

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, April 17, 1969

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed with the business of the Committee this evening, may I take this opportunity to introduce our guests. We have 15 Girl Guides from the 147th Girl Guide Company, Westwood District, under the guidance of Mrs. Veryl Hubbard and Mrs. Pat Philips. Also there are 6 Boy Scouts from the Iroquois Scout Troup, Kirkfield Park, under the direction of Scoutmaster Tom Hubbard, both from the constituency of Assiniboia.

We also have as our guests this evening, from that finest and sunniest of constituencies, 100 people from St. James.

May I, on behalf of all the members, extend a warm welcome to you this evening.

MR. EVANS: Before we begin, might I say to the Honourable Member for Lakeside that I find that we will have to go through the whole process of accumulating information from all the departments with respect to the cost of the TED Report and investigation, and the suggestion is that he might wish to table an Order for a Return.

MR. CAMPBELL: I'll be glad to do it.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Appropriation 9 (a) . . .

MR. USKIW: Mr. Chairman, I believe when we adjourned this afternoon that the Member for Roblin was on his feet. He did indicate that he had something to say at some length as to some proposals he had in mind to solve some of the problems in this particular area. I wonder if we might have some elaboration.

MR. McKENZIE: Well Mr. Chairman, I thank you for drawing to my attention that I was speaking at 5:30 and that maybe it was my privilege to -- my, Mr. Chairman, was trying to draw to the attention of the Chair the fact that there are ARDA and FRED monies being expended in the province, and was in fact hoping that the Minister would see the day when the area that I represent would be able to associate themselves with some of those projects and maybe could help us with some of the regional disparities that exist in Roblin constituency today.

MR. MOLGAT: Mr. Chairman, I wonder if I might ask the last Speaker a question. I think he was developing the theme about the Grain Exchange. At the closing of the Session I thought he was involved in a very interesting discussion, very relevant to the role of agriculture in Manitoba, and I thought he might want at this time an opportunity to develop that a little further.

MR. McKENZIE: I thank you for the opportunity. I daresay I would be out of order speaking under the item 9, but I will, I assure you, some day, Mr. Chairman, that I will enter the debate on that philosophy of handling grain. I'd be glad to.

MR. CHAIRMAN: Appropriation 9 (a) . . .

MR. HILLHOUSE: Just a minute. Would the honourable member permit a question? Do you prefer ADA to ARDA?

MR. CHAIRMAN: Could we now get back to the subject matter on hand? Appropriation 9 (a), \$111,739.00-- passed; 9 (b) Other Expenditures \$704,024.00, for a total of, Resolution 14, \$815,763.00. Appropriation 10 (a) \$610,794.00; 10 (b) Other Expenditures . . .

MR. CAMPBELL: Mr. Chairman, there's already a substantial item even in the present budget. We can't say what's three million, so would the Honourable the Minister give us the highlights of what is intended in this year's expenditures under this heading?

MR. WATT: Well Mr. Chairman, this covers -- I think as I pointed out before this amount covers the expenditures in all departments under the FRED programs. I can give you roughly over each department, each program in each department, what the amount is.

Administration - \$184,345.00; General Councillors - \$270,000.00; Manpower Corps. - \$326,000.00; Evaluation - \$25,000.00; Land clearing - \$260,000.00; Resource Management - \$330,000.00. This is for the 1969-70 program. Recreation and Development - \$900,000.00; Land Adjustment - \$349,300.00; Training and Industry - \$165,000.00; Community Affairs - \$152,538.00; Selkirk Industrial Park - \$65,000.00; Fisheries adjustment - \$100,000.00. A total of \$3,127,183.00.

MR. USKIW: Mr. Chairman, I wonder -- if the Minister might indicate to the House whether some of that appropriation for the Selkirk Industrial Park Development had anything to do with the contribution towards the soft water plant that Selkirk is building.

MR. WATT: I'm sorry, I haven't got the answer to that.

MR. USKIW: Is the government involved at all in paying for part of the cost of the soft water treatment plant in the Town of Selkirk? Is this part of the \$65,000.00?

MR. WATT: No, they're not.

MR. CHAIRMAN: Appropriation 10 (a), \$610,794.00; 10 (b) Other Expenditures, \$2,516,389.00, for a total of Resolution 15 of \$3,127,183.00-- passed.

Municipal Affairs, Page 24. The Minister of Municipal Affairs.

MR. BAIZLEY: Mr. Chairman and members of the committee, I think it would be proper at this time if I just took a minute or two to express a vote of thanks to Mr. Charlie Chappell who served for so many years as Deputy Minister and who has moved on into new challenges within the government service.

I think it would be proper, too, to suggest to you that similar thanks would go to Mr. W. J. Johnston who moved from the chairmanship of the Municipal Board on which he had served for nine years, to the Deputy Attorney-General.

And then, Mr. Chairman and members of Committee, I must express to you that I have been advised many times over the past few months that I do not bring to this committee the attributes of the former Minister and it's true, and I just wanted to express that because I'm advised daily, but I want to tell you this, that I have to suggest to you and express to her a vote of thanks for the type of members in the department who so willingly serve and co-operate with you, with members of the municipalities and with the public at large, and I must say that I have found in the few months that I have been Minister that I've appreciated this co-operation immensely and I am sure that each of you in your respective groups are going to express similar thanks to the Department of Municipal Affairs.

Now I realize that these estimates are very easy to concur in and go through, because half of them are for local advantages; they're unconditional grants which are used by the local authorities. The other half are expressed in monies that are for the public benefit, for the general benefit at large. Being a service department, we look forward to having your advice and consultation as to how we may improve the services of the Department of Municipal Affairs within the expenditures that you are asked to approve. So, Mr. Chairman, I look forward to sharing and seeking the constructive criticism of my honourable friends opposite, and hopefully we can arrive at satisfactory solutions to serving the people of Manitoba.

