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KILDONAN	James T. Mills	142 Larchdale Crescent, Winnipeg 15
LAC DU BONNET	Oscar F. Bjornson	Lac du Bonnet, Man.
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PORTAGE LA PRAIRIE	Gordon E. Johnston	7 Massey Drive, Portage la Prairie
RADISSON	Russell Paulley	435 Yale Ave. W., Transcona 25, Man.
RHINELAND	J. M. Froese	Winkler, Man.
RIVER HEIGHTS	Hon. Maitland B. Steinkopf, Q. C.	Legislative Bldg., Winnipeg 1
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ST. MATTHEWS	W. G. Martin	924 Palmerston Ave., Winnipeg 10
ST. VITAL	Fred Groves	3 Kingston Row, St. Vital, Winnipeg 8
STE. ROSE	Gildas Molgat	Room 250, Legislative Bldg., Winnipeg 1
SELKIRK	T. P. Hillhouse, Q. C.	Dominion Bank Bldg., Selkirk, Man.
SEVEN OAKS	Arthur E. Wright	168 Burrin Ave., Winnipeg 17
SOURIS-LANSDOWNE	M. E. McKellar	Nesbitt, Man.
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WOLSELEY	Hon. Duff Roblin	Legislative Bldg., Winnipeg 1

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, March 5th, 1964.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions.

MR. JAMES COWAN, Q.C. (Winnipeg Centre): Madam Speaker, I beg to present the petition of Joseph Halprin and others, praying for the passing of an Act to incorporate the Jewish Foundation of Manitoba.

MADAM SPEAKER: Reading and Receiving Petitions.

MR. CLERK: The petition of Shirley Rosser Middleton and Others, praying for the passing of an Act to incorporate Fort Garry Trust Company. The petition of Wellington Credit Corporation, Limited, praying for the passing of an Act respecting Wellington Credit Corporation, Limited. The petition of York Trust and Savings Corporation, praying for the passing of an Act respecting York Trust and Savings Corporation. The petition of Hugh Windsor Cooper and Others, praying for the passing of an Act to incorporate Investors Syndicate Limited. The petition of Investors Syndicate of Canada, Limited, praying for the passing of an Act to amend an Act to incorporate Investors Syndicate of Canada, Limited. The petition of City Savings and Trust Company, praying for the passing of an Act respecting City Savings and Trust Company. The petition of Montreal Trust Mortgage Corporation, praying for the passing of an Act respecting Montreal Trust Mortgage Corporation. The petition of Edward Loewen and others, praying for the passing of an Act to incorporate Mutual Trust Company. The petition of Jacob K. Klassen and others, praying for the passing of an Act to incorporate Eden Mental Health Centre. The petition of William James Parker and others, praying for the passing of an Act to incorporate The Wasagaming Foundation. The petition of Helen Radclyffe and Edward Frank Radclyffe, praying for the passing of an Act for the relief of Helen Radclyffe and Edward Frank Radclyffe. The petition of James William Jamieson and others, praying for the passing of an Act to incorporate Hamiota Golf Club.

MADAM SPEAKER: Presenting Reports by Standing and Special Committees.

Notices of Motion

Introduction of Bills

MR. COWAN introduced Bill No. 41, an Act to incorporate Selkirk Savings and Loan Association.

MR. COWAN, in the absence of the Honourable Member for St. Vital, introduced Bill No. 73, an Act respecting Union Centre.

MR. R. O. LISSAMAN (Brandon) introduced Bill No. 51, an Act to amend an Act to incorporate Brandon Golf and Country Club.

MR. LISSAMAN, in the absence of the Honourable Member for Morris due to illness, introduced Bill No. 78, an Act to incorporate Riverview Golf and Country Club.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): Madam Speaker, I beg to move, seconded by the Honourable the Minister of Agriculture, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following proposed resolutions standing in my name.

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

MR. CARROLL: the administrator of the government of the Province of Manitoba, having been informed of the subject matter of the proposed resolutions, recommends them to the House.

MR. CHAIRMAN: Resolution 1. Resolved that it is expedient to bring in a measure to amend The Disabled Persons' Allowance Act by providing for the making of retroactive regulations respecting the payment of allowances under that Act, as a consequence of which the amount payable from and out of the Consolidated Fund for those purposes may be increased.

MR. CARROLL: The same explanation, Mr. Chairman, applies to this as applied to the ones that were introduced the other day, to enable us to make retroactive regulations with respect to The Disabled Persons' Allowances Act and The Old Age Assistance Act. These were recommendations of the Standing Committee on Statutory Regulations.

MR. CHAIRMAN: Resolution be adopted? Agreed? Resolution No. 2. Resolved that it is expedient to bring in a measure to amend The Old Age Assistance Act by providing, among other matters, for the making of retroactive regulations respecting the payment of assistance under the Act, as a consequence of which the amount payable from and out of the Consolidated Fund for those purposes may be increased. Resolution be adopted. Agreed?

Committee rise and report. Call in the Speaker. Madam Speaker, the Committee of the Whole House has adopted certain resolutions and has 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 for Brandon, that the report of the Committee be received.

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

MR. CARROLL introduced Bill No. 71, an Act to amend The Disabled Persons' Allowance Act.

MR. CARROLL introduced Bill No. 72, an Act to amend The Old Age Assistance Act.

MADAM SPEAKER: Before the Orders of the Day I would like to attract your attention to the gallery where there are some 96 Grade 8 students from Deer Lodge High School, under the direction of their teachers, Mr. Carruthers and Miss Wiekmen. This school is situated in the constituency of the Honourable the Member for St. James. We welcome you here this afternoon. We hope that all that you see and hear in this Legislative Assembly will be of help to you in your studies. May this visit be an inspiration to you and stimulate your interest in provincial affairs. Come back and visit us again.

Orders of the Day.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, before the Orders of the Day I'd like to address a question to the First Minister or the Minister of Industry and Commerce. Have they received as yet a copy of the Dixon-Speas report from the government of Canada?

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): We have not received any copy of the Dixon-Speas report, nor of any abbreviated report.

MR. MOLGAT: Madam Speaker, I'd like to address a question to the Minister of Health. It was reported in yesterday's newspaper that the Federal government and the Department of Veterans Affairs is awaiting a proposal from the Manitoba government, the Manitoba Hospital Commission, with regard to the future operation of Deer Lodge Hospital. I wonder if the Minister could indicate what are the proposals of the Manitoba government and when they will be sent to Ottawa who are waiting for them.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Madam Speaker, I'll take the question under advisement.

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Before the Orders of the Day I'd like to table a Return to an Order of the House, No. 18, on the motion from the Honourable the Member for St. George, dated February 25th.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Before the Orders of the Day I would like to table a report pursuant to The Winter Employment Act.

MR. MOLGAT: Before the Orders of the Day, I'd like to address a question to the Minister of Education. I asked him yesterday with regard to the school board at Cranberry Portage whether he had received the resignations from the school board. His reply at that time was that he had not. Has he received them today?

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, no.

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

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, I beg the indulgence of the House to have this matter stand.

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

MR. GORDON E. JOHNSTON (Portage la Prairie) Madam Speaker, I too would like to voice my objection to this bill that is going to, as far as we in Manitoba are concerned, tamper with democracy -- is the feeling I have about this. It's taking away responsibility from a

(Mr. Johnston, cont'd.) . . . Minister that has always been carried in this province, and up until this year there have been no drastic changes that make this change needed. I notice some of the Ministers over there are laughing about it a little bit. Let 'em laugh. They got to take their responsibilities. If they're going to take on a Minister's job they'd better take the responsibility that goes with it. It wouldn't be inconceivable, I wouldn't think, that if the Minister who's answering presently for this department decided that it was privileged information -- would start hiding behind that particular line of thought again.

Madam Speaker, I would like to draw attention to two press clippings I have here, both from the Free Press. One is dated October 11th, 1962, and the headline on it is: "Board Asks Nelson Study Delay." Now this seems quite in order. The Board asked for a delay. Then I noticed the First Minister isn't above trying to get a little mileage out of the fact, and he makes all the announcements. He does all the talking. I believe he's interpreting what the Board is saying. In the last election it wasn't above this government to drag in the Nelson River project as kind of a phoney campaign issue. It served their purpose then to make reference to this great step that should be taken and they wanted a mandate from the people to take this great step. However, any thinking person in the province knew that this was the authority or the work of the Hydro-Electric Board. It wasn't for some politician to stand up and decide to call an election on the need for power in this province, because we know the Hydro-Electric Board is charged with the responsibility of planning ahead, of keeping the needs of the province in mind; so therefore, they were doing their job. The only time, I believe, that this present system hasn't worked, as I say, Madam Speaker, was during the last election when the politicians of the other side saw fit to bring it in and make an election issue out of it, if it could be called an issue at all.

Now, the other newspaper clipping I have here is from the Free Press, January 9th, and here the headline says: "Nelson Project Still Alive Says Stephens." Now, the chairman of the Hydro-Electric Board is speaking up and saying the things that concern his jurisdiction, and rightly so. However, it was only a day or two ago -- I guess it was yesterday -- there's another headline came out although I haven't got it here. But now the First Minister is talking about the Nelson River project again, and making a rosy picture out of it and trying to get a little more political mileage out of it, I guess; so what I'm saying in effect, Madam Speaker, is that the only time that this system has not worked is when the present administration has seen fit to drag it into politics. Any other time in the past, I believe, technical questions which have been asked of the Minister and he couldn't answer them, he either got the answers or it was referred to a technical person, and as far as I can see there's absolutely no reason whatsoever for making any change in this method now. You have a Minister of Utilities. His title suggests that he is responsible for the utilities. Well then, let him take on the job. If he's inexperienced, perhaps he shouldn't be in the position where he made the statements that he made last week, that he wasn't going to answer any of these questions at all. And in closing, Madam Speaker, I say again that there's absolutely no reason for making this change that this bill is asking.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I think that it is incumbent upon myself as leader of this group to say a word or two in connection with this resolution. I did in connection with the bill dealing with the Telephone Act, and I would have liked to have got into a bit of a debate that went on here yesterday, but because of the fact that we were dealing with the Telephone Act at that time I couldn't do so.

Now, I'm somewhat surprised, although maybe I shouldn't be, Madam Speaker, at the attitude of the Liberal Party in Manitoba in respect of both of these Acts. I don't know yet how they are going to vote, because they condemn the Act; they don't support the Act; and yet they agree with the principle behind the Act, that is, namely, that the reports of the utilities will be permanently referred to a committee for investigation, and that the personnel of the various utilities will be there to answer the questions which we might pose in respect of the same.

