

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Tuesday, September 30, 1969

GOVERNMENT RESOLUTIONS

MR. PAULLEY: Mr. Speaker, I wonder if you would mind calling the adjourned debate on the motion standing in my name, held by the Honourable Member for Fort Garry, respecting dealings in the House.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, at first glance, Sir, the proposed motion of the government House Leader has much to commend itself. I think most members of this Chamber would concede that the pressures of legislative business have been fairly heavy in the last six to eight weeks and we would hope that the business of the government, and the business in which all of us, government and opposition, are participating could be expedited as quickly as possible in the days immediately ahead so as to clean up the session and give the government a chance to work on its program for the coming year, and also give us on the opposition side a chance to assemble our ammunition and our material for the regular session ahead during the winter, not to mention the fact also, Mr. Speaker, that many members of the Chamber have business activities of one form and another which need attention from which they have had to absent themselves in some considerable length and in some considerable degree of intensity since the session got underway, so I think I can speak for my colleagues in this Party, Mr. Speaker, when I say that the motion of the government House Leader is a commendable one and, certainly on the surface at any rate, we would be very inclined to agree with the principle contained therein and subscribe to same.

However, Mr. Speaker, I think it's important to point out that we on this side, at this stage of the session, are worried now about this government's ability to live with and to handle power. Therefore, Mr. Speaker, we have some serious reservations about allowing the proposed motion of the government House Leader to go forward and receive approval in this Chamber in the unadulterated manner in which it appears on the Order Paper at the present time. We feel that it needs some attention and some conscientious improvement in order to make it acceptable, not only for those of us who sit in this Chamber, but for the people of Manitoba whom we all serve. I say that we are worried about the government's ability to handle power and handle responsibility, Mr. Speaker, and I will explain what I mean by that allegation, but before doing so, let me say that what I have to say is sincerely going to hurt me more than it's going to hurt my friend the government House Leader.

The government House Leader is a very engaging and charming gentleman. He's beyond question, Mr. Speaker, one of the most likeable members of this Chamber, and I must say that in his attitude towards me, I have always found him to be extremely friendly and extremely cooperative and extremely pleasant - at least when we have been dealing on a personal and individual basis, in political affairs as well as non-political affairs, Mr. Speaker. But there's an old saying with which all of us are familiar, that power corrupts and that absolute power corrupts absolutely, and what we are concerned about, Mr. Speaker, is the absolute corruption of the government House Leader in his capacity and function, with the responsibility that he holds at the present time for administering the day to day affairs of this Chamber. There have been occasions when we have seen flashes of autocracy on the part of the government House Leader, bordering on at least a moderate form of dictatorship, Mr. Speaker. There have been flashes of arbitrary decision, of authoritarianism, and lapses of stubbornness. I think there was an excellent example of this weakness on the part of the government House Leader - and he is heir to all the corruptions that flesh is heir to in a position such as that which he holds - there was an example of this kind of weakness in very dramatic and vivid form last Thursday evening during a session of the Committee on Law Amendments, when members of the committee were examining the consumer protection legislation.

At that time, there was considerable dispute and unhappiness over the length of time that the committee should sit that evening in its deliberations, and I think I can say without being unduly harsh or unfair that the opinion of many of us on the committee was that the government House Leader felt constrained for one reason or another to act in a pretty arbitrary manner with regard to the length of the sitting and the time when the committee was to rise. Now, it's to be admitted that a case can be made, a case can be made, Mr. Speaker, for his right to determine such questions and matters on his own and according to his own conscience in his own way, but he would be the first to admit, I think, Mr. Speaker, that

(MR. SHERMAN cont'd.) institutions such as this one certainly function best and perhaps only function at all if there is a spirit of cooperation and friendship, and give and take, between those who sit to the right of Mr. Speaker and those who sit to the left of Mr. Speaker, and I submit, Sir, and I'm quite sure that in his more charitable and more temperate moments such as the one which the government House Leader seems to be in tonight, he would concede, he would concede that the attitude that he displayed last Thursday evening was not conducive to this spirit of friendship and comradeship and cooperation and brotherly love and give and take, which is going to be necessary, Mr. Speaker, and Christian -- well, Judean-Christian fellowship, which is going to be necessary, Mr. Speaker, if my honourable friends in the government and we in the opposition are to expedite the business of the people of this province in a proper manner.

Now, I reiterate that I am sorry that I have had to direct these remarks in the main to a member of this Chamber who, as I say, has always treated me with the utmost courtesy and friendship, but I would remind him of the old song that "you always hurt the one you love," and so, in taking the stand that I take tonight, I'm really only hurting one of those whom I love, Mr. Speaker.

Accordingly, Mr. Speaker, I move, seconded by the Honourable Member for Riel, that the motion be amended by adding at the end thereof the words: "The House rule respecting the evening adjournment hour shall apply to standing committees unless leave is extended by members of the committee."

MR. PAULLEY: Mr. Speaker, I wonder first of all -- I am wondering whether or not the complete resolution is on the Order Paper. I don't recall a vote being taken on the amendment to my main motion. Pardon? Was it? I'm not positive. I don't recall -- I accepted it. Then you may be right. Then I question, Mr. Speaker, whether the amendment would be in order, because we are dealing with the question of the sittings of the House and not the sittings of committee.

MR. WEIR: Mr. Speaker, if I might speak to the point of order, may I just suggest that it is not really the sittings that we are talking about at all, but the rules - the rules of the House and therefore the rules of the committees that are really a part of the rules of the House, and certainly, in my opinion, the motion is in order.

MR. PAULLEY: Mr. Speaker, on the same point of order, may I remind my honourable friend that when he was the First Minister of this House it did not apply, because I recall on numerous occasions, because of the dictatorial House Leader of that day, we sat until 3:00 o'clock -- oh, my honourable and affectionate friend from Fort Garry was not in the House at that time, but I recall, Mr. Speaker, on numerous occasions sitting until after 3:00 o'clock in the morning in committee when members opposite, despite the rules of the House -- so I respectfully suggest, Mr. Speaker, that the question is whether or not the rules of the committee, insofar as adjournment time is concerned, comes under the motion even though it has passed as amended.

MR. WEIR: Mr. Speaker, if I may reply to my pomeranian friend, I think he was referred to the other day. I think, Mr. Speaker, if one would reflect if we're talking about history - and really the motion that we have before us is referring to this session of the legislature and not previous sessions of the legislature - but I think that you would find if you looked back that that happened after the speed-up motion had been approved not before the speed-up motion had been approved. It was always done with a great spirit of co-operation even to allowing the wearing of nightcaps and things like that for the comfort of members that were tired and cold and so on. But Mr. Speaker, I have no objection if you want to take the motion under advisement to see if it is in order. I'm satisfied that if you studied it a wee bit that you'd find it in order.

MR. PAULLEY: . . . Mr. Speaker, that you do that. We're prepared to deal with the motion if that is the desire of my friends opposite. I merely point out on the point that it seems to be a horse of a different colour, due to the changing of the seats of my friends opposite.

MR. WEIR: Mr. Speaker, I would like to know if the House Leader was speaking to the point of order or whether he was speaking to the amendment.

MR. SPEAKER: I wish to thank the honourable members for their opinions on the amendment. It is my intention to take it under advisement and give my decision on it when it next appears on the Order Paper.

MR. PAULLEY: I wonder then, Mr. Speaker, that being temporarily suspended we might consider the adjourned debates on second readings at the bottom of Page 3, the first two, Bill 38 and 39.

GOVERNMENT BILLS

MR. SPEAKER: The proposed motion of the Honourable First Minister -- Bill No. 38. The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I adjourned this debate for the Leader of the Opposition.

MR. WEIR: Mr. Speaker, in speaking to the second reading of this bill I really don't have that much to add because I did as had been indicated when it was introduced by the First Minister mention this bill and its effect during my discussion on the Throne Speech. It is a fact, Mr. Speaker, that the feeling of our group is that there is quite an amount of merit to uniformity in terms of the voting age, of the variety of things that people express their opinion on, whether it be at the school board level, the municipal level, the provincial level or the federal level; and we believe that the voting age is really nothing but an arbitrary age limit which really should define maturity, the ability to have judgment on matters of this kind.