MR. EDWARD I. DOW (Turtle Mountain): Mr. Chairman, I would think that it would be proper for me at this time to extend my congratulations to the Minister and express disappointment in his statement, but I must follow on with the fact that he mentioned his staff, and I would like to associate myself with the fact that Mr. Chappell, who has served so long with the Municipal Affairs Department as Deputy Minister, has moved on, and express my appreciation for the valuable services that I think he has contributed to Manitoba. The other members of his staff I would associate myself with the Minister, that they work diligently in the interest of the municipal people in Manitoba. I could also associate myself with the compliments to the former Minister. We didn't get along too well - I am not a lady's man -- (interjection) -- No, I'm not. I don't get along too well, but nevertheless I would like to associate myself with the remarks of the Minister in her efforts in the municipal affairs in Manitoba.

So, Mr. Chairman, as we go along from day to day and year to year, the work load in the municipal offices becomes greater and greater and greater, the demands of the government, be they provincial or federal, land back on the authorities of the municipal government to complete, and this is all a costly factor, but I suppose it's part of the game we've got to go along with, but I would like to bring as an example, some years ago, some 20 years ago, where one man did the work we now have to have three and four, and so this is the contribution that we in the municipal field have to accept from our parents as the obligation we have to them.

I think that the Minister will realize very quickly, if he hasn't done so yet, that he's dealing with a group of people in the municipal field that are dedicated to their work, to do a job well, and the cost of administration is not too high. When I say "dedicated," they're dedicated not only to their parochial municipalities but they're dedicated to the interests of municipal work in Manitoba generally, and I would like to at this time commend the municipal

(MR. DOW cont'd)... officials that we have in Manitoba, not only now but over the years, as making a very valuable contribution carrying the work load of a great creature created by the provincial government, and doing it well.

One of my greatest concerns, Mr. Chairman, at this time is the fact that - and I've expressed this in the House on different occasions - that I think it's now time, and don't let us go too long, that we must have a conference with the municipal people and provincial people to definitely define the responsibilities, and at this time I'm talking particularly with the responsibilities of the municipal people. I don't think we can continue on in this lackadaisical type of an attitude that we don't need to have this conference. I think that now is the time and let us not delay, and I would urge the Minister, with the power he has with the government, to immediately start negotiations and set up the conferences so that we can get the municipal people, the provincial government, through the Municipal Affairs Department, and go back -- and it's been expressed so many times that what the municipal people want is a definite definition of their responsibilities, coming back to the fact that we as municipal people must I think be responsible for the services of property, the provincial government the needs of people.

Some confusion, some apathy is set up by the -- I don't like to use the word reluctance, but the hesitation, I think might be a better word, of the Boundaries Commission to come out with anything definite. We have municipalities throughout the province that feel that maybe we are going to be amalgamated, maybe we're not. We've been told by municipal conferences that this is the ultimate, but I think surely, if they are not going to make decisions very quickly, then let's get rid of the Boundaries Commission. It's a very costly thing as far as Manitoba is concerned; I think half a million dollars has been quoted in this House -- \$511,000, I'm told. Surely we can get a decision and I would recommend this to the Minister. He's new in the department. I know that he's going to have this put up to him many times. But when we get -- this can be part of the conference, surely, that the Minister will call a provincial conference to bring the municipal people in to talk of their responsibilities and make it definite, and not make it just 1969 to 1970. Let's get a program that will be carried on, that they know where they're going. I've gone through this for 20-odd years and I would like to go back and start over again with a definite policy, a definite definition of what I was responsible for, and I'm sure that in doing this I can make a much better job.

I'm going to get back, Mr. Chairman, to one of the subjects that is very dear to my heart. I'm going to get back into the TED Commission and lead up to something that I think we should be taking a look at - and here again I'm disappointed in the Minister not making a statement in regard to it. On Page 475 of the Ted Commission, about halfway down the page, Regional Services, subsection (1); it says: "Urban services could be provided on a regional basis through provincial agencies which would control such functions as roads, urban renewal, planning and municipal services. This alternate has some merit in that municipalities, who are the children of the provincial government, do not have the basic resources of the parent government. For example, in the development of major thoroughfares the province alone has the resources of the vehicle licences. This alternate might also deal effectively with Manitoba's unique situation with more than half of the provincial population living in one urban region. Finally, existing parochialism would probably be more effectively minimized by the senior government than by the metropolitan municipal administration."

Then you go to Page 506 of the same TED Commission and Section 8: "Changing assessment policies to promote upkeep. Current assessment policies act as a financial deterrent to would-be owners wishing to acquire properties. A study should be undertaken to find means of assessing properties other than the depreciation method currently in use. This method gives the home owner no incentive to keep his home in good repair. Indeed, if anything, the reverse is the case: If a house falls into disrepair, its market value decreases and this decrease in value will normally be followed by a lower assessment. Maintenance and repair of property should not be taken into account in computing market values for assessment purposes. Conversely, a house not kept in good repair should be assessed as if it were in as good a repair as the penalty for not repairing it."

Now, Mr. Chairman, this is the urban side of the picture, that our assessment procedure is not keeping up with the times, and I would earnestly implore and plead with the Minister that here he takes into consideration some changes in the assessment of our province to bring it into line with current events.

And now, Mr. Chairman, I would like to move into the field of agricultural assessments.

(MR. DOW cont'd) Our major industry in Manitoba right now is the agricultural industry, and as we move along through the municipalities, through the various means of taxes, we are slowly, progressively putting the agricultural people in a very embarrassing position. I mentioned the other day that a year ago I brought a resolution into this House in which I requested that the assessment on agricultural lands be brought into a productivity basis. At that time my meagre knowledge of The Municipal Act in regard to it was questioned that I was not giving the right information, but now I think, Mr. Chairman, that I have a positive proof that for some reason or other - that has not been explained, to me anyway - that the bureaucracy has come into being with the Assessment Branch. They have set up a formula all of their own. It has been proven, if you wish to take the records that have come into being in the last six or seven months, that assessments are now being made in error of law. If you wish to take our present Municipal Act and take Section 1010 and read, it's very clear, very clear, that the assessment on agricultural land shall be made on its value. And they go on and say that you have to have productivity, you have to have adjacent feeder markets and so on. But the main feature, the main feature is the market, or is its value - not market value, not sale value.

