less favourable conditions than we have here in Manitoba. All along the coast and in the interior of B.C. you have any number of pulp and paper mills, and matters like that; although power is a major factor in heavy industry of that kind, it certainly isn't the prime concern and prime interest in bringing the industry to that point. Other facilities must be there first before the plant can be established.

The little exercise on, again the juggling of rates, is something that I must get used to, but being a little new at this business all I can take and refer you to are the figures that were used which were the DBS figures as of 1960; and unless the Ontario rates have gone down considerably since then, or the Manitoba rates have gone up -- and I know of no major increase in the Manitoba rates since then -- it still indicates that the overall rate of all services in Manitoba was .95 against Ontario's .99 and Quebec's of .75. Manitoba still leads in the domestic and farm service by quite a wide margin with a figure of 1.15 and Ontario is next with 1.34 and Quebec goes up to 1.45. Now in determining what the industrial rate is we haven't got it set up in our book as you mentioned at the committee the other day, we talk about power, whereas Ontario talks about industrial rates, it must all average out in the end. But Ontario, with its large industrial complex is using so much more power for industry that it throws the balance all out. Our heavy sale of power has always been in the domestic and farm service; the power or industrial is still not the factor here on a ratio basis as it is in Ontario. But the rates are there for everyone to see and these figures can't be juggled because they go all the way down including every province, all ten provinces, and I think the DBS uses the same factor. It's not like making shoes. Power is power no matter where it is and it's a very simple thing to take a look at a bill as you did when you sent the one to Ontario and determine what the rate is. So the overall picture of a .95 figure as against Ontario's .99 must stand up. However there must be quite a difference in volume and this I'm perfectly willing to concede. But not to concede that our overall rate is 30 percent higher than it is in Ontario.

I also think that this alarming figure is the type of distortion that could be treated to chase away any industry that might come in here. I have never heard, in all the years I've been promoting industry, of anyone who has not considered Manitoba because of our power rate being too high or even higher than Ontario and if there was I would certainly like to hear about it because everything should be done to take a look at a situation like that. A very good example

(Mr. Steinkopf cont'd) . . . . . of heavy and large industry coming into Manitoba certainly must be the International Nickel complex at Thompson, where they came and probably put as much into Manitoba as any number of industries could do over the next number of years. They first of all found the nickel and then got the power afterwards; but the cheap power wouldn't have been worth very much to them if the nickel hadn't of been very close at hand, or in this province. Hudson Bay Mining and Smelting of course is another one. And I think that this is -- knowing the Honourable Member for Burrows for a long time -- I think this is what we can call quasi-political speech, but not one that really when you come to industry means too very much; because I know deep down in his heart he is just as interested as the rest of us in attracting as much industry as we can to Manitoba.

In the matter of the sale of power that results from the Nelson, this is still in the field of speculation; it is really an exercise in speculation. I'm sure that I will pass on his well thought out remarks to the management of Manitoba Hydro and those involved in the study of the Nelson, but at this stage it is a little bit too early for me to be too technical on the matter and to advise him on that basis. I'm sure as I can be that the matter of the sale of the power will be a prime consideration. The fact that North Dakota has got 18 percent of all the lignite coal in the United States is a very important factor but one must have to take a look at their present rate of power as compared to Manitoba and I just have a very rough figure but I believe our rate compares very favourably with the present North Dakota rates. All of these factors when you are dealing with millions of dollars as you would be in a development the size and scope of Nelson, will have to be considered before any major decision is made.

Now you can continue the debate with the . . . . .

HON. J. B. CARROLL (Minister of Welfare) (The Pas): . . . . . the member for Burrows would like to give the source of his statistics particularly with respect to the six mill rate for hydro generation in Canada. He might also give the source of his figure 7.5 mills for coal steam generation in United States. I'd be interested in finding out where those figures came from.

MR. SMERCHANSKI: Well, Mr. Chairman, a good percentage of this comes from the statistical information from the Manitoba Hydro Electric Board, the Nuclear Power demonstration pamphlet from the Ontario Hydro Commission and going over the last five years of the Ontario Hydro Commission reports; also with the Canadian Atomic Energy Commission that has available these comparative figures.

MR. CARROLL: Where does the figure come -- six mill rate for all Canada for hydro generation? Just the one rate that's all I want . . . . .

MR. SMERCHANSKI: That's the Atomic Energy Commission in Ottawa. They have these figures on a comparative basis for the nuclear generating power and power from coal generation and also on hydro plant generations across Canada. Mr. Chairman, I would first of all like to just bring to the attention of this committee that I have always been very much interested in nuclear development and as far back as 1956 I took a very active part in the development of uranium in Canada and when my friend the Honourable Member from Radisson -- if he would only sit and listen periodically -- I can assure him that I have no intention of making a half hour speech from a two inch newspaper clipping that he is capable of doing -- and I admire him for it. But I can also assure him that I have made a study of this and it is not mere poppycock, because his remarks are truly an insult to an average man's intelligence that has made a study of this thing. I know what I'm talking about. These are facts that you can analyze, the Ontario Hydro, Quebec Hydro, Manitoba Hydro, Saskatchewan Hydro, these are facts. Anybody can check them. On a heavy water project the Minister of Industry and Commerce, his department was most co-operative, most anxious and we did a lot of work, we did a lot of work on research, we had to know what nuclear power energy meant, what heavy water meant, and we had their experts, we had their research at our disposal, and we went down into the States and we accumulated a lot of hard, known facts. I don't intend to talk on technical matters here above anybody's head because this is not fair and I for one moment do not want to pose myself as an expert, but, I do know what I'm talking about and inasmuch as my honourable friend didn't see the member from St. George at the committee meeting the other day, I'm wondering if he's not overlooking something and is not paying enough attention to what's being said.

In reference to power rates in Saskatchewan, the only reason that they got the

(Mr. Smerchanski cont'd) . . . . Interprovincial Steel Corporation into Regina was primarily of subsidy or reduced power rates which were not available in Manitoba. This is why they got located there and these are actual factual figures.

The Winnipeg Free Press on Friday, April 12th, 1963, printed -- and this was the time we had a bit of a tussle with the First Minister in reference to the Nelson River development and it was at that time that I interjected with nuclear development of energy. This isn't something new; these are actual facts and when you get a research report from "Business Week," these are also facts. Do you realize that this makes it possible for a large user of electricity to set up a 50,000 kilowatt plant that will generate power on the basis of a 4.5 capital cost for your water development, or nuclear development, or your power generating station. And when it comes to North Dakota my friend, Mr. Chairman, this is a summary of the industrial development of North Dakota. The governor of this state has been to this province asking some of the business people to go into and establish in his state; and power's an important item to us in business in developing new industries. And they tell us; and they show us; and they compare it, that their energy power costs are cheaper than ours, and yet my honourable friend here, and likely my friend over there too, says that he thinks that they're on a par.

I want to tell you right now, Mr. Chairman, that there's under consideration a \$5 million project of a plant -- it's a toss-up whether it's going to be located in Manitoba or North Dakota, and it's entirely hinged on the matter of power costs. Sure I'm interested in industry in Manitoba, and I'll back it up to the hilt, 100 percent, and I'll never back down from any other province or state. But let's not fool ourselves -- and this is not political hearsay, I'm not saying this for political credit one way or the other -- but I am telling you what is an actual fact, and this is the thing that concerns me. This is the thing that I know what I'm talking about and these are actual facts, actual figures, actual people I've talked to, and this is nothing about hearsay whatever.

This is about all I have to say, Mr. Chairman. You know, I'm beginning to learn that in this House sometimes it pays to just talk for a long time about nothing in particular, and it seems, Mr. Chairman, that this is the kind of advertising that is passed along most and when you have gone to work and you know a subject; you've done a lot of research, and you've done it with your own hands and you have been able to prove that you can do it, and then you get somebody jumping up like a jack-in-a-box and says, "Well, now, what does this man know about his subject?" It hardly even requires a reply because quite frankly I don't know what kind of a reply to give a question of that nature. Thank you, Mr. Chairman.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, I will speak less than one quarter of the time taken up by the member for Burrows; I will try to make four points, which will be twice as many as he made.

I listened with interest to our tireless researcher from Burrows and I take it that the nub of his "expertise" which he gave to the House here a few minutes ago was that the relative cost advantage of hydro power as compared to nuclear power was rapidly deteriorating. Is this one of the points he was trying to make? I might agree with him but for two things. First of all, I have not made as much, or done as much research into the matter. Secondly, I think that many of the reports which he relies so heavily upon that appear in "Business Week" -- which by the way I subscribe to, as he does -- he will find that it glows with optimism, and that particular magazine has been in the course of the past three or four years just slightly on the optimistic side with regard to technological advance. And I want him to say whether he actually believes that the relative cost advantage of hydro relative to nuclear power is rapidly deteriorating. This is the point. He talks as though it's a matter of imminent possibility or occurrence.

The other point is: he tried to make the point that private capital, private enterprise, could if allowed to, develop nuclear power in this province and compete, more than compete, or compete effectively with hydro power generated by a publicly-owned utility. Was he trying to make that point? If he was, I wonder on what basis he makes that statement. He insists that when he makes a statement in this House he's doing so on the basis of hard facts. Well, perhaps he is. I would like to know what the hard fact is in this particular instance because I am sure he is more aware than almost anyone else here that a utility is one of the most capital intensive industry of all industries. That is to say, utility development unlike secondary

(Mr. Schreyer cont'd) . . . industry or manufacturing requires more capital per labour input unit, it requires more capital in order to develop, to sell a particular block of revenue-bringing product than any other industry. Therefore, if a utility is so capital intensive as we are led to believe -- and I don't think he will disagree with that -- and on the other hand if it is a fact as COMEF tells us -- and I believe it to be a fact -- that government or publicly-owned utilities are able to obtain capital, borrow capital at somewhere in the order of one-quarter to one-half per centum rate cheaper than private enterprise, how in the world can private enterprise compete and outsell publicly-owned utilities. It doesn't make sense even on the basis of the hard kind of facts that the Member for Burrows likes to put in front of us with so much expertise as he shows from time to time.

MR. MOLGAT: Mr. Chairman, I wonder if the member though would give us the four points he was going to make. I haven't heard the four points yet, and I'd like to get them.