Now, yesterday we heard a very reasoned contribution to the debate on the Telephone Act by the Honourable Member for Lakeside. He tells us that so far as he is concerned that there's nothing wrong with the Act at all -- it's a step in the right direction. We've just heard from the Honourable Member for Portage la Prairie just the reverse. He says it's no good -- the proposition of the Government. The situation is, Madam Speaker, that insofar as the wishywashy

(Mr. Paulley, cont'd.) . . . party to my right is concerned, they are going to hold up legislation based on a statement of the Minister. I suggest, Madam Speaker, that irrespective of what the Minister says, that when we deal with matters in this House it's on the basis of proposed legislation; and while we might be able to thumb back through the pages of Hansard and say that the Minister says in effect that he will not have to answer in respect of utilities to the House, the fact is that insofar as the legislation itself is concerned, The Board will come before a committee of this Legislature and answer questions that we might direct to them. I'll say this, that when I raised this question, or this point, in respect of the Telephone Act, I asked the Minister a direct question as to whether or not he would be responsible, in this Chamber sitting as we are to answer questions. And his answer was, "Yes." He said "Certainly," he says. "I don't want to evade any of the questions that my honourable friend might ask."

I think this is a step in the right direction. Yesterday, Madam Speaker, the Honourable the First Minister read a statement to this House dealing with the potential development of the Nelson River Hydro setup. Now then, Madam Speaker, unless we have a special resolution of this House, calling upon the experts of Hydro to meet with a committee, we couldn't discuss the question actually on a technical basis with the individuals concerned, the experts, respecting Nelson River development. With this amendment that we have before us, the report of the Hydro is permanently referred to the Committee on Public Utilities and Natural Resources. An interpretation of the word "permanently" in this regard, I respectfully suggest, Madam Speaker, is that at any time any member of that committee can refer back to any report that has been made by the Hydro-Electric Board, or in the case of the telephones, with the Telephones. It doesn't mean, in my opinion, an interpretation that it just simply goes there and the Minister is let off the hook. It simply means that this committee will meet and that it will have before it at all times when it's meeting the experts of the department or the utility concerned.

I think, Madam Speaker, this is a good idea -- a real good idea. What I want to ask, and I give warning now -- I want to give warning now -- because I want to ask when the experts of the Hydro Board are before this Committee on Public Utilities, I want to ask them a few questions in respect of the development of the Nelson River, and what they have done. This is the only way, I suggest, that I could get this information without having it second-hand through the Minister, because as has been said, the Board is responsible for the carrying out of its duties. The Minister is answering to us. I think with the suggested amendments that we have before us we have a two-fold purpose and it will be good for this Legislature and the people of Manitoba. So I cannot for the life of me, Madam Speaker, see how my friends to the right can be so inconsistent. As I say, my friend from Lakeside made a very reasoned address yesterday and he stated that there was nothing wrong with the legislation that is proposed. Now, if there's nothing wrong with the legislation that is being proposed, then the Liberal party and all of us who agree that there's nothing wrong with it will of necessity have to vote for it. And if we have to rely on a statement of a Minister or a member of this Legislature on what they said, or a portion of what they said, to guide our judgment as to whether or not we're going to pass legislation in this province, then I say, Madam Speaker, we'd be at a low ebb insofar as legislation is concerned.

So, I say once again on this bill, as I did on the other bill, that as far as my group are concerned, we are supporting the legislation that we have before us. We think that it is a good idea, and notwithstanding what the present Minister or any Minister may say, we feel that through this legislation -- the government itself is not, figuratively speaking, off of the hook; it may even be more on the hook than ever, because in having discussions with the members of the Board, we may be able to get from them more information as to the future, as to the present operations of these utilities. So therefore, Madam Speaker, this New Democratic Party group will support the legislation.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, may I ask the Honourable the Leader of the New Democratic Party a question or two? I would like to ask the Honourable Member if he agrees that the Minister said definitely in the House that it would not be the government's intention to answer questions dealing with matters that lay within the jurisdiction of the commission. Does he agree also that a ministerial statement in this House is a pretty important statement? And is he willing, is he quite willing, that he should be circumscribed in

(Mr. Campbell, cont'd.) asking questions in here and receiving information from the Minister to that extent?

MR. PAULLEY: I would say to my honourable friend, Madam Speaker -- now I didn't jot down all the questions -- one of the points that he raised was, did I agree that a ministerial statement was not too important (Interjection) -- is important, to put it in the positive. Is important. Certainly it's important, but Madam Speaker, in all due respects, I would suggest that irrespective of whether the statement of a Minister is important or not, it can't overcome proper legislation. Also, my honourable friend, if I recall, stated that did I agree with what the honourable member said on the introduction. Now I haven't Hansard before me, Madam Speaker, but I do know this, that the honourable member has been asked in respect of The Telephone Act by myself and I believe on The Hydro Act by my colleague from Brokenhead -- now I'm not sure whether my colleague has spoken on this -- but he was asked a specific question: "Does this mean that we can't ask you questions in this House?" And the Honourable Minister's answer was "No, of course you can ask me the question, and I'll get you whatever information that you desire." Now I'm pretty sure that Hansard will substantiate that this is what the Minister said, so on this basis, Madam Speaker, I can even more so be convinced that we can support the resolution. Now I'm not sure of my honourable friend's third question.

MR. CAMPBELL: Madam Speaker, I'd prefer not to repeat it because we'd get another couple of speeches.

MR. J. M. FROESE (Rhineland): Madam Speaker I beg to move, seconded by the Honourable Member for Fisher, that debate be adjourned.

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

HON. STEWART E. McLEAN, Q.C. (Attorney-General) (Dauphin) presented Bill No. 45, an Act to amend The Trustee Act, for second reading.

Madam Speaker presented the motion.

MR. McLEAN: Madam Speaker, this is one of the bills that is self-explanatory, as the members will recognize when they read it. It's rather complicated. It is brought forward to meet certain problems that have arisen in relation to the administration of trusts, and in particular in relation to certain actions which have been before the courts. It has been recommended to me by the Law Reform Committee, and I have reason to believe that representatives of that committee will be available to the Law Amendments Committee when we meet to explain the technical aspects of it and to give any information that may be helpful to the members, and which I confess quite frankly I'm not really able to give on this occasion at second reading.

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

HON. DUFF ROBLIN (Premier and Provincial Treasurer) (Wolseley): Madam Speaker, would you be kind enough to call the debate on Ways and Means next.

MADAM SPEAKER: Adjourned debate on the proposed motion of the Honourable the First Minister and the proposed amendment thereto by the Honourable the Leader of the Opposition and the proposed amendment to the amendment by the Honourable the Member for Brokenhead. The Honourable the Member for Rhineland.

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

MADAM SPEAKER: Agreed?

MR. ROBLIN: Yes, Madam Speaker. This seems to be one of the most protracted and inconclusive, and, I might say unsatisfactory debates which we've had for a long time. Nothing sensible has been said since I last sat down but I'm not going to get into this -- I musn't get into this now. I now ask you Madam Speaker if you will

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Madam Speaker, this thing was introduced in a most unusual manner too.

MR. ROBLIN: kindly leave the Chair so that the House may resolve itself into Committee to consider of the Supply to be granted to Her Majesty. This motion is seconded by the Honourable the Minister of Agriculture and Conservation.

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 VI, Item 15.

MR. PAULLEY: Madam Speaker, before we go further into the Department of Agriculture I just have a minor grievance that I'd like to draw to the attention of the Committee seeing as we're dealing on the question of agriculture. The Minister tabled a Return from an Order of the House this afternoon and we received the information but unfortunately they didn't put the question. The question that was asked is not on the Order for Return and you can see, Mr. Chairman, how in the future it would be rather difficult to correlate the answer to any question, and I ask my friend if in future when there are Orders for Return from the Department of Agriculture, that we have the question as well as the answer so that in our historical documents we know what we're referring to.

MR. CHAIRMAN: (a) passed.

MR. HUTTON: Oh no, Mr. Chairman. Mr. Chairman, I have something to say on this subject because there's been quite a bit said and there was quite a bit said here yesterday. I'm a little bit surprised that the Honourable Member for St. George isn't standing in his place right now in an effort to disassociate himself from the statements made yesterday by the Honourable Member for Ethelbert Plains, whose statements I think must be taken seriously since he is a former member of the front bench in the government that was responsible for these matters before they fell to us. Some very remarkable statements were made by him yesterday -- very illuminating statements. Frankly, I think that the member for St. George is in very serious trouble. I don't know how he is going to explain to his good people up there and how he can keep quiet and desist from disassociating himself with the remarks of the Honourable Member for Ethelbert Plains.

I think also that the Official Opposition in this House had better have a caucus on the matter of determining their policy in respect to water control projects in Manitoba. If you listen to them, the Leader of the Opposition says, "We don't need any planning. We don't need this centralization for little \$5,000 drains which could have been built without any reference to a central office whatsoever." I'd be glad to quote it to him. I'd be glad to quote it to him. (Interjection) Sure will. March 3rd, on page 719 he said, "Finally on the 23rd of September I received a reply from the Branch, excusing themselves for not having written previously, advising me that someone had been out to have a look at this and that the reply was that there would have to be a complete survey, but in any case that the rough estimate at this time was that it would cost \$5,000 to do the drain. Mr. Chairman, this has been going on in this area for years." That is, these drains have been built for years. And then he goes on later to say, "This situation just is not good

MR. MOLGAT: Read the whole thing.

MR. HUTTON: "This situation"

MR. MOLGAT: Oh, no, no, no, Mr. Chairman. Mr. Chairman, I demand

MR. HUTTON: Well I can read the whole thing if you like.

MR. MOLGAT: I demand that if the Minister is going to quote me that he quote the next three sentences as well, as they are pertaining to the matter in

MR. HUTTON: Mr. Chairman, will the Honourable Leader of the Opposition grant me the same rights in this House, to demand that when the members of his party get up and quote that they must quote the whole thing?

MR. MOLGAT: Certainly, whatever is pertinent.

MR. HUTTON: I'll remember that.

MR. MOLGAT: Whatever is pertinent.

MR. HUTTON: "Mr. Chairman, this has been going on in this area for years. It has been handled through the Dauphin Highways Branch office. They would come in, survey, in fact this had been surveyed already by the way by the Dauphin Branch Office but this was not satisfactory to Water Control and had to be re-surveyed. The final outcome of this is that they'll have to do further work next summer and there are a number of areas in there they have to look at, they tell me, and they say we do not have the staff at present to investigate all 18 requests this year." Do you want me to read further?

MR. MOLGAT: the part that is pertaining to these

MR. HUTTON: He's objecting to these re-surveys. He's objecting to the fact that the Water Control and Conservation Branch was not satisfied with the information that was available. They don't say it wasn't available but it wasn't satisfactory to carry out this work. My

(Mr. Hutton, cont'd.) honourable friend, the Leader of the Opposition, objects because the engineers were not satisfied with the available information and they wanted to make sure.

MR. MOLGAT: go and get the available information.

MR. HUTTON: Now this is an interesting thing. He can't deny it. Now, what does the Honourable Member for Ethelbert Plains say, when he has gotten through with his tirade? On page 751: "And I suggest to the Honourable Minister, if I may, that in all these areas he take exactly the kind of care that he's promising to take, that the plans are well made, and that we don't do anything haphazardly without making a complete study of what is in store, both not only the amount of water that comes down but the terrain, the lay of the land and everything else." This is what he had to say on the subject.

