

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, February 23, 1973

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions;

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I wish to raise a matter of House urgency, I believe this is the point at which it should be done.

MR. SPEAKER: Just before Orders of the Day. Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion. The Honourable Minister of Mines.

TABLING OF REPORTS

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I'd like to lay on the table a return to an order of the House, No. 39, a motion of the Honourable Member of Wolseley, of July 13th of last year.

MR. SPEAKER: Notices of Motion; Introduction of Bills; Oral Questions. The Honourable Member for Riel.

MATTER OF URGENCY

MR. CRAIK: Mr. Speaker, I wish to move, seconded by the Member for Arthur, that the House do now adjourn to consider a definite matter of urgent public importance. Namely that the escalation of costs for the Lake Winnipeg Regulation and Jenpeg Power Development are at great variance with costs represented to this Assembly by the government and by Manitoba Hydro to the Standing Committee on Public Utilities and Natural Resources and that an immediate full and clear report by the government is requested, required to justify what may be an unnecessary burden on the taxpayers of up to an average of \$300,000 per day to the completion of this project.

MR. SPEAKER: The honourable member may have five minutes to explain the urgency of his debate.

MR. CRAIK: Mr. Speaker, I should like to within a matter of minutes to justify to you without an element of doubt that it is extremely urgent to debate this matter at this time. Urgent because the evidence of the last six months proves beyond question that either through misrepresentation or by plain miscalculation on the part of the government or Manitoba Hydro that the taxpayers of Manitoba are being subjected to unjustifiable costs associated with Lake Winnipeg Regulation and power generation at the Jenpeg site and should not be proceeded with for even one more day without complete explanation by the government.

I plead the urgency and the public necessity of this debate on the following grounds: First it is urgent because the costs of the Lake Winnipeg regulation project combined with the Jenpeg power development were stated in August of 1971 with documentation to the Public Utilities Committee to be a total of \$95 million.

Number two, it is urgent because in the 1972 Session of the Legislature the government effectively thwarted the efforts of this Legislature to fully examine Hydro plans and estimates in this House and in the Public Utilities Committee.

Thirdly, it is urgent because in the 1972 Session of the Legislature the government gave no indication of pending increased costs of the project and to the contrary implied that the project was enhanced by certain developments. A statement was made by the Attorney-General, for instance, in June of 1972 to this Assembly that an engineering breakthrough in the excavation portion of the project in fact enhanced the total project beyond previous expectations.

MR. SPEAKER: Order, please. I believe the honourable gentleman is debating the issue and not debating the urgency of debate.

MR. CRAIK: Mr. Speaker, I thank you. I was attempting to give you the background to the urgency.

Mr. Speaker, I repeat that it is urgent because in September 1972 evidence which has not come before this House indicated by Manitoba Hydro issued the following statement and I quote: "At a recent meeting of the Board of Manitoba Hydro attended by Premier Schreyer in his capacity as Minister in charge of Hydro a budget item of \$177 million was approved to cover the

(MR. CRAIK cont'd) . . . combined costs of the Jenpeg generating station, the Lake Winnipeg regulation project, the construction of access roads and an airstrip, preliminary studies and investigations, an overall contingency reserve in anticipated interest charges."

Mr. Speaker, again it is urgent because with the resignation of the former Chairman of Hydro, Mr. Cass-Beggs, members of the Official Opposition asked that he be heard to explain and to probe deeper into the question surrounding the project mentioned. It is clear, Mr. Speaker, that the government must have had evidence or been in serious error of calculation to have implied in June of 72 that which is completely refuted in September of 1972, namely that the costs of the project were not enhanced but in fact had nearly doubled. Mr. Speaker, since September when the government admitted a cost of \$177 million there is strong evidence of an even worsening situation involving channel excavation which is experiencing technical difficulties and a breakdown in time schedules.

Mr. Speaker, in summary let me say this matter is urgent for three reasons: One, the cost of the Lake Winnipeg and Jenpeg projects almost doubled within a period of one year and may be even higher today. Number two, the members of this Legislature and the public have clearly not been properly informed on this undertaking which has such wide-ranging and fundamental implications. And thirdly and most importantly, we do not accurately know the cost to completion of the project however they appear to be as high from hereon in as \$300,000 per day average. This size of expenditure to be borne probably unnecessarily by a population of one million people is evidence enough of the urgency of this debate.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I will try to address myself only to the question of urgency; insofar as the substance of the subject matter is concerned that is something else again. It is a matter which honourable members have had an opportunity to address themselves at previous sessions and they have and which they no doubt will have an opportunity to address themselves during the upcoming Throne Speech and during the various debates that are still to come forward in this Assembly.

The Honourable Member for Riel has not raised anything new. The problem that he refers to is part of a very general and pervasive phenomena in our country and our province, namely one of escalating costs of construction, the larger the project, the larger the escalation of cost over estimates. Of course, Mr. Speaker, the fact of the matter is that the Honourable Member for Riel is not concerned so much about the urgency as he would try to allege but rather he is trying to once again put forward as he has in the past opposition to one of the four components of Nelson River Development, namely Lake Winnipeg regulation. And in the unlikely event he were to succeed then it would result in a course of action which would bring us back practically to January or February of 1969, in which case there would be others who would be opposing Nelson River Development for yet another reason, that is because of the extreme degree to which we would have to proceed with the diversion and flooding of Southern Indian Lake. And so this matter goes on without any stop to it; two different groups being persistent as can be to oppose an admittedly very large and very expensive resource development, namely, the development of the Nelson. Some having as their pet ambition the desire to do it one way and another group very much in a different position wanting to do it another way - a very different way - but equally unacceptable to the other group.