MR. SCHREYER: Mr. Chairman, I didn't want to confuse the Member for Burrows. I think two points at a time will do.

MR. MOLGAT: Mr. Chairman, the professor who can lecture to everyone surely can proceed to give us these facts. He said he was going to bring out four points. I beg the member to bring out his four points.

MR. CARROLL: Mr. Chairman, it would appear the Opposition might do the people of Canada a great favour and pack up their expert and all his facts and send him down to see the Premier of Newfoundland and the Premier of Quebec, who in tonight's paper are talking about how they're going to split the power which will be generated from Hamilton Falls. They apparently haven't heard of the facts that are in possession of the Member for Burrows. I think he might do your colleagues a great service farther east if you might share him with them.

MR. MOLGAT: Mr. Chairman, I realize the coalition that exists between my friends, the assistant Deputy Minister, or is it assistant Minister here and his assistants there. But, Mr. Chairman, the Member for Brokenhead got up and made a very specific point that he was going to bring out four points. My question is: would he please bring out his four points.

MR. SCHREYER: Mr. Chairman, point one was that I do not accept the statement made by the Member for Burrows that the relative cost advantage of hydro power relative to nuclear power is rapidly deteriorating. I don't accept that. The second point is that I believe that a utility enterprise is capital intensive more so than any other type of industry. The third point is that I believe, on my own account, and I accept COMEF's statement on the matter, that government, public utilities backed by government are able to obtain money -- they are able to go to the money market and get money cheaper, one-quarter to one-half of one per centum cheaper than private enterprise. And the fourth point was, I wanted the Member for Burrows to explain in the light of this how he could make the statement that private enterprise could undersell hydro if it were allowed to develop nuclear energy in this province.

MR. SMERCHANSKI: Mr. Chairman, I would like to answer the Honourable Minister across -- and this is the Financial Times of February 17th about Hamilton Falls and where Westinghouse has come in and underbid Consolidated Edison out of the State of New York, and which the Honourable Leader of the NDP made mention in committee the other day, and which the Honourable Member for Brokenhead forgets because his memory must be a little short. I also would suggest that my honourable friend from Brokenhead all he has to do is refer to the Hydro Electric Board's Report, March 31st, '63, and if he would total the energy used, the energy sold and the rate for which the boiler fuel energy is sold, and also put in the back of his bonnet the fact that we are 58 percent in excess of power and you make these calculations and one and one quarter percent interest service charge on capital expenditure is a mere bagatelle.

MR. CARROLL: Mr. Chairman, I just want to point out my friend is four days old -- He's quoting a newspaper four days ago. I'm quoting tonight's newspaper where they're still talking about the development of Hamilton Falls.

MR. CHAIRMAN: 3 passed . . . . .

MR. FROESE: Mr. Chairman, first of all let me congratulate the Minister on assuming his duties as Minister of Public Utilities, as well as Provincial Secretary. I have a few items that I wish to bring to his attention. Some of the matters have already been discussed in committee the other day so I don't want to rehash what has already been discussed very thoroughly,

(Mr. Froese cont'd) . . . although there 's one point that I want to draw from that, and that is, that we need a change of policy as was brought out in that committee meeting. I still feel that whereas at the present time we are contributing or taking care of all the costs of leading lines, telephone lines to a certain point, but, when it goes beyond that point the individual is supposed to carry the whole cost himself, and I don't think this is right. I think we should still be contributing towards part of that cost if the individual wants a single line telephone.

Then also, as the matter was brought out in committee on these perpetual charges in connection with colored 'phones, in connection with longer cords and repairs that are made to the telephone system apparatus that you have in your home, and once you have purchased one of those, or whether you have a repair item, that you'll have a perpetual charge made against your account as time goes along. I think this is not fair. I feel that there should be a limit to the amount that is being collected in this way from the user, and apparently this practice is also followed in the Hydro Department. When they make a change from a domestic to a farm plan, they have to put in a larger transformer and here again they then charge the Hydro user \$20.00 a year and this, too, is apparently continuing in perpetuity, so that they'll retrieve much more money than they invested in the first place and the charges I think are therefore outrageous.

Then, I have another matter that I want to bring to the attention of the Minister. This has to do with the matter of insurance. Presently all car drivers, all automobile drivers and owners have to carry insurance on their vehicles. This is mandatory. This is a requirement under statute, and while I'm not quarrelling with the rates, although I think they're very high in some instances, that is not the point that I want to make at this time. I feel that the biggest trouble is when people meet up with an accident the people are at a loss to know what to do, and the agents that have been selling this insurance very often can't advise and also many don't advise these people as to what course of action should be followed. They don't want to be bothered because the margin that they have, apparently they feel that it's not sufficient to be bothered later on when accidents come about and they are supposed to give advice, so I feel that there should be a procedure outlined as to the actions that these people are to follow in case of an accident. This could very easily be done and it could be included with the policy when the policy is sold.

We today have driver's tests. Young people who come of age to the point where they can receive a driver's license have to make a test, and why not, at that time also, give them a test and give them the advice that they should follow in connection with claims when they have an accident, so that I think we should take advantage of this situation and advise these young people when they get their licenses and also when they take out their insurance so that they will know what to do when a thing like this comes about. I also find that the insurance companies are taking advantage of the situation. They take undue time to settle accounts and claims that are made against them, and this also holds true for impoundments. Many people don't know what action to take, what to do, and how to get the vehicle out; so very often they refer to us members or other people who they call on then, and I feel that this should be information that should be going out in the first place, so that there would be no doubt as to what to do and what course of action to follow. I would like to hear from the Minister on this. I think this is something that should be looked into and I think it is something that can be very easily corrected.

Now I listened with a great deal of interest to the member for Burrows and also to the Minister in replying on the matter of hydro. I think the development of our natural resources is something that we all like to see and certainly Manitoba could do well in deriving some funds from our natural resources to carry on the cost of government. I also noted that the Leader of the New Democratic Party seemed to be rather worried about B. C. I think he should be quite at ease, because I don't think you have to worry about B. C. at all, because when they go into construction they are sure of their sales before they make the initial expense, so that he could be quite at rest.

He mentioned that Saskatchewan apparently now has full employment and are looking for people. I think this is something they should have corrected years ago. They have been losing people for many many years and now their population has decreased to this point where they now all of a sudden find themselves that they need more people and as a result have full employment, and I feel that, as B. C., I think we should follow their course, that if further development of our natural resources and especially so the Nelson River, if the power is developed, I would think that we should be assured of markets too, before we make any development of that nature. As the member for Burrows pointed out, March 20th, 1964.

(Mr. Froese cont'd)... if nuclear power can be developed for less, I think this matter should be looked into as well, so that before any action is taken, we know where we stand on the matter.

MR. LISSAMAN: Mr. Chairman, I'd like to ask the member for Burrows a question. I caught a figure in the first of the speech that I could hardly credit. I think he said that we had 58 percent in excess of capacity than we were currently using -- did I understand him correctly? Well now Mr. Chairman, this must then compel me to say a few words on the subject, because the Honourable Member for Burrows the other night sounded very similar to this when he was speaking of lagoons. He sounds about as impressive and factual as science fiction does compared to actual fiction. There's enough truth in it to make you think that it's plausible and workable, but when you get down to facts, the actual fact of the case is that no matter what the excess is over the normal current usage of electricity, the actual excess that you must safely protect yourself on is the peaks of the consumption of power within the province, because obviously on a severe winter night in January, then you're going to have the utmost use of electricity, and in this case I think the honourable member will find that the surplus shrinks to somewhere about 12-15 percent and this is accepted as pretty well the minimum in the industry, simply because it represents generally about the biggest machine on the line, and if you have that machine go out you could probably still get through. I understand one of the utilities to the west took a bit of gambling and they had a machine go out, and by chance they discovered an airplane that could carry a part and fly it in, but one of their big machines was off the line for three months and the prime and first instruction given to Manitoba Hydro in this province is the adequate supply of hydro electric power to this province.

Now if the member can be so far wrong in this point, then we must look with question upon a lot of the other statements that he made. Now he's talking about comparing nuclear power to thermal and so on, and certainly the very very large thermo plants are getting down to producing power at quite acceptable and competitive rates, but let me -- first of all I want to refer to where this material comes from. This was a speech given publicly by the chairman of the Manitoba Hydro to the Manitoba Electrical Association on January 23rd, and it is interesting to just see what Mr. Stephens had to say about nuclear power: "A second possible course of action would be" -- and he's speaking about the various things that we must examine for sources of power in the province of Manitoba -- "a second possible source of action would be to secure our next substantial block of power, after Grand Rapids that is, from nuclear sources. We have been following developments in this field rather closely and from among all the various means of getting power from the atom, we continue to be impressed by the Canadian system which involves the use of natural uranium for fueling, heavy water as the moderator and also as a coolant. The 25 megawatt Ralston plant has been operating rather well. The designers and builders of the Kando Reactor at Douglas Point on Lake Huron seem to be quite encouraged to date by their experience with the 250 megawatt system but" -- listen to this -- "it will be a year or so yet before there is any actual operating experience available from the Douglas Point station."

Now obviously the Member for Burrows is away beyond these people, who are practically experimenting in trying to find out the cost. Theoretically he has these figures all on paper and very impressive, and I think the Liberal group would be wise to send such an expert to Ottawa because he can certainly save the people of Canada a lot of money.

In the meantime, the people who have been most closely associated -- oh, and I might interpolate here, interrupt myself. You will recall during the committee meeting the other morning, the question was asked as to whether Manitoba Hydro were following the situation closely and did they have any experts. Well the plain fact is that nuclear research, from what I can gather, is not a case of having one expert. This is a case for huge developments which go on -- are carried on by governments or by very large corporations such as in the United States, and where there is probably a whole branch of research workers, experts on nuclear experimentation. "In the meantime, the people who have been," -- I'm reading again -- "most closely associated with the Canadian Nuclear program have expressed considerable confidence that 500 megawatt units based essentially on the Kando design on the basis of 2-4 units per station might be installed at a cost of \$235 per kilowatt and produce energy for a very high load factor operation at costs that would be competitive with those applicable to very large conventional thermal units."