If you go back the last two or three or four years when all of a sudden in Manitoba, take for example a municipality if you will, that had been going along with the provincial assessment of a \$3 million assessment in a municipality, and then overnight it's become \$6 million. You ask the question, as I did: why did this happen? And we were told that the reason it became this was now that the price of land had increased, had increased from what normally was sold, land that had been selling at \$75.00 and \$80.00 an acre was now \$150.00 or \$175.00 an acre. If you wish to take, Mr. Chairman, the reason for this, the reason that the land was selling at \$150.00 to \$175.00, I think you will have to admit that the reason it was, was the fact that there were certain government regulations, both provincial and federal, came into the picture that they would pay 60 percent of the price of the land. How convenient it is to get 60 percent of the price of an inflated price that was not a stable price, which was not a realistic price, and get your cash out of it.

But Mr. Chairman, this happened in three, four, five or six parcels of land in a municipality. The Assessment Branch took that as the basis of the total assessment of the municipality. How unfair can they be? This does not present a picture that is even realistic in assessment. When you consider, Mr. Chairman, how this affects the agricultural people, the agreements for libraries, for hospitals, for how many more things have been based on as an assessment, and all of a sudden now they've got to pay twice as much as they did before. This is a charge against Mr. Farmer. We have got to a stage now where I think the Minister, through his department, must accept the fact that we in Manitoba, to put our industry, our major industry on a proper financial basis, that we have to get back to the fact that productivity of the land is the basis of assessment for agricultural purposes. Not any speculative, not any market, not any sale value. It can't work by doing it any other way.

I mentioned the other day why - and this has happened all over Manitoba, not isolated cases - where somebody all of a sudden decides: "I've got lots of money, eh? And I want to have a little hobby, and I go out and I pay an exaggerated price - maybe 200, maybe 300 maybe 500 dollars an acre. And that price establishes the whole criteria of the assessment of that municipality. Mr. Chairman, this is not good common administration.

But I want to take one more thing. We, as members of this Legislature, we sit here; we make laws; we have them given Royal Assent; and Section 1010 is a good example. The intent according -- and if you wish, Mr. Chairman, I can read you a transcript of a case that went through the courts. They brought this right down, pages and pages and pages, in which they said that the legislators' intent of this particular clause was that the land had to be assessed at its value, not speculative, not market, not sale. And I, as a member of this House, wish to strongly protest the fact of sitting here as a member and agreeing to legislation, and then all of a sudden it comes into an administrative body that are not interpreting the law and administering the law as we have set it out. Mr. Chairman, I think this is wrong and it's time now, and can be right now, and we've got to admit it; we've got to come to it, that right today to put this into a balance I am going to give a suggestion to the Minister that the total agricultural assessments in Manitoba be cut 40 percent right off the bat and bring it into perspective, and then put on a good particular study and bring the assessment of land back to what it was done over the years by the Provincial Assessment Branch, bringing

(MR. DOW cont'd) productivity as the basis of assessment of land in Manitoba.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks): Thank you, Mr. Chairman. I enjoyed the impassioned speech made by the Member for Turtle Mountain and when they drop that assessment by -- what was it -- 40 percent, I assume of course that the urban areas will then pick up all the additional costs to run the schools -- to run the schools -- (Interjection) -- 40 percent. I see. Well if it's 40 percent across the board including the urban areas, I'll buy that. Then we'll all double our mill rates and we're back where we started from.

With that, I want to welcome the new Minister of Municipal Affairs and I agree with him that he doesn't have the appeal of the former Minister, but in giving this Minister this new portfolio they changed his responsibilities considerably. They've eliminated many of the items which normally -- well at least I'm used to seeing them within the Municipal Affairs Department -- the housing, which has now been added to the -- (Interjection) -- yes, is now part of the Corrections affairs, and the biggest, well the greatest change, really, I feel is the dropping of the term "urban" in reflecting the interests or the responsibilities of this Minister. It was called the Department of Urban and Municipal Affairs; today it's back to Municipal Affairs. And I think it does reflect, honestly does reflect the feelings of this government about urban affairs generally, because nowhere in any of the estimates do they mention the word "urban" in the sense of a department or a special analysis of it or special consideration of it. And, Mr. Chairman, I think this, as I say, indicates the thinking of the government in the face of the fact that Manitoba, like it or not, is following the trend established all through Canada and the United States, the trend toward urbanization.

I'm not going to rehash or repeat the statistics which show that the drop in the rural areas has been accelerating in the past ten, fifteen years and the trend is -- the indications are it will continue. And in the light of that, I think the failure of this government to recognize that it must turn to the problem of urban affairs and must resolve the problem of urban living, I think is a weakness that they have yet to come to grips with. Generally speaking, as far as the municipalities -- and this is both urban and rural, small towns certainly -- municipal government really is a provincial function. Municipalities were created because for administrative purposes it made more sense in an agricultural or agrarian community to create areas where municipal councils could administer and be the arm of the provincial government, and they were created by the provincial government. So actually, municipal councils are agents of the provincial government. And I don't think we're ever going to solve the problems told by the Member for Turtle Mountain and other members in this House from the rural areas, unless we recognize that we have to somehow come to grips with the thinning population of rural Manitoba, and I think the only way we can do it is through the creation of regional governments. Other jurisdictions have come to grips with this problem: British Columbia; Ontario. Ontario in particular has taken very great steps in this direction and it's continuing to that. In the field of education it was recognized that this was needed and we have today the unitary system, the unitary system where the divisions are large, and it was recognized the only way that a child could get an education was through the flexibility of the programs which are offered in the larger school divisions. Now why we still stick to the idea that the small, little village or R. M. can by itself continue to meet the problems of living today, I don't know. And I blame the government for this.