I must admit to being a little surprised by - and I see he's leaving the room - a little surprised by the fact that the Minister of Municipal Affairs recently appeared to be asking municipal representatives whether or not they thought that there should be an 18-year age limit in terms of eligibility to vote on municipal and school board elections. -- (Interjection) -- It's not self rule, Mr. Speaker; it's rule is defined by this group who are the people who establish the rules and regulations both in terms of those eligible to vote and the length of service and all of the amendments that are going by in the Municipal Act. It's not a matter of self rule. Those matters to municipalities and school boards are delegated to the respective levels of government by this legislature, and it's my opinion that anyone that is capable of expressing their views in terms of representation in this House are equally capable of expressing them in terms of the school board and in terms of the municipal councils.

It's no secret that the members of our group would prefer, would prefer that this decision on maturity if you would, if it is to be different than that that is established by the government of Canada, that it be formed as a result of a referendum of the people of Manitoba. However, as a matter of principle, I can't oppose the principle that is contained within this bill, because it is no more arbitrary, it's no more arbitrary than is the age limit of 21 that has been effective for many many years, and may very well be equally as satisfactory. The big difficulty with it is that there is a lack of uniformity between it and what is presently the case in terms of municipalities, school boards and certainly the government of Canada.

In looking at the news media in the last few days I see where the Prime Minister has indicated his interest in terms of an 18-year-old vote. This may very well resolve the matter before this Act has been put to the test, if and when it passes the various stages of this legislature, and so that uniformity may very well in fact take place there. I would suggest to the Minister of Municipal Affairs that he consider if this becomes law in the province of Manitoba the application of the same principle in terms of municipalities and school boards.

May I also say, Mr. Speaker, that if this bill passes - and I don't intend to oppose it on principle - if this bill passes second reading and receives the concurrence or appears to receive the concurrence in terms of Clause 1, the first clause in the bill which is related to the voting age, that it will be our intention to propose an amendment to the Bill which would make 18-year-olds and up, the same set of circumstances apply in terms of eligibility for office. In my view, if the age of maturity has been reached in terms of being able to vote and to select the individuals who are capable of sitting in this House, then maturity has been reached in terms of the ability to sit in this House as a member, and I think that a consistency here is in the interests of the people of Manitoba.

So, Mr. Speaker, I don't want to go on at any great length except to say that I would have preferred a decision of this type, when it isn't uniform, to have been made as a result of a referendum. I'm not prepared to oppose it in terms of principle; I'm prepared to support it in terms of principle because it is arbitrary just in the same fashion that the existing law is. But I believe that there should be a consistency between the ability, or the maturity in terms of voting and the maturity in terms of being able to sit in this House, and if it reaches that stage we will have an amendment to propose in that regard.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I was somewhat surprised by some of the remarks of the Honourable Member, the Leader of the Opposition. He referred to the area of the municipal elections, the reduction of the voting age to 18, and appeared to be somewhat concerned that I had invited the opinion of the members of the various municipal groups within this province

(MR. PAWLEY cont'd.) to express a point of view in respect to it. Mr. Speaker, I think that one of the most elementary rules of a democratic government is that we encourage debate, participation of the widest possible level by the broadest number of people in the important areas that are facing us, and the municipal people have given this government much worthy advice and instruction in the past. This government has looked over the recommendations, and many of the legislative laws that we now find in our statute books pertaining to municipal affairs have evolved as a result of proposals and suggestions by municipal people, and Mr. Speaker, I make no apology for asking the municipal people to express their views on this subject to me.

MR. WEIR: Mr. Speaker, would the Minister permit a question? Mr. Speaker, I wonder if the Minister doesn't believe on that basis, the widest consultation possible, does he not agree that maybe we should have a referendum?

MR. PAWLEY: No, I think, Mr. Speaker, that the municipal people are those that are elected by those that have trust in their judgment and views and I don't believe that it's necessary that we go to a referendum in every particular case. We're here because the people that elected us trust our views and our judgment, and this includes honourable members in the opposition, and certainly every point that we raise in this House need not be subjected to a referendum by every voter in the province.

MR. WEIR: Mr. Speaker, would the Minister permit another question? Does he believe that you should be older to express an opinion on municipal representation than to express an opinion in terms of representation in this House?

MR. PAWLEY: No, I've never made any such statement at any time, Mr. Speaker.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The proposed motion of the Honourable Minister of Finance. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to have the indulgence of the House to have this matter stand. If anyone wishes to speak, they may do so. I don't want to hold up debate, but I feel that tomorrow we'll be able to proceed with this from our group.

MR. PAULLEY: Mr. Speaker, I don't rise to oppose the suggestion or the request of my honourable friend, being a cooperative individual, but I would implore him to proceed as quickly as possible because this matter has to be referred to another authority and we want to give them as much chance as possible as well.

MR. PATRICK: Mr. Speaker, I mentioned that we're ready to proceed tomorrow, and if anyone else wishes to speak they may do so.

MR. SPEAKER: Second readings. Bill No. 41.

MR. PAULLEY, on behalf of the Honourable the First Minister, presented Bill No. 41, An Act to Amend The Manitoba Development Fund Act, for second reading.

MR. SPEAKER presented the motion.

MR. PAULLEY: Mr. Speaker, this Bill to amend The Manitoba Development Fund Act makes provision first of all for an independent committee to be appointed by the Lieutenant-Governor-in-Council, which will be the Economic Development Advisory Review Board, which will review and report on individual loans where a borrower believes that he has not been fairly treated. Also, for the officers and employees of the Fund to appear before a committee of the Legislature to provide information regarding broad operating statistics and policies of the Fund but not details of individual loans, and of course that's obvious in order to protect the individuals who take out loans. It is believed that these changes will improve the Fund's relationship with the Legislature and they stem from recommendations made in the TED report.

In the past, there appears to have been some confusion about what constitutes appropriate disclosure of the Fund's operation to meet the legitimate requirements of public scrutiny. As an agency for economic development the Fund is an instrument of government policy. The directors of the Fund are appointed by the Lieutenant-Governor-in-Council and the government is responsible to the Legislature for its activities. Because the Fund is so clearly an instrument of policy, the government must be answerable for the policy of the Fund. However, it is the opinion of the government that disclosures of transactions of the Fund or of the affairs of the companies receiving financing from the Fund would completely destroy the ability of the Fund to execute policy. For the Fund, a viable relationship with the Legislature must therefore allow intelligent - and I emphasize intelligent - debate on policies for the economic growth while respecting the confidence extended by private companies. This whole subject was reviewed

September 30, 1969

(MR. PAULLEY cont'd.): . . . by the TED commission and it is believed that the amendments proposed will accomplish these objectives.

I have made reference to the Economic Development and Advisory Review Board which will have as one of its duties the review of individual loans where the borrower - and I emphasize the borrower - believes that he has not been fairly treated. It is suggested that the board will consist of a chairman and seven members appointed by the Lieutenant-Governor-in Council, one of who may be an MLA.

The prime responsibilities are to advise the Minister of Industry and Commerce regarding consideration of such questions involving the work of any government department or agency or regional development agency as may be referred to the board by the Minister. Matters which in the opinion of the members of the board positive programs should be initiated by government department, Crown corporations, agencies, boards of commissions in order to stimulate and aid economic expansion and increase production employment in the province. Research and economic studies required to stimulate and assist the development of provincial industries and the development of new ones based on the application of scientific knowledge of the province's natural resources. On request of the Minister, the board reviewing and reporting with respect to individual loans made by the Development Fund, when I again emphasize the borrower believes he has not been fairly treated. The manner in which the objectives contained in the report of the Commission on Targets for Economic Development are being met by private and public sectors.

Another function of the board would be to consider how best to stimulate and co-ordinate public and private activities in the field of economic development in the province and recommend any measures considered necessary to achieve the most effective means of communication between government departments and agencies and industries. The consideration also of such additional problems as may be referred to the board by the Minister of Industry and Commerce.