Now when he questions the value of further investigation on the Nelson River we must just simply examine practical facts as they are and not be carried away by any scientific dream



(Mr. Lissaman, cont'd)...that the Honourable Member for Burrows may have computed on paper, and that simply is this fact, that the Federal Government experts have evidenced their interest in this project and certainly we are spending a lot of money on exploration but they have signified that interest to such an extent that they are willing to spend a lot more money to find out what is there.

Now if there were the slightest chance of the Member for Burrows' thinking being right, why it would be foolish to even spend this explorational money on the Nelson, and more than this the Ontario Hydro system, which is as you know, experimenting with nuclear and large thermal units, has evidenced their interest to tie in with the exploration of the Nelson River, so Mr. Chairman, it would be ridiculous for this committee to believe that this is much more than science fiction that the Honourable Member for Burrows is proposing to this House.

MR. SMERCHANSKI: Mr. Chairman, I don't think it's much of a science fiction unless my honourable friend from Brandon would care to state that the Manitoba budget, which was presented by the First Minister, is scientific fiction. It might well be. It has to be according to the Honourable Member for Brandon. And then the other matter, Mr. Chairman, again I say Twelfth Annual Report of the Manitoba Hydro Electric Board year ended March 31, 1963, must also be part of this fictional science propaganda, because in this report of the Manitoba Hydro Commission it says that the total amount of energy sold in terms of fuel hours consumed and sold and that's revenue. Now these are the facts on which I make my comparison. Now if the Honourable Member from Brandon feels that this is fictional science then I am very much concerned about the fictional science that the First Minister of this province is trying to force upon us, because the figures which he shows in his presentation are 5,565,442 kilowatt hours expressed in thousands. The Annual Report says that the total amount used is 3,241,300 expressed in thousands. Now you compare that and that's a difference of ....

MR. STEINKOPF: Where's that figure? What page?

MR. SMERCHANSKI: On page 4 of your Statistical Highlight in your Annual Report.

MR. STEINKOPF: .....nine.

MR. SMERCHANSKI: I don't follow you as to what page 9 has to do with the statistical comparison of actual facts which I'm replying to the Honourable Minister from Brandon and that this is not fictional science, because on the one hand the First Minister of the province makes a statement which I would hope to think is actual fact, and I would also hope to think that the Annual Report prepared by the Hydro is an actual fact and this is the comparison I used. Now this is not fictional science, and as far as the rest of the matter of peak loads, peak consumption and so forth, I appreciate what he is talking about and I think that here's where I'll take my hat off possibly to the First Minister in that he did make allowance for peak loads and peak consumption in his presentation of the budget. He is quite right in that point, and therefore if you put the label of fictional science on me I think you will have to put the label of fictional science on him.

And the other part, Mr. Chairman, is that when we are talking about the Point Douglas reactor, there was a news report in the Telegram Staff Reporter and it's captioned: "A Light is Dawning in Ontario," and this was a visit that went through the nuclear plant at the time of its initial opening. And this is the figure where I used, together with the Ontario Hydro Commission that prepared a special booklet on nuclear power demonstration and production, and this is where the actual fact is that it's \$407.00 per kilowatt on a capital cost, and the other is based on figures that are being quoted by General Electric and Westinghouse today which have been followed through on very competent figures, and these are \$130.00 per kilowatt per capital cost -- one-third. Nobody can deny these and all I simply do is that -- if you read my preliminary remarks on the Nelson River Project, you have put in a lot of adjectives and adverbs into it which are not so. You read it and all I'm trying to do is to bring to the attention of this government to be fully aware of what is taking place, because I feel this is something that I should rightfully do and this is all I'm endeavouring to do, Mr. Chairman.

MR. LISSAMAN: Mr. Chairman, I think I see where the honourable member has rather made an error and I think it springs from not taking cognizance of his own figure of 58 percent surplus, because costs in all these stations must be assessed on the basis of a high load factor that's continual production. How he's admitted that at times we have a surplus of 58 percent, so it means that a very expensive machine sometimes is only producing to 58 capacity, and

(Mr. Lissaman, cont'd)...then he averages the cost through that to get this high mill rate which is certainly, I would suggest, not the way in which he figures his atomic producer that he designed on paper.

I might go on to say further in relationship to hydro thermal production, this might be of interest to the honourable member: "The position of Ontario Hydro, as it has been made known to date, is the best utility . . . . . prepared to do some experimenting with 500 megawatt nuclear units if the Government of Canada and the Government of Ontario would jointly provide something well over one-half the capital cost of the station. This is another way of saying, I presume, that as of today's vantage point Ontario Hydro is not prepared on its own to embark upon a large nuclear project or that as of today this sort is not sufficiently developed to stand on its own feet and compete against alternative sources of energy for power utility purposes." And this is based on the operations of the Ontario Hydro and from the viewpoint of a hydro man.

MR. SMERCHANSKI: Mr. Chairman, I don't want to belabour the fact. All I'm going to say to the honourable member from Brandon is that when he says mill rate of high cost, there is only one way that you can compare this and this is on the amount of consumption versus the amount of revenue that you've sold it, and this is the same basis that I'm comparing it with the Ontario Hydro Commission. Now if the method of comparison might be slightly out on the Manitoba Annual Statement, you are comparing it on the same basis with the Ontario Annual Statement, so that those errors are allowed in both situations, and on a weighed basis this is a fair comparison, plus the fact that this is further substantiated by the actual fact of comparing the figures where bills were submitted to the Ontario Hydro and costed out in comparison to the costing out that was carried out by the Manitoba Hydro Commission, and they are in comparison with each other.

MR. LISSAMAN: I propose that this isn't a fair method of comparison that the honourable member has used because I would presume, and I think members would agree with me, that because Ontario is a very highly industrialized province, that the load factor in Ontario would be much greater than the load factor in Manitoba, and so to compare them on dollars and cents receipts and power generated is not a fair way of assessing the mill cost, in my opinion.

MR. SMERCHANSKI: But then, Mr. Chairman, all that the Honourable Member for Brandon is saying is that our power in Manitoba is more expensive than the power in Ontario and this is all I'm trying to say.

MR. LISSAMAN: The method of comparison is not quite fair.

MR. SMERCHANSKI: Mr. Chairman, might I take a little time to give a little illustration to my honourable friend from Brandon. I have before me here a bill from the Manitoba Hydro Commission on which we have consumed 61,440 kilowatt hours and you've got 4 x 6 blocks of power on a graduating scale. The same bill was sent to Ontario and their reply was -- now the cost in Manitoba was \$570.76 to the cent; from Ontario we got a report that this cost on the same comparable basis \$396.90, and it says: "This type of a load, if you owned your own step-down facilities, there would be a further allowance made so that your net bill would then become \$343.33." The only thing is that the step-down facility is provided by Hydro in this instance and therefore we have to take the figure of \$396.90. Now if that isn't a 30 percent reduction I don't know what is then.

MR. CHAIRMAN: The Honourable the Leader of the Opposition.

MR. MOLGAT: Mr. Chairman, before we leave the matter of the Hydro, I'd like to say a few things about the Nelson River Development, and in fact about the Hydro matters in the Province of Manitoba, because you know, Mr. Chairman, as we sit here in this House, we find my honourable friends across the way, whenever something is not too good or something that they want to evade, you notice that they immediately blame this side of the House -- I should say this corner of the House -- and notably they blame my honourable friend the Member for Lakeside. They say: "Well, you remember those days. Nothing was done and there was no action in those days," and so on. Whenever anything is, in their opinion, favourable, they want to take full credit for the whole thing. And nowhere is this more noticeable, Mr. Chairman, than in this matter of Nelson power.

I want to remind you, Mr. Chairman, that you and I and the other members of this House were involved in an election campaign a little over a year ago. You remember that one, Mr.

(Mr. Molgat, cont'd)... Chairman. You remember the First Minister was playing little games at that time. You know his cute little under-the-table political games that he likes so much to do. Down here in La Verendrye constituency where he was enticing certain members to run, where he was going to call two by-elections at the time rather than three because he thought there was some political gain for him in the situation. When that little cute ploy of his didn't work out, what did my honourable friend the First Minister do? Well, he got annoyed, short-tempered, as he's wont to do, proceeded to call a general election. Mr. Chairman, what was the reason for his general election then? What was the basis of it? Well, according to his own statements -- not mine, Mr. Chairman, his own -- it was going to be "Cheap Electricity is Election Issue -- Roblin's Plan. Roblin gives details of cheap power plan." This was going to be the issue of the campaign. He asked the voters to give him the green light to go ahead now with Nelson River Development, and so on. This was the purpose and the main basis of the election.

Well, Mr. Chairman, I think it's time that the record was set straight in this House, and that this constant ballyhoo and publicity by my friends opposite be put out clearly so far as the people of Manitoba are concerned. Mr. Chairman, I want to say at the outset that I'm not opposed to the development of the Nelson River project. I think that properly engineered, properly developed, properly planned, as long as there are markets, as long as all the details are worked out, it's an excellent plan. But I want to make it very clear; Mr. Chairman, that this didn't develop because of my honourable friends opposite. One need only to go back, and I notice, Mr. Chairman, that the First Minister has evidenced a great deal of interest in research. It's unfortunate that he is more interested in other people doing research than in doing some himself, because if he had been prepared to do some research and give the people of Manitoba the facts, the full facts, and not just a part of the facts or the part that he likes to demonstrate, he would have said to the people of Manitoba that back in 1948, the Manitoba Government of the day -- the Manitoba Government that was later headed, I don't think he was the premier at that time, but very shortly after that, by my colleague the Member for Lakeside -- that the Hogg Report was commissioned at that time, and it reported at that time to the Honourable Stuart Garson, the Premier of the Province. And it was a very good report, Mr. Chairman. It went through the whole matters of power development and power production in the Province of Manitoba. And I quote, for example, from Page 3 of that report, and I remind you, Mr. Chairman, that this is 1948, 1948, quite a few years ago, and it says, "The lakes and rivers of Manitoba are probably the most marked physical feature of the province. Two of the largest river systems, the Nelson and the Churchill drain an area of 557,000 square miles, or an area more than twice as large as that of the province," and so on. Then later on, same page, "The rivers flowing into and from Lake Winnipeg together with the Churchill River are the source of most of the potential hydro electric power resources of the province. These two river systems, the Nelson and the Churchill, are capable of producing between three and four million horsepower, depending upon the stage of river discharge." A little later on, "The important sources of potential hydro electric power in Manitoba are concentrated on four main river systems, namely, the Winnipeg, the Nelson, the Churchill and Saskatchewan-Dauphin systems." I'm not going to read all of the report, Mr. Chairman, although it would make excellent reading and I commend it to the First Minister -- I think if he would read it and do some of his research that he would find in here a great deal of useful material, material that I think, Mr. Chairman, he should tell the people of Manitoba because after all he should tell the people of Manitoba, Mr. Chairman, the full facts. He shouldn't be superficial in his approach. He should make sure that when he makes a statement to the people of Manitoba, and particularly, Mr. Chairman, when he calls an election in Manitoba on the subject, that he at least be fair to the people of Manitoba and give them all of the facts.