There's been a lot of talk that we should have a municipal-provincial conference. I'm not averse to another conference but the truth is that there have been dialogues going on for years. I think the first commission ever established was back in 1953 -- at least to my memory. Then in the latter 1950s the municipalities by themselves, after being urged to do so by the provincial government, they created the Fisher Commission, and a dialogue took place for months and they had some recommendations to make. The province, on the very eve of the publishing of that report, announced that it was going to have a new commission again and the Michener Commission came into being, and again a dialogue went on for months and years and then they reported. So, to suggest that all that's been lacking is a dialogue between provincial government and municipal people, is I'm afraid really ignoring the realities and, what worries me more, delaying the day when we come to grips with the problem because I can see if we have meetings between municipality and provincial governments, they can go on from now till doomsday.

Commissions really serve that some purpose because commissions hear the views of local municipalities; they hear the views of the various associations representing the

(MR. MILLER cont'd). . . . municipalities, and these associations do reflect the views of their member municipalities whether they be rural or urban, and in coming out with a recommendation, surely these commissions do reflect a consensus. You're never going to get all municipal people to agree. There are 57 members in this House and, as you know, we don't always agree so it's impossible to even conceive that all municipalities will agree on the same procedures. But regional government, it is now recognized, is the only answer to give back to the municipalities the viability that they must possess if they're going to function at all. The tax base in some of the R. M. 's has been dropping, and with that drop in tax base they lose the ability to perform even the minor functions at a cost to their ratepayers which is feasible.

I'm not suggesting here -- there's two ways, two forms of regional government. One is the liquidation of areas completely and the combining into one, in the sense of a unitary division, into a much larger area. That's one way. The other way, if that's too drastic, and if there's still a desire to retain a certain amount of local autonomy for purposes of access and for service, and I'm inclined to think that maybe we should look at it that way, there's the regional government, the two-tier government, where regional government is created over a large area to look after certain regional needs and then the local council to look after the problems dealing with the local community. Ontario is approaching it both ways. In some instances they've had amalgamations or consolidations; in others they've created the two-tier level of government. But certainly, whatever approach is taken to local reform, it must be comprehensive rather than piecemeal, and I don't think another conference convened by the province is going to come to grips with the problem. I think that with the formation of regional governments there could perhaps even be a slowing down of the process of deterioration that's developing within the municipalities, the municipal administrations in rural Manitoba. Because with a regional government, with a regional area, you can have growth centres, and these growth centres could become the key to the regional governments. They could plan; they could have a tax base and an assessment from which to draw on; they could perhaps reverse the trend that has been occurring in Manitoba. And I think everyone must acknowledge that so long as there are areas in Manitoba that are faced with this kind of financial crisis and this kind of debilitating inability to fulfill their function, that this can only harm Manitoba as a whole.

Now, with the decline in the rural population it's obvious that what they're faced with is more and more Manitoba communities are going to become urban centres, and I don't necessarily mean urban in the sense of Metropolitan Winnipeg, but urban-centred in the sense of Brandon becoming an urban centre for a region, Portage, Dauphin, other areas. These could be the core, the heart of regional areas, and they could become urban-centred communities in a large and in a highly complex network of both the physical and the social facilities to serve these regions. It's not only for efficient operation but also I think it would help to attract industries into these areas; it would help to keep industries in these areas, and it certainly would give the communities a more balanced development and a far better financial structure than they have today.

The large urban areas, of course, are faced with another problem, and I'm talking now in terms of the urban area of Metropolitan Winnipeg, even of Brandon, and this government just doesn't take these problems seriously, and if they do this I think they're really asking for trouble because the large cities that are growing in Canada today are going to have to be answered; their problems are going to be answered. Well what we're going to have in Canada and in Manitoba is the creation of the city state, because you're not going to have over half the population with over half its wealth just silently sit by for years with its hand out asking for assistance, asking for recognition. Now if that's what this government wants they're going to get it. And if this isn't on us yet, this is the same situation that is developing in other areas. On the other hand, if this province wants to avoid that, I urge them to recognize that Metropolitan Winnipeg have to be treated as a complex, industrial, urban society with unique problems.

We have to meet those problems; we have to recognize them; we have to meet the challenge that they offer, or I think all of Manitoba will suffer. And surely to do that, to me it's obvious certainly, in view of the lengthy report made by the Minister when he introduced his estimates and his long and deep analysis of the department which we heard him make this evening, it's obvious to me that if that's all he thinks is wrong, that his attitude toward the problems of Manitobans are summed up in his three minute presentation, that we do need a

(MR. MILLER cont'd) Department of Urban Affairs, someone who will recognize that the urban areas, whether it be Brandon or Portage or Winnipeg, these urban areas have to be studied, have to be recognized, and the people in them have to be given consideration.

Generally, Mr. Chairman, I don't think this government can keep passing the buck back to the municipalities and the school boards. This is what we've heard generally through this session, that the province holds the line but it's either same council somewhere or some school board somewhere which is going off on its own and spending money. But this province is not doing it. Well, Mr. Chairman, as I started off earlier, the municipalities are creatures of this government, and really the truth of the matter is the buck stops at the provincial door. They can't pass on or slough off their responsibilities to the municipalities. The Minister knows full well that the municipalities haven't at present the tax resources to cope with the myriad of needs of an urban municipality. All we have is the property tax and that has been taxed to its maximum, and to say that this year, thanks to the largesse of this government when they increased the per capita grant by another \$5.00 per person - which incidentally is far less than the premiums they're charging through the Medicare scheme - if they think that's going to really make that much difference they're wrong. They may have slowed down the rapid rise but it didn't really -- it wasn't a drop in the curve, it was just a gradual leveling off of the steep rise that we've experienced in the last few years. I can't see in any of the legislation introduced this year where this government is coming to grips with the problem.