So I say that they'd better get together over there. I'd say they'd better get together.

Well, they also seem to think that we were trying to blame the engineers for some of the unsatisfactory work that was done in the Province of Manitoba prior to 1959 when the work was reorganized. We're not finding fault with the engineers. And the Honourable Member for St. George had this to say, "They're the same engineers. The same engineers that were in the Department of Public Works are now doing -- some of them are doing the same work." That's exactly right. There's only one difference. There's a different government, and that's the big difference because we have given these men the money that was needed and the moral support that was needed in order to do the kind of a job that was needed.

MR. HRYHORCZUK: And the cars?

MR. HUTTON: Yes, and we gave them cars too. Now I want to deal, if I may, with some of the remarks that were made by the Member for Ethelbert Plains because this is a remarkable statement. You know, in the past, Mr. Chairman, it's been one of the favourite pastimes of the Honourable Member for Ethelbert Plains to charge me with having no compassion for the small farmer, for the hard-pressed farmer; and he has always been able to expose himself as a great champion of these people, the ombudsman of the small farmer on the marginal land.

MR. HRYHORCZUK: Mr. Chairman, may I just elucidate and tell the Honourable Minister that I have never had any intention of leaving that type of thinking on the part of the Minister. That wasn't my intention at all.

MR. HUTTON: Well Mr. Chairman, no one could listen to the honourable gentleman without feeling that he did have an understanding of these people that the rest of us didn't share and particularly the Minister of Agriculture. But I can't help, after reading his statement of yesterday and listening to him, wonder if he has this great understanding. Does he really understand these people? Does he understand their problems? I think it's one of the best Dr. Jekyll and Mr. Hyde performances that I have ever witnessed. We have seen his posture as a politician on previous occasions. Yesterday, Mr. Chairman, he spoke frankly; he spoke from the heart, and he said what he thought, not as an elected representative but he spoke as an elector, and he said he spoke frankly, and do you know what he said? He said that these people -- and remember this, that this honourable gentleman, Mr. Chairman, represents people on marginal land; he said so himself; and this is what he had to say about the problems of these people in the Interlake and it applies to the Westlake area and it applies to his own area, the same comments. And they are utterly amazing. He said this land wasn't worth the expense. He said this land wasn't worth the expense. Let me read it. Speaking of the Minister of Education, he said: "We know he comes from a swampy sort of a country that it took years and years to do anything with, and I can frankly say that there's been just too much money spent on some of these areas, and they're not worth it."

That's what he said, about the Interlake, about the Westlake area. This is a very interesting bit of information to divulge to us at this time. He says, "because I think if anybody insists on having money spent where money should not be spent -- and I've been in his country; I went to the Washow Bay development project when it was in its formation, and the amount of money that went in there I was doubtful whether it was worth it." Well, that's quite a statement, and I don't see how the Honourable Member from St. George can associate himself with statements like that about the part of the country that he represents. I don't know what his good people are going to think about the party that he represents, if this is their attitude toward the

(Mr. Hutton, cont'd.) . . . aspirations and the hopes of these people, which are just as legitimate as those of people from any other part of the province of Manitoba. This government has, this government has set itself to the task of improving the opportunities for these people, and one way we can do it is to help them overcome these forces of nature that they have had to contend with to too far great an extent in the past all by themselves.

And the Honourable Member for Ethelbert Plains talks about all the great drainage schemes that were laid out years ago. By whom? In central Manitoba they were done by the local people at their own expense, who issued their own debentures, and built them. Yes, government gradually crept into it over the years, but what has happened to the people where they didn't have the benefit of local government organization, who didn't have the advantage of a municipal council to fight for them, and they were left to their own devices? Well all you have to do is go into those areas and see what happened to them. They were the forgotten people and they were forgotten because of the attitude that they weren't worth the money. It was a waste of money. Yes, and what has this government been doing? It's not good enough for us to criticize you across there, but we have been doing things. And we've been doing a lot in unorganized areas. For one thing, the Honourable Member for St. George should be the last one to criticize this government. He was a member of a party that was a government in Manitoba and for 40 years the people that he represented have been crying out for some help on control of Lake Manitoba. I spoke to one of the former members of this House, an old man, Skuli Sigfusson, who was a member of this House for so many years, and he told me he had fought for 40 years -- yes, it cost \$600,000 or thereabouts to tame Lake Manitoba, but it was worth it. The losses around that lake in a period of three years were almost three times that much, so if the Honourable Member for Ethelbert Plains likes to think that I make good speeches for him political-wise, he made a dandy. He made a dandy, yesterday, because I'd like to see him publish it in all the papers in the Interlake and the Westlake area in his own constituency, and tell these people that government expenditures in their area is a waste of the public funds.

He objected to the brushing that's been going on. Well where's the brushing been going on, and where is it going on? I have a list here of 10 projects being undertaken under winter works program -- 114 miles. The longest project is 35 miles. Where is it? The Duck River, Ethelbert Plains. And then there's the Pine River, 8 miles; and then in Alonsa, how many are there? Eight of them. One's eleven miles long, one four, one four, one six, another six, another six, one fourteen, and one twenty miles long. The Opposition doesn't want it. They are representing these people, Mr. Chairman, and they don't want these projects undertaken. These people are coming to us and pleading with us, Mr. Chairman. They're pleading with us to undertake these projects. They need them -- but they don't believe in them. They are criticizing because we're not -- they say we're only doing a mile here and a mile there, we're starting in-between. Thirty-five miles is a long in-between. Twenty miles is a long in-between. Fourteen miles -- peanuts isn't it, according to the Opposition? Well, Mr. Chairman, let me tell you, these drains and these creeks and these rivers have been in this condition for years and years and years. I went and I looked at some of them personally, myself, and it was a hopeless situation. These people didn't have a chance. The cards were stacked against them. And that's why we're going to help them. That's why we're doing these projects. In two years, ten projects, either undertaken or to be undertaken; 114 miles to help them.

The Honourable Member for Ethelbert Plains tried to compare the wonderful planning and foresight that they had, compared to some of the projects that we were undertaking. I don't know what he was -- the point that he was really trying to make. He had this to say, "I can point out to him some of the finest drainage schemes that have ever been evolved anywhere right here in the Province of Manitoba," and I'll agree with him that far; "and they were completed long before this government came into power." Very interesting. Well, let me tell you which ones they are and when they were built. In the Duck Mountains alone we have the Pine River. Well now, my information is: Duck Mountains -- two Pine River dams, built in 1963. Where is Pine River? Obviously the Honourable Member for Ethelbert Plains doesn't know. And then he's got one in here called Sandy Creek. Of course that might -- I'll give him the benefit of the doubt, that he was referring to Shanty Creek and it was a mistake in Hansard here -- misinterpreted in Hansard, it must be. Yes, he says, "they were completed long before this government came into power. In the Duck Mountains alone we have the Pine River

(Mr. Hutton, cont'd.) . . . and the Sandy Creek development which starts with holding backwaters at the source by a series of dams, making sure that the water that comes down these creeks will never reach the stage where they'll flood, and the work was properly done." Now I thank him very much for his words of commendation on the Pine River dams because they were done in 1963 by the present administration. It's nice to know we can do some things right.

We built others, though. We built a dam on the Wilson Creek in 1961. As a matter of fact two dams on the Wilson Creek. And in 1958 we built the Steep Rock River dam in the Porcupine. Then he goes on and he says: "Not one single project of that nature has been undertaken by this government," and they're being built right at his back door. Built right at his back door. Very interesting comments.

Now, this question of roads and ditches. He certainly maligns the Minister of Education about his lack of knowledge about the difference between a road ditch and drainage ditch. Well I'd like to tell my honourable friend from Ethelbert Plains that there isn't much difference. When you start cutting through the topography, whether you're building a drain or you're building a road you move water and you disturb natural water courses, and one of the reasons why we have so much problem in drainage and water control is through the building of roads over years and years and years. It's completely changed or reoriented the flow of water and the areas where water congregates, and this is the reason why we have to have major drainage outlets. I believe that the Minister of Education has a wonderful grasp of the problem of drainage and water control, and I would say that it is probably a little more comprehensive than that of the member for Ethelbert Plains.

So, what are we doing about all this? He says that he hopes that we aren't spending all our money on the Red and Assiniboine rivers. Well, in 1958-59 we were spending -- or the department had a total in current and capital revenue of \$1,891,440.00. This was the extent of its monies at its disposal to provide engineering and to carry out the projects. In 1964-65, outside of the Red River diversion, outside of the Assiniboine project, the total money at the disposal, or for water control and conservation is \$4,247,090, so we are doing a big job. In engineering in 1958-59 it was estimated at \$398,000. For the current year, 1963-64, it is well over -- '63-64 it was \$856,195; and for the present year it is \$929,220.00. We are adding staff, but there's a tremendous backlog of work to be done in this province, and a great deal of it must be done in these unorganized areas. The government must come along and carry out certain major works, and give relief to these people and hope to these people, so that they're going to have a future with the rest of us in this province.

I'd like to mention right now that up here in the Interlake over the past decade there has been a continual buildup of water in the Dennis Lake basin and in the Fish Lake basin. This year it's reached critical proportions. The water was running across the highways up there in June. There's no place for that water to go. These people are without hope unless an adequate outlet, unless some control is put on these waters that find their way into these basins, and we propose this coming year, this year 1964, to put under construction large detention basins at both Dennis and Fish Lakes and to construct channels adequate to carry the surplus water off safely through the municipality of Gimli. When this work is completed, then smaller and minor projects can be undertaken to improve local drainage, but until these two major projects are undertaken and completed, there's no place to put the water. It just runs from one farmer to another farmer, and the results are dissatisfaction, dispossession -- it's actual dispossession, Mr. Chairman. I've had farmers come in to my office who had bought land, maybe a decade ago, and today it's a swamp; it's a lake. They've lost it. And this is what the whole business of drainage, of water conservation and control is about, and I believe Mr. Chairman, that the Liberal Opposition, the Official Opposition in this House wants to sit down and take the time to work out an alternative policy to that of the government, because I'm not sure -- I'm not sure that we've got the right answers in every respect. But I am sure that water control is a very complex business, and you can't solve it by going out and building a drain from A to B and forgetting about it, and waiting until the next complaint comes in. That has been done for a long, long time, and we have stopped it, and we've got a backlog of work; we've got hundreds of requests, and there'll be work for us for a number of years to come. But I'm sure that if this approach is followed for five years, for another five years -- we've had five years; give it another five years -- that we will have drainage that is satisfactory for the people concerned in

(Mr. Hutton, cont'd.) all parts of Manitoba.

MR. CHAIRMAN: if this will speed up the discussion, but there's a car 4N566 with the lights left on, and I'm not sure whether it's a member of the Legislature owning that car. 4N566.