This is a brief outline of the objectives of the amendments to the legislation, and as I say, Mr. Speaker, follow broadly the recommendations contained within the report of the TED committee.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Well, Mr. Speaker, if no one wishes to speak, I move, seconded by the Honourable Member for Riel, that the debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. PAULLEY: I wonder now, Mr. Speaker, if you would kindly call the resolution on the adjourned debate on my resolution dealing with the establishment of a Committee to review the Rules and Standing Orders.

GOVERNMENT RESOLUTION

MR. SPEAKER: The proposed resolution of the Honourable Minister of Labour. The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I adjourned the debate in the hope that there would be some discussion with the Honourable Member for Rhineland in which the government - private discussion - in which the government would indicate that it would be their intention to include him on this committee. I understand that such discussion has not taken place, and for that reason it will be necessary for me to express a few words following along the others who have spoken on this debate.

I think it's important to understand that we have to be concerned in the carrying out of the democratic process that there is an element of fair play in the manner in which we handle ourselves in this House. There are many situations in which the government of necessity must ensure that is (a) has a majority; (b) that in terms of the committee that it has a majority; and (c) that it has on the committee people who are going to be able to make the greatest contribution in connection with the committee's activities.

We have here a proposal to study the rules and we have included on that two government members who are sitting in this House for the first time - and there's nothing wrong with that - but we have excluded, by not including the Honourable Member from Rhineland, a member who has sat here for ten years, who sits here as a head of a party, a party who has made some significant impacts . . .

A MEMBER: You're in trouble now, aren't you?

MR. SPIVAK: No, I'm not. I must say that the NDP in B. C. are in trouble, not me. . . . who's made a significant impact in other provinces and whose party represents the

(MR. SPIVAK cont'd.) provincial governments in two of our ten provinces. Now I suggest to the honourable members of the House that the Honourable Member from Rhineland in requesting that he be included on this committee has made a fair and just claim. I suggest as well that this committee, which realistically should be a non-partisan committee, has sufficient government representation to warrant the Honourable Member from Rhineland to be placed on that committee. I suggest as well that he is one of the senior members of this House and he also is, again repeating myself but I think it's important to note, is the head of a party and a party that has run, at least had candidates running under their banner in election in recent times in this province.

For that reason, Mr. Speaker, I move, seconded by the Honourable Member for Riel, that the resolution be amended and that the name of Mr. Froese be added to the list of the members of the committee.

MR. SPEAKER: I do not believe that I can accept the amendment of the honourable member. I do believe that this requires a message from His Honour. The establishment and the functioning of a committee involves the expenditure of money and the addition of another member to a committee could conceivably involve the expenditure of additional monies which is not presently provided for.

MR. ENNS: Mr. Speaker, I take it then that the amendment is not being accepted by yourself. In that event I beg to move, seconded by the Honourable Member for River Heights, that debate on this matter be adjourned.

MR. SHERMAN: No ruling.

MR. ENNS: Yes, there has been a ruling.

MR. SPEAKER: I have ruled it out of order.

MR. SHERMAN: Mr. Speaker, you've ruled that amendment out of order?

MR. SPEAKER: I'm ruling the amendment out of order for the reason that I have just indicated.

MR. SHERMAN: Well, Mr. Speaker, may I be recognized then at this point, on this same subject?

MR. SPEAKER: I believe the Honourable Member for Lakeside was adjourning debate.

MR. SHERMAN: Did he succeed in adjourning the debate, Mr. Speaker?

MR. WEIR: suggesting the Honourable Member for Lakeside would allow another speaker in between.

MR. ENNS: Certainly, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker, I would like to move that with respect to the special committee in question that the name of Mr. Jorgenson be substituted for the name of Mr. Graham. I make that motion, seconded by the Honourable Member for Kildonan.

MR. PAULLEY: I wonder if this is the time for that rather than on Orders of the Day where we normally do that. I'm not positive. We can do it, we've no objection to substitution.

MR. SPEAKER: Agreed that the substitution of names of personnel in the committee be allowed, that the name "Graham" be deleted and the name "Jorgenson", the Honourable Member for Morris be substituted therefor.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, on a point of order, I believe you had mentioned the name Harry Graham, and as I understood the motion it was the Member for Morris that was to replace, or that was giving up his position in favour of the Honourable Member for Rhineland.

MR. SPEAKER: That wasn't my understanding.

MR. USKIW: Maybe I'm wrong.

MR. SHERMAN: The name of Mr. Jorgenson to be substituted for the name of Mr. Graham, seconded by the Honourable Member for Kildonan.

MR. SPEAKER: May I have a copy of the . . .

MR. SHERMAN: Yes, Mr. Speaker, it's in production at this moment.

MR. JAMES H. BILTON (Swan River): Write it in shorthand.

MR. FROESE: Mr. Speaker, on a point of order. On the Speaker ruling the previous amendment out of order

MR. SPEAKER: That is right.

MR. FROESE: Well, I think the matter of expenditures was already taken care of in that resolution.

MR. CHERNIACK: We now have two motions before us and certainly not the one that the Honourable Member for Rhineland wishes to discuss.

MR. SPEAKER: Moved by the Honourable Member for Fort Garry, seconded by the Honourable Member for Kildonan, the name of Mr. Jorgenson be substituted for the name of Mr. Graham on the Special Committee of the House on Rules and Standing Orders.

This I believe is with the unanimous agreement of the House.

Are you ready for the question? I believe the Honourable Member for Lakeside has adjourned debate. I'm sorry I missed your seconder.

MR. ENNS: Mr. Speaker, I beg to move, seconded by the Honourable Member for River Heights, that debate on this matter be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. PAULLEY: I wonder, Mr. Speaker, if you would kindly call the adjourned debate on second reading of public bill in the name of the Honourable Member for Elmwood, the adjournment in the name of the Honourable Member for Swan River.

MR. SPEAKER: The motion of the Honourable Member for Elmwood. Bill No. 40 - the Manitoba Centennial Lottery Act. The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I wonder if I could have the indulgence of the House for an hour or so more and I'll take care of it. I didn't intend to be facetious, Mr. Speaker. I wonder if I may have the indulgence of the House to allow this matter to stand.

MR. SPEAKER: (Agreed).

MR. PAULLEY: Have you got the motion that Mr. Speaker leave the Chair now?

MR. USKIW: Mr. Speaker, I move, seconded by the Honourable Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bills:

No. 17 - an Act to amend the Natural Products Marketing Act;

No. 24 - The Proceeds of the Contracts Disbursement Act, 1969;

No. 25 - The Ombudsman Act;

No. 28 - an Act to amend The Municipal Act;

No. 29 - an Act to amend The St. James-Assiniboia Charter and to alter the boundaries of the City and the Rural Municipality of Rosser;

No. 31 - an Act to amend The Mineral Taxation Act;

No. 32 - an Act to amend The Mining Royalty and Tax Act;

No. 30 - an Act to incorporate The Brandon University Students' Union.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole House with the Honourable Member for Kildonan in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bill No. 17 was read section by section and passed.)

Bill No. 24.

MR. CHERNIACK: Mr. Chairman, I'm wondering if Bill No. 24 could not be dealt with page by page. There are five pages. It's a very routine bill.

MR. CHAIRMAN: (Bill No. 24 was read page by page and passed.)

Bill No. 25.

MR. CHERNIACK: Mr. Chairman, on Bill 25 I understand that there is an amendment which I believe has been discussed with the other parties, on Page 2, -- Section 2 on Page 1. I don't know if there are any other amendments to be brought forward. Possibly the Committee would consider dealing with that page by page after the first page.

MR. WEIR: Mr. Chairman, I would be satisfied to do that. While it has been discussed in broad principle the amendment, I haven't seen it. I don't really know what it's like. I'd like to have an opportunity before I decided whether or not

MR. CHERNIACK: Well, I did suggest that Page 1 should be section by section and then we might go

MR. WEIR: As long as we can agree we won't need to hold it in Committee.