The present political machinery and, as I say, the financial resources available to the cities, are completely inadequate to provide for the needs of an urban community: for housing, for recreation, for the problems of living in a city. This afternoon we heard from the Member for Lakeside deploring, or regretting really, and feeling sorry for children raised in a city as compared to the benefits of being raised in a small rural community, and I think I understood what he meant and he may be right, but this is the day we're living in. We can't turn the clock back. Like it or not, thanks to our technology, thanks to our industrialization, the action is going to be in the cities. Whether the Member for Lakeside likes it or I like it, these are the facts of life, and although I might prefer to have my child, too, grow up in a country town and be closer to earth and Mother Nature, this isn't the way it is, and he knows and others know that the problem today is preparing the children who still are in the farm communities, to prepare them through education to leave the farm so they can come into the cities and they can take their place in an industrial society. This is what we teach them and that's why we're setting up the comprehensive schools in rural Manitoba.

Now I wasn't sure whether we would get through the revisions of The Municipal Act before we got to the Department of Municipal Affairs but we're still working on them, I'm very happy to see, and I hope that at this session we can see this revision, which I am now told is really the first revision in Manitoba since 1870. This is what I discovered the other day. Apparently in 1954 they were just simply put in the Revised Statutes but they've never really been revised, had a real revision since 1870. -- (Interjection) -- They were incorporated -- oh, we hope to get through it. Oh we hope to get through it all right, if the Minister will co-operate. I think the committee is co-operating. We're meeting regularly every Wednesday morning and if he continues on that basis I hope to see the revision in this House. -- (Interjection) -- It may be out of date by then, true, but I don't doubt it will be amended very very shortly after it's here, but there's no question; we need this revision; we've got to bring it up to date.

But I want to bring out one point that is involved in that revision, and I regret to see the government is drawing back on. Apparently it's still this government's intention to insist that capital expenditures must be approved by money by-law referendum. I had hoped that the day would come, and that it was here, that this kind of device would be a thing of the past. People are elected to office in this House and they don't have to run back every month to raise funds, whether it be for capital purposes or for the expenditures of any given year. They can go out and they can raise money in the New York market to the tune of \$50 million or \$90 million. They have accepted the responsibility, having been elected to office. They have accepted that they are responsible to govern, to do the things necessary in their light to keep Manitoba moving and invest in the future.

But apparently what this Legislature, or the members of the Legislature feel they have a right to do, they are not prepared to allow the municipal councils to do. And so we are still apparently going to be saddled with a money by-law referendum type of government, where if

April 17, 1969

(MR. MILLER cont'd) you want to build a fire hall you have to go to the public and get ratepayer approval; if you want to build a police station you need ratepayer approval; if you want to build a public works garage you need ratepayer approval; if you want to spend money on recreation through a recreation commission, or community centres, you need ratepayer approval; if you want to build a hospital you have to get ratepayer approval for your 20 percent participation. And so, instead of freeing the municipalities so they can at least come to grips with the problem and face the problem, they again are trying to hold back the tide, and there's an inconsistency here because just the other morning we approved without too much discussion in the committee, and I think with the unanimous consent of almost everybody, because the recommendation I think originally came from the Urban Association, I think at a meeting in 1959 - I believe I moved it at that time. That shows how fast things move here in this province. -- (Interjection) -- It shows how old I am. We introduced and accepted the idea there should be triennial elections and people elected to office should hold office for three years. And the reasoning behind that and the reason why it was accepted by municipalities, was the recognition that, as the Member for Turtle Mountain pointed out today, that municipal government is becoming more complex like everything else. Things are becoming more complex. And it required more planning so that a council wouldn't always be in the position where half a council was faced with an upcoming election, so they could sit down and they could plan some things for two, for three years, and not only be in on the planning but be in on the implementation of it and see the results of this planning. It makes for a far better and comprehensive administration.

Well, having accepted that principle, surely it would follow that the council, having been elected, freely elected and duly elected by the public, would then be entrusted to do whatever is required in the way of raising the funds required to make possible the type of planning which is envisaged by this type of legislation. But no. We're not going to do that. In other words, they're going to stick to the by-law, the referendum. And you know, Mr. Chairman, I'm not critical of people when they vote against by-laws, ratepayer by-laws. And I've seen it happen time and again in municipalities where people asked to vote on something turn it down, and I have spoken to them sometimes, privately, and said, "Did you vote for it or against it?" And they say no, they voted against it. And I said why, and they said, "Well, it means an increase in taxes and I don't know too much about it, really, so I voted it down." And I'm not being critical of them because it's very hard for the average person who is not aware of the details, of the inferences, of the long-range possibilities, it's too often very easy for him to ignore the request of his council and simply vote it down, not recognizing that by doing so he may be creating a problem which will come back to haunt him and which may cost twice as much money three or five years hence.

Now other jurisdictions in this country, Ontario for example, have recognized the need for changing this approach. In Ontario, municipal councils have authority to pass money by-laws, to go into programs without the need of ratepayer approval. Sure they have to go before a municipal board. They have to prove to the satisfaction of the municipal board or the Department of Municipal Affairs their financial status, their financial ability to pay for this, the projections and their capital projections for the next few years, to see whether or not this is a feasible, economically feasible project, but getting that permission they are then free to go ahead. And as a result, things are done when needed. Bridges are built when they are needed.

You know, the proof of the pudding is this: when Metro came into being, this government recognized that Greater Winnipeg had to have an authority that didn't have to go to the ratepayers for everything it did. They knew that they needed bridges, because I think it was the Wilbur Smith Report claimed that they were something like 12 years behind in the bridge building program back in 1958 and they needed seven bridges in Greater Winnipeg at that time. They needed capital work done on the disposal plant in Old Kildonan; they needed new sewer systems; they needed new arterial roads within Greater Winnipeg, freeways, and this government gave to Metro the power and the authority to bypass ratepayers' votes, and they were right in doing so. Because if we were saddled with ratepayer by-laws in Metropolitan Winnipeg, then we would still be building probably the first bridge over the Red River. We certainly I don't think would have the St. James bridge that we have today.