So, skipping through the report, but nevertheless picking on page 20, "In future planning hydro electric development for Manitoba, it is vitally important the great value of Lake Winnipeg, Winnipegosis and Manitoba as regulating reservoirs making possible the greatest utilization of the power resources of the Winnipeg, Nelson and Churchill Rivers be kept constantly in mind." And then further on at that time the Hogg recommended the development of the Dauphin River project in conjunction with the Saskatchewan River. "Next in the line of development, depending upon industrial and mining requirements are the power site of the Nelson and

(Mr. Molgat, cont'd)... Churchill Rivers, each capable of generating from 50,000 to 250,000 horsepower, with from two million to two and one half million horsepower available on the Nelson River and over a million horsepower available in the Churchill River the power requirements can be met for some years to come, providing the organization and planning are conducted on a sound basis." Mr. Chairman, this is back in 1948. 1948 is the date of that report.

Mr. Chairman, what went on after that? Well, this report recommended a complete overhaul and re-organization of the power industry in the Province of Manitoba. And my colleague, the present Member for Lakeside proceeded with this re-organization. This was done in the period 1950 to 1952, and at that time there were special sessions of Legislature called. My honourable friend the First Minister can't say that he doesn't know about this because he was a member of the House at that time, Mr. Chairman. He sat in the House then and he knows full well the facts about the situation. And, the then government re-organized power production in the Province of Manitoba. True, it didn't go exactly according to Plan C, which was developed on the basis of the Hogg Report -- there were some difficulties that arose -- but nevertheless the power was reorganized and the whole of the Winnipeg River system was co-ordinated into a sound plan. Mr. Chairman, it was very evident at that stage, and it was quite clear in the plan of the Hydro Electric Board and the Government of Manitoba that the next stages would be either Grand Rapids or the Dauphin River development, both of which basically are the same arrangement, because one is simply diverting the waters of the Saskatchewan into the northern end of Lake Winnipegosis and then using the Dauphin River -- it's the same water basically that you're dealing with. Nevertheless those were the plans. And that beyond that, of course, based on the Hogg report, would be the Nelson. Well, then my friend's and his then colleagues in Ottawa had a great deal to say, Mr. Chairman, about a "national power grid" -- remember that one. So much was made about a national power grid in Canada and the great potential for northern development, and all that could be done on a national power grid. Mr. Chairman, who originated the idea of a national power grid in Canada? Mr. Chairman, I'd like to say that the man who originated the idea, who first announced it, was my colleague, the Member for Lakeside. And I get fed up in this House, Mr. Chairman, when I hear the members across the way constantly berating my colleague and his government of the day for having done nothing. Because let me read to you, Mr. Chairman, what was said back in 1957 at a Dominion-Provincial Conference by the Honourable Douglas Campbell, Premier of Manitoba. And here was his statement at that conference. I'm not going to read all of the statement; I'm reading only the portion, and these are pages 47, 48 and 49 of the report. I commend it to my honourable friend the First Minister as basic research, background material that he should check into before he gets up and makes statements on the Province of Manitoba. Here is the statement: "One important remaining area where such a national development policy could be applied is in the electrical power field. In the entire southern half of our country a rapid growth in power requirements has almost exhausted nearby sources of hydro electric power and is forcing many areas to consider a much greater use of thermo power, yet the northern half of Canada still has a very substantial hydro electric power potential. One has only to mention Mica Creek, Frobisher and the Rocky Mountain Trench in British Columbia, the Saskatchewan Rivers in Alberta and Saskatchewan, the Nelson and Churchill Rivers in Manitoba, the numerous streams running into the Hudson's Bay in Ontario and Quebec, and the Hamilton River in Labrador, to emphasize the truth of this statement. At the present time these power sources are not being developed because they are so far from our centres of population. Studies by Manitoba's own experts, however, indicate that if substantial blocks of the power available on the Nelson could be brought to southern Manitoba, even the costly transmission facilities would eventually be highly economic. These studies show that a 75 percent load would enable this northern power to compete with alternative sources. In the ten to fifteen years needed to build the load up to this level, however, the carrying charges on these transmission lines would be so heavy that unless substantial government help was forthcoming our utilities could not afford to finance them and would instead be forced to turn to thermo power sources. Moreover as additional thermo stations are constructed, their very existence might serve to delay the development of these northern power resources indefinitely.

"We suggest, Mr. Prime Minister, that a sound development policy in this field would be one in which your government would undertake to construct in areas where they would become

(Mr. Molgat, cont'd)...economic, long distant electrical power transmission lines over which power could be transmitted on a toll basis, the toll to be set at a level which would cover interest and carrying charges once the line was being used at 75 percent of capacity. In the meantime, during the period of demand build-up, the federal government would meet these charges. If such a proposal were implemented it is possible to visualize a vast electric power grid which would eventually be interconnected from the Atlantic to the Pacific. Such a policy would have many advantages. The construction of these transmission facilities by making possible the earlier development of the power resources in the north would give a sharp stimulus to the development of northern Canada. It would hasten the utilization of one of our remaining undeveloped natural resources; a resource which is completely renewable and now simply runs to waste. With the federal government's role restricted to the ownership of the transmission facilities, the decision as to whether private or public interest should generate and distribute the power could be left in provincial hands. By helping to promote uniform standards of transmission this policy would ultimately facilitate the interconnection of our many Canadian power systems. Our experts in this field have suggested that such a scheme might well involve the construction at different points across Canada of 3,000 to 5,000 miles of north to south transmission line at a cost ranging from \$500 million to \$750 million. Construction over a period of ten years would involve an expenditure of from \$50 million to \$75 million a year. We believe this proposal to be so important that we intend to send immediately a copy of my remarks on this subject to Mr. Borden, the Chairman of the Royal Commission recently appointed to inquire into the power field. A number of these northern power sites involve very large expenditures in the construction of dams and other facilities, and consideration should be given to providing federal assistance for these very costly projects during the early load building period. In this connection Manitoba has noted with interest the recent announcement concerning federal aid to the Beachwood project in New Brunswick, the South Saskatchewan Dam in Saskatchewan, and also the statement of government policy regarding the Mica Creek project in British Columbia. We assume that similar federal assistance will be available for projects underway or soon to be undertaken in Manitoba."

And that, Mr. Chairman, was the then Premier of Manitoba, the Honourable Douglas Campbell, the present Member for Lakeside, speaking at the Dominion-Provincial Conference in 1957. Mr. Chairman, could there be any clearer statement of power development here in Manitoba on the Nelson and Churchill watersheds? But further than that the policy recommended of a national power grid.

What do we find now, Mr. Chairman? My honourable friends opposite claiming this all for themselves. They dreamt it up. This just hatched itself, Mr. Chairman, right in my little friend's head all by itself at the time when his, you know his cute little political play didn't work out. So what do we find, Mr. Chairman? He calls an election. And what are his statements in that election? What did he say at that time? Well, I'm quoting now from the Tribune of November 13th: "Low cost electric power for Manitoba's housewives, farmers and factories has emerged as one of the main issues in the Provincial election campaign." Just out of the blue. "This was apparent today when Premier Duff Roblin elaborated a little on his campaign-launching television speech of Monday night which outlined his Government's record but gave few details of what he planned for his next term if re-elected. Monday night he promised 'important measures to insure low cost electric power in Manitoba until the end of the present century.' Today he said he was referring to the planned \$800 million development of power sites on the Nelson River. He said it was possible such a project could be started in time to see power pulsing southward to the Winnipeg area within the next four years with Federal help."

Mr. Chairman, the same thing had been said -- this was 1962 -- yes, the same thing had been said, Mr. Chairman, several years before that back in 1958 by the then-premier of the province. The same thing had been said, Mr. Chairman, some 12 to 14 years before that by the Hogg report but the main point, said Mr. Roblin, is for the voters to decide if we should start on the project. Mr. Roblin has stated he ranks Nelson power in the same high category as education and social welfare." Then we have another one, Mr. Chairman, on the 20th of November, where he says, or at least he's quoted: "He asked voters to give him the green light to go ahead now with Nelson River power development. The first stage of field

(Mr. Molgat, cont'd)...investigation would cost a million dollars and the second stage three to five million."

Mr. Chairman, at that time, my honourable friend was not being truthful to the people of Manitoba. He had not done his research, Mr. Chairman, because he didn't tell the people of Manitoba that this had been a long range plan in the province, that it dated back to 1948, the time of the Hogg report; that step by step it had been implemented by his predecessor in this House and by his predecessor in the Government of Manitoba. But worse still, Mr. Chairman, he wasn't being truthful to the people of Manitoba, in that at that very time, in fact some months before that, he had already committed himself to the Federal Government. He was saying at this time, "Give me the mandate to proceed with the Nelson River power development," but I have the letter here, Mr. Chairman, dated September 21, 1962, from my honourable friend opposite to the then Prime Minister of Canada, the Right Honourable John D. Diefenbaker, Sept. 21, 1962, and it says, "My Dear Prime Minister: You will recall certain discussions and correspondence which we have had regarding the Nelson River power potential in Manitoba and the extent to which it's early development must depend upon long distance transmission. Following upon your conference on long distance transmission on March 19th I have had discussions with several of your colleagues in the government, and arising out of these our officials have had discussions with Federal officials with respect to mapping and other technical aspects which require investigation before an overall economic appraisal could be made. I now enclose a brief submission which I make on behalf of the Government of Manitoba. I'm sure you will find this submission to be in harmony with the views which you have frequently expressed, and that it reflects what you had in mind when you addressed the conference on March 19th and when you spoke in Winnipeg some weeks later."