MR. CHAIRMAN: Section 1 -- passed; Section 1 (a) --

MR. WEIR: Mr. Chairman, when you reach Section 2 I wish you'd take the opportunity to read the amendment.

MR. MACKLING: Yes, I'll introduce the amendment section

MR. CHAIRMAN: (Section 1 was read and passed.)

MR. MACKLING: On Section 2, Mr. Chairman, I understand that the Premier did discuss the principle of the amendment with the Honourable Leader of the Opposition and the Leader of the Liberal Party, and I think with Mr. Froese.

The amendment is that Section 2 of Bill 25 which deals with the appointment of the Ombudsman be replaced with a new Section 2. The motion is that -- I move that Section 2 of Bill 25 be struck out and the following section substituted therefor: "Appointment of Ombudsman - 2. subsection (1): The Lieutenant-Governor-in-Council shall on the recommendation of a Special Committee of seven members of the Assembly appoint a Canadian citizen as Ombudsman for the Province of Manitoba.

Recommendations of Special Committee - subsection 2: Where the office of Ombudsman is vacant the Assembly shall by resolution appoint a Special Committee of seven members of the Assembly to consider persons suitable and available to be appointed as Ombudsman and the Special Committee shall make recommendations in respect thereto to the President of the Executive Council.

Meetings of Special Committee - subsection (3): A Special Committee appointed for the purpose of this section may meet during Session of the Legislature or during recess after prorogation."

I therefore move that subsection (2) of Section 6 -- pardon me, there's a further amendment necessary to Section 6 which I can read now and move when we get to it. That subsection 2 of Section 6 be amended by striking out the words "the Assembly appoints another Ombudsman" in the fourth line thereof and substituting therefor the words and figure "another Ombudsman is appointed under Section 2." I think, Mr. Chairman, that this is in keeping with the principle of the amendment that was discussed by the Premier with the Leader of the Opposition and the Leader of the Liberal Party.

MR. WEIR: Mr. Chairman, I'm satisfied with the amendments. Might I just ask if the Special Committee will be appointed by resolution of the House?

MR. MACKLING: Yes, Mr. Chairman. I have a resolution that I will give to the Clerk immediately the Bill has been reported, which provides for the appointment of the same personnel as the Special Committee which was established to set up all the other Standing Committees of the House, the first day of the House.

MR. CHAIRMAN: Section 2 -- passed. The Honourable Member for Rhineland.

MR. FROESE: This is actually the first time that I hear of this amendment. Maybe the Honourable the Attorney-General was not fully informed on the subject matter because I did not know just what was going to be proposed until I did get the sheet that was being circulated now. I have no objection to appointing a committee that will make a selection, I think it's almost of necessity that you have to have a committee for this purpose and to narrow down the selection. However, I think it's already a foregone conclusion because of the number that are being put on the committee that I naturally will not be on the committee. At least from past performances of this Session I cannot hope to have my name on that committee. Nevertheless I will be able to comment on it and I can assure the House right now that whoever will be selected if he's not to my liking that I will register my protest when the House will deal with it. If I'm not selected a member of the committee naturally that's the time that I will have recourse to the situation. I would rather prefer that I would not have to do this in public and on the floor of this House. I would rather do that in Committee and not have to do that publicly. But there won't be any other recourse for me but to do that and in that manner.

MR. MACKLING: Mr. Chairman, as I understand it, any member can sit on the committee but has no vote. He can voice and ask questions but he has no vote, on all Standing Committees.

MR. CHAIRMAN: Motion for the amendment. (Section 2 as amended was read and passed.) (Sections 3 to 5 were read and passed.) Section 6 (1) -- passed.

MR. MACKLING: Mr. Chairman, I move that subsection 2 of Section 6 of Bill 25 be amended by striking out the words "the Assembly appoints another Ombudsman" in the fourth line thereof, and substituting therefor the words and figure "another Ombudsman is appointed under Section 2."

MR. CHAIRMAN presented the motion and after a voice vote declared the motion carried.

MR. CHAIRMAN: (The remainder of Bill 25, and Bills 28, 29, 31 and 32 were read page by page and passed.) Bill 30.

MR. WEIR: Mr. Chairman, it's been my understanding that there had been agreement

(MR. WEIR cont'd.) to hold Bill 30 in Committee until the Member for Brandon West returned.

MR. CHERNIACK: Oh yes, I didn't realize we'd gotten that far. Yes, Mr. Chairman, it was agreed, although I think the impression I had from the honourable member was that if it was going through smoothly it should go but if there was going to be any doubt about it it should be held. So I think we'd leave it to the Leader of the Opposition if he wants it held by all means. But I have no indication on this side of the House that there is any objection to any part of the bill. Is there? There are two amendments I believe which have been agreed to in Committee.

MR. WEIR: Mr. Chairman, there seemed to have been some confusion as to whether some amendments had been passed in Committee or whether they hadn't been passed in Committee in terms of Section 1. I'm just a little confused as to whether the deletion of names that was suggested had actually taken place in Committee or whether they hadn't.

MR. MACKLING: Yes, Mr. Chairman, the Committee did agree upon the deletion of the names of a number of the committee, and I think the Clerk has the deletions; and then the only other amendment was dealing with trust funds and it was passed. I think it was an addition to Section -- there was another subsection (3) I believe added to 5 -- (Interjection) -- Added to 5, yeah, which restricted the investments to investments under the Trustee Act. I think the Clerk has that.

MR. CHERNIACK: I must inform my colleague the Attorney-General that I'm informed by the Clerk that they had not been specifically removed at the time Section 1 was read but had been apparently sort of concurred in whilst Mr. Pearson representing the petitioners had requested it. Now again, I think if there's doubt it should be left over but if Committee is willing at this stage to make the proper amendment then by all means let's do so.

MR. WEIR: Mr. Chairman, all I can say is I'm not in a position to because I don't have the details. I know it's a matter of concern that it be right and I would like to know that it's right before I allow it to proceed. That's . . .

MR. CHERNIACK: Well then I think if there's any doubt we should leave it in Committee, Mr. Chairman.

MR. CHAIRMAN: (Agreed.) Committee rise. Call in the Speaker.

Mr. Speaker, the Committee has considered Bills 17, 24, 28, 29, 31, 32 without amendment and Bill 25 with amendment.

IN SESSION

MR. PETER FOX (Kildonan): Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. USKIW: Mr. Speaker, I move, seconded by the Minister of Education, that Bill No. 17, an Act to amend The Natural Products Marketing Act, be now read a third time and passed.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

BILL No. 24 was read a third time and passed.

MR. MACKLING: Mr. Speaker, I move, seconded by the Honourable Minister of Finance, that Bill No. 25, the Ombudsman Act as amended, be now read a third time and passed.

MR. CHERNIACK: Mr. Speaker, I think this ought to be requested by leave; and if that is the case on this side we are willing to grant leave.

MR. WEIR: Granted.

BILLS No. 25, 28, 29, 31, 32 were read a third time and passed.

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

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Kildonan in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution No. 10.

MR. USKIW: Mr. Chairman, some time ago - and it is some time ago since we were last in estimates - there were certain questions asked which I was unable to answer at the time. I simply want to illustrate for my honourable friends opposite that I do have the answers for two questions: one related to policy studies, the other with regard to soil testing programs.

On the soil testing program the question was the extent of the use of the program and I want to point out that in the year 1965-66 there were 8,800 samples, 2,000 farmers participating, cost was \$28,400, revenue \$26,700.00. 1966-67, 15,700 participating for a cost of \$42,900, revenue \$47,200.00. 1967-68 there were 30,000 samples or 5,000 farmers participating, cost \$73,000, revenue \$91,300.00. 1968-69 a substantial drop in participation: 18,700 samples, reflecting 3,500 farmers participating in the program at a cost of \$78,400, revenue 55,600.00. The noted decrease in this year is due to the wet fall of that year and it was actually impossible to get maximum participation.