But, Mr. Chairman, I think this same power should be given to other areas. I think it's very shortsighted on the part of this government not to recognize that you've got to keep

(MR. MILLER cont'd) pace, that times are moving too rapidly. You can't just sit back and let decay set in.

You know, the other point that's still in committee but it's going to come out of committee and I might as well talk about it now, they're compounding this problem of retaining the ratepayer votes and they make matters worse because apparently it is the government's intention to limit the vote on ratepayer by-laws to ratepayers. They're taking -- and here again they're doing this in the face of the change almost everywhere else in Canada and certainly in the urban areas of Canada - you have to be a property owner in the old classic sense to vote on money by-laws. There are tens of thousands of people living in apartment blocks, in suites, duplexes and town houses in Metropolitan Winnipeg - I don't doubt in Brandon the same is going to be happening if it isn't happening already - but certainly in Metropolitan Winnipeg there are tens of thousands people living in these units. They are taxpayers - they are tax-payers and are paying it through their rent. Today, I think those who are in the real estate business here will acknowledge, or lawyers will acknowledge that almost every lease carries a clause which says the rent is such and such for the term of this lease subject to any increase in taxation in any given year, and the taxes go up and the rent goes up accordingly - it's almost immediate. So these people are renters but they are taxpayers too, and why they are treated as second-class citizens I don't know, unless it's still the feeling amongst the government here, the full concept is that only someone who owns something is a solid citizen; the man who pays \$300.00 a month rent or \$275 or 250 a month rent, he's a drifter. Well in this day and age in this mobile society in which we live, that is breaking down and I think this government should recognize it.

In the urban areas of Greater Winnipeg anyone will tell you, anyone of the municipalities will tell you that the turnover in home ownership is very rapid these days. I saw a statistic recently where I think they said that the average family wouldn't live in his house longer than 15 years. This is a Canadian statistic. They are turning over all the time. In my own city of West Kildonan, in some of the newer subdivisions, the change in ten years is amazing, over 40 percent change in a ten-year period.

Now because a man buys a house, it's obvious that in this day and age the likelihood of him continuing to own it until the mortgage is paid off, until he sells it either through death or retirement or moving to another city, that day is gone; we're not a stable people any more in the sense of staying in one place. I remember in Toronto recently at the Urban Transportation Conference hearing one of the speakers say that 30 years ago most people were born, lived and died within a 50-mile radius. Today that's out, they're travelling from coast to coast and moving from one end of urban communities to the other, and yet this government is going to deny people - and as I say I think it's ridiculous to do so - to deny people who live in apartments or town houses or duplexes, they're going to deny them the right to vote on money by-laws in this province.

Now the interesting thing is this, they're going to let them stand for office though. Now you can elect a man to hold public office, he can become a member of parliament, he can become a member of the legislature, he can become a member of a school board, and on a school board he probably spends more than his municipal council does, and he's going to be able to stand for council even though he may not own property; but he can't vote on a money by-law. Now this is the most incongruous thing, and I want to go on record - I'm not suggesting that the government now change its position and say, well he shouldn't stand for office. He should stand for office, because by all means the man in the apartment block and the man in the home are equal as far as I am concerned, but let's get away from this idea that because he lives in an apartment block or in a suite he is somehow a second-class citizen or that he can't be trusted. This concept I think goes back 70 or 80 years, when I guess the homeowner was the only -- or the landowner was the only solid citizen in the community and the rest were either tenant farmers or drifters.

Now I know in some of the rural areas they may not go along with this thinking, as I know some of the members from the rural communities don't agree with this approach, and if they don't, and if they want to continue on this basis, perhaps in their communities things are different. I can't speak for the Member for Turtle Mountain, I don't know Boissevain that well, but surely in Metropolitan Winnipeg this can and should be permitted, surely permissive legislation can be allowed.

I know the City of Winnipeg has requested, or is considering a request to allow this

(MR. MILLER cont'd) change in their own charter. I think this change should be permitted, should be made permissive in the Municipal Act so that any municipality or municipal corporation can take advantage of it if they so desire, if they feel it's in the best interests of their community. And as I say, in certain communities like St. James, and St. Vital, where apartment blocks are going up daily, where we are told that the day of the single family dwelling is maybe a thing of the past, that the cost of owning a home is so onerous today that maybe we're going to have to think in terms of town houses and apartment block dwellers. If that is the case, certainly we mustn't create a division between this one class of residents and another class of residents. The residents in apartment blocks have as much interest in the schools as the homeowner, they have as much interest in the recreation facilities as the homeowner, they have as much interest in the growth of the community as any homeowner and I think that we should encourage them, and unfortunately in the opening remarks of the Minister I heard none of these. Now maybe I wasn't listening too closely or maybe he spoke so quickly that the three minutes that he did speak I sort of missed it, but I don't think that was the case.

I may have other comments, I don't doubt I will later on in the estimates, I just wanted to start off with these few. I want to close though with one point I neglected, and I want to go on record now of joining with the Minister in conveying to Mr. Chappell, to Mr. Charlie Chappell, my personal congratulations really for the excellent work that was done under his direction in the Department of Municipal Affairs. This was a one-man municipal act. He has undertaken a great job by staying on and steering these revisions through committee, and I know that Mr. MacDonald who is taking over is very knowledgeable in this area and I am sure that he will carry on in the same way. I know too that from working with Mr. MacDonald in previous years that he will give the same consideration to municipal problems as Charlie Chappell did. I only, as I say, regret that Mr. Chappell has been transferred to another department, although I know it's really a recognition of the work that he has put in and it's a recognition that is merited. As I say, I suspect that the reason we're going to have the revisions of the Municipal Act now is because now that Charlie Chappell is not so readily available nobody knows where to look for anything in the Municipal Act and we have to get the revisions in. Thank you.