Well there was considerable delay, Mr. Chairman, between that and the reply of the then Prime Minister, I must confess that the previous Prime Minister didn't reply as quickly as the present Prime Minister because my honourable friend was in Ottawa on Wednesday and asked three questions and he had them answered today, but in this particular case he wrote on September 21st and he got a reply on January 16th of the following year: "I refer to your letter of September 21st in which you transmitted the submission" and so on, and the Prime Minister indicates that they are prepared to go ahead. So Mr. Chairman, my honourable friend back in September had made a submission to the government in Ottawa, he outlined what the province was prepared to do, and yet in the month of November he's calling an election supposedly to get a mandate to develop the Nelson River power project. Mr. Chairman, I say to my honourable friend, be frank with the people of Manitoba. Don't try and fool them. Don't attempt at election time to get up and give them just part of the facts. Give them the full facts. Tell them that this business of power production in Manitoba is a long-range development, that it started back in 1948 at the time of the Hogg report, it was implemented by your predecessors, and that you are continuing that; and Mr. Chairman, if my honourable friend would be prepared to make that sort of a statement, the people of Manitoba would be prepared to have more confidence in my honourable friend than they have at this time.

MR. ROBLIN: I would suspect, Mr. Chairman, that my honourable friend the Leader of the Opposition is almost inviting me to take some part in this little discussion we've had on power, and I gather from the edge in his voice, an edge which I'm happy to say is usually absent when he takes part in these debates, I gather that there is something under his skin. It seems to me that some of the proceedings of this House with respect to our debate registered in his mind in a way just a little more emphatic than usual, and I rather gathered from what he had to say that there was something biting him and he wants to get it off his chest, and he thought tonight would be a good chance to do so and he has repeated what he has said on other occasions about the Hogg report, the Nelson River, and other things like that. Of course you know that the point he is making is hardly worth all the effort he put into it, but seeing he made it, I haven't the slightest objection in discussing it with him, because he produces the Hogg report in his comments on the Nelson River as if he'd found something. He produces it as if he had discovered a piece of information which was not public information in Manitoba for many years and which it was perhaps wrong of me not to have spoken about, even though it was in the public domain for all these 12 years, 14 years, or what since Dr. Hogg's report.. Well I've got news for him, because the question of the Nelson River and the power of the Nelson and the power of the

(Mr. Roblin, cont'd)...Saskatchewan wasn't invented by Dr. Hogg any more than it was invented by me. It has been a common fact, well-known by anybody who takes any interest in electrical development. I'm willing to bet it was a fact well-known to the Honourable Member for Burrows for many, many years. It's well-known to me; it's well-known to other members of this House; it's in the public domain. There's no question about it -- (Interjection) --Well I don't think Henry Kelsey did, because I'm afraid that Farraday hadn't got quite so far with twirling his magnet when Henry Kelsey was roving around, so we can't really say that it goes back that far, but nevertheless it goes back quite far enough for my honourable friend to have no embarrassment whatsoever in bringing the subject up. Everybody knows about it. All right.

Well, my honourable friend doesn't listen to my speeches, except the one I made the other day -- he evidently listened to that one, and I'm glad to see that that registered, but I can see that it may produce useful results yet and if it does my time the other afternoon was not entirely wasted. But let me go on to deal with this matter. I want to say there is a great difference between talking and doing, and in connection with the development of our northern rivers I think I may fairly say -- and I don't say this as any direct criticism of the former Leader of the Opposition or the former Leader of this House -- but there is a great difference between talking and doing. Now when we came into office there was no decision made for the development of hydro electric power on the Saskatchewan River. No decision made. That river had been flowing down that bed for centuries. Everybody knew it had a power potential. Studies had been put forward to estimate what power was available and how much it would cost and a great deal of work had been done but no decisions had been made to develop that river. One of the first decisions that my colleagues and I had to make was whether or not the Nelson or the Saskatchewan River would be developed or whether we should have recourse to a relatively small thermo power unit, because I point out to members of this House that in the development of hydro electric power in this province, after the Winnipeg River had been pretty fully developed, the next projects were thermal units. They weren't hydro rivers at all; they were thermal units. They were developed at Brandon; they were developed at Selkirk; and there had been no decision made to develop the rivers of northern Manitoba. And I can say, beyond any fear of contradiction, that it was this administration that "did" in respect of the development of hydro power on the Saskatchewan River. We had to make that decision and we made it. I say that because when I came into office my colleagues and I were informed by the Manitoba Hydro Board that no decision had been made respecting that, and they asked us what the decision ought to be. Now we worked -- and I must be frank about this -- we worked very closely on the figures and the information presented to us by them. We relied very heavily indeed upon the technical advice we got; but when the chips were down it was the cabinet of this government that had to decide whether or not the Saskatchewan River should be developed.

Now we didn't claim to invent the power on the Saskatchewan River but we do claim to have made the decision to develop it, and that is the whole difference between my honourable friend's case and mine. That is the whole difference. He laughs. The Saskatchewan River, the river of northern Manitoba the Nelson River, has been running down to the sea for ages. It was in Dr. Hogg's report. It's been in many other studies long before Dr. Hogg came along, but we were the people who had to make the decision as to whether we should proceed with this expensive -- and I think they're expensive in terms of millions of dollars -- these expensive studies to develop that river. We had to make that decision and we had a right, I think, to ask the people of Manitoba to give us a mandate to do so.

My honourable friend quotes a letter from myself to the former Federal Prime Minister, making some suggestions in this respect. I don't deny that. That's true. I also say that long before any public statement was made by me, we had many studies into the Nelson. Of course. We had to; and we had to sound out all the possible courses of action in that respect. What other sensible course could we take? We had to establish the basis for our decision, and we had to make a proposal, and we had to have some idea as to whether there was a reasonable prospect of going ahead with that, and that we did and that took time. When we had made up our minds about that and when we had decided what to do, it was a matter which we did place before the people, among others, in the course of that general election, and we did say that if all went well in these studies that we were making within the four years -- and I think I can still say that -- within the four years from that time we hoped to be building on the Nelson River so what's

(Mr. Roblin, cont'd)... wrong with that? The essential difference between my honourable friend and me is that we had the responsibility of making the decisions about what to do and making the decisions to do something, and that's precisely what happened, and we made the decisions and we asked the people to support us in the decisions that we made.

Now I'm not claiming, either, to have invented the national grid. The national grid had been talked about long before the Honourable Member for Lakeside made his presentation to the Federal Government of that day. I think he made a good presentation. I had the privilege of reading it after he made it and on several occasions, and I am quite willing to hand him whatever credit there is due to him for making that proposal at that federal-provincial conference. I don't think he would claim that he invented the idea but he is certainly entitled to take the credit for having made the proposal. I'm going to give him more credit than that. I'm going to say that one of the most outstanding developments in public affairs in this province is the development of the Manitoba Hydro itself insofar as it serves rural Manitoba, and I think one must in fairness say that the architect of that policy was the Honourable Member for Lakeside. I have always given him the full credit for that, and I think the people have too, and this is a monument to his foresight in the development of power in this province and no one should try and take that away from him. Certainly I will not, and I'll be happy to accord to him the full credit for having been the author of what has been a most valuable public development in this province and I think everyone in this committee would do the same.

But coming back to the point here, the point as to whether or not we were responsible for having taken the action in these matters. There can be no dispute about it, we were. At the time he made his proposal, the Province of Manitoba was doing nothing in this matter. I pass no judgment on that. There were circumstances at that time. The Federal Government of those days did not accept his proposal as far as I know. I never heard of any suggestion on their part that they would take up his idea and proceed with this national grid. So we were in a situation there when proposals had been made all right but no decision to take action followed. That's where we come in because we had to take those responsibilities and those decisions. And I say to my honourable friend that the facts that I gave to the people of Manitoba at the time of the general elections are facts which are completely accurate, there's no question about that; that we had been in the thermal power generation business to a large extent; before we came in we had to make the decision as to whether or not to go ahead with Saskatchewan. We made it and the plant will be producing power this year. We had to make the decision as to whether to proceed on the Nelson. We made it, and we asked the people to confirm that this decision was wise, because even at that time and even today, let's not underestimate this, even today we do not know for certain whether we are going to develop the Nelson. We haven't sold kilowatt of power from the Nelson River and until we have sold that in sufficient quantity to make it an economically viable proposition, no one can stand up and claim that the Nelson is going to be built. I think it will, but I have to wait until all the facts are in. But we are going to spend several millions of dollars in conjunction with the Federal Government and with the Hydro itself for this particular matter, and I'll be interested to see how my honourable friend decides to vote when that particular item of capital expenditure does come up, for the development of the Nelson.

So my feelings on this are perfectly clear. I feel that even though he did lose the election, it is perfectly true he did lose it, he lost it quite decisively, when we get down to the facts of the matter, and the government was returned. And I venture to say that the people of Manitoba have just about the same confidence in the Government of Manitoba as they had at the time of that election. We are going to find out one of these days whether they have or not but I fancy the situation hasn't changed very much at the present time -- (Interjection) -- Well, I'll admit it gets a little cold when you're campaigning at that time of the year.

But I just want to get back to these charges that my honourable friend likes to make about Dr. Hogg and who thought of the Nelson and all that kind of thing. No question in the world. Many many people knew about the Nelson and its possibilities. No question in the world. I don't dispute that my predecessor tried to interest the Federal Government in the development of these northern rivers. It's a fact, it's on the record; I never said it wasn't on the record, for it wasn't so. But I do say that we are the people who decided to act on it. That is where we rest our case and that I think is indisputable.



MR. MOLGAT: Mr. Chairman, at the time that the previous government was in office, there was no need for the Grand Rapids Power Development. The previous government proceeded to build the thermal units on the recommendations that were made then. In fact, if my honourable friend will remember, he sat in Public Accounts Committee and we then questioned the Chairman of the Hydro Electric Board, still the present chairman, on whether we should proceed with thermal development rather than with further hydro development at that time and he explained in great detail to the Committee that thermal development in the Province of Manitoba would permit better use of the hydro development and my honourable friend then voted for it.