With respect to Policy Studies under Item 10 under Research, there is a total appropriation of \$53,148.00. Testing agricultural products for pesticide residues, the province spent some \$15,648.00. The Economic Research Council which the province subscribes to -- this is a national body -- the annual commitment from Manitoba is \$7,500.00. A special study done by Ken Narby, \$2,300.00. This is a study related to unconventional grain sales. Farmers' Union dinner, \$3,000.00. Total committed \$31,441 of the \$53,148.00.

MR. CHAIRMAN: (Resolutions 5 to 9 were read and passed.) 10 (a) --

MR. JACK HARDY (St. Vital): Mr. Chairman, . . . a technical point. You're not calling the resolutions.

MR. CHAIRMAN: Oh, I'm sorry. Resolution 15 - (a) . . . The Member for Rhineland.

MR. FROESE: Mr. Chairman, what resolution did you say?

MR. CHAIRMAN: Fifteen.

MR. FROESE: Oh, I thought you were calling resolutions before the numbers and I got mixed up. I was going to comment on Resolution 11, on crop insurance. We left off on 10 the previous time and I was waiting for the Chairman to call Resolution No. 11.

Mr. Chairman, I'm rather interested to hear from the Minister whether he could not give us a brief outline of the situation of the crop insurance corporation at this time. The material that we have is about a year and a half old and perhaps he could bring us up-to-date as to the situation of the fund, whether we are in the black and to what extent and how the situation is shaping up, whether we will have a large call on the fund this year and whether our reserves will be sufficient. What is the situation?

MR. USKIW: Mr. Chairman, as I understand it we are not in trouble as far as the crop insurance program is concerned. They do have substantial reserves to meet any need that may occur this year, although it doesn't appear that there will be a great demand, at least not at the moment. We will, of course, know with a greater degree of accuracy at some point later on in the season.

As far as the program in itself is concerned I have asked the Crop Insurance Board to review completely the program and any changes in the program that may be considered will be considered during the next Session of the Legislature. There are no changes as far as this government is concerned at the present time.

MR. WATT: Mr. Chairman, on this item, I wonder if the Minister could indicate to us the number and percentage of potato growers that have taken out crop insurance.

MR. USKIW: Off the cuff, Mr. Chairman, I don't have those figures with me. I could get the information for my honourable friend.

MR. HARDY: Mr. Chairman, with your indulgence, may I revert to No. 10. I was a little confused in the calling of the resolutions and I would like to ask a question of the Minister, if I may.

MR. CHAIRMAN: Go ahead.

MR. HARDY: Does the Department of Agriculture make any grants to the Barley Improvement Institute? -- The Barley Improvement Institute?

MR. USKIW: Did my honourable friend say Barley Improvement?

MR. HARDY: Barley Improvement.

MR. USKIW: I'm not sure, Mr. Chairman, but I will find out and inform my honourable friend.

MR. CHAIRMAN: (Resolution No. 15 was passed.) That completes the estimates, I believe, of the Agriculture Department. We go back to the Department of Mines and Natural Resources. Resolution 72, the Minister's Salary. (a)-- The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I'm happy now that we're back on the Minister's Salary. We've had an opportunity now to review what has taken place in connection with the Hydro development and South Indian Lake, and possibly we can view this from a different perspective and possibly the government will now be in a position to answer some of the questions that must be asked on this side as a result of the action that has taken place.

No one disputes the right of the government to determine a new policy. No one disputes the right of the government to determine the manner in which it is to arrive at a decision on its policy, and therefore the appointment by Cass-Beggs to review the Hydro development and to give recommendation to the government is appropriate on their part and is consistent with the basic premise that I've already indicated we accept. But we on this side I think have a right, and would have a right, and in a normal course as representatives of the Legislature we would have a right to question the government on its course of action; we would have a right to elicit information; we would have a right to try and determine all the facts relevant to the decision, the policy decision that was made. We may quarrel with the policy decision and we probably will continue to quarrel with it, but that has nothing to do with the objective on our part of determining for ourselves the information and the facts upon which the judgment was made.

Now, that's one point. The second point is that because this matter is a very important matter, because it does affect the economic development of this province and because it does recommend a tremendous investment, probably the biggest investment that the province has made up to this time and probably will make for many many decades, and because there has been the issue of the flooding of South Indian Lake and the ramifications of it have been a subject of dispute and a subject of controversy for such a long period of time, it would seem that we on this side have, in addition to the right of asking for the information, a further right because of the fact that a basic policy that was arrived at by the previous administration has been changed, to be able to determine intelligently on what basis the government has made its decision.

Now we've been presented with a report by Mr. Cass-Beggs and we are told that on the basis of that report the government has made their decision, but there are a number of questions that remain unanswered, and I suggest that until these questions are answered that we on this side, and many people in Manitoba, are going to question the position and policy undertaken by the government because it would appear to be a policy arrived at by themselves, which they're entitled to do, but suggested that consideration with others may have taken place and there is no evidence at this point that it in fact has taken place.

Now we don't know whether the Hydro officials, who were the Hydro officials that made their various recommendations to us upon which we acted when we were in government, we don't know whether the Hydro officials were really consulted in any meaningful way. We don't know that; there's no evidence submitted to that; and the questions that have been asked by us have never been answered by those on the other side. We do not know whether the Hydro Board, who also made the recommendations to the government upon which we acted, after taking whatever consideration we took we nevertheless acted on that, we do not know at this point whether there was any meaningful discussion with the Hydro Board officials.

We do know that a decision was made and that we're presented with a report by Mr. Cass-Beggs, and we are told that is the policy the government is going to follow. We accept the right of the government to do this, but at the same time, because Hydro is an independent arm of the government, independent in the same way that the Telephone Company, the telephone operation, Manitoba Telephone is independent, we do not know whether there was any agreement in this decision that was made in terms of the economic position and we do not even know whether there was any meaningful discussion.

I was rather curious today when the question was asked about telephone rates that the Honourable Minister of Finance stood up and suggested, well, you know, rates are going to be raised by the telephone people when they so decide; we have no control over them. — (Interjection) — Well, this is what fairly well was indicated.

MR. CHERNIACK: Well, you can always assume it.

MR. SPIVAK: Well, I don't know what other indication other than the fact that they will operate by themselves and make their own decisions, which is really what you're suggesting. Now why, because a telephone company operates as a separate arm of government with a relationship, but nevertheless separate and apart . . .

MR. CHERNLACK: Would the honourable member permit a question? Was the Weir government consulted, and did it make the decision to raise the Hydro rates the last time they were raised?

MR. SPIVAK: That's a very interesting thing, because that isn't the point. If the honourable member suggests that that's the point, then he's missing what I'm trying to suggest. I'm simply suggesting to you that in fact the Hydro Board and the Hydro officials work independently of government, and in this matter which is a government policy - I'm not questioning that this is not a government decision to be made - surely we on our side are entitled to know whether the Hydro officials agree or disagree, and the reluctance on the part of the honourable members on the other side to have the Hydro officials appear before a committee of this House to be able to answer any questions that we may have on this side concerning the decision that was made, I think shows what I would consider the lack of courage on the government's part at this time to have in a very open way this matter discussed. And the refusal, as a matter of fact, to have Mr. Cass-Beggs and possibly Mr. Durnin appear before the committee so that we could have an opportunity of discussing in some real and meaningful way the reasons for the decision in some depth, not in the basic superficial way this is covered, is important.

Now I say this because there are some very interesting things. Without dealing in the specifics of the Cass-Beggs report, which I do not have in front of me, but I recall that Mr. Fallis, before the committee of the House in the last session, stated that notwithstanding the inflationary pressures and the high interest rate that the project was still the most economical. Mr. Cass-Beggs indicates that as a result of high interest rates and the inflationary pressures conditions have changed, and there obviously must be a disagreement between what Mr. Cass-Beggs said and, in turn, what Mr. Fallis said on May 15th or thereabouts.