MR. LYON: Mr. Chairman, if I could just intervene for a moment. It's the intention to suggest to the House now that the committee rise and that we call Bill No. 15 in order to hear the adjourned debate standing in the name of the Leader of the Opposition. I hope my honourable friend from Rhineland will realize we're not trying to be discriminatory. Committee rise.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has passed various resolutions and begs leave to sit again.

IN SESSION

MR. DOUGLAS M. STANES (St. James): Mr. Speaker, I beg to move, seconded by the Honourable Member for Brandon, that the report of the Committee be received.

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

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GOVERNMENT BILLS

MR. SPEAKER: The adjourned debate on second reading of the proposed motion of the Honourable Minister of Mines and Natural Resources - Bill No. 15. The Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, it is with some regret that I rise to speak this evening on this Bill in the absence of the Minister who introduced the Bill, and I would like to say at the outset that I hope that his health is not impaired and that he will be back with us shortly. I would have preferred to make my comments quite frankly in his presence, because I prefer to discuss an issue and a speech that has been made and the record that has gone on in the presence of the individual most vitally concerned rather than do it in his absence. However, I recognize the need to move this Bill forward and to at least, if we don't get the Bill into committee stage, to get to committee hearings so that we can get further information on which the House can make a final decision. It's obvious of course, Mr. Speaker, that the Minister who is introducing the Bill is not the Minister solely responsible for the situation. The present Minister of Education was the previous Minister of Mines and Natural Resources and responsible for that department, and the present Minister of Transport was in a sense the Minister responsible last year when we discussed this matter in this House, at which time my colleague the Member for Portage la Prairie constituency introduced a motion, and at which time I introduced a motion as well, for an Address for Papers.

Mr. Speaker, I consider that the Bill that is before us now is the most important Bill to appear before us at this session. In fact in many ways, Mr. Speaker, I think I could say that I would view this Bill, because of its very wide ramifications in our province, as probably the most important Bill with which I will have had the responsibility to deal during my term as Leader of this Party.

Mr. Speaker, I do not want to approach the discussion on this Bill at this stage on a partisan basis. I have stated in a previous debate my views about the way in which this matter was handled by the government and by the Minister. I stated at that time that I did not fault the Minister himself, that he inherited the situation. I must say, however, that I think certain comments are required regarding the speech that he made in this House the other day because I think certain matters have to be corrected in the statement that he made. But I repeat, Mr. Speaker, that I am not doing this on the basis of a partisan position because I regard the ramifications of this Bill far beyond and far above any partisan attitude, and I say to the members across and the members on my side, there is entirely too much at stake in this decision to look upon it any other way. In closing his comments the other night when the Minister of Mines and Natural Resources stated in his closing paragraph: "Do you wish to participate" - and I'm quoting now - "Do you wish to participate in making perhaps the most important single decision fundamental to the economic well-being of this our province, because let there be no mistake about it, that is just that kind of a decision." Mr. Speaker, that is the kind of decision that is truly before us, and I agree with the Minister when he made that statement.

Mr. Speaker, what is at stake here is not simply a situation of 600 Indian people at South Indian Lake - and I'm not saying that in any way in a derogatory sense - what is at stake here really is what is best for the one million people in the Province of Manitoba, and in fact, Mr. Speaker, beyond that, what is best in the long run for the 20 million Canadians and the 250-odd million people who inhabit this continent, because we're dealing here with much more than just the question of are we going to flood a piece of territory or are we not. There's a whole fundamental question here, Mr. Speaker, about our approach as legislators to what is best for our province, and I urge the government, Mr. Speaker, not to close their eyes at this point.

The First Minister in speaking the other day on another Bill said the following things, that this Bill must be like other bills and leave the public with some assurance that there is some point in listening to them when they go outside the House. I would hope that if he's speaking about changes, would receive consideration by all the members of the House, that we wouldn't want to leave the impression that the system that has stood up so well over the years of taking legislation outside of the House that we were making this exercise useless. Mr. Speaker, I commend that approach to the government at this point.

I was disappointed in the attitude taken by the Minister presenting the Bill the other night when he as much told members of the House that the matter is settled. And I was disappointed some time ago when I asked him some questions regarding comments made by the Honourable the Minister of Labour and the Minister of Tourism when they were on a northern tour and they

(MR. MOLGAT cont'd.) stated that the decision had been made. The news story then: "Flood Plan Set. Indian Lake Decision Made, says Carroll. Lake will be flooded - Carroll." The other newspaper said: "Lake Flood Licence a Certainty." And when the Minister was asked about this in the House by myself, his reply at that time was that the government was committed. The Minister told the Tribune, and I quote from their newspaper on the 1st of April: "We are committed as a government to the first part of the legislation, but we will be amenable to all suggestions to the second portion of the legislation that we will introduce." In other words, the government was committed to the flooding. Mr. Speaker, I ask and I plead with the government not to take that course, not to take the course now that they are committed because they will be doing themselves the greatest disservice; but beyond that, Mr. Speaker, they'll be doing the people of Manitoba the greatest disservice.

And so I approach the discussion tonight, Mr. Speaker, as I said at the outset, on a non-partisan basis, and I don't want to run over what was done and what was not done. Much as I disagree with the way in which this was handled by the government, much as I disagree with the over-all approach, Mr. Speaker, I am interested now in dealing with the situation that faces us at this time. It may well be painful to make the decision that we have to make, but there's no point now in recriminations. What we must do now as legislators, Mr. Speaker, is to decide what really is in the best interests of our province; and that all of us in this House, regardless of where we sit, whether you're backbenchers on that side or backbenchers on this side, must be absolutely convinced within yourselves that whatever has gone on before, let us forget it and let's deal with what is right for Manitoba at this time.