We have no intention of being caught in a cross fire. Mr. Speaker, I would like to advise the House and you, Sir, on the question of urgency, that the Utilities Committee of this House will be summoned very quickly in this Session. The senior people of Manitoba Hydro, the Chairman of Manitoba Hydro and I, as Minister reporting for Hydro, all members of the committee will be there, all members of this Assembly will have an opportunity to ask questions, and to put forward their pet ideas in respect to Hydro Development; this whole matter can be gone into in great depth and detail. That can be done very very quickly, as quickly as my honourable friends can adjust themselves to. There's no need for any urgency to be regarded at this point in time.

MR. SPEAKER: Our rules call for five minutes by recognized parties. Unless the honourable member has a point of order I cannot recognize him to debate this matter.

MR. JACOB M. FROESE (Rhineland): Well I certainly would like to raise a point of order then . . .

MR. SPEAKER: Very well.

MR. FROESE: . . . to give me the right to speak. And the point of order is that surely

(MR. FROESE cont'd) . . . enough if this matter is going to be raised at all it has to be raised right on the first day of the Session otherwise it would have to be delayed until the . . .

MR. SPEAKER: Order, please. That is not a point of order. Order, please. I should like to indicate to the Honourable Member for Riel and to the other members of the Assembly, that "urgency of debate" as contained in Beuchesne, Citation 100, subsection 3, indicates that urgency within this rule does not apply to the matter itself but means urgency of debate when the ordinary opportunity provided by the rules of the House do not permit the subject to be brought on early enough and public interest demands that discussion take place.

In my opinion I think there's ample opportunity to debate the subject matter and I do not see that there's urgency at this moment, therefore I must decline the motion.

Orders of the Day. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Mr. Speaker, before the Orders of the Day I have a question for the First Minister. Can the First Minister indicate whether the estimate of \$100 million for the combined Lake Winnipeg regulation and Jenpeg projects which was suggested to this Assembly and the Standing Committee has already been exceeded by \$77 million?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, not having received notice of the question I have not had any opportunity to understand or comprehend what the Honourable Leader of the Opposition means when he says "already been exceeded." Does he mean actually spent or committed to be spent, disbursed or what?

MR. SPIVAK: Well, Mr. Speaker, for the purpose of clarifying the first question, I would like to indicate to the First Minister I'm talking about the estimate.

MR. SCHREYER: Mr. Speaker, there are obviously a number of elements that enter into the estimate, the revisions of estimate that have taken place, the extent to which they've taken place, the amount of the total cost that is allocatable to generation at the Jenpeg power site.

These are matters which I don't believe I can respond to in specific detail terms here on the floor, it either requires an Order for Return or it requires a question by my honourable friend to the Chairman of Hydro at Public Accounts, Natural Resources Committee which I have already indicated can be convened very soon.

MR. SPIVAK: A supplementary question to the First Minister. I wonder whether he will undertake to give the House the latest estimate of the total cost?

MR. SCHREYER: Yes, Mr. Speaker, that can be done.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, Mr. Speaker, I have a question for the Minister of Health and Social Development. I wonder if the Minister can indicate in what way the deterrent fee applying to senior citizens nursing home care will be calculated?

MR. SPEAKER: The Honourable Minister of Health.

HON. RENE E. TOUPIN (Minister of Health & Social Development (Springfield)): Mr. Speaker, I don't call it a deterrent fee, he does. There will be information laid before this House shortly on the matter.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the First Minister. Can he tell the House if the resignation of Mr. Cass-Beggs as Chairman of Manitoba Hydro was in any way related to the astonishing escalation of costs on the Winnipeg regulation and the Jenpeg development which was revealed this fall?

MR. SCHREYER: Well, Mr. Speaker, I should think that if that was the basis then virtually every senior head engineer of every major corporation in Canada and the United States would be required to resign because all major projects in our country have been coming in at escalated costs over and above estimates of the point in time in which they were initiated. I can advise my honourable friend that certainly we would have been quite happy had Mr. Cass-Beggs been able to carry on here, wish to carry on, but he was obviously sought - his services were sought by another jurisdiction and -- I can tell my honourable friends that it's extremely difficult to know how to react to my honourable friends because really they have no appreciation nor sufficient understanding of what's involved. They continue to snipe at a man who's

(MR. SCHREYER cont'd).... had a long career in the Canadian public service and one who has performed good work.

MR. MCGILL: Mr. Speaker, a supplementary question to the First Minister. Would he support a request by the Public Utilities Committee to recall Mr. Cass-Beggs to give evidence before that committee when it is convened?

MR. SCHREYER: Mr. Speaker, I certainly can take that as notice and consider it. If it is possible, certainly some effort would be made to do so.

Mr. Speaker: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Honourable First Minister. Does his administration still intend to impose its Work for Welfare proposals?