So let him not come now in this House, Mr. Chairman, and say that he had to make the great decision. Mr. Chairman, the whole point in power development in Manitoba is that under the Hydro Electric Board and under the studies that were made and the preparation that was made by the previous government and by the Hydro Electric Board this was all planned very long into the future, and that the Grand Rapids or the Dauphin project, as I mentioned in the Hogg report, were matters that were clearly outlined for development as the need arose. There was no need at that time for the government to make a decision. In fact if the government had proceeded with the Grand Rapids development at that time, they would have been wasting money because they would have gone into it before it was needed. And Mr. Chairman, I think there is some doubt in the minds of a lot of people whether this government didn't jump into the Grand Rapids project before they needed to. There is some doubt when you look at the costs in some of the matters that we brought up in this House last year whether this government didn't push the Hydro Electric Board into this project a year before it was planned by them.

MR. ROBLIN: Of course Mr. Chairman, my honourable friend can't have it both ways. Either the situation was planned by the Hydro Electric Board and they made the decision themselves as he said in one breath -- or as he says in the other breath, we made up their minds for them and pushed them into something they didn't want to do. Well, I want to tell him that we had two propositions put before us, one for thermal development, one for Grand Rapids. Both had their merits but we had to decide and we decided on Grand Rapids and not on thermal; and we did so because we thought that this would be best in the interests of developing our northern country and best in the developing of the interests of the province as a whole.

My honourable friend stands up and makes these statements of which he can have no possible knowledge because he did not sit in the cabinet where these decisions were made and I very much doubt if anybody who did sit in that cabinet room in those days confides in him in these particular matters. He's talking without his brief; he doesn't know what happened; he's ignorant of the fact and yet he has no hesitation in standing up here and declaring in a most emphatic manner what his version of events are. Well, I simply have to tell him that the facts are as I stated them and they are the facts that are -- the recipes are on the record as far as our cabinet decisions are concerned. There is no question about it. And he can stand up and he can make all the observations and statements that he wishes but he can't get away from what actually happened, because like the Honourable Member from Burrows -- I see he's not there -- he would probably say, "I know" -- what's the famous expression? "I know what I'm talking about," he says. Well, in this particular instance, I think I can claim that I know what I was talking about because I was very closely involved in the decisions that were made. So my honourable friend the Leader of the Opposition will have to start all over again and find something else to complain about.

MR. MOLGAT: Mr. Chairman, we strongly recommended to the government last year that they have a full investigation in this matter. My honourable friend was very careful not to do this.

MR. ROBLIN: I certainly am very careful in what I do and I want to say this that I have great confidence in the management of the Hydro Board and in the affairs that they conduct -- great confidence. If I felt that we didn't have that confidence I'm sure I would be recommending some changes in that particular respect but I have confidence in that board and I suggest my honourable friend would be well advised to share some of that confidence with me. They are not perfect; we are not perfect. We all make mistakes but under the circumstances of the

(Mr. Roblin, cont'd)...development of these state projects I am satisfied and I believe most people are satisfied that all things considered, the Manitoba Hydro Board have done a good job; have continued to do a good job; deserve our confidence. They have my confidence and if they carry on in the way that they have in the past and the way that they are doing in the present, they will have our confidence in the future.

MR. MOLGAT: Mr. Chairman, we have never said that we didn't have confidence in the Hydro Board -- (Interjection) -- Never, never! You look back on the record; you find once when we said we didn't have confidence. Mr. Chairman, I have confidence in the Hydro Board but I don't have confidence in the decisions made by this government. My honourable friend just admitted that it wasn't the Hydro Board that made the decision; it was the government who made the decision. And I say if they're so certain about their facts then let them have a full investigation as they said they would last year.

MR. ROBLIN: Mr. Chairman, the government accepts responsibility for policy decisions in connection with Hydro. That's the point that I've been trying to drum into the head of my honourable friend over these past few days when he's been subjecting us to these needless speeches that he's been making in connection with a couple of bills we passed -- (Interjection) -- Very needless speeches. If the speeches were as necessary as the bills they'd be pretty good speeches but they're not; they're not necessary at all. We accept the responsibility for policy, but in connection with Grand Rapids the actual carrying out of the job as everybody knows, is the responsibility of the Hydro Board. If we feel -- (Interjection) -- no, no, they do it. We are responsible for what they do and if we don't like what they do, we know what our remedy is, but we feel that they have carried that job forward in a satisfactory manner, all things considered, and we have confidence in what they do. We accept our responsibilities for policy. Of course we must make those decisions affecting finance and borrowing and all that sort of thing that's involved in these great measures. It's in the statute; that's the way it's set down in the laws of the province. We accept our responsibility. We are satisfied with the job that Hydro are doing. I think most people are satisfied with the job that Hydro are doing and my honourable friend would be well advised to get on to another subject where he can find more fertile fields than this one.

MR. MOLGAT: Mr. Chairman, I have no quarrels with Hydro. My quarrels are with my friend opposite. If he would call an investigation into his arrangements with Hydro and the decisions that they made and pushed Hydro into, I think the facts will come out.

MR. CHERNIACK: Mr. Chairman, I've finished my homework and I've finished the chapter that I was reading and I felt that it was time that I entered into a debate which I felt has been conducted on the highest impersonal level, non-political in nature, and one dedicated in the interests of progress for our province.

I feel deeply sorry, Mr. Chairman, that I find it necessary to inject a political note, only insofar as being new here and being anxious to be re-elected in the future and knowing that I must serve my constituency I am not at the moment thinking in terms of what the people of this province expect of me, but rather one constituent of mine who asked me at the earliest opportunity to appeal to the Honourable Minister of Public Utilities to see if he could use the power of persuasion that he has to attempt to persuade the managers and operators of the Manitoba Telephone System to make it possible for any person to dial a number in the area of Greater Winnipeg and be told the time. I wonder -- (Interjection) -- but not only 10:30 should they be told 10:30 but at other times they should be told the time at the time when they dial it. Could the Minister undertake, on behalf of this constituent to whom I promised to bring the issue before the House, to see whether it's a very costly matter which could be carried out, in the interests of not this constituent alone, whose vote I will probably get forever, but all the others that I hope I can attract to me in the future.

MR. STEINKOPF: Well, I'm afraid that I will not be able to give the reply to the Honourable Member for St. John's until I have the time to do my homework insofar as the Hogg report is concerned and a little bit more research into the matter before I can figure out such an important question but I am loaded here with statistics and I find here under Page 2 of the book that I have here of Section 86, that it would require 37,000 different dialings in order to get that time, and that the cost would be astronomical. All kidding aside, I think the constituents of River Heights -- and I hope that this also gets a little press coverage -- also

(Mr. Steinkopf, cont'd)... concerned in the time, will be able to be given that information pretty soon provided that the time is daylight saving time until the end of October of this year. I'll try to....

MR. CHERNIACK: Will the Honourable Minister announce his own telephone number so we'll all know whom to phone.

MR. MOLGAT: Mr. Chairman, I wonder if the First Minister could give us any details about the possible sales of power in the Minneapolis, and in fact in the northern States area? What progress has been made now insofar as blocks of power? What amounts, and at what price, and so on?

MR. ROBLIN: I think my honourable friend knows, Mr. Chairman, that these matters are now under study by those who are in charge of the investigations and that they will be reporting their findings in due course. I'm sorry that there is no further information that I can give him at this moment.

MR. CHAIRMAN: Item 1 passed, Resolution 66.

MR. MOLGAT: Mr. Chairman, it is my understanding that there is a surplus of power at this time in the Minneapolis and northern United States area. I have some information that was given to me by someone in the utilities in northern United States. This is in December of 1962, indicating that they had plenty of power in that area at that time and they had a reserve of 20 percent over peak load. Could the Minister indicate at least whether studies had been made insofar as the need for power in those areas? If they have not got anything set up yet insofar as prices and what blocks, then at least has need survey been conducted?

MR. ROBLIN: Well I think my honourable friend knows that all those things are being done. I think that if he wanted to calculate the surplus we'll have in Manitoba the day the Grand Rapids plant comes in, he'll find it to be very considerable indeed. This is part of the power business and he knows perfectly well that these matters all have to be taken into account when the possibilities of sales are being negotiated. But it would be quite wrong for me to attempt to give him any information on this subject when he knows the matter is under negotiation and under study, and I have sufficient confidence in those who are doing the job that when they have information that they can give us that is valuable and worthwhile and bears on this point, that it will be forthcoming.

MR. MOLGAT: Mr. Chairman, the government is going to ask this House to vote more money for the Nelson River survey and surely the government can give indication if they want to proceed with the survey further, that one of the essentials to the survey, and that is the possibility of sale, is definitely there. For the Minister to say at this stage, "Well some other people are studying it," but it's not other people, Mr. Chairman, who are going to have to vote the money. It's this House who is going to have to vote the money for it. Surely the First Minister has to accept his responsibility in this matter and tell the House exactly where we stand insofar as these potential sales. Because this is one of the very crucial factors insofar as the Nelson Power Development. We have said in this House for many years on this side that there are two factors in the development of the Nelson: One is the transmission -- whether or not you can transmit economically over long distance. Number two is potential markets.

MR. ROBLIN: Mr. Chairman, my honourable friend must be talking to hear himself talk because he knows perfectly well, as does every other member of the House, that electrical power consumption is doubling in this part of the continent every ten, eleven or twelve years. Doubling. Doubling in every ten, eleven or twelve years and he talks to us about surplus power. For goodness sake.

Mr. Chairman, if my honourable friend is interested in informing himself as to whether he should vote yes or no for the proposition that will be put forward in the capital estimates with respect to the development of the Nelson River, I commend to him a study of the little document that he has in his hand because it is on the basis of that report that we are asking for more money from this Legislature and on nothing else. The basis of our request is on the information that is contained in that document. That document gives us the latest up-to-date information provided by the researchers into this matter. And I ask him to study it. If he's not satisfied with the information that he finds in there, then I'm certain he can persuade himself to vote against the appropriation of this money. If, on the other hand, he finds it convincing, then he perhaps might consider voting for it. But the information is there and that

(Mr. Roblin, cont'd)... is the information on which this committee will be asked to vote that money when the time comes, and I'm sure my honourable friend is well aware of that fact.

MR. MOLGAT: In other words, Mr. Chairman, the Minister doesn't know the answer. He doesn't know if surveys have been conducted or what possible sales are.