Now, we've had the Premier suggest that Hydro rates will go up marginally. Well, maybe he's right. I'd like to know how he knows that information. Does he know that because the Hydro officials have told him that, because the answer to the questions that we have put to him, he has not indicated in any way that Hydro officials confirmed that Hydro rates will only go up marginally as a result of the change that's occurred, and I think we and the people of Manitoba have a right to know what cost, if any, will occur as a result of the change. Now the Premier may be right, he may be entirely correct, but on the other hand we do not have any information that confirms that either the Hydro officials or the Hydro Board would adhere to the statement or would support the statement that the Honourable Premier has made. Now it may very well be that the Premier had made the statement of the recommendation of Mr. Cass-Beggs and not the Hydro officials, and that may be fine, but we at least should know that, and if that is the case and there is any disagreement between the beliefs of the Hydro officials and Mr. Cass-Beggs we on this side, in a very open way, should have the opportunity of being able to review this and make the assessment for ourselves.

Now we come to Lake Winnipeg, which is a very interesting item and one which may plague the government for years to come. We do not yet know the extent to which Lake Winnipeg will be flooded. Now I can say on this side of the House that I was privy to a number of discussions where the possibilities that have occurred, or will occur as a result of this recommendation that has been made and is going to be followed by the government, that I was privy to a lot of discussions where the problem of Lake Winnipeg and the control was discussed. And I would suggest to those who were not privy to those conversations that the possibilities, the dangerous possibilities on Lake Winnipeg are real; and secondly, that there should be at least an opportunity for a proper review to be made of it, and we in this House should at least have the opportunity of hearing the appropriate officials, whoever they may be, whether they be Water Control or Hydro, give us the information and supporting evidence which would indicate that there may not very well be a greater risk than is anticipated, that is at least indicated by the government at this time.

There is a suggestion that there is a report on which the government's position is based. There's been some indication that we may get that report; no one has suggested that we will get that report, a Water Control report in connection with Lake Winnipeg. -- (Interjection) -- I'm not suggesting that it was a basic decision, I suggested that Mr. Cass-Beggs report was

(MR. SPIVAK cont'd.) the basic decision, but I'm suggesting as well that there was an indication. . .

MR. GREEN: Mr. Chairman, does the honourable member not say that there is a report - and I'm trying to remember the exact words - on which apparently the government's decision was based, which we may or may not get, and the Minister is merely saying that the government's decision was not based on the report which you people may or may not get because you've got the report that the government's decision was based on.

MR. SPIVAK: May I inform the Honourable Minister of Health and Welfare that the Premier in answer to questions on Lake Winnipeg indicated that insofar as he was concerned the problem of Lake Winnipeg would not occur and that was based on the information -- and he suggested a report. The Honourable Member from Lakeside then asked whether we could have a copy of that report, and I'm assuming that there is a report of Water Conservation dealing in this matter. Now I may be wrong, and I haven't the Hansard in front of me, but I'm assured

. . .

MR. GREEN: Mr. Chairman, just to clarify it to the honourable member. The only point at which there was disagreement is that my understanding was that you said the basis of the government's decision vis-a-vis South Indian Lake was based on the report to which you are now referring, and the Minister merely said that our decision wasn't based on that report. There is a report.

MR. SPIVAK: Well, that's very interesting, because then I'd like to have someone come before the Committee on Public Utilities and Natural Resources and inform this House and the members of the committee that Lake Winnipeg will not flood if the proposed action of Mr. Cass-Beggs is followed. Now in the absence of such information, that is someone who is technically qualified providing us with this information, then the problem of Lake Winnipeg remains, insofar as I'm concerned it has not been satisfactorily answered because the Premier has indicated that it won't, because I don't know on what he's based his information, and I'm suggesting to you that this side of the House, when they were in government, did deal with this matter and that there are risks, and those risks are real and those risks have to be answered now before any course of action is undertaken.

MR. EVANS: On a point of order, or a point of privilege. For the information of the honourable member, this question was asked in the House on at least two occasions and I provided the answer quite clearly that these ability studies have now been performed, are now in progress to determine the adequate parameters for Lake Winnipeg control. And I object to the use of the word flooding; there's no intention to bring in more water into Lake Winnipeg as there was in Southern Indian Lake, and I'm suggesting, Sir, that in this case you're misconstruing our proposals.

MR. SPIVAK: Mr. Chairman, I must point out -- I wonder if the Honourable Minister of Mines and Natural Resources is prepared to go to those who have in fact been flooded, because Lake Winnipeg has in fact flooded their areas because of the high winds that have occurred and because of the actual drainage into the lake, and to say to them that that isn't flooding.

MR. EVANS: You would agree, Sir, that there's a substantial difference between a natural lake and an act of God, if you wish to call it that, and a deliberate policy such as was proposed by the previous government to divert thousands of cubic feet of water, or however you might wish to measure it, into a lake and make it the second largest lake in Manitoba. It's a substantial difference I would suggest.

MR. SPIVAK: As a matter of fact, let me explain, a buck is a buck is a buck and a flood is a flood is a flood. -- (Interjection) -- Oh, now that's very interesting, that's very interesting. Only to me, a flood is a flood is a flood is only interesting to this side and not to the other side. -- (Interjection) -- I'm suggesting, Mr. Chairman, and I think I'm correct, that Lake Winnipeg without any controls has already indicated, there has already been indication that under certain conditions, acts of God because of the high velocity of wind that can occur there, has flooded a substantial part. I'm also suggesting . . .

MR. USKIW: Mr. Chairman, would the member permit a question? Does he not recall, does he not recall that on numerous occasions that in answer to questions put from that side of the House that it was indicated to the House that any feasibility study of Lake Winnipeg or the use of Lake Winnipeg as a reservoir for the project on the Nelson would take into account control measures to reduce flooding from what has occurred to date, not to increase the conditions.

MR. SPIVAK: Let me point out, Mr. Chairman - and I'm happy that the honourable member has asked that question for the simple reason that I don't think he's qualified nor is anyone else qualified to deal with it, but I do think there are people within the department who are qualified and I think the time has come, because this is of serious concern to everyone, that these people be brought before the committee and be able to present the technical information which will assure all of us that this will not take place, or what I suggest will not take place. But I find it very difficult at this time to believe that really there is enough competent information that has been presented in this House for us to make a judgment that the possibility of a major flooding in Lake Winnipeg will not occur. -- (Interjection) -- Well, I'm suggesting it now. I'm suggesting that that is a possibility and I'm suggesting that that is a consideration, and I'm suggesting that I do not know what kind of meaningful discussion has taken place between the government and the technical officials because I've already suggested that we do not know what discussion took place between the government and the Hydro officials.

MR. CHERNIACK: Why don't you come on this side and you'll learn more.

MR. SPIVAK: Well possibly the time will arrive when we will be on that side and you'll be back here and then we'll be able to find out what you really are doing. But right now in this House in answer to the questions we do not know what you are doing. We know the result but we're not sure of what you are doing.

The other thing is I'm curious about Mr. Cass-Beggs. We've asked information and again it's been indicated that we may get this, we're not sure necessarily whether we will. We'd like to know what the Cass-Beggs report cost. It's a simple question; the information must now be available. Surely we can receive a reply. The Premier on one occasion when the question was put to him suggested that we'll know about it in Public Accounts. Now if I'm correct, that will mean in 1971 we will get the information on what the Cass-Beggs report cost. I think that we've reached a point, because obviously his terms of reference have been completed and his work is completed, where the government has some idea of what it cost and that information should be furnished. I see no reason why it should not.

MR. PAULLEY: Patience is a virtue.

MR. SPIVAK: Well patience is a virtue the Honourable Minister suggests; but I also suggest that we are going to be out of this House fairly soon and . . .

MR. CHERNIACK: How does cost affect the decision?

MR. SPIVAK: No. I'm dealing now with the Minister's salary and I'm dealing I think appropriately . . .

MR. CHERNIACK: You're just wandering.

MR. SPIVAK: No, I'm not wandering. I think it's pretty germane.

MR. CHERNIACK: How do the costs relate to the . . .