MR. HRYHORCZUK: Mr. Chairman, I was interested in the Honourable Minister's approach to some of the criticism I offered yesterday. It would have been, I think, much better for him and me and the members of this committee had he got all the facts while he was getting part of them. Talking about the Pine River project, he told me that I should have known or studied this matter and knew what I was talking about. Well, unfortunately he has either been misinformed, or he didn't bother to get all of the facts in this particular case. He claims that two dams were built in 1963 and leaves the impression that this is the Pine River project. Well, he couldn't be further from wrong. There are five dams on this project, and three of them were built before this government came into power. The remaining two were on the planning board; the money was available from the federal government for them; there were two minor dams -- and you will note, Mr. Chairman, that these two minor dams, although the money was available from the Federal government, were not built till 1963, five years after this government came into power. And if you call that efficiency, Mr. Chairman, then probably this government is efficient.

The same applies to the other projects that he mentioned. The money was there, the agreement had been entered into -- all they had to do was to do the work. And it took five years before they made up their minds to do it, when it could have been done within a year after they came into office.

Now, he talks -- he says I criticize the manner in which some of these rivers are cleared -- the river channels. I don't change my opinion of that at all. He himself has stated there are eight miles being done on the Pine River. Well, this river is, just to hazard a guess, anywhere from 50 to 75 miles long, and eight miles -- I don't know where this work is being done, but I'll bet Mr. Chairman, that it's in the middle of this river, not at the mouth of the river where the work should start. That was my criticism, Mr. Chairman, that if you begin to clear a river channel, you've got to start at the bottom and work up. That is the proper way to do it or you're going to get into trouble, and I hope I won't be in a position next session to point out these troubles to the Honourable Minister. I hope that they pan out all right; but if we ever get any amount of water there is going to be trouble.

Well, I'm glad to see that at last the Honourable Minister's beginning to think of the little fellow, which was entirely different a year ago; and I hope that I was in some way responsible for his change of attitude, because we had this out last session, and he certainly wasn't thinking of the little fellow then. He was entirely out to see what he could do to get these poor people off those poor lands, and he wasn't taking the attitude that he should help them to stay there. He says he's taking a different attitude. I'm very glad to hear that.

Now, as to the unorganized territory as to what they received from the former government. Well, Mr. Chairman, I don't think that this government or any government from here on is going to do more for the unorganized territory than what the former government did, and I'll just give you one little example, Mr. Chairman. We had an unconditional grant, which is a boon to schools in the unorganized territory. Where did that grant go? Where is it today? I've got school districts asking me "where are our grants?" And those grants were a big help. There were countless 100 percent projects undertaken by the government in the unorganized territory -- countless; but what the Honourable Minister misses entirely, it seems to me, is the fact that these were the beginnings and there was a great deal of work that required immediate attention, and those projects that required immediate attention received them from the former government. I believe that the Honourable Minister has in mind a plan which eventually is going to prove beneficial and efficient, but there are small drains, little works that have to be attended to, and my point is, Mr. Chairman, that taking all these little drains put together throughout the Province of Manitoba -- they may look insignificant compared with some of the large ones -- but take all these little ones and put them together and they affect a great many more people, their very livelihood, than do some of these large ones. Those are the points I wanted to make, Mr. Chairman, and I think I made them.

MR. CHAIRMAN: 15 (a) passed....

MR. SHOEMAKER: Mr. Chairman, about a week ago, because it does seem to me that we've been on agricultural estimates for about a week, I asked my honourable friend if the major water research program that is intended to give a shot in the arm to agriculture has been announced in the House. He said -- I'm referring, Mr. Chairman, to page 7 of the Farm Outlook, 1964 -- he said it had not, and inasmuch as we are now on Water Control and Conservation, and approving of some several millions of dollars, would it not be a nice time now to have that shot in the arm? I wonder if we could have a statement on it.

MR. HUTTON: Mr. Chairman, you will note that the estimates for Water Control and Conservation are very substantial this year. Part of it can be attributed to the Red River diversion and to the works on the Assiniboine River, but also a major part of it is attributed to works of various kinds ranging from drainage through carrying on our program of providing potable water supplies to the villages and towns of Manitoba, and now this year we are providing increased estimates for authorizations for the investigation of ground water supplies in the Province of Manitoba.

Before dealing with the question of ground water and the increased emphasis on investigations, I would like to indicate that last year we spent all the available money, all the money that was voted for water control projects. You will notice that our Grants to Drainage Maintenance Districts has increased by \$25,000, that the moneys available for grants and aid to Water Control Works in Municipalities, Watershed Conservation Districts, Disorganized Municipalities and Unorganized Territories, is up with a hope that we will be able to have another good year of construction and get a lot of these jobs done.

Then you will notice that under the Canada-Manitoba ARDA agreement there is provision for \$34,000.00. Now there has been a very interesting work going on out in the Melita district. For the last two years now they have been experimenting with irrigating from dugouts. There's a very high water table in an area west of Melita where they can just go out, dig a big dugout, put an irrigation pump in there, and irrigate from the dugout, and the inflow of water to these dugouts is so fast that they will sustain an irrigation pump for a considerable period of time. They have had substantial success in growing vegetables, corn, potatoes, and in establishing forage crops on this sandy soil through the use of these ground waters for irrigation.

The thing that we don't know of is the capacity of the aquifer in terms of the total or potential yields that it may have and the number of acres, say, per section of land, or per quarter-section of land, that could be irrigated from this supply. This year we are proposing to undertake a broad investigation in this area to determine the overall potential yield of this aquifer, and if, as indications are now, this has a real potential, a good potential yield, that it can sustain relatively large acreages of irrigation -- irrigated farming -- this will mean a real boon to this area.

The good citizens of Carberry area have a blossoming industry out there. There're interested, not only in using irrigation on their new potato fields, but also in the possibilities of developing other special high value crops for this area. They have wonderful soil and they also have a very high water table, but they have a different sub-soil structure and they have, on their own, attempted to use sand points for irrigation, but this has limitations and they have requested that we carry out a program of investigation to establish whether or not they can develop irrigation wells in the area and the best method of developing these wells, the cost and so forth. We are going to undertake this study, which will determine how much water may safely be available for annual use in irrigation, industry and expansion of present uses; how this water may best be extracted for irrigation purposes; and what locations are best suited for extracting and utilizing this water for (a) irrigation and (b) industry. This will be started this year and probably completed. We are looking for it to be completed by 1965.

We are carrying out extensive investigations of ground water in the Winnipeg area. In addition, we are carrying out a program of developing techniques for bringing in agricultural wells. In many areas in Manitoba, there are ground waters but they are not available to ordinary methods of drilling a well. We believe that techniques of drilling can be developed which will make certain water-bearing soils, where the water is not now available for extraction, which will make the water available by using certain techniques, and we propose to carry out these experimental programs and make this information available to the well drillers

(Mr. Hutton, cont'd.) . . . and farmers in the various areas of the province where they have had trouble in developing a satisfactory water supply by way of well drilling.

We think that these programs will greatly assist in developing our ground water potential in this province. We are providing for another geologist, two additional casual geologists in ground water, to advance the ground water studies in the Winnipeg area.

In 1963-64 we made ten ground water investigations for municipal water supply. We had 1,100 well driller's reports filed with the department, and we had 52 well driller's licenses issued under The Ground Water and Water Well Act, so we are giving a great deal more emphasis to this program, and the addition of qualified staff will help us to expand this program a great deal.

MR. SHOEMAKER: Mr. Chairman, presently assistance is made available to farmers for digging dugouts, and there are thousands of them in the province. I have always contended that the same assistance should be made available to farmers who are digging wells. Now in this new program, as envisaged by my honourable friend, is it his intention to make available some grant to the farmer equal to that that is presently available under PFRA for dugouts? That would be question No. 1.

Now question No. 2, on a different subject. He spoke at some length about the grants that have been made available to the various municipalities for drainage. On checking pages 127 through to 134 in the annual report, if I follow it correctly it indicates that the government paid to the municipalities, for drainage work, the sum of \$173,132.46 -- page 134. It appears to me that 20 percent of the entire amount spent was spent in the municipality that is represented by my honourable friend the Minister of Agriculture. I wonder if that is correct. Now I may interpret it incorrectly, but on page 133 it shows as if \$35,000 of the total was spent in Rockwood municipality. Perhaps he could answer that question for me.

MR. HUTTON: That could happen. (Interjection) Well, the Honourable Member has the figures before him. I haven't.

MR. SHOEMAKER: I looked at it roughly, Mr. Chairman, and I don't know whether I interpreted it correctly but

MR. HUTTON: What page is it?

MR. SHOEMAKER: Well I said pages 127 right through to 134. You find the details of expenditures and so on and it gives the total on 134, and then on 133 you find Rockwood municipality.

MR. HUTTON: Mr. Chairman, I might say that it's not uncommon for certain municipalities to in certain years get a fairly large grant depending upon the type of project that they are undertaking. I can think of one case where a drain was undertaken, I believe it was the drain that runs between Portage Municipality and Westbourne, which was undertaken here a couple of years ago. They wanted to get it done in the fall, and their share of the total grants in aid became very substantial because of this. But I can testify the farmer in a residence in the area northwest of Winnipeg, that if they suffer from anything it's from the fact that there hasn't been enough government money spent in that area; and I can testify to the fact that there was enough money lost out there in the last two years to build pretty near all the drainage that they might need for some time to come. So, if it is true that the Municipality of Rockwood got a proportionately large share of the grants in aid paid out in that particular year, then I make no apologies whatsoever for that fact.

MR. E. R. SCHREYER (Brokenhead): Do you want to pursue that

MR. SHOEMAKER: In the same three or four pages it strikes me that there are only about three or four ministerial orders where the total expenditure of the project was paid for by the government. One of the huge ones if ministerial order No. 71, on page 133, and there is probably nothing irregular about it, but I am saying this that the total expenditure for ministerial order No. 71 was \$20,303.08, Rockwood Municipality, and the grant paid by the government was exactly the same sum -- that is there was no contribution by the municipality, it was all paid for by the government. There are, it is true, three or four other ministerial orders where the entire expenditure was paid for by the government -- but the question is, what is the rule on this? On what projects does the government decide to pay 100 percent of the expenditure? And then, Mr. Chairman, I did not get an answer to my question on the contribution for digging wells. Would it be equal to that made for dugouts?

MR. HUTTON: There is no contribution for digging wells, Mr. Chairman. We had a community well drilling program in the fall of the drouth, but these wells were large wells. developed to serve a community, not just a single farmer. We have nothing to do with the grants for dugouts. This is strictly a PFRA project. The reason I believe that they haven't expended them to wells is simply that when you dig a dugout in a swale or a place where the water naturally collects you're sure that if the bottom of the dugout is not of a pervious type of soil that you're going to have water; but if you start drilling wells, and particularly if you don't have too much information and ground water is difficult to find, then you can come up with an awful lot of dry wells, and nobody has decided who's going to pay for a dry well, so far. It would be a very difficult program to administer, and I think this is one of the reasons why they have steered away from it. But we know that a lot of our farmers have spent a lot of money digging dry wells, or digging wells where the supply of water was unsatisfactory, and we believe that we can save them a lot of money simply by perfecting techniques of developing water supplies in these particular water-bearing stratas and soil structures. This is why we are confining ourselves to experimentation and investigation in making this information available.