MR. ROBLIN: My honourable friend is always very glib to get up and put words into other people's mouths. I don't say that; I don't say it now. I repeat what I said again, that if you're interested in informing yourself as to whether you should vote for the Nelson River appropriation when it comes up, just study that little document. I know my honourable friend can read because he's demonstrated that on more occasions than one -- he's very good at reading newspaper headlines -- but he doesn't ever seem to get into the body of the material. I suggest that if he got into the body of that report he wouldn't have to ask me some of these questions that seem to be distressing him at the moment.

MR. MOLGAT: Mr. Chairman, I understood that the government was prepared to answer questions in this House regarding any items on power and utilities. It's obvious from the replies of the First Minister that the government doesn't intend to answer.

MR. ROBLIN: Well, of course, Mr. Chairman, you can ask all kinds of silly questions. There's just no limitation on the number of questions that may be asked. But there is a limitation on how far reasonable discussions should proceed and it seems to me that the information that I have given my honourable friend is a reasonable reply to some of the unreasonable questions that he puts forward.

MR. GUTTORMSON: Mr. Chairman, could the Minister indicate to me -- I understand there's a power line being constructed from Ashern westward across the lake. Could he tell me what firm got the contract and what were the different prices bid on the job?

MR. STEINKOPF: Mr. Chairman, ..... line built from Ashern west to what?

MR. GUTTORMSON: Westward through the narrows and on to the other side of the lake. I believe it's going to Dauphin but I'm not sure of the other destination.

MR. STEINKOPF: I'll get that information for you. I haven't got it available right here in front of me.

MR. GUTTORMSON: While he's getting that information would he get the type of construction that is planned to carry that power? I understand there's two types and I've been asked about it and I would appreciate if the Minister would give me what type of construction is planned.

While I'm on my feet I'd like to raise another matter with the Minister, and that's regarding telephones. For the past number of years I have urged without success to get the government to change the policy on rural telephone lines. At the present time the utility is charging at least \$15.00 for every one-thirtieth of a mile of road allowance construction. This is preventing a large number of our rural people from getting telephone service. And I would like to point out to the Minister the importance of changing this policy so that more people in the rural areas can get this service because it's the people who live furthest away from the towns that really need the service worst, and these are the very people that are being deprived of the service under the present policy. I'd like to see the Minister consider an extension of that policy so that more people can enjoy telephone service. I'd also like to encourage the Minister to undertake some policy whereby the rural people will not have to be subjected to so many calls on one line. I know of cases where there is as many as 14 and 15 and these people just can't get on a telephone line in some areas, and it seems to me that even eight should be a maximum and 15 is certainly far too many. Could the Minister indicate -- has he any intentions of rectifying this bad situation?

MR. STEINKOPF: These two problems, the one of overloading on lines and telephones and the cost of the rural telephone, bringing it in, are two of the -- I guess the two big problems that I've had insofar as the telephones are concerned and I gave the answers, or the dollar answers a few minutes ago in the early part of the evening, as to the millions of dollars involved in reducing this and the time factor. It will be about eight years before we get down to a maximum of eight on any one line all over the province, as we get it.

I'm just wondering if the Honourable Member for St. George has got any ideas of how we could refinance it -- how fast he thinks we should do this. Should we take that \$15.00 rate and bring it down to 13 or 12? Would that help any or are you thinking of eliminating it entirely?

(Mr. Steinkopf, cont'd)... It's just a matter of dollars and cents, the whole business.

MR. GUTTORMSON: Well, the Minister I am sure is aware that at the present time the telephone system will provide one mile of free service road allowance construction per subscriber, and beyond that they charge \$15.00 for every one-thirtieth of a mile. The majority of people that are concerned find that this \$15.00 for every one-thirtieth of a mile is too costly for them to pay, and my suggestion -- (Interjection) -- Well, I don't know if you could wipe it out entirely but I would suggest that you perhaps change that one mile, extend that one mile limit, perhaps consider extending that one mile limit, maybe a mile and a half or two miles. I haven't got all the material. I can't tell you what it will cost, but it seems to me that it would be well worthwhile giving this matter consideration. I'm quite prepared to admit I don't know what it would cost. I didn't think it would be that big an item, but it would give an awful lot of people more telephone service.

MR. JOHNSTON: Mr. Chairman, I have a question here either for the First Minister or for the Minister of Utilities, and it is about the Nelson River study delay. I have here a clipping, Free Press, October 11, 1963, and in the opening paragraph it says: "Preliminary studies of the proposed Nelson River power development indicates on-site costs will be attractive but that markets in Eastern Canada and United States present a less favourable selling situation than appeared during preliminary discussions. Premier Duff Roblin made this statement Friday." So my question is: since the First Minister has indicated that we should be prepared to vote on whether to vote more money for studies, would he tell us exactly what that phrase means: "Less favourable selling situation?" After all, if we're going to vote money for future development, we should know whatever knowledge he has of the future regarding a less favourable selling situation.

MR. ROBLIN: I think, Mr. Chairman, that my honourable friend's answer is to be found in the subsequent report that was made by the joint Federal-Provincial Investigating Committee. That statement that he quotes was made last October at one stage in the studies and since then new developments have come along which have altered the situation and have resulted in the information given out in the latest statement that was made in February. So the fact is that the situation is changing and it's changing in this particular case. It's been changing in a favourable direction and the latest report in February gives the facts of that situation.

MR. JOHNSTON: Mr. Chairman, I have a later press clipping here, the Free Press, January 9th, and it says here, and this is quoting Mr. Stephens, and he says: "Despite reports about discouraging factors, Hydro officials aren't losing faith in the Nelson project. There has been no slackening of interest and the project is by no means a dead duck." Now that doesn't sound to me like things have changed that much that it's more encouraging.

MR. ROBLIN: Mr. Chairman, my honourable friend will have to make up his own mind. I can't make it up for him. All that I can do is give him the facts that I know. The facts on which my judgment is based and they are contained in the report that has been before us recently. I would recommend and advise to him that he can vote for this appropriation. It's not before us now, we really should perhaps postpone this discussion until this appropriation is before us but in my opinion he can vote for it, but he's going to have to make up his own mind.

MR. GUTTORMSON: Mr. Chairman, could the Minister indicate how many board meetings were held by the directors of the Hydro and how many meetings were held by the directors of the Telephones during the past year of 1963?

MR. FROESE: While the Minister is looking for the information, I wonder if he would care to comment on my questions that I put to him earlier.

MR. PAULLEY: While the Minister is looking up the answer to those questions, whether he could tell me why the man was going up a pole on the overhead pass on highway 15 as I was going home this evening?

MR. STEINKOPF: Both boards meet once a month, but there were some special meetings and I'll give you the exact answer a little later. You want the exact number of meetings that each one had? I have it somewhere in here but they are in different books.

MR. CHAIRMAN: Item (1) passed . . .

MR. MOLGAT: Before we leave the matter of the Nelson power development I wonder if the Minister could indicate what plans are in process now for transportation to the Nelson site. Is it planned to extend the highway from Grand Rapids further north? Is it planned to have a railway along the east side of Lake Winnipeg, as the Minister of Industry and Commerce was talking about some years ago? Or is it planned to have water transportation on Lake Winnipeg? What are the proposals and what steps have been taken so far to tie this in?

MR. STEINKOPF: I think the Honourable Leader of the Opposition will recall that that question of water haulage to Nelson was asked in one of the questions that was asked and the answer to that was that was anticipation of something in the future. We didn't have the information or knowledge on that subject.

MR. MOLGAT: What about the road, Mr. Chairman, from Grand Rapids north? Is it the intention of the government to extend this road onto the Nelson.

MR. STEINKOPF: I think that will come up on the matter of the Minister of Public Works -- have a nice quiet evening.

MR. ROBLIN: . . . our future policy which my honourable friend knows that we are not prepared to answer. When decisions have been made in that respect we'll be glad to inform the committee.

MR. CHAIRMAN: Item 1 passed. Item 2 passed. Item 3 passed.

MR. GUTTORMSON: Mr. Chairman, who are the members of the Censor Board at the present time?

MR. PAULLEY: I wonder, Mr. Chairman, if that could be held until we finished Item 2? We were so stunned to see No. 1 pass, we weren't ready for No. 2.

MR. WRIGHT: Mr. Chairman, under the Public Utilities Board, Item No. 2, I would like to ask the Minister a question about the pre-arranged Funeral Services Act, because I had a constituent, an elderly lady over 80 who had lost her husband a year ago. This couple had purchased a pre-arranged funeral plan for the sum of \$520.00. I'm prompted to ask this question because I notice in the report that at the year end arrangements were well advanced toward the takeover by a long established Winnipeg funeral director of a company which had been experiencing financial difficulties. Now I know that this company that's taking it over is a reliable funeral director, but what I'm concerned about is what protection do we have for people who purchase these pre-arranged plans? For instance, this lady had a letter sent to her telling her that the company about to take over this other company, couldn't see it's way clear to provide the bronze marker. Now this marker is worth \$40 to \$50.00. This lady's sole income is the Old Age Pension and she was quite concerned about it, because they did provide for this emergency when it would happen. I thought that when we set up this Act in 1961 that we have built-in clauses here that would take care of a situation like this. Would the Minister like to comment on this please?

MR. STEINKOPF: The answer to this is when the contract was entered into whether it was before the Act or after the Act. There's a . . . . under the present Act, I believe it's up to 85 percent of the cost. There is also a trust account, a trust fund that is held on any of the pre-arranged funerals. If you could give me the date of the contract, which company it was with, and a little bit of time, I could find the information here for you.

MR. WRIGHT: Mr. Chairman, as I understand the Act, the moneys paid in are held in trust with the exception of 12 percent. I believe it's only 12 percent that they were allowed to take from this money, the balance had to go into trust. But what concerns me, are these elderly people who did provide for this emergency and are now being told that the company about to take over this other company, cannot see their way clear to provide the bronze marker. Now this may not be a big item, but it's certainly a big one to a person at that age.

MR. STEINKOPF: I think the company has subsequently written all of those that couldn't afford to lose this bronze marker and agreed to supply one if they so wished.

MR. CHAIRMAN: (2) passed, (3) passed.

MR. GUTTORMSON: Mr. Chairman, I wonder if the Minister will give me a reply --- to the Censor Board.

MR. STEINKOPF: Mr. M. B. Newton is the Chairman, A. Bilton and Mrs. McMullen and Mr. H. B. Scott.