MR. SPIVAK: Well I'll tell you how the cost relates. It relates only to a course of conduct on the part of the present government who have not furnished this House with sufficient information for proper judgments to be made as -- (Interjection) -- That's right. For proper information, for judgments to be made -- (Interjection) -- Mr. Speaker, if the Honourable Minister of Health and Welfare feels so strongly about it I wish he would apply the same rules to his own group; and I wish he then would say, All right you know I'm going to correct the errors of that arrogant government who are now in opposition and I'm going to do the right thing. I want someone to tell me, I want someone to answer in this Chamber today and tell us that there were meaningful discussions held with the Hydro officials and the Hydro Board before the decision was made on not flooding South Indian Lake. And I don't mean just a . . . discussion.

MR. CHERNIACK: Mr. Chairman, how is the member for River Heights going to be satisfied as to what is the word "meaningful" and what is involved. If he permits me to interrupt, because this question has been asked by him several times and I amongst others attempted to advise him that -- and I'll repeat it -- discussions were held with Hydro officials on more than one occasion. Discussions were held with Hydro officials by Ministers; discussions were held by Mr. Cass-Beggs with officials. The discussions were held to the extent that the people involved, the Ministers who recommended to Cabinet which made a decision, felt were sufficiently meaningful for them to make the decision which they made and which they knew was a very very serious decision. To the extent that the persons who assumed the responsibility are concerned, the discussions were meaningful. And I lose interest as to whether or not the Member for River Heights thinks they were meaningful because the people who are responsible

(MR. CHERNIACK cont'd.) and who are in this Chamber are the ones who made the decision and are accountable for it.

The second question about the Hydro Board. The Member may not be aware that the Hydro Board was somewhat depleted and has only recently been reappointed and discussions as far as I'm concerned were not held by the Board but with the Chairman of the Board.

MR. SPIVAK: Mr. Chairman, I wonder if the Honourable Minister of Finance would answer one question. Did the Hydro officials agree with the decision of the government?

MR. CHERNIACK: Mr. Chairman, may I again point out to the Honourable Member for River Heights that if he knew what he was talking about he would realize that the decision that was made was made on the basis not only of the production of power and the cost of power and not only on the question of what was best in the interests of Hydro, and he should know because we've said it, that Hydro believed and believes that the most economical production of power would be through the high level diversion. Now he's been told that so many times that one would think that it would have penetrated to the extent that he doesn't have to keep asking it. But I tell it to him again. Hydro was also made fully aware of the fact that the government, unlike its predecessor, felt that it was necessary to take into account the other factors exclusive of the cost of production of power and a costing of some idea should be placed on that and this was done to the extent that it is shown in the Cass-Beggs report, the cost of which I do not know and which I think is of no consequence in the decision that was made. Of course the information will be made available and I'll be as interested as is the Member for River Heights in knowing the answer to the question.

Hydro was acquainted with the information, that the records of Hydro would appear to show that their costing was based on an interest rate which was substantially less than the current interest rate, and it was indicated to Hydro that this factor would make quite a difference in the cost of the production of power. And to my recollection, it was done in my presence, there was no disagreement with the fact that this was an important factor that would affect it. If added to the higher interest rates one would add the cost, the social cost and the cost of properly protecting the resources in the north country, then it appeared that the statement which the First Minister made in the past was correct -- is correct. But the Member for River Heights has every right to dispute it and he can and probably will at great length. But the answers from this government have been straightforward and have been given to him on more than one occasion.

MR. SPIVAK: Mr. Chairman, if ever there was evidence submitted of the necessity of calling the Committee and the opportunity for Hydro officials to stand up and say exactly what the Minister of Finance said this is the occasion because the Minister of Finance has just told us what Hydro has agreed to. Now that's interesting. -- (Interjection) -- Well you said that they agreed. . .

MR. CHERNIACK: . . . the honourable member and how I'm becoming accustomed to it, although I must admit that for a while I found it disconcerting, that the honourable member has a unique talent for putting his thoughts into other people's words and interpreting them that way and I don't intend any more to make objection every time the honourable member decides to interpret my words to his satisfaction.

MR. SPIVAK: Mr. Chairman, the Honourable Minister of Finance said that Hydro officials when presented with the high interest rate figures recognized that there was an increased cost and along with the other factors agreed that this increased cost . . .

MR. CHERNIACK: Check Hansard because I no longer believe what you're saying.

MR. SPIVAK: Well then I want to tell someone - I tell the Honourable Minister of Finance why should we check Hansard? Why not bring the members of Hydro before us?

MR. CHERNIACK: Because the honourable -- if I may . . .

MR. SPIVAK: Well let me just finish if I may. The Chairman of the Hydro indicated before the Committee of the House - and I do not have that statement here but I'm prepared to furnish the Honourable Minister of Finance with that statement - in a prepared statement indicated that the Hydro development still, in view of the high interest rates and inflationary costs, the proposed flooding of South Indian Lake was still the most economical -- (Interjection) -- Well just one second. But the Honourable Minister of Finance already indicated that in his discussions with them he talked about the high interest rate as if this was something new to them. It was obviously nothing new to them because . . .

MR. GREEN: It was less economical than it was before but it was still the most economical.

MR. SPIVAK: But, Mr. Chairman . . .

MR. CHERNIACK: Mr. Chairman will the honourable member please recall that he just recently quoted me that I said that Hydro agreed. Now I am most interested in knowing whether or not I said that. I only said what I said about five minutes ago and I don't believe I made that statement. If I did I was in error. But I don't think I said it. And if the honourable member persists in quoting me wrongly then I think he should check Hansard and see whether or not he is twisting my words. If indeed I made the statement he quotes me as saying then I don't think I gave the correct impression. But I really believe, based not on today's performance alone but on previous performances, that I can no longer rely on his reportorial ability.

MR. GREEN: Mr. Chairman, before the member answers I'd like to ask him one more question. Is the honourable member suggesting that the Chairman of the Hydro said that in spite of the high interest rates all of the original benefits with the low interest rates that were originally contemplated in 1966, were the same as they were even though there are now higher interest rates? Is that what the Chairman of the Hydro said? Because that's what you're implying.

MR. SPIVAK: Mr. Chairman, all I suggest is that the Chairman of Hydro in his presentation suggested that notwithstanding the inflation and the rising costs as a result and the high interest rates, that the proposal of Hydro was still the most economical. -- (Interjection) -- It's very interesting, because I'd like to if I may read what Mr. Cass-Beggs says. Mr. Cass-Beggs on Page 4 says, and I quote: "There is little room for doubt that Manitoba Hydro proceeded correctly in accordance with their responsibilities in developing the Nelson project, and the decision to proceed at that time it was made was well taken. Rising costs, certain difficulties at the site and very high interest rates have overtaken the project. It is a reasonable assumption that if the proposition were considered today some solution less dependent upon interest rates would be sought." Well this report was presented three months after Mr. Fallis presented his statement and -- (Interjection) -- Oh yes. I think it's in direct contradiction to his statement -- (Interjection) -- Oh yes it is. This doesn't deal with the other items suggested by the Honourable Minister of Finance. It doesn't deal with the other factors. It is now talking about the Hydro development and it's saying, and I want to quote for the Honourable Minister of Health and Welfare so he'll understand.

MR. GREEN: You'll never understand . . .

MR. SPIVAK: "Rising costs" -- I want to understand and that's the purpose. I'll tell you something very honestly, Mr. Chairman. I really do want to understand. I suggest to you that I really want to understand. What I can't understand is why you're afraid of producing Mr. Cass-Beggs before a committee . . .

MR. GREEN: Nobody is afraid. -- (Interjection) -- Nobody is afraid.

MR. SPIVAK: Well then why not produce him?

MR. CHERNIACK: Mr. Chairman, may I again point out that we assume full responsibility for our decision. We don't ask -- we don't ask any more . . .

MR. SPIVAK: . . . rely on the deputy minister.

MR. CHERNIACK: Yes, we don't rely on deputy ministers to make decisions for us. We are standing behind our decision and the Premier has said more than one time -- and again I don't know how many times it has to be said for the benefit of the Honourable the Member for River Heights -- that when we come to this House with a decision on which this House is expected to act, that we will produce the reports that we have and we will permit -- not permit, we will encourage full debate with full information. At this stage we have not asked this House to share with us in the responsibility of the decision that we have made, and when we do we will then be accountable for the manner in which we arrived at the decision.