MR. SCHREYER: Well, Mr. Speaker, I believe that my honourable friend is referring to a report in the media, approximately three weeks to a month ago, at which time I indicated that we look forward to close and effective co-operation with municipal government with the view to doing a more effective job of providing work and training opportunities for those in receipt of social allowance, those that are in the category of general assistance social allowance, rather than to carry on as we have over the past several years - many years - without an adequately co-ordinated program of job placement and training for those in receipt of social allowance.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the First Minister or possibly whichever one wishes to answer, to the Minister of Agriculture. Will there be a surplus in moneys allocated to seasonal labour - designed to provide seasonal labour? Specifically I refer to the PEP program as it relates to renovation and construction of new buildings in the agricultural community?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, I didn't get the import of the question.

MR. SPEAKER: Would the Honourable Member for Arthur repeat?

MR. WATT: Will try to rephrase my question. Monies allocated in respect of the PEP Program to renovate and to construct new buildings on the farms - monies allocated for that purpose, will there be a surplus at the end of the season?

MR. USKIW: Of course, Mr. Speaker, I think that the end of the season is not yet here and we will have to determine that at the proper time.

MR. WATT: As it stands now, does the Minister see a surplus in view?

MR. USKIW: I think, Mr. Speaker, this is a hypothetical question. I would think it's out of order, really.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. BLAKE, (Minnedosa): Mr. Speaker, my question would be to the Attorney-General. Will the Minister undertake to table the formula as soon as possible by which the provincial financial support for municipal police services will be calculated?

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q.C. (Attorney-General) (St. James): The particulars of that program, Mr. Speaker, will be reported in due course.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Minister of Cultural Affairs. Could he indicate to the House the total number of tickets, and the cost, that were given to people serving time to attend Jet hockey games?

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

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, I'll take that as notice.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Health and Social Development. I would like to ask him whether the general rationalization of Health and Social Service mentioned in the Throne Speech includes plans for community clinics?

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, if you read the Throne Speech very closely, you will find that it can be part of

MR. SHERMAN: Can the Minister advise the House how many community clinics are contemplated at this time?

MR. TOUPIN: No, Mr. Speaker, I cannot indicate at this stage.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, . . .

MR. SPEAKER: Order please, a further supplementary? The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker. Can the Minister indicate how many locations then are being considered, general regional locations, as sites for community clinics?

MR. TOUPIN: Not precisely, Mr. Speaker. I can take the question as notice.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a couple of questions for the Attorney-General. In view of the drug seizure at the University of Manitoba I wonder if the Attorney-General will ask the RCMP to conduct an investigation into previous allegations that some professors and students openly use drugs on the university, and have it -- in fact grow it right on the university.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, we have a continuing interest in the involvement of people who are breaking the law, and investigations continue, and I think it would be imprudent for me at any time to indicate how these investigations are carried out. I think the media reflects the concern that those responsible for the administration of justice, not only in Manitoba but in Ottawa, have taken in respect to the illegal use of drugs, and that is a continuing concern.

While I'm on my feet, Mr. Speaker, I wonder if I might just indicate to the House that I would like the House to join with me in congratulating four young men from my constituency, the constituency of St. James, who at the school-boy curling finals triumphed and they will be Manitoba representatives to the Dominion finals in Moncton, N. B., on March 16th and 18th. They are: the skip, David Iverson; the third, Pat Ryan; the second, John Allardyce; and the lead, Bob Christie - all young men from my constituency.

MR. SPEAKER: The Honourable Member for Roblin. -- (Interjection) -- Order please, The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. Mr. Speaker, I wonder could the Minister indicate to the House how many recreational land corridors are contemplated in the Throne Speech, and what their locations are?

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

MR. GREEN: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): I should like to direct a supplementary question to the Minister of Agriculture, pursuant to the question asked by the Member for Thompson, and I wonder if he could tell the House whether or not that growing drugs at the university is part of his farm diversification program?

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, I have a question for the Honourable Minister of Health and Social Development. Will the Minister undertake to table the formula by which income maintenance assistance payments will be adjusted to reflect changes in the cost of living?

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, details pertaining to the revision of social allowance rates will be given to the House when my estimates are discussed in this House.

MRS. TRUEMAN: Mr. Speaker, I have a supplementary question. Could the Minister tell us how many Manitobans will be affected by these adjustments?

MR. TOUPIN: Mr. Speaker, this is a question that's very difficult to answer, because as the honourable member is quite aware, the individuals that are on the social allowance, that are classified as social allowance recipients, vary from municipality to municipality, and even those on the provincial assistance do, so I cannot give a definite answer to the honourable member's question.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I direct a question to the First Minister. I would like to ask him if we can conclude from his reply on the hydro topic that the 77 percent overrun in cost is now going to be deemed acceptable on other government projects?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: No I shouldn't think so, Mr. Speaker. On the other hand, I don't want it to be assumed that the figure of 77 percent has any accuracy or validity to it, any more than did my honourable friend's proposal in 1969 to flood South Indian Lake by 32 feet, which they have now indicated they don't think was necessary after all.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: A supplementary, Mr. Speaker. If I'm incorrect in my figure of \$77 million overrun, could the First Minister indicate what the known overrun was as of the fall, September 1972?

MR. SCHREYER: Well, Mr. Speaker, my honourable friend wants to deal with engineering cost estimates, etc., construction cost estimates, and movements in the construction industry price index indices, etc. - all of this he is free to do when the Public Utilities Committee is convened. In the meantime, I simply remind my honourable friend that if he is concerned about price increases, perhaps he would support certain action with respect to keeping a lid on price movements in our country.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker I have a further question for the Attorney-General. I wonder if he could indicate to the House whether he is going to take action against a certain paper that was published recently at the university which he has a copy of.