MR. SCHREYER: Mr. Chairman, I'm not questioning the amount involved in ministerial order No. 71, just wondering why it is that the work was done by the municipality and the grant made directly to the municipality rather than through a drainage maintenance district. Is it because there is no drainage maintenance district covering the sections in Rockwood municipality or can the Minister tell us anything about that. The second question is can the Minister tell us if there is any growing interest in the organization of drainage work along lines of the watershed district concept? It seems to me that in many ways, certainly in my part of the country, that it would be beneficial if we could make this kind of transition, although I know that it's virtually impossible to do so because of plain ordinary inertia, and I'm wondering if he has any intention of doing his share or his part to stimulate some kind of reorganization along this line.

And finally, and perhaps most important, I want to bring to the attention of the Minister an administrative matter. Now it might appear to him to be a minor one -- and in a sense it is -- but I want to point out to him that for five and six years now there have been some farmers up my way, north of Beausejour, in that area, five and six years ago they made an agreement with drainage to part with so and so much land for purposes of drain construction. The agreement was that they would be paid in due course. They still haven't been paid, Mr. Chairman, (Interjection) Well, no they're not being paid yet, Mr. Chairman, and the reason -- and it might be a valid enough reason -- the reason is that the engineering staff is so short that they simply haven't been able to send engineers out to do some apparently necessary surveying. Now, it's all right to wait, one, two, three years, but I think it comes to a point when they have a right to be fed up with all this delay. Is it looked into? If it hasn't yet, is it being? And lastly, perhaps it's time that the department hired a few more engineers.

MR. HUTTON: Mr. Chairman, there is a difference. The Land Drainage Arrangement Act which covers the maintenance of drains only applies to existing drains, so that when you look at your estimates here and you see grants to drainage maintenance districts, this is to a board, an inter-municipal board, which is responsible for the maintenance of a certain existing drain, named drain. They have

MR. SCHREYER: if you look at page 133 you will see that it says "cleaned out." Obviously this implies that it's an existing drain and that's why I asked the question.

MR. HUTTON: Well, if you let me continue I'll get around to it. Now the minute, the minute, that any reconstruction is done, the minute that they change the capacity, the design of the drain, this is not done by the drainage maintenance district. It is done by the municipality, or the municipalities concerned. So the work of maintenance comes under the drainage maintenance districts or grants to drainage maintenance districts, reconstruction comes under the grants and aid to municipalities -- so this accounts for the difference. Now in the case of the people who have had land taken for right-of-way and haven't been paid. The survey that is referred to here is not a survey by an engineer; it is a survey by the land surveyor of Manitoba, only a registered land surveyor can make the survey where a right-of-way has been taken. We have a tremendous shortage of these people in the Province of Manitoba, and I have to admit that we're behind in this work.

MR. FROESE: Mr. Chairman, I'd like to bring up the matter of the Pembina River development study. I think it's some three years ago when we had the members of International Joint Committee have a session in Manitoba, they went out to southern Manitoba to view the Pembina River south of Morden and also south of the border at Walhalla, and at that time they had a session later on in Winnipeg. They decided to study this whole project. At that time I think the intention was that a dam would be constructed south of the border close to Walhalla and another one south of Morden. I think at that time it was also thought that this would take about three years to complete. Three years have now passed, and I wonder if the Minister could tell us at this time how far the developments have gone, when construction is going to begin, and also whether, because of this study, any changes are contemplated in what was thought the original proposal to be. It seems from the paragraph on page 104, or the four paragraphs mentioned in the departmental report, that further studies have been conducted west of Morden in storage developments on Pelican, Rock and Swan Lakes, and I just wonder, has the plan been enlarged or are we still talking in terms of the two dams at Walhalla and Morden? Could the Minister please enlarge on the report of the Pembina River development and give us the up-to-date information.

MR. HUTTON: The report is not complete at the present time. The various sections of the studies are being gathered together and compiled, and I couldn't do more than surmise; I don't really know any more about it than the Honourable Member for Rhineland, except I know the nature of the study and the information being gathered, but no decisions will be made until the report is complete and it has been considered by the International Joint Commission; and when the report has been made available then I think that we can discuss it intelligently.

MR. FROESE: There's one further question, if I might. Are there any changes being brought about because of the change in the federal government, now that we have a new government in Ottawa?

MR. HUTTON: No, not that I know of.

MR. A. E. WRIGHT (Seven Oaks): The Minister said there was a shortage of land surveyors, but is there any attempt on the part of their government to try to hire some?

MR. HUTTON: Well, I can't answer that question in a current vein. I have had reason to question this shortage in the past, and as I understand it, the prerequisites or the qualifications are quite stringent, and engineers tend to stay with civil engineering rather than -- it's a problem of recruitment, and they have to serve under a registered land surveyor and have certain qualifications to start with, and I understand that they don't have too much success in recruiting people to this profession.

MR. WRIGHT: Mr. Chairman . . . The reason I asked the question, Mr. Chairman, was because from time to time we do see advertisements by the government for different positions, but I don't recall ever seeing any for land surveyors.

MR. CHAIRMAN: . . . passed.

MR. SHOEMAKER: . . . didn't get an answer yet, I don't think, to the question as to what is the sharing of -- I refer to ministerial order No. 71 in particular, and asked why was it that this expenditure was completely paid for by the province, whereas about 75 or 80 percent of them were on a cost-sharing basis between the municipality and the government. I notice, and it is by far I believe the largest ministerial order on the four pages -- the one in your own municipality. Another thing I note, and there probably is a good reason for it, but between pages 127 and 134, they list ministerial orders numbering 82, but in fact there are only 70; that is, there's 12 ministerial orders missing apparently.

MR. HUTTON: What are you talking about?

MR. SHOEMAKER: Between pages 127 and 134, you'll notice it starts off with Ministerial Order No. 1 and ends up with ministerial order No. 82, but I believe there are 12 ministerial orders missing. For instance, 6 is missing, and then I don't know where you go, but then 23 is missing, and No. 12 is missing, and so on. There's 12 of them in total missing, I believe, not accounted for here.

MR. HUTTON: I think what accounts for the fact that some of them are missing is the fact that this ministerial order authorizes the work, and sometimes the work doesn't get done by the municipality, or the municipality changes its mind after we have approved of the work-book.

MR. CHAIRMAN: passed.

MR. SHOEMAKER: No, and then the other -- there's still one question unanswered and that is, why are three or four ministerial orders paid for 100 percent by the government whereas 66 of them are cost-sharing?

MR. HUTTON: I don't like to give information. I thought I knew the answer, but I wasn't going to make a statement, because sometimes they're thrown back at me. If you recall that in 1962, they had this tremendous flood out here, and the water all backed up on No. 7 highway, and this covered an off-take drain from No. 7 highway and it was paid for 100 percent by the province as a highway responsibility. This is where the people were swimming by the side of No. 7 highway and the water was running right over the highway for quite a distance.

MR. E. GUTTORMSON (St. George): Mr. Chairman, a matter I'd like to raise with the Minister is the problem along the Fairford River. The problem I think has been brought to the attention of the Minister previously, and I'd like to discuss the matter with him at this time. Does he know the government's policy to strive to maintain Lake Manitoba at a certain level, and during most periods of the year, the dam on the Fairford River doesn't permit any flow downstream; and as a result of this, there's no water flowing down the Fairford River to Lake St. Martin, and consequently Lake St. Martin is almost rendered useless. Now, I don't disagree with the policy of not letting the water flow all year round, because you would flow the lakes too much, but I'd like to ask the Minister to consider in his estimates, when he's considering priority of projects, constructing a dam on the Dauphin River, because until such time as a dam is located on the Dauphin River there is no point in letting the water flow from Lake Manitoba into Lake St. Martin because it'll just continue on its way into Lake Winnipeg down the Dauphin River. This low level of Lake St. Martin is causing considerable hardship, particularly to the Indians who fish the lake in the winter months, and to some of the farmers who use it for other purposes; and I would like to recommend very strongly to him to look into all aspects of constructing a dam so that the water will not escape from Lake St. Martin. There is no problem in filling up Lake St. Martin, because as he knows it's a relatively small lake, but the only way we can maintain the level in Lake St. Martin is to have the water flowing constantly out of Lake Manitoba, and this is something of course he can't afford to do, particularly during a dry spell.

Last year he will recall that after the level of Lake Manitoba reached a certain point, and there was considerable pressure from the farmers around the lake to release the water and to lower it, the government did take action, but the Fairford River downstream is not capable of handling the water when they open up the dam on the Fairford. He will recall that last year when they did open the dam, hayland in a wide area known as the Partridge Crop was all inundated and rendered useless, because when the water was let out of the Fairford Dam it spilled in all directions and caused a lot of flooding, and the farmers up there are very anxious that the government in future years, when they release water from the Fairford, make every effort to do it in an orderly fashion so that the Fairford River downstream can handle the water so that they won't have flooding as we did last year. I believe he had representations made from myself and the farmers regarding this problem and at one point, I believe the water nearly spilled into the outer limits of St. Martin, the Town of St. Martin, because the downstream portion of Fairford River couldn't hold the water. Now this is causing considerable problems. Nobody quarrels with the Minister for having let the water out to alleviate the problem around Lake Manitoba, but in doing so in the manner that it was done, he flooded a large number of farmers in the Lake St. Martin area because the river couldn't hold the water as it was released from the dam.

So, I'd like the Minister to consider these problems very seriously, because they did cause a lot of hardship and I know that he has quite a problem controlling the level of Lake Manitoba, because he has pressures from two groups -- those that want it higher, those that want it lower. He's aware of these problems, but I would ask him to try to let the water out in a more orderly fashion unless he plans some further work on the downstream portion of the Fairford River so that it can handle the water when he does release it. It has been said that with the Fairford dam now that we have protection for the farmers of Lake Manitoba. I believe that this is true; but if the dam on the Fairford River is used as it could be used at a time of high water, they would flood all the farmers downstream for a wide area because there's no facility

(Mr. Guttormson, Cont'd.) . . . to handle the water coming out of the dam.

MR. HUTTON: Mr. Chairman, the only thing I'd say to the honourable member on this subject is that we have the matter under review at this time and I think that the answer to this is that we must acquire the flooding rights. If we're going to cause damage to people and private lands are being affected then these people are entitled to compensation. We are looking at this and the question of having flooding rights when we might have to open the gates on the dam and allow large flows downstream.

The question of Lake St. Martin of course is a difficult one. When the water in Lake St. Martin gets high we get complaints and when it gets low we get complaints as well and one sometimes wonders just what could be done so that we could have a reasonably satisfactory situation for all concerned. But we are having a look at this business of the flooding that could take place if large amounts of water were allowed downstream and to make sure that it isn't going to infringe on private property.