MR. SPIVAK: Mr. Chairman, I already indicated to the honourable members on the other side that no one quarrels with their right to make a decision, and no one quarrels with their right to determine whatever policy they want to so determine and declare it. But I also suggested that in view of the fact that this is a matter of extreme importance to the province, it is without doubt the biggest capital investment in which the province is involved in and will probably become involved in the next few decades, that it is pretty essential and necessary because it has been the subject of such a discussion, that we be given at least reasonable information to be able to know exactly on what basis the government has made its decision. Again I want to repeat -- you know I've looked at this, I say that it's peculiar that Mr. Cass-Beggs would present evidence which is really contradictory three months afterwards on the

(MR. SPIVAK cont'd.) evidence that was submitted by the Chairman of Hydro. We obviously have to assume - I don't want to assume because this is the trap we get into simply because we do not have the information provided to us - that there is not support in Hydro for the government's decision on the basis of pure Hydro economics. If that's the case at least we should know that. And we're entitled to get that information. I don't see that there's any difficulty in the government standing up and saying it's so. If it's so that's fine. I don't see it's any difficulty in allowing the Hydro officials to come before us and let them say it's so. Government has a majority and they can carry on the policy but we have a right to know.

Now the other interesting thing that's developed is the rumours about a difference of opinion between Mr. Durnin and Mr. Cass-Beggs. Now that rumour may not be true. — (Interjection) -- Well it may be a fact; I don't know whether it's a fact or not. That rumour may not be true, but in answer to the questions from this side we do not have anything straightforward that would indicate that there is a definite agreement between the two people. And there is no doubt - and I do not have the Information Service Bulletin in front of me - there's no doubt that when the government appointed Mr. Cass-Beggs, Mr. Durnin's name was mentioned as well as being associated and assisting him. I think at this point we have a right to know if there was a disagreement between Mr. Durnin and Cass-Beggs on any of the technical information on which this decision was made or the recommendation was made. If there was not, then someone stand up and say there was not. And if there is, what was the disagreement. And that of course suggests that there is a disagreement. And I don't know this; and we don't know this, but there is a rumour, and there is some evidence already - and this has already been presented in the House - there is some evidence already that Mr. Durnin has in fact disassociated himself from the technical information on which Mr. Cass-Beggs has made his report. That information which was supplied to the House has not been denied officially by anyone that I know of nor by the Premier who said he would, or suggested he would get the information, and we have a right I think at this time to know about it.

Now let me deal with the uranium enrichment development in the north. This is a very significant development and a very important one. I've listened to some of the information - well to all of the information that's been supplied in this House. Because of my involvement in the portfolio of Industry and Commerce I'm aware of some information that cannot be discussed in this House and it's not my purpose to discuss in the House. But the information that I am aware of would indicate to me that anyone who would make a decision, any Cabinet, any group of people who would make a decision on not flooding South Indian Lake and one changing the timetable of the Hydro development, could not in all conscience do that without at least reviewing the potential effect it would have on the ability of the province to in fact get the uranium enrichment development here.

The Premier has indicated a few bits of information. He has indicated that the Chairman of the TED Commission, who I suggest to you is the most knowledgeable person in this province on uranium enrichment development for Manitoba, was not consulted nor has he been consulted in connection with the matters that were presented in this House so far, either with South Indian Lake or the uranium enrichment development. He has also indicated that the consultants, without whom I suggest the uranium enrichment development cannot occur in this province, have not been retained although they probably are available for the government and have not been a part of the discussions that have taken place. Now why did the uranium enrichment become so important and why is it necessary for the government to become involved or concerned at this time with it?

The uranium enrichment development was first identified by the Department of Industry and Commerce when in an effort to try and see what power intensive industries could be attracted because of the Hydro development, consultants indicated that among the power intensive industries that could be developed a uranium enrichment development was a possibility and that presented startling results. And as a result of that identification, investigation was undertaken.

MR. SPIVAK: Of course the very basic difference between possibly -- I'm not so sure that the Honourable Minister of Mines and Natural Resources is the same as the Honourable Member from Crescentwood -- is that, you know there's a great difference from the theory and the actual practice and there's a great difference from being pragmatic about the situation that exists here. There may very well be a factor that does apply over-all, but I'm not talking about Manitoba and the experience that I'm aware of and the figures that we dealt with and the information that was supplied to us and which we compiled during the period of time that I was in government. In any case, whether it's two or three really doesn't make any difference at this point -- or six -- two or three or six.

MR. CHERNIACK: Quite a difference, two or three or six.

MR. SPIVAK: Well, I wonder really if it makes that difference. I really wonder if the Honourable Member from Crescentwood is suggesting that this development isn't important for Manitoba, and I wonder if he's really suggesting that even if it was only 1,500 job opportunities in the north that that in itself did not warrant some very serious consideration. -- (Interjection) -- How much did it cost? It would cost approximately 800

MR. GONICK: Per job.

MR. SPIVAK: Well, that's a very interesting figure. How much would it cost per job? I'm not in a position to say that, but I wonder if the Honourable Member for Crescentwood can tell me whether he's read the chapter in the TED Report in connection with the uranium enrichment development?

MR. GONICK:

MR. SPIVAK: Has he read the chapter of the TED Report in connection with the uranium enrichment development? Well, I wonder if he would mind reading that and then after having read that whether he'd give us the opportunity of the benefit of his experience as an economist and his knowledge and suggest to us that the information contained may be incorrect. Because the information that I'm presenting here and the reason for stressing this particular item is to a large extent based entirely on the TED Report, and is entirely on the fact that this recommendation, this identification took place. I have had the benefit of being present with the consultants who were retained by the government. I have some knowledge of their ability and I have some knowledge of their capability and I would suggest to you that while I may not be as knowledgeable either in economics or in the technical aspect of the uranium enrichment development, they are. And I can suggest as well that based on the information that they had given that this could probably be one of the most dynamic catalysts for northern development that could ever occur.

But the interesting thing about it, and the important thing of course is that there has to be a volume of power and it has to be a reasonable rate; and it also has to be completed by a certain time, and that the full Nelson River development is involved because the program would have to be accelerated to be able to provide the power in terms of the time that it would appear that the technical information which would be furnished to allow this development could occur and the timing when the output of the uranium enrichment development plant would be able to be sold. There was a lee-time that was required, a time in which many decisions in connection with the full Nelson River development would have to be undertaken; and in turn there would have to be some understanding of the capability, our capability of being able to produce reasonable priced power to meet their requirements. Because one of the things that was indicated and not shown in the TED report is the fact that this development doesn't have to go to Manitoba, that there are other Hydro developments in Canada that could also be selected. The choice is going to have to be made by the federal government through the Atomic Energy of Canada; that meaningful discussions are going to have to be held, and the purpose of the TED report essentially in fact indicating that this was a potential for Manitoba was to highlight this so that Manitoba could claim that we have identified this first; because it was pretty well understood that one province in particular is going to be competing with us and that they will be in a position to provide power, and maybe even cheaper power than we can provide, because we're not sure of our costs at this point, and it's in this respect that the great opportunity that could in fact take place here may not occur.

So for that reason and as a result of the fact that the technical information could be made available, and that information is from the Atomic Energy of the United States that it would have to be negotiated by the Department of External Affairs and the Department of State, that it was likely that the United States was going to allow the technical information to be given to its closest neighbor, to Canada; that in fact there was going to be a demand by 1978, if I'm

(MR. SPIVAK cont'd.) correct, for the output; that the output would produce annually about \$200 million worth of exported material which would be approximately 20 percent of our total manufacturing output in this province; that there was real reason for the government and for Hydro to become concerned about this development and about its potential. And what surprises me, from all the information and evidence that has been given, is that we have no information that indicates at all that there was any discussion either with the consultants, either with the chairman of the TED Commission, who as I said is the most knowledgeable person . . .

MR. CHERNIACK: Mr. Chairman, if the honourable member will permit, I think it's time we moved that the Committee rise.

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

MR. FOX: Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: It is now 10:00 o'clock. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.