MR. MACKLING: Recommendations in respect to charges that are made are confidential until the charges are laid, and I am not in a position to disclose the action, although I think the honourable member understands my concern.

MR. BOROWSKI: I have a question for the Minister of Municipal Affairs, Mr. Speaker - if he can indicate whether it's government policy to sell Autopac wrecks to anyone without a road-worthy certificate as is the law in the province and as it applies to dealers, garage dealers?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, Autopac wrecks, as the honourable member knows, salvage vehicles are sold by means of public auction. Insofar as any other particulars are concerned I would have to answer them at another time, but these salvage wrecks are sold by way of public auction.

MR. BOROWSKI: Mr. Speaker, I would just like to clarify a point for the Minister. There is a law in our books saying that a car must be road-worthy . . .

MR. SPEAKER: Order please. Order please. The Honourable Member is debating the question. Will he state his question.

MR. BOROWSKI: Has the Minister taken any steps to see to it that the cars that are sold are properly repaired before a license is issued for use on the highways?

MR. PAWLEY: Mr. Speaker, the question does not relate to Autopac as such. It's a matter of the various requirements and regulations as spelled out in the Highway Traffic Act pertaining to the Motor Vehicles Branch, prior to such time as they issue licenses to these vehicles. It does not pertain to Autopac as such; it is the same as the acquiring of any wreck in any location, at any time, they must fulfill certain requirements.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Yes. I would like to direct a question to the Honourable Minister of Municipal Affairs in regards to the plan announced a few weeks ago for providing capital loan money to municipalities and part of it being forgivable under the work program. My question is, will the portion that is capital loan money be restricted to any particular project or will that be totally at the discretion of the municipality?

MR. PAWLEY: Mr. Speaker, so I can assure that it's answered with accuracy, I would prefer to take the question as notice.

MR. SPEAKER: Orders of the Day. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I would like to direct my question to the Honourable Minister of Labour, who is also in charge of transportation. Is there going to be -- (Interjection) --

MR. SPEAKER: Order please. The First Minister.

MR. SCHREYER: Yes, I would just like to help my honourable friend by advising him

(MR. SCHREYER cont'd)... that the matters pertaining to railway freight rate problems and the interests which the province may have in that respect, air transport matters, all transport cost matters, is something which comes under the purview of the Minister of Industry and Commerce.

MR. FROESE: I want to thank the First Minister for advising me on it. I will then direct my question to the Minister of Industry and Commerce. Will there be a statement made by the government as to its policy, or a report tabled re rail line abandonment and the grain storage rationalization some time early in the session?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Well as the honourable member knows, the question of branch line abandonment is one that is of continuing concern to this government, and is one that has been under continual surveillance. We have endeavoured and are continuing to endeavour with the co-operation of the branch lines association to make these points of view known to the Federal Minister of Transport, and indeed, this matter was discussed by myself with the Honourable Don Jamieson, or rather, the Honourable Jean Marchand last week.

ORDERS OF THE DAY

MR. SPEAKER: Before we move on to the motion under Orders of the Day, I would like to indicate that inadvertently an error was made and the wrong motion was put as being adjourned. The motion that is adjourned is the Standing Committee of this House to the present session be appointed for the following purposes: law amendments, and there's a list of committees, and that is the motion that is adjourned before the House.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, could I have the indulgence of the House to have this matter stand.

MR. SPEAKER: (Agreed) The Honourable ...

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I'm sure that the Orders of the Day for the next meeting of the House will reflect the corrected one.

THRONE SPEECH

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW, (Flin Flon): Mr. Speaker, I beg to move, seconded by the Member from Radisson, that an Humble Address be presented to His Honour the Lieutenant-Governor as follows:

We, Her Majesty's dutiful and loyal subjects of the Legislative Assembly of Manitoba, in session assembled, humbly thank Your Honour for the gracious speech which Your Honour has been pleased to address us -- (Interjection) -- I'm sorry, Mr. Speaker. -- (Interjection)-- I wish to be a little nice to you today, my wife's up in the gallery.

Mr. Speaker, I wish to thank the Honourable First Minister my leader, for the high honour of mover and address in reply to the Throne Speech. While I speak to you as the representative of the Flin Flon Area, it is perhaps on behalf of all the people who spent their lives giving freely to the wealth of this country from Springhill, N.S., to Kitimat, B.C. They contributed many billions to the wealth of Canada which has gone to make life more enjoyable to people in the south but which has done literally nothing to enhance the communities, especially the northern communities which created that same wealth. This, of course, Mr. Speaker, is what governments are all about, people and their communities. My area is made up of the City of Flin Flon and a number of other communities; population figures, Mr. Speaker, and they're rough, they are as follows: Flin Flon, we have 12,000; Snow Lake 2,000; Cranberry Portage 1,000; Cormorant 350; Sherridon 200; Pukatawagan 800; Wanless we have 200 people; Clearwater Lake 100; and Wekusko about 36.

Flin Flon is a unique city, the fact that Flin Flon is a border town, so we have numerous problems from the Saskatchewan side of the border. These problems are solved at no extra cost, Mr. Speaker, like Uncle Ben we look after Manitoba and Saskatchewan too. But whether people live in the city of Flin Flon or Wekusko they have one thing in common, isolation. Isolation in itself is bad enough, Mr. Speaker, but after being ignored by governments year after year the people up there begin to feel like second class citizens.