MR. GUTTORMSON: With regard to my suggestion that a dam be considered on the Dauphin River, has this been given any consideration by the department? The Minister says they've had complaints about the high water on Lake St. Martin. I won't say that this is correct but I can't recall it because the problem on Lake St. Martin is low water. The fishermen have their nets freezing to the bottom in many cases because the water's so low and ever since the Fairford dam has been constructed we've been plagued with exceptionally low water on Lake St. Martin because this Fairford River flowing out of Lake Manitoba was the source of water for Lake St. Martin and by and large there is very little water going into Lake St. Martin. This is why it's so low. True, if a substantial amount of water is released from the Fairford dam it will fill up, but it goes down almost as quickly because it goes right up the Dauphin River. I have no idea what it would cost but I would appreciate very much if the Minister would explore the possibilities of constructing a dam so that we could maintain a reasonable level for Lake St. Martin.

MR. CHAIRMAN: (a) passed . . . (b) passed.

MR. CAMPBELL: Mr. Chairman, there's a couple of questions that I'd like to ask with regard to the general discussion on -- (Interjection) -- well, no, (a) and (b), I have no objection to that.

MR. CHAIRMAN: I'll call (c) then. (c)

MR. CAMPBELL: I think this would come rather under (c) 2 or (c) 3. What I am interested in is the question that the Honourable Member for Gladstone asked a little while ago and then the answer that the Honourable Minister gave.

I'm not sure whether the answer that the Minister gave about research work on ground water is the program that the Honourable the First Minister was referring to at the Brandon Conference. Is that the program? When the Honourable the First Minister is reported to have said: "At this spring session of the Legislature we hope to introduce a major water research program that will give a shot in the arm to argiculture." That was the one that the Minister spoke of a little while ago; and this was the same statement that the First Minister was making when he spoke about the, "more and more water will be a scarce commodity. We have to know better how to use it, including the water from the underground rivers that flow beneath our feet." Now is there really some scientific data that indicates that there are some underground rivers flowing beneath our feet and in -- (Interjection) -- Pardon?

MR. ROBLIN: Depends where you stand.

MR. CAMPBELL: Well, we would be standing on the ground I suppose at the time that my honourable friend would be speaking of and . . . --(Interjection) -- Pardon?

MR. ROBLIN: . . . both feet?

MR. CAMPBELL: A sound principle for my honourable friend to observe. If he would just always keep them there I wouldn't have as many occasions perhaps to check this kind of thing with him.

Now in this connection, I have -- not a green sheet or a pink sheet, but an article from the Free Press of some time ago that I've been intending to get some enlightenment on in regard to this matter. I'm sure my honourable friend the Minister will have seen it some time ago. It's February 7th, 1962, and it makes reference to this fact of an underground river, "Make Dry Land Bloom." And a diagram is given here of what is supposed to be the route of

(Mr. Campbell, Cont'd.) . . . a prehistoric river -- merging of the buried Yellowstone and Missouri valleys. It's run north east of the City of Estevan, Saskatchewan. A broken line indicates the probable course of the Missouri to Brandon where it is again established east to Bagot. Well Bagot is getting into pretty important territory. And then the article suggests that from Bagot it may have gone on through the Portage Plains and up to Lake Winnipeg or it may have taken a less direct route and eventually reached Winnipeg as well.

What I'm interested in is -- do the people who are really knowledgeable in this matter believe that the area that my honourable friend was speaking about down in the Melita country and some others perhaps -- I believe this route is supposed to take it near Shilo or something in that area. Do they really believe that the presence of water there in the quantity that it is, and as near the surface as it is, is in some way related to what is an old river bed and because of being that is of more permeable soil and one that collects water and in effect the old river channel is still there carrying this type of water? If that is the case then it certainly is well worth exploring I would think.

And then I have a later clipping from the paper. I'm sorry I haven't the date on this one, but it tells about the province-wide underground river channel that could provide water for industrial expansion will be tested by federal government geologists; and says that a series of tests to be undertaken this month by the Federal Department of Mines and Technical Surveys will attempt to add to the existing information. It indicates a main water flowing underground from southeastern Saskatchewan toward Lake Winnipeg. And I gather by what my honourable friend has said earlier that it is thought that this is the area where these farmers that he spoke of have already tapped the water resources of that old channel simply by digging dugouts. Is there anything further that can be reported on -- scientific information regarding these old channels, this old channel?

MR. HUTTON: Well, Mr. Chairman, I expect the geologists could give the Honourable Member for Lakeside much more information than anything that I could supply myself. I think there is reason to believe that there is a formation of soil which carries a water carrying aquifer which can extend for many, many miles and of course our work, especially at Melita, is to determine the extent and the source of the water that is feeding these dugouts. I don't care to comment on this story of the Old Missouri because I'm just not qualified to do so; but, as I understand it, water enters the ground someplace and is carried by the water-bearing aquifers and can travel for many, many miles. For instance we were talking about grouting the floodway on the east side to make sure that we didn't lose any water. Well we know that if you were to put down the grouted curtain on the east side of the floodway you'd dry up every well on the west side of the floodway because you'd cut off the flow of water in the water-bearing strata and you'd have flowing wells on the other side of the floodway but no water on this side.

MR. CAMPBELL: I can understand that my honourable friend is not in the position, Mr. Chairman, to go into the geological aspects of this question and I'm not asking for those. It's really to get what information we have up-to-date of the results of the investigations that the federal government is said to be carrying on. These articles indicate that they have established the presence of this ground water in what they describe as a fairly continuous line right down to the district of Bagot. I don't care a bit whether it's the Old Missouri or the Old Yellowstone or what river it was in prehistoric times. All I'm interested in is, is there really a large supply of water here because I agree that it's a most important resource. Is this investigation continuing and is this authentic? Did they find water at Bagot? I'm sure that my honourable friend's department keeps closely in touch with the federal government in this regard.

MR. HUTTON: I don't think that we would question the idea, or the concept, that you have a continuous water-bearing aquifer running from Bagot west. What we are concerned about though is the potential yield of these water-bearing aquifers and this is what our work is going to be chiefly concerned with, is the determination to the extent that this is possible, of the yield of our ground water reservoirs. At the present time we have a dearth of information on this subject. We can't give the kind of answers that you would like to have and that industry and others are interested in having at their disposal. As a matter of fact we have to be careful about issuing licences for the simple reason that we don't have enough information up on the total available water supply in a given area. If we issued a licence for too much water we might be in a position later on where we had to deny another applicant.

MR. CAMPBELL: . . . program, Mr. Chairman, between the federal department and the provincial department?

MR. HUTTON: Yes, this is -- some of it is. We are applying under ARDA for assistance in our program to develop agricultural wells. We are applying for assistance on the Melita project -- some of the additional staff though, they are not, they won't be qualifying, I think, for ARDA monies. Yes, on the wells program and on the Melita program we come under this \$34,000.00

MR. FROESE: Mr. Chairman, I would take that we could discuss the Manitoba water supply board projects under this item since this is a matter of water control? Last year I raised the matter of whether rates could be equalized under the Manitoba Water Supply Board to the various towns and communities that are being served by this Board. I think at that time also the Minister mentioned some objections why this could not be done. I forget just what they were at the time. I just wonder whether they've given further consideration to this and whether he has anything further to say on it.

I would also like to question on whether Plum Coulee has received an offer for sale; and if so what the cost or the rate would be. Then also, since any offer for sale is offered to Plum Coulee, naturally this would mean that the water would have to come from a local area and whether there would be a sufficient supply from the Winkler outlet as it is presently constituted. Then also, presently the project at Winkler is under construction and from what I understand it's going to be relying completely on the wells that have been drilled in the community and that no pipeline from Morden is being constructed.

Now on this matter of rates, I wonder if the Minister could tell us if rates were averaged out at the present to those having water supplied, what the rate would be, because there is an area here of -- I shouldn't probably call it discrimination -- but it works out that way, because in some areas the cost of water is much higher than in other areas, and therefore they are affected adversely in attracting industry. I wonder if the Minister could also tell us whether the idea of subsidization of water to a point where communities with high rates could compete with the districts having a low rate -- whether this has been considered. For example, I would like to take the town of Morden where the PFRA built a dam quite a number of years ago and as a result the town has water now at a very low rate. In fact we passed a bill in this Legislature a year or two ago whereby Canadian Cannery, a cannery at Morden, is getting water at the rate of 16 cents; whereas the rate at Winkler will be very much higher for a cannery already in existence out there. So I think something will have to be done to even this out. I think we should have a subsidy in this connection to bring down the rate to a point where the different communities could compete with each other for industry. I know that the cannery at Winkler has been getting their supply of water from a CPR well, and received good water at hardly any cost; but now with water coming into Winkler I don't know whether they'll be able to take water from that well, whether they'll be forced to hook up to the water system; and if so, it will be a great expense to that canning outfit, and it'll hurt the established firms such as Prairie Cannery. So I feel this is an area that has to be looked into and I feel that we should even go as far as subsidizing the supply of water, especially for industrial purposes in such areas.

MR. MOLGAT: Mr. Chairman, before the Minister replies on that particular item, I have some questions to ask him about the same subject, so possibly he would like to have them first, and it's about this matter of rates, Mr. Chairman, charged by the water supply board. I'd like to say at the outset by the way that I think this is an excellent program and is certainly going to benefit a great number of the towns and villages in the Province of Manitoba. I'm curious though about some of the details of it, in particular the manner in which the rates are established, because as the Member for Rhineland has indicated, there is a tremendous variation in the rates, and we find that there seems to be little relationship between the capital cost of the works put in by the water board and the rate charged. For example -- I'm referring now to the latest report that we have for the year ended 31st March, 1963 -- we find for example that the Town of Erickson, the capital cost is about \$60,000 -- I speak now of the installations of the water supply board, not of the distribution system in the town -- \$60,000, and the rate is \$1.40 per thousand gallons. Then you go to Cartwright, the capital cost is \$56,000, in other words less money, capital, but the rate is \$1.75 per thousand gallons. Then you go on to another one, Holland, there the capital cost is very much higher, \$105,000, but the rate is \$1.68,

(Mr. Molgat, Cont'd.) . . . so we find there a lower rate per thousand gallons than we do at Cartwright, by some few cents, and yet almost double the capital cost at Holland as over Cartwright. On checking it I find that the consumption of water is not too, too far different. Then we find for example in Hartney that the rate originally established -- and this was given to us in last year's report as well -- was \$1.03 per thousand gallons there, for an investment of \$121,000. There seems to be no relationship between the capital investment and the rates. I will agree that there is another factor in there, and that's the consumption. Well, then, if it is the consumption, Mr. Chairman, we find that this year the department tells us that the consumption at Hartney has gone up to about twice the original estimate. This is their statement here: "Since commencement of service in The Town of Hartney in December '61, the consumption of water by the town has been more than twice what had been predicted." And yet the rate remains the same, Mr. Chairman -- \$1.03 per thousand gallons. So this leads a number of people to wonder the basis on which these rates are established. I've had some complaints that the department is setting its rate structure much too high, that it's amortizing the cost of the plants over I think 35 years but at the same time also building up a reserve equal to the cost of the plant over that same period.