MR. CHAIRMAN: (3) passed, (4) passed.

MR. GUTTORMSON: What is the first name you gave?

MR. STEINKOPF: M. B. Newton, Merlin Newton, Chairman.

MR. GUTTORMSON: Are they all paid the same amount or what are the salaries please?

MR. STEINKOPF: \$4,380.00 -- do you want them by their names? Mrs. McMullen, \$4,380.00; Miss A. Bilton, \$4,560.00 and H. B. Scott, \$4,155.00.

MR. GUTTORMSON: Why the discrepancy between the different members?

MR. STEINKOPF: They were all hired at different times and they come under the Civil Service method of getting annual increments . . .

MR. CHAIRMAN: (3) passed, (4) passed.

MR. CAMPBELL: Mr. Chairman, . . . (4) I'll gladly give way to my honourable . . .

MR. SMERCHANSKI: I'd like to find out the matter of the 1D license plates which were issued in order to identify the doctors in the province. As I understand it, they were asked to furnish or pay an extra \$5.00, some of which did not do so, with the result that some of the doctors in the province now who were identified by the 1D license plate, no longer are in possession of this identification. Now I'd like to find out what will the department be doing with the spare plates that are left over, with the 1D license plate. Is it not rather an unsound sort of an approach on it; that after all, the purpose of the 1D license plate was to identify the doctors in the province so that you can spot them on the highway or any other place; that would it not be a good policy to make these special plates available to the doctors at the same rate. In other words, I think that they are of a definite service to the community and the public as a whole and I don't think that they should be penalized with the additional \$5.00 for the sake of having to be identified with the 1D plate. I'm just wondering what will the department do with the excess plates that are left over?

MR. STEINKOPF: Well that doesn't constitute a problem, because the \$5.00 extra fee was charged for a specific number 1D 5 or 1D 10. If a doctor wanted to reserve the same number that he had the year before, or any special number, the complete number, the \$5.00 extra fee was charged. However, after the period elapsed under which you could reserve numbers, doctors were allotted a number in the 1D series, not necessarily the same number that they had before, without any extra charge. But the 1D series was reserved for doctors and has not been issued to anyone else.

MR. SMERCHANSKI: . . . the Minister said that 1D plates are only issued to doctors?

MR. STEINKOPF: Yes.

MR. CAMPBELL: The Minister in answering that question introduced the subject on which I have a very definite complaint. And that is the \$5.00 fee. People would expect me to object to a fee of any kind and I certainly think this is a serious mistake. I think that the government of the day should be encouraging people to keep the same numbers and to take this retrograde step and mix the situation up again, even if it does produce a little bit of revenue, I think is a serious error. I can think of many reasons why the people should be encouraged to hold the same license plate number rather than be discouraged from it, but I certainly can see that it's only fair that they should be required to put in their application for it by a certain time, but providing that is done, I think that this is a colossal error.

Then in addition to that, my second complaint arising out of the same matter is the other one that the rules were changed during the course of the game. Many people that I know of would perhaps have taken a grip on themselves and paid the \$5.00 fee if it had not been for the definite instruction which accompanied the notice for renewal, the definite instruction that they must attend personally at the office, and many, many people who would perhaps have paid the \$5.00 more or less willingly, didn't want to take the time and go to the trouble of going over to the office and for that reason the ones who wanted to have their licenses early, as a good many people do, then for that reason, mailed in their renewal, got their license and then found that the rules were changed and that people were allowed after that to get them by mail. Now I think both are serious errors. It isn't a big thing, of course it isn't, but this is a mistake on two counts in my opinion and I would strongly recommend to the department that they reinstate the system where a person can keep their license if they want to without extra fee. If they have to have more money then raise the fee for everybody but encourage the people to keep the same number. I'm not referring to just these people whom the police might want to

(Mr. Campbell, Cont'd.) . . . keep track of. I think even in that case it's a good idea to have folks with the same number. These folks that my two colleagues were suggesting tonight might continue to engage in their business legally. Maybe the police would like to have them keep the same number but a lot of people like to keep that number and for goodness sake let's give them a little encouragement, not discouragement. The other thing, don't change the rules when the game is on!

Then I have one question, rather than a complaint in this one, it's a partial complaint too and I guess I should make it to the Federal Government rather than to this one. But I would like to ask the Minister if he or anyone on his staff checked with the federal department as to whether they have any objection to the postmen being loaded down in the way they are at some periods in carrying these license plates. Because I have noticed that some days -- and of course they vary according to what they are -- that some days, the poor postman must have one terrible time because there's a tendency for people to order at approximately the same times and for some reason or other the peaks seem to come together. Now that isn't my honourable friend's responsibility. I'm sure, but I think he should give consideration to the position of the postman. Perhaps he should even develop it with the proper authorities.

MR. STEINKOPF: All three of these suggestions have been a sore point with me and one of the first things that hit me as I became the Minister. There's not much use going over what we've done except that we'll learn from what we have done. I must take the full blame for changing the procedure in the middle of the stream but as soon as it was brought to my attention that there had been the instruction out that people must present themselves at the office in order to get the license plate I realized that this was really an inconvenience that wasn't necessary and with the help of the officials of the department we got a notice in the newspaper just as fast as we could so that not too many people would be hurt by this and I think it did alleviate the situation somewhat. It was too late to do anything about the \$5.00 fee but we've certainly got this under advisement and we are also thinking about what we'll do the next time. We have a few years to go yet before the new license plates come out, but whether we'll hand them to the postman or whether we'll even get our own method of distribution if they all seem to come at one time -- they are all three very good suggestions and I hope that we'll be able to improve on them next time.

MR. FROESE: Mr. Chairman, in connection with this item, the Motor Vehicle Branch, I note that the allotment to the branch is \$45,000 less than in previous years. I wonder if the Minister could give us an explanation for that.

Then another item. The agencies that sell the car licenses, is there any intention of increasing the remuneration to these people because I think some of them feel that they are not getting paid enough for their work. Further, the reduction in this item, could it be because of the -- it wouldn't have anything to do with the gas tax refunds would it?

MR. STEINKOPF: I didn't catch the last part?

MR. FROESE: The reduction in this item wouldn't have anything to do with the gas tax refunds would it?

MR. STEINKOPF: . . . the big reduction is a reduction of \$190,000 due to the fact that we haven't plates to issue this year that we have in the coming year. The plates that were issued this year have already been paid for. This caused a big reduction and there are some other increases that bring it down to the \$45,000 figure.

MR. FROESE: . . . increase in the remuneration?

MR. STEINKOPF: Well, we haven't provided for any in our estimates.

MR. FROESE: . . . that figure would not be in the estimates, it's just being deducted from the receipts that they get, is it not?

MR. STEINKOPF: . . . we set up here as an expense. They deduct it instead of us sending them a cheque but it would be a net expense to us.

MR. FROESE: Mr. Chairman, there is one other suggestion I'd like to leave and that's this: when you go into the Motor Vehicle Branch to get a license or make an application, you're usually asked something about the length of the wheelbase and if you don't know it you're told in a very rough sort of manner "well go out and find for yourself. You should know this." They're government employees. Charts should be provided or charts made. I think it's only common decency and public courtesy that -- this is a part of government business and I think



(Mr. Froese, Cont'd.) . . . that these charts are not so difficult to provide. This has caused a great inconvenience to a number of applicants that instead of getting their license say in 15 or 20 minutes, it might take him an hour or hour and a half, and I think this is only common public courtesy.

The other one is, which may not be directly related under this department but it's one that I think should be looked into. I don't know exactly where to bring it up but it's a matter of rail level crossings, that nothing much is done until somebody gets killed and I think that this could be a matter that could be solved by putting . . .

MR. ROBLIN: Mr. Chairman, this is not in this department's estimates. I think if my honourable friend would care to bring it up under Public Works we could discuss it then.

MR. FROESE: All right, I will do that, thank you. One final question then. I wonder if the Minister could give us the cost involved in selling license plates, probably you could bring that in Monday or so, at your convenience, so that we could have the figures of the total cost of selling licenses.

MR. STEINKOPF: It will take me a couple of minutes to find it. I have it here somewhere.

MR. FROESE: It would perhaps be more convenient for me to get the information at some other time . . .

MR. CHAIRMAN: Item (4) passed.

MR. GUTTORMSON: Could the Minister indicate whether there's any policy with regard to the issuing of these -- I don't know what you call these people that sell the licenses to the public in the rural areas. Do you confine them to so many miles or is it based on population? Will you let people sell them in every town or what is the policy on this?

MR. STEINKOPF: It's a long-standing policy that seems to have grown up like topsy. We still have the same list of salesmen that have been in existence for a long time. There have been very few added in the last few years and I don't think that it is the intent to add any more. It's a complete setup all over the province, the number of people -- it's in the Public Accounts, the whole list of them.

MR. GUTTORMSON: It's not by any fixed area?

MR. STEINKOPF: That amount is \$90,000.00.

MR. GUTTORMSON: How much money is in the Unsatisfied Judgment Fund? If he hasn't got it now he can give it to me later on.

MR. STEINKOPF: That's one I've seen every time I look up everything else but it's a little bit over \$400,000.00. It's getting close to the \$500,000 figure. At the end of 31st of March, '63, it was \$444,092 and then I have it month after that. I can give you -- the total figure is \$444,000.00.

MR. PATRICK: Mr. Chairman, is there any recent change as far as the Unsatisfied Judgment Fund is concerned in respect to property damage or does it still cover personal injury only?

MR. STEINKOPF: No, there's no provision for property damage.

MR. CHAIRMAN: Item (4) passed; Resolution 69 passed.

MR. ROBLIN: I move the Committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise and report. . . . earlier we were asking the time around here. Well the time is 65 hours and 50 minutes.

MR. PAULLEY: We're over the hill.

MR. ROBLIN: That's right, we're over the hill.

MR. CHAIRMAN: Committee rise and report. Call in the Speaker. Madam Speaker, the Committee of Supply has adopted a certain resolution and directed me to report the same and ask leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member from Brandon that the report of the committee be received.

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Public Utilities that the House do now adjourn.

MR. PAULLEY: Madam Speaker, just before the question is put, would the First Minister indicate what department is going to be under consideration next?

MR. ROBLIN: Yes, Madam Speaker, Public Works.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned till 2:30 Monday afternoon.