In addressing these few remarks to you about the communities in the north, I am reminded of a speech given by my leader in Flin Flon regarding air pollution. He indicated

(MR. BARROW cont'd)...then that if we formed a government, pressure would be brought to bear on any corporation which showed a complete disregard for the welfare and well-being of the people who make the huge profits possible.

Let's talk about pollution just for a minute, Mr. Speaker. In 1969 I met with the manager of the corporation in Flin Flon and asked, what will your company do about pollution? The answer, Mr. Speaker, was, nothing. Why? Too costly. But things have changed slightly, Mr. Speaker, since 1972; now they are planning a stack 150 feet in diameter, 750 feet wide, and according to our provincial standards of .34 on the fallout, this will solve a long-standing problem. No doubt The Pas will get some of this pollution, I'll apologize for that, Mr. Speaker.

The corporation's main concern is, of course, cost; the stack by their own figures is \$4 million - a perfect solution to cure pollution completely would cost \$50 million and the problem would be solved. But I noticed during the hearings and appeals that the corporation sent their top executives and technicians in. Why, Mr. Speaker? Because of the money involved of course. Let's hope the same applies when bargaining starts in October. Let's hope they show the same consideration to trades and steel people and eliminate the possibility of any unnecessary strikes.

An interesting part of the pollution appeal was the great desire for a 15 year license, Mr. Speaker. The life expectancy of water reserves in my area from Day One has been 15 years; that's all they allow, 15 years, but it's gone recently to 12 and now 11 and I've questioned five different experts why, why do they say only 15, 12, 11 years, and I get five different answers. The best one was from a young engineer, an expert, who said, "Why? Do Eatons tell Simpsons their business?" Of course what this does is obvious, it places my Flin Flon people in a great deal of anxiety, a prevention just for growth. The citizens are in a dilemma - should they put down roots or should they be always prepared to move? I'll call on this government to solve this problem once and for all, and soon. I will call on this government to take the same measures to cure water pollution in the Ross Lake area, unnecessary poison of a beautiful lake in the very heart of the city, but I have more to say on this later, Mr. Speaker.

I think, Mr. Speaker, that the many problems that exist in Flin Flon have been ignored too long by some of our MLAs who obviously play footsy with the corporation. So, Mr. Speaker, assuming that it at least will refresh some of the members with the difference between the communities in the south and the north, and communicate what's been happening in the north, I want to say that the people of the north helped to elect this government and has done more for them than any other government in Canadian history.

During the short time that the Minister of Northern Affairs has had the portfolio things started to happen in the north. Many programs have been initiated; no doubt the Honourable Minister will give a detailed accounting when his estimates are under consideration, but to mention one - the moving of a group of people from the south to live at Moose Lake, to live at a native community, to get to know these people from the problems - to me this signifies a gut concern of this government that was never displayed by any other previous government.

Many problems still exist in the north especially in the area of cost of living. It must appear to some of you in the south that our wages are high, and they are high; they're high, but the prices we're forced to pay for the necessities of life reduce many of my people to a poverty existence. The government's actions in controlling transportation costs of the winter works program is being watched carefully, for my constituents insist that equality of the human conditions mean little to the north if we don't reduce the cost of living.

Mr. Speaker, the tone of the Throne Speech indicates to me that the government would have steadily and quite rapidly corrected some of the inequities in programs once again and ... itself the problems of all Manitoba people.

How to have more freedom over where we live? Are we free if we have to move to seek employment? I suggest not. How to have more freedom over what type of work we do? Are we free if there's nothing left for us to do? I suggest not. How to have more freedom of not being forced to accept welfare? Are we free if our jobs disappear? Are we free if our farms disappear or will be free when our resources disappear? I suggest not, Mr. Speaker. I would suggest that historically we of the north have been yo-yos on the ever-shortened string of corporations whose management has become further and further removed and therefore less informed about the needs and wishes of the communities and their people. They have

(MR. BARROWS con'd)...

become much too arrogant and paternal - I'll retract the paternal because they're no longer paternal in my area, they're twice as arrogant - and they place their interests and loyalties solely with the shareholders and ignore completely the needs of my people. The Speech from the Throne indicates that this government intends to initiate programs which in large part return to the individual the freedom to pursue his own destiny where and how he chooses, to what's been called the "stay option".

Mr. Speaker, I wish to take this opportunity to inform the First Minister that we of the north stand ready to do our part, but I would at the same time caution those in the south who on one hand criticize so much citizens for being forced to accept welfare because there are no jobs, criticize on the one hand and then on the other would deny us the power, the power necessary to develop the jobs we know how to do best - mining, lumbering, construction, you name it. You help us with the power necessary in our modern society and you see welfare disappear in the north. And, Mr. Speaker, I'm talking about the diversion, about the flooding of South Indian Lake. My Leader tells me that investment in Northern Manitoba since 1969 has increased from \$20 million to \$60 million per year, and there are limits of course . . . as well, but with the new development we in the north have some real bargaining power, and knowing the concern of my Leader for all northern residents we support the project 100 percent.

Let me give an example, Mr. Speaker, of progress. The City of Flin Flon in 1968 issued building permits of \$128,000; in 1972 under a NDP Government permits were issued over \$2 million. As my colleague from St. Vital would say in his last speech, this is performance.