I wish the Minister would clarify this once and for all and establish in the committee the basis on which these rates are set up so that the municipalities concerned can know exactly what they may expect.

MR. HUTTON: Mr. Chairman, I wish that we could say that we were going to have a reserve equal to the cost of the plant -- what we will get back in the end is the cost of the plant and at that time we will have to reconstruct it. What accounts for this fact is -- there is the consumption -- not just today but the anticipated consumption. You see, if we were to charge on the basis of current consumption it would put the rates completely out of reach, I think, of the towns. The rate that is established is established on the basis of the anticipated or estimated consumption over a 35 year period; so the board actually sustains losses in the early years which are recouped when consumption increases in future years. But there are some other factors as well, and one is the operating cost of the plant. For instance, treatment varies depending upon the water supply, and your treatment factor might be very substantial in one community, the cost might be relatively much less in another area, and these factors are the chief factors that go beyond capital cost. Consumption, not just current consumption but estimated consumption over the 35 year period. I might say too that not all of the works are estimated over a 35 year period. There may be certain of the works where the cost must be amortized over a shorter period. Now if the major part of your work were amortized over the 35 year period, then you could anticipate a lower rate to cover, but if it happened that the costs were associated, the major part of the costs were associated with treatment and pumping and so forth, rather than a pipeline, then you might anticipate a higher rate and a shorter amortization period. So you have to take all of these factors into consideration.

We have found, too, that just because a community gets a dam from PFRA as a source of water supply you don't necessarily get cheap water. For instance, you can go down to Morden, as has been pointed out, and the PFRA built a dam almost within the towns limits. A very short pipeline was required and so they have very cheap water. But let's go out to Deloraine. They got a dam. I forget now what it cost. If I recall, it was several hundred thousand dollars, but it's 4-1/2 miles from town and the pipeline to bring it in would cost probably in the neighbourhood of \$100,000 and so even a subsidized program doesn't necessarily make up for the proximity of an adequate water supply.

I don't know how -- if we equalized the rate we might make certain communities very happy. We might make certain communities very unhappy, those who enjoy natural advantages today.

On the question of subsidy I think that with the government supporting this large capital program it's difficult to anticipate a further subsidy in the matter of providing towns with water.

Just to bring you up-to-date on this program, we have works in operation in Altona, Gretna, Rhineland, Hartney, Erickson, Cartwright, Holland, Deloraine, Hamiota, and Reston. We have works under construction in Manitou, Rosssburn, Winkler, Pilot Mound and Ste. Rose. We have works in design, with construction to start in the spring, at Gilbert Plains, Russell and Kelwood. Offers of sale have been submitted to Strathclair, St. Jean, Plum Coulee, and an offer

(Mr. Hutton, Cont'd.) . . . is under preparation for the Town of Teulon and the information that I have is that it should be -- it may have been mailed to them as of this date. Projects are under study for Benito, Baldur, St. Claude, Miniota, Grandview, Rapid City, Oak River and Letellier.

MR. MOLGAT: Mr. Chairman, I thank the Minister for his statement on this. I wonder though if he could give us for, say, a couple of these units -- I don't care which -- the exact calculation that has been set up in order to arrive at the rate. Now, did I understand him correctly that the structure is based on amortization at a maximum of 35 years and that at the end of that time all that will have been paid up is the original cost of the establishment, possibly plus interest, but no more? That there is not an additional reserve built in that. Is that correct?

MR. HUTTON: There may be a reserve factor but it's just to cover the obvious miscalculations that you make in making estimates over a 35-year period, because supposing that the growth factor that we estimate didn't materialize; supposing that our cost of operation didn't materialize -- our estimates there. I expect that there is a factor to cover contingencies as you have in any estimates on any job.

MR. MOLGAT: I can quite understand, Mr. Chairman, and I don't quarrel with it. It's just the statement that I have heard outside the House and I am sure the Minister heard the same thing, that there was an additional reserve in there equal to the original cost of the plant at the end of the period. As long as he assures me that that is not the case. And I don't expect him to give me the figures today but I wonder if he could supply to the committee the calculation for, say, one or two of the units, maybe a large one and a small one, and then this would clear the matter once and for all to the people who have doubts on this.

Now the matter of these rates, Mr. Chairman, is exceedingly important, because if we are going to have development in rural Manitoba of industry, this matter of good supply of water at a low rate is extremely, extremely important. Some of these rates I'm afraid will prevent the development of any local industry. When you have rates of \$2.00 per thousand gallons, or a little even below that, \$1.50 and up, where many of them are, this is almost prohibitive for an industry which uses a fair amount of water, and I think we have to watch with great care that these are properly established rates and not exaggerated rates.

Now the Minister says that consumption is an important factor. Could he tell me then, what is the policy going to be where the consumption goes far beyond the original estimate? And I cite there the case of Hartney where the original estimate, based on capital cost of \$121,000 was \$1.03 per thousand gallons. Now the department tells us within a year that the consumption has doubled the original estimate. Well then, is it the intention to have a reduction in the price?

MR. HUTTON: I wouldn't say necessarily so, because the immediate response would have to be related to the consideration of potential consumption before you made any significant reduction. Now a reduction might be in order, just considered on the merits of the existing increase, but maybe, taken in relation to the overall consumption over a 35-year period, this would be a relatively insignificant thing. Remember that the rate that is being paid now, even though the consumption is doubled, may still not be sufficient to allow the board to operate that plant at a profit. Now I don't know that. I haven't looked at that particular plant to see what the situation is in that respect but it is possible that, even with the increased consumption -- and I would anticipate that even with the increased consumption -- they are operating at a net loss at the present time.

MR. GUTTORMSON: Mr. Chairman, has the Minister received a number of resolutions -- I think the number was four -- from the Lake Manitoba Flood Control Association on various matters relating to Lake Manitoba?

MR. HUTTON: I have received resolutions from them from time to time, yes.

MR. FROESE: Mr. Chairman, before we leave this matter of water supply. Could the Minister give us the rates of those projects that are now under construction, such as Winkler and the others that he mentioned, so that we could have the rate on record? There's nothing in the report on those. And then also is there a sufficient supply in the wells at Winkler for both Winkler and Plum Coulee? Or is it the intention of the government at some future date to have a pipeline from Morden to Winkler, and if so, is the cost of that included in the present

(Mr. Froese, Cont'd.) . . . offers? Then further, I wish to make a request to the Minister that he give serious consideration to subsidization of water for areas where they have industry so that we can compete and be on an equal footing with other towns that also have industries and who are getting water at a much lower rate.

MR. GUTTORMSON: . . . resolutions that the Lake Manitoba Flood Control Association passed at their meeting last year requests the government to change its policy regarding the Fairford dam. Last year it was the policy of the government to begin releasing water when the level of Lake Manitoba reached 812.3. Now the majority of the farmers around the shores of Lake Manitoba feel that this should be changed and think that the water should be removed as soon as the level hits 812. As the Minister knows, on Lake Manitoba we have considerable wind action and, although the level may be 812 a wind action can drive the level of the lake -- a certain portion of it -- to 813 or more, depending on the velocity of the wind and, as he knows this will result in a great deal of flooding, and they feel that the -- as I say, this Association and their views are shared by the majority of farmers, that the government should change that policy to 812 rather than 812.3 before they start removing the water. Could the Minister indicate now, has he any intention of changing this policy to conform with the wishes of the farmers around Lake Manitoba?

MR. HUTTON: The only way I could do that would be to incur the wrath of a lot of other people. I have stated on occasion that I'd get the devil if I were to change the policy and lower it, and I'd get the devil if I changed the policy and raised the operating range, and so I think that the right thing to do is the thing that the engineers recommend and which was arrived at after very prolonged discussion, public hearings -- the recommendation that we try to operate the Lake between the levels of 811 at the bottom end, 813 at the top, and I think we'll stick with this. The only way we can operate within that range is to open the gates when the level of the lake reaches something a little over 812.

MR. CHAIRMAN: Resolution thirty

MR. GUTTORMSON: Mr. Chairman, one of the problems causing considerable concern to the farmers is the proposed drainage ditch or diversion from Portage la Prairie into Lake Manitoba. Now I've read statements where the Minister has indicated that this is intended as a storage basin for water with a view to releasing it later on. I find it hard to accept, for this reason, as do the people around Lake Manitoba, because if the conditions of the Assiniboine River are such that you must divert the water into Lake Manitoba, then the level of Lake Manitoba is going to be so high that it can't afford to take any water without flooding. Now I know that the Minister has said that we have adequate facilities on the Fairford dam to release the water to prevent flooding. I maintain, Mr. Chairman, that you can't -- then you're not storing the water as he suggests they plan to do; and I know many of the farmers are pretty concerned that if this water is allowed to flow from the Assiniboine into Lake Manitoba for storage purposes, they're going to suffer the consequences by flooding on their land around.

MR. HUTTON: Mr. Chairman, the only thing I can say is that we still intend to operate between the levels of 811 and 813, but I don't want to open up this subject now.

MR. FROESE: Mr. Chairman, if the Minister hasn't got the figures on the rates of those supply projects that are under construction now, would he give them to me later, because I'd like to have them?

MR. HUTTON: I can give you the figure for Plum Coulee. The sale price offer there is \$2.60 a thousand gallons for a pipeline carrying treated water from Winkler to Plum Coulee.

MR. GUTTORMSON: Is it the intention of the government to construct another ditch out of Lake Manitoba into the Assiniboine River? I mean I know about the proposed ditch leading from the Assiniboine into Lake Manitoba, but is there another ditch planned from Lake Manitoba back into the Assiniboine on another location?

MR. HUTTON: This is in the long-term plans of the department. There isn't any intention to do it immediately, but in the long-term planning it's taken into consideration, and the utilization of Lake Manitoba as a reservoir.

MR. GUTTORMSON: But you can utilize Lake Manitoba as a reservoir without flooding the farmers around the area.

MR. HUTTON: Every inch of water on Lake Manitoba is equal to a 100,000 acre feet. Five inches on Lake is equal to 500,000 acre feet, a pretty substantial story.

MR. GUTTORMSON: That's true, but five inches will cause a lot of flooding, too, around the lake.

MR. CHAIRMAN: . . . Resolution 39 passed.

MR. SHOEMAKER: Mr. Chairman, I would like to ask my honourable friend if he attended a meeting in Ada, Minnesota in September of last year. According to a press release here, Free Press, September 11th, 1963, headed: "Urges a Master Plan for the Red River Basin. Governor William Guy of North Dakota called here for a master plan for a water resource development throughout the Red River basin." And, no doubt my honourable friend was invited and I wonder if he did attend.

MR. CHAIRMAN: Item 16 passed.

MR. CAMPBELL: Mr. Chairman, I have a question before we leave the other one. I would like to get the amount expended under No. 4, the Canada-Manitoba ARDA Agreement. I realize it's a comparatively small amount, and the amount appropriated last year was even smaller, but I would like to, to complete the picture, get the amount that is expected to be expended in the current year.

MR. HUTTON: \$29,000.00.

MR. CAMPBELL: We appropriated only \$16,000 but \$29,000 was spent?