Mr. Speaker, my area, the Flin Flon area, is crying for power, and I'm going to try to give you an example of the bargaining procedure employed by the corporation. Hydro in Flin Flon is inevitable, they have to have it. If we have a winter of light snow or a dry summer, we're in real trouble and when they bargain - and we're not interested in taking over Island Falls in Saskatchewan. We're not interested in supplying power to the company - what's the word - as such. All we want to do is supply power to the consumer, people, their price on their own estimate \$4.5 million. The Hydro offer seems ridiculously low - \$200,000. Someone's playing games, Mr. Speaker, but let's see what's happening. One tie-in, one pole valued by the company \$1,250.00, but no pole is worth that - no pun intended, Joe. The Hydro offer, Mr. Speaker, is \$75.00 but, Mr. Speaker, a brand new tie-in to the consumer by Hydro, and these old tie-ins are 20 or 30 years old, is \$300.00. Once again the corporation is showing complete disregard for the welfare of the people of the north and its progress, showing complete ignorance of my people's problems, Mr. Speaker.

There's 100 cabin owners need power; two large sawmills have pulled out; a mine has shut down; other mines won't come in - lack of power. Once again the H. B. M. & S. have shown their complete power disregard for my people; the royalties are always with the shareholders. This is a good example of the process of bargaining. But, Mr. Speaker, if the problem is not solved by spring, expropriation procedures will be carried out.

To those in the south who once again are giving the natives in my constituency only part of the story, I'd like to remind them that the market for hand made birch bark canoes has gone the way of the bustle. This government I'm sure will take steps and solve some of the problems that have plagued my native friends for many years. Then why are there such negative results as the result of the flooding or diversion? The people of the north can't possibly have their cake and eat it too.

The New Democratic Government under the leadership of the Premier has fulfilled every election promise given in 1969 and we as members of labour unions have no reason to complain; in fact we applaud it. On January 1, 1973 the whole labour scene in the Province of Manitoba was changed and the Honourable Minister of Labour deserves all the credit for his work for years. He's worked for years to accomplish this goal and has had the courage to legislate the system which puts our labour force in a much better position. Again, performance. I'll call on our Honourable Minister to seek better bargaining methods in this session, Mr. Speaker, and knowing my colleague, he'll relish the challenge.

Some insurance agents in my area have approached me in respect to the fact that the Manitoba Public Insurance Corporation does not provide fire insurance coverage. They advise me that in many instances constituents are finding it difficult to obtain coverage, also constituents have complained to me about the large increase in fire insurance rates in Manitoba this past fall. These increases contrast with the allowance provided by Autopac for

(MR. BARROWS cont'd)... depreciation on one's vehicle. Therefore, generally in Manitoba fire insurance rates increased last fall while auto insurance rates decreased. I hope the government sees fit in the not too distant future to provide Manitobans with the opportunity to acquire their fire insurance through a public corporation, and later on perhaps we'll take a look at life insurance.

Mr. Speaker, in closing I would repeat by saying that governments are about communities and in my case northern communities, and I would sum up the way of life of one man, a man who perhaps none of you in this Chamber ever heard of before. Hughie Quinn - known as Pat - was born in Belfast, Ireland 45 years ago. He came to Manitoba at a very early age to live in the Dauphin area. He spent his life, raised a family - a boy and two girls - working hard as best he knew how to take care of his responsibilities, operating a small farm at Ashville some ten or twelve miles northwest of Dauphin; he farmed in the summertime and he mined in the winter months, trying to make ends meet and never quite succeeding. On February 12/73, Pat Quinn fell down a shaft in Snow Lake 900 feet to his death. Mr. Speaker, no statue or monument will ever be erected for Pat but I take this opportunity to have his name recorded in the journals of this Legislature for all the Pat Quinns in the north who have given their lives in development of the resources which are our common heritage. Pat Quinn, Mr. Speaker, was my buddy.

Mr. Speaker, I close by repeating the words of Mr. Churchill: "Give us the power tools and we'll do the job." Thank you, Mr. Speaker.

Mr. Speaker, I beg to move, seconded by the Member from Radisson, that an Humble Address be presented to His Honour, the Lieutenant-Governor, as follows: We, Her Majesty's dutiful and loyal subjects, the Legislative Assembly of Manitoba in Session assembled, humbly thank Your Honour for the gracious speech which Your Honour has been pleased to address us at the opening of the present Session.

MR. SPEAKER presented the motion.

.... continued on next page.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, it is indeed an honour to have been asked on behalf of the constituency of Radisson to second the motion for an Address in response to the Speech from the Throne.

Speaking at this particular time following such an excellent delivery, my colleague the Member for Flin Flon makes it very difficult to come up with anything which is going to be meaningful and as emotional or as -- (Interjection) -- educational. However, the Speech from the Throne once again indicates the concern of this government for people, the middle and low income groups namely. Mr. Speaker, I would define the middle income groups as those earning around \$8,000 to \$12,000 per year. There has been an attempt by members of the Opposition to convince Manitobans that we have the highest taxes in the land. These people base their arguments on the basis of income tax rates of this province as compared to a few other provinces. But, Mr. Speaker, they fail to mention what Manitobans pay in total taxes, and I would suggest to you that the Manitobans are concerned with total taxes.