MR. CHAIRMAN: Item 16 passed.

MR. HUTTON: Mr. Chairman, I would like to indicate what \$1,328,000 is going to be spent on. -- (Interjection) -- We over-spend once in awhile. Mr. Chairman, the projects under this section are the Norquay Floodway, the Hespeler Floodway, the Grassmere Drain, the Oak Lake Project in Fish and Dennis Lakes. The Norquay Floodway is 400,000; Hespeler Floodway I believe is 210; the Grassmere, 240; Oak Lake, 150 and Fish and Dennis Lakes, 328. The total cost of the Fish and Dennis Lakes project is estimated to be somewhere between 450 and 500 thousand dollars. The design hasn't been completed on it, but we anticipate that we will get both of these projects underway this summer. They involve, as I said earlier, building a detention basin. Well, first of all, we've got to build a channel to take these waters out because the water levels are so high now that you couldn't put in the dikes to grade the detention basin. Once we have lowered the water level, a detention basin will be created with the use of dikes and a control structure put in so that the water can run into these areas without spreading out all over the country, and then there will be a controlled flow out of them and through the municipalities. These waters in the last few years have built up to such high levels that they've spilled over into the drainage system, the Netley drainage system which runs through Rockwood and St. Andrews; they've spilled into the Rembrandt Drain which in turn empties into the Icelandic; they've spilled over into the Meleb Drain and into the Boundary Creek Drain, and they've rendered these municipal drains, which were never intended for this kind of a thing, rendered them pretty well useless to the local people. Now, there'll be a very substantial acreage of lands, good agricultural lands, protected by the construction of this project, and by using the detention basin to collect the water, we are preserving the wildlife aspects of these lakes so we'll end up with a multi-use project; and I think it'll be very helpful to these people in that area.

MR. MOLGAT: Mr. Chairman, the Minister gave us the costs or the expenditures. Those total a million three, do they?

MR. HUTTON: Yes.

MR. MOLGAT: Now, this is strictly the provincial share I take it then. Could he indicate what the federal government share is on these projects?

MR. HUTTON: If we realize the rebate, the provincial share is reduced by half but we vote these monies at this time because you can't always be sure that you're going to get your full contribution from Ottawa. For instance, one project that we undertook -- the Oak Lake project -- we've had a great deal of difficulty in persuading the administration at Ottawa that this qualified as an ARDA project, and we haven't had a flat refusal, but we still haven't collected any money, although I anticipate that it will finally be approved. I certainly hope it will. I think there's reason to believe that they may reduce the cost-sharing, reduce the proportion. They may not cost-share in the whole thing. If they continue in their present attitude they're going to cost-share in what they consider to be the agricultural benefits, or the agricultural aspects of this project. But nevertheless the province has gone ahead and is building

(Mr. Hutton, Cont'd.) . . . it and it'll be completed this spring.

MR. MOLGAT: Mr. Chairman, I take it then that the figures that are being quoted are the total costs of the projects before any share from Ottawa. Is that correct?

MR. HUTTON: Yes, that's right.

MR. MOLGAT: And does this apply then, Mr. Chairman, to all of the ARDA figures that we find in here? Does in every case the province appropriate in its own estimates for the total cost of the project and then later on there will be a rebate from Ottawa?

MR. ROBLIN: . . . that I should answer that because it covers a number of departments. The gross ARDA program is that which is shown in our figures on the expenditure side. When we come to the revenue items, there will be an offsetting item there which represents the federal contribution to ARDA, in and out.

MR. MOLGAT: Well then, these estimates are over-estimated Mr. Chairman, are they not, because this is not actually the provincial government expenditure? This should properly show if -- I think that the majority of the ARDA projects are 50-50, are they not? So this estimate instead of being one million three should properly be some 650 thousand.

MR. ROBLIN: I don't agree with my honourable friend's way of looking at it. He will find that on most of the federal sharing projects we have an in-and-out item. For example, under Welfare, where we have an extensive sharing arrangement with Ottawa, the gross figures given in the expenditure side and the recovery from Ottawa is shown in the revenue figures which we'll be looking at in a little while. So we get the complete picture, but the figure here is the gross figure.

MR. CHAIRMAN: 40 passed.

MR. CAMPBELL: Mr. Chairman, before we pass this, I would like, and I think this will be the last time I will ask this question, if I get an answer. How much was spent out of the amount we appropriated in the year that we're in now?

MR. HUTTON: I think we spent all of it. I would say that we probably spent all of it because we haven't realized any recoveries from Ottawa in respect to the Oak Lake project, which cost in the neighbourhood of over \$300,000 itself.

MR. CAMPBELL: Mr. Chairman, when the Minister has some doubt about the recovery from Canada isn't it a fact that each one of these projects is covered by a separate agreement?

MR. HUTTON: Yes, but you know if we were to, suppose we were to put in the provincial amount here. Our hands would be tied completely. Ottawa would be running the department of Agriculture and Conservation and particularly the Water Control and Conservation Branch, because we'd have no authorization to expend these monies.

MR. CAMPBELL: But even, even if you didn't put in the amount of money, Mr. Chairman, surely it's not beyond the capacity of the federal and provincial department to employ language that says what work shall be done and how the cost shall be shared.

MR. HUTTON: Yes, I know but then it comes to this question of interpretation. We have a blanket agreement, a general agreement which sets out those items which can be cost-shared, but we don't interpret that agreement in exactly the same way as the federal government does in respect to agricultural benefits. It was on the question of agricultural benefits for instance, that we ran into difficulty in reaching a mutual understanding on the Oak Lake project. They recognized certain agricultural benefits but then they want to divorce this from recreation and other aspects.

MR. CAMPBELL: I can understand, Mr. Chairman, how the overall agreement could be subject to some checking of that kind. It seems to me after looking at the ARDA Act of Canada that it's clear that they have tied it in pretty carefully to projects with an agricultural background. Well that I think, as far as the Act is concerned, is pretty evident, but then the next thing is you get an agreement under that Act. Surely in the agreement under that Act you could specify with greater certainty what projects are agreed upon, in a general agreement, and then surely when you come to the specific ones, knowing that that has to be interpreted, it could be specific enough that there wouldn't be very much doubt about it. I'm sure I don't need to give the Minister this advice, that if he's had that difficulty up-to-date then make sure that the next agreements you get in are pretty carefully drawn.

MR. HUTTON: Well, Mr. Chairman, it's when we try to get to them to sign the specific agreement that we run into the difficulty. When we come to the specific agreement on Oak Lake

(Mr. Hutton, Cont'd.) . . . for instance, then they start to quibble about the interpretation of the general agreement. But nevertheless it is our policy here in Manitoba to undertake certain water conservation and control projects. We are not going to be deterred from our policy. We endeavour to get as much cost-sharing from Ottawa to permit us to expand our program and to undertake more projects, but we never know when it comes to signing the specific agreement covering the specific project as to what Canada's attitude is going to be and their interpretation of the Act may be.

MR. CAMPBELL: Then, Mr. Chairman, I would change my advice to the Honourable Minister to get the agreement signed in definite terms as to how far they will go and then undertake only the balance of it on your own, instead of taking a chance like this on the whole thing.

MR. CHAIRMAN: Resolution 40 passed.

MR. MOLGAT: Mr. Chairman, no, I'm sorry, I don't see exactly what the policy of the government is in this matter because — the Minister listed a few moments ago the projects that are covered by this. Now some of these projects have been in operation for some time, have they not? It's completion of a project because I think he mentioned for example the Grassemere, did he not? Well I find in last year's report for the year ending March 31, page 92, Grassemere drain outlet. Now is this the same project? And in this particular case the Province pays 100 percent of the cost. -- (Interjection) -- Fine! We'll go on to others then, the Icelandic River improvement, and it states this project is being carried out under an agreement with the Government of Canada. Canada agreed to pay 50 percent of the total expenditure with their share not to exceed \$65,000, and so on. The Pine River Headwater, this is on the basis of the governments of Canada and Manitoba sharing equally in the cost. The Bottle Creek, this is a project under the ARDA program shared equally between federal and provincial governments. The Dumoulin Creek, this project is being carried out under an ARDA agreement with the Government of Canada, whereby it pays 50 percent of the cost. Now these projects are presumably agreed to by Ottawa, so why is it that the government here puts in the whole estimate whereas on the next item for example, item 17 or resolution 41, we see there Recoveries From Canada. What is the problem here?

MR. HUTTON: Well, we work under different agreements. For instance, the Icelandic River was not under ARDA. It was under an agreement with PFRA. The Pine River projects, if I recall correctly, were under a special agreement for work in the eastern escarpment. It was a special agreement which provided these monies. Then we have ARDA which -- it is true, we have agreements covering certain of these, but for instance the Oak Lake project, we haven't got a signed agreement as yet. The Fish and Dennis Lake projects -- we haven't got a signed agreement on these specific projects as yet; but we believe that these projects recommend themselves.

Then when you come down here to the 17, then you find that we are operating under two agreements here, one on the Red River diversion and the other one on the Assiniboine works, the Shellmouth and Portage diversion agreement. The cost-sharing on the Red River diversion is on one basis and the cost-sharing on the Shellmouth and Portage diversion are on another basis. In the case of the Red River diversion it's 37-1/2 percent of all the works and costs, plus another 37-1/2 percent of the excavation. In the case of the Assiniboine River works at Shellmouth and Portage, it's a straight 50-50 split. So this accounts for the different items here.

MR. CHAIRMAN: Resolution 40.

MR. SHOEMAKER: Mr. Chairman, in the yellow booklet -- I have 3 or 4 yellow booklets before me but I'm speaking now of the one "ARDA Operations 1963 to '65." I don't see too much here listed in the way of projects for what is now referred to I suppose as the -- our area is referred to as the central plains, that is it was the second designated area in the province, under ARDA. Not too much here in the way of projects. I asked the question three or four days ago and I will repeat it now. Are the people that are originally responsible for the setting up of the Riding Mountain River watershed -- I know it was never named, I don't think. It was never officially appointed that, but it was a watershed so far as the district was concerned -- are they now to look to ARDA rather than to the Watershed District Act for guidance and direction? And two, I note that on page 4 I believe of this pamphlet it talks about a rough fish plant

(Mr. Shoemaker, Cont'd.) . . . as being a project of '63 - '64. Has there been a rough fish plant established as of yet, and if so where? -- (Interjection) -- Well, it's authorized by the Minister of Agriculture.

MR. HUTTON: Well, the rough fish doesn't come in to my department. On the watershed, we have been holding in abeyance our program on watershed conservation districts for the simple reason that we have a commission studying the responsibility and financing of local government and we feel that we would like to see what recommendations they are going to make before we put an all out drive on, on the establishment of watershed conservation districts throughout the province.

I might report to you that I have had increasing interest shown in this concept but we're sort of sitting on them right at the present time waiting for the Michener Commission to report.

MR. ROBLIN: Call it 5:30, Mr. Chairman.

MR. CHAIRMAN: 5:30. I leave the Chair until 8:00 o'clock.