Mr. Speaker, I would like to state some statistics to prove this particular point and I'm going to take a family of four with an income of \$8,000. In 1969 this family would have paid about \$270.00 in income tax, \$118.00 in Medicare premiums, and about \$40.00 in alcohol and tobacco taxes, there was no rebate on municipal taxes, for a total of \$428.00 in taxation. Mr. Speaker, in 1972 this same family would pay \$356.00 in income tax, \$13.00 in Medicare premiums, \$55.00 - and this is one thing that I will agree with the Honourable Member the Leader of the Opposition when he said, in his sort of attempt at being funny, he said that I was sleepy, I was aware that the taxes went up on tobacco but the Honourable Leader doesn't smoke so it didn't cost him any more. I do, and it cost me - and I'm not complaining about that - \$55.00 in alcohol and tobacco tax. Now since there had been no change in sales tax and gasoline tax I am not including these since they balance each other for 1969 and 1972, but there's a whopping \$147.00 less on municipal school tax. This would result in a total of \$277.00 in taxes and premiums. Now, \$428.00 in 1969 against \$277.00 in 1972, an overall reduction of about \$151.00.

Now, Mr. Speaker, the Member for Lakeside in his acceptance speech in which the Leader of the Opposition I understand was there, the Member for Lakeside said, "You know, when we were the government we were going to try this Property Education Reduction Plan but found it wasn't going to work," he said, "because what we have done is to increase income tax on personal and corporate income tax." He said, "Well, we were going to try to shift money back to the people. The fact is, they haven't understood this ability-to-pay principle. You know - says why put it on in the first place? Well, Mr. Speaker, the fact is that the bulk of the people in 1969 were in the -- 43 percent wasn't it, that earned less than \$3,000, and they said they were going to shift some income tax on the reduction to property taxes. But the fact is, we have increased personal income and put it on ability-to-pay principle.

The great majority of people today make less than \$8,000, a figure which I used in the example, and they will benefit more. On the ability-to-pay principle we have lowered the taxes and premiums for the great majority of Manitobans, so of course, the \$20,000 and \$30,000 income earners and the large corporations are complaining because they would rather have it the old way, with people paying more and them paying less.

Mr. Speaker, I would like to discuss some of the programs to combat unemployment. Despite a federal policy to increase unemployment to fight inflation, a policy that failed so miserably as the last federal elections have shown, our programs to fight unemployment which amounted to some \$166 million and which created some 138,000 man-months or 11-1/2 thousand man-years of work over the last three years have contributed to the stability of the economy, have kept our unemployment rates among the lowest in the country and of course decreased the suffering on individuals that the federal policy of encouraging unemployment would have resulted in.

Another example of our program, Mr. Speaker, is in our housing. Since 1969 we have built more housing for elderly persons and low-income families than previous governments have in the preceding 25 years. To be specific, out of some 5,000 elderly persons housing units built since 1946, we in this government in three years have built or caused to be built 3-1/2 thousand units, some 65 percent out of a total of 11,000, or close to 12,000, pardon me; and out of 12,000 low income family units since 1946 we built 7-1/2 thousand or 63 percent of the total low housing unit buildings. This program has filled not only a critically pressing need for a large section of our population but it has also created jobs in the construction

(MR. SHAFRANSKY cont'd.) industry, kept or attracted money in the province and has kept our economy buoyant in contrast to many other provinces in this country.

Now the point about attracting money to our province is especially important since past governments because they weren't meeting the social needs of citizens allowed vast sums of federal 90 percent housing moneys that could have been spent here to be forfeited in this province and used by other provinces, especially Ontario. Our not using federal housing moneys did not save your federal tax dollars but rather it gave Ontario, a very rich province, a greater share of our federal tax dollars.

Mr. Speaker, we are continuing to provide good programs for the majority of people, through our auto insurance programs which has kept premiums constant while insurance premiums in other provinces are rising, through our programs for the aged, which is announced in the Speech from the Throne, whereby medicare premiums for pensioners will be abolished and drug costs for these people reduced, and through greater assistance to municipalities and school districts by low interest loans, increased grants to school districts and the like which help all of you by keeping your local taxes down and freeing up moneys that can be spent on other things.

Mr. Speaker, the last couple of weeks we have had a number of people address the Economic Development Committee on some of the problems which Canadians have in regard to the resource development. In considering some of Canada's economic problems, one is soon led to the conclusion that Canada appears to be the world's richest underdeveloped country. Men like Mr. Kierans, Mr. Hurtig, Mr. Bishop, Mr. Rothstein, have brought it through very clearly that Canada must do something about the problem of control of our resource development. Canada ranks as a major world producer of energy, minerals, forestry products, agricultural produce and other resources. Mr. Speaker, this country has a sophisticated and highly developed raw materials industry and we are noted for our exceptionally large exports of raw materials and semi-processed goods.

Mr. Speaker, I would like to bring this to the attention of this House in the hope that when the premier of our province meets with the other premiers of Canada in the conference in July, that this one matter will be driven through clearly that we would have it understood that something, some move must be made in regard to the recovery over the control of our resource development.

Now, Mr. Speaker, Canada does not rank as a major manufacturing country. On the contrary, Canada imports large amounts of manufactured goods. This basic imbalance in the development of our economy is an undeniable indicator of economic underdevelopment. In practical terms, an obvious result of this stage of affairs is the country's high unemployment, higher than in any other industrial country in the world, hence it is not an exaggeration to state that Canada is the world's richest underdeveloped country.

Mr. Hurtig I believe mentioned that in this regard, because of the foreign control of our resource development, the extent to which it is growing and is continually growing that we will soon have absolutely lost control of all kinds of development, and he said that in Australia during the last federal election this particular issue of foreign control of resource development of industries and so on, had become an important election issue and they look upon Canada as sort of a laughing stock, other people laugh at us because of the fact that we have sort of sold out our resources, given it away.

This should be apparent to anyone who examines some of this country's economic problems and sophisticated detail studies would in all likelihood confirm the basic conclusion of the problems which - the reasons of the high unemployment. To correct this economic imbalance it is necessary to process more of our raw materials. We must expand our secondary manufacturing industry. The development of this sector of the economy would create large numbers of jobs in a relatively short period of time. On this basis, unemployment could be very easily rectified. By expanding our manufacturing industry we would not only solve the immediate problem of unemployment, but by making proper use of our resources, Canada would be on the way to becoming a major industrial world power.

A balanced development of secondary manufacturing is the basic key to the solution of our economic problems. By developing secondary manufacturing we would be able to process our raw materials ourselves instead of exporting them and we would create tens of thousands of jobs. By making proper use of our resources there is no reason in the world why Canada could not provide full employment for everyone, and even be short of labour as has occurred in

(MR. SHAFRANSKY cont'd.) the rapidly industrialized countries such as Japan and West Germany.

Mr. Speaker, the problem of course is to make more rational use of our resources. This is by no means an overwhelming obstacle providing we have a definite and clear-cut plan for economic development. I realize, Mr. Speaker, that this is difficult, practically impossible on the provincial level; however, Mr. Speaker, I do feel that we should become aware of it and we should keep mentioning it so that the Federal Government will begin to initiate some action in this regard.

If our objective is large scale industrialization and the reduction of the export of raw materials and energy, we will have to have a great expenditure in secondary manufacturing. This will require capital and large amounts of capital.

Now since Canada's resource industries are highly developed, Mr. Speaker, since this country does not have a considerable manufacturing sector, it would be thought that capital is being generated. Indeed capital is being generated, but unfortunately it is not readily available for massive investment in secondary manufacturing here in Canada. Herein lies the crux of our economic problems and the basic cause for our relative underdevelopment. Most of Canada's resource industries, Mr. Speaker, and the bulk of our manufacturing has been developed by the direct investment of foreign multi-national corporations. Consequently a major part of Canada's surplus capital is repatriated by the investors, mainly, in the case of Canada by the United States, and therefore this capital is not available for development in Canada.

On the other hand, the capital that is reinvested in Canada is often used to buy out other resource industries or to buy out existing Canadian firms for purposes of converting them into branch plants of foreign parent operations. On this basis capital is unavailable for investment in large scale secondary manufacturing. Although it is consistently claimed by some sectors of the Canadian public that foreign investment is beneficial to our economy, Mr. Speaker, numerous studies indicate that direct foreign investment siphons off the major part of our surplus capital. The foreign operated resource industries may create jobs in the local area, they may pay a certain proportion of taxes, but the bulk of the profits leave the country and are not available for investment in secondary manufacturing. Furthermore, the resource industries employ relatively few people, whereas a great labour force is employed in the processing of raw materials. Now if we export raw materials for processing elsewhere, we are also exporting jobs.

Mr. Speaker, a recent study in the U.S., a high level, actually, report on the U.S. economy put out by a committee composed of representatives from some of the largest multi-national corporations in the United States showed that at the present time every major sector in the American economy except one contributes to the adverse balance of payment that the United States is facing today. Direct investment is the only major sector of the American economy that has been consistently bringing in more capital into the United States than it has been exporting. According to this report which is based on the 1971 economic monthly review, the total capital sent abroad to branches and affiliates is recovered in about ten years by the parent corporations. Once the initial outlay is repatriated the branch plants continue to send a considerable part of their profits back to home offices and thus earnings have no offsetting liabilities. Hence the inescapable conclusion of this particular report -- The Economic Monthly Review, 1971, the month was April or January. Hence the inescapable conclusion of this report is that direct foreign investment is essentially a section top operation which transfers surplus capital from the receiving to the investing country. Since the bulk of Canada's economy is foreign controlled, it is no wonder that there does not seem to be sufficient capital for the establishment of secondary industries for purposes of processing our raw materials. It would seem that the only way that Canada can get control of the capital generated in this country is to get control over the foreign-owned resource industries. Only then will Canada have the capital to finance the build-up of a properly balanced economy and thereby solve its unemployment problems.

Mr. Speaker, these are problems that affect the whole of Canada, not only Manitobans, and as such only the Federal Government has the jurisdiction to tackle them. Although these problems are beyond the scope of our provincial legislation the government of individual provinces, Mr. Speaker, I suggest should make their views known in the hopes that this might have some effect on our Federal Government in Ottawa. In any event, even though the solutions to some problems are beyond provincial jurisdiction, it is nevertheless necessary for

(MR. SHAFRANSKY cont'd.) provinces to place Canada's major problems in the proper perspective and it is my hope, Mr. Speaker, that during the conference that this is - I know it will be one of the issues - it is my hope that it will receive more publicity than had been given by the press during our hearings on the Economic Development. It's really unfortunate that more and more Manitobans are not made aware of the very dire, serious situation that is continually escalating and that unless something is done we might as well pack up and say, finis. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, unless there is a statement pertaining to House business that the Honourable Minister of Mines, the House Leader has, I suppose we're at the stage where we can move adjournment.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would move, seconded by the Honourable Minister of Agriculture, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 p. m. Monday.