Mr. Speaker, there is much more involved here than the decision about whether or not we should flood South Indian Lake. If we look upon it simply as the case of having to move 650 Indians and whether it's going to mean 75 cents more on our hydro bill, we will not be doing in my mind what is right for Manitoba. We must do in the total analysis what is right for our province. It seems to me that the Bill as presented by the government is really approaching the situation from the standpoint that the matter is now an accomplished fact and that there is no change possible. Mr. Speaker, I don't think that that case has been made. I don't think it was proven at the hearings or that it was shown in the speech made by the Minister here on Monday night that it is an irrevocable decision.

The Minister brought a number of points in his speech on Monday night. He brought in for example the fact that the government had decided to appoint Dr. Monture as the commissioner, and I will say, Mr. Speaker, that if a commissioner is needed Dr. Monture is indeed a very eminent commissioner, but I think that we have proceeded to assume that a commissioner is needed before deciding whether or not he is in fact necessary.

The government is attempting to show that there's no other way, that this is an accomplished fact. I think they are attempting to end public debate on this issue by saying we are prepared to make very large but unspecified payments to the people involved at South Indian Lake and thereby remove any complaints that these people may have. On the other side, they are saying we will proceed to have studies and thereby calm the legitimate fears of other Manitobans who wonder what this is all about. Mr. Speaker, that isn't the right approach to the question. We should not attempt at this point to buy off the Indian people at South Indian Lake, to buy off public opinion in Manitoba. We should look at this question as to what is the best for the people of Manitoba. How is the best way to spend our money? What is the wisest and most economical way in which to spend public funds? If we approach it that way, then I think there are two fundamental questions that the government must answer. First, the most economical way in which to obtain Manitoba's electrical power in keeping with the sum total of the benefits to be derived from all resources and the losses involved. And the second question: What is the most efficient and dynamic way in which to develop our northern resources of people, forests, lakes, mines, wildlife and so on.

We have just been engaged, Mr. Speaker, in discussions of the TED Report dealing with the future of our province, an optimistic report, and I agree that the optimism should be there and it's legitimate in Manitoba, and yet when we listened to the Minister of Mines and Natural Resources the other night tell us about the situation at South Indian Lake, one would assume that we should have flooded South Indian Lake a long time ago, because from his recital there was nothing there to warrant the feeling that many of us have that our future lies in the north. Over and above, Mr. Speaker, the question of the production of the most economical power all things considered, the development of our north country is another consideration, and if I put it third it's not because I consider it least important by any means, and that's the social

(MR. MOLGAT cont'd.) costs which must be considered, and as a province, as a people, we must show that we value people's rights and dignity highly. Justice demands this, Mr. Speaker, and so does economics. People are our most valuable resource in this province, and at a time when we're talking about moving thousands of uneconomic farmers off their land and of resettling any number of our small communities in Manitoba, it is vital that we prove our commitment to recognize the social cost, the cost of wrenching people away from their traditional homes, of forcing people through a speeded up process of transition. I think a basic principle must be established here; namely, that before people are forced to move out of their traditional homes or farms or villages or out of South Indian Lake, it must be proved beyond all reasonable doubt, at public hearings where all sides have proper professional representation, that the social cost of the change is more than offset by the economic benefits of that change, and failing such proof, government should have no right to force people into uncertain and unwarranted change.

Mr. Speaker, we've heard a great deal about genocide. You know some people will think I am stretching the point when I say this, but Mr. Speaker, let my friends - and the Minister of Finance is laughing right now - let him go up to South Indian Lake and see what it is we are doing to that community. It is not simply a case, as the Minister of Natural Resources was telling us the other day, of moving people from one location to the other, Mr. Speaker, it's much more fundamental than that. You are taking a group of people, a community, and destroying it. And so, Mr. Speaker, it's not just a case of these people; it's not just a case of economics, of power; it's not just a case of development of the north; it's a combined case of all of these elements. And this is the decision that this House must make: What is in the general and best interests of all of the people in Manitoba?

And so, Mr. Speaker, the government must prove, before this House can be asked to vote on a question of principle in this issue, the government must prove that this is the cheapest way to produce power - No. 1. No. 2 - the government must prove that this is the best alternative for northern development. No. 3 - the government must prove that taking these two into consideration, the economic values, that the social values and the principles on the other side are considered in the light of those other, at the moment, unproved benefits. And fourthly, that the project that we will be embarking upon does not lock us in for the future into an uneconomic position in the light of the very rapidly changing technological situations.

So, Mr. Speaker, the project is no longer the responsibility of simply one Minister. It is the responsibility of the whole of the Cabinet first, and now it's the responsibility of the members of this House because the government has decided to put it before us in the form of this Bill. And the issues at stake are wise public spending, northern development, economic provision of the most economic source of electricity, and the recognition of social values. The whole future of our province and all Manitobans are involved here, not simply 650 Indians at South Indian Lake. Mr. Speaker, it is not enough to assure us that there will be future surveys and that future studies will resolve these issues. We must know these facts today. Otherwise how can we as rational adults charged with the ultimate responsibility in this affair be in a position to vote yes or no on this Bill unless we are fully armed with all of the facts. The only thing we can be sure of, Mr. Speaker, with future studies is that once this Bill is approved, regardless of what the studies show, the future will be foreclosed because there is no turning back the clock once we put an additional 30 feet on top of the present South Indian Lake. The future will be locked in. There will be no leeway and there will be no looking back. It will be a settled issue.

Mr. Speaker, there are any number of questions which this government must answer and information that this government must provide this House before any member in this House can make a rational decision on this matter. And I emphasize, Mr. Speaker, that that responsibility is as great for the members on that side of the House, because I'm convinced that they came to this House as equally well-intentioned as the members on this side, and I ask them to take this as a personal responsibility in each case. You be satisfied as an individual that you have the facts that this is the right thing for Manitoba.

Mr. Speaker, do we have those facts now? Can any of us conscientiously get up and vote on this Bill saying - yes, I'm satisfied that we have the full information. Impossible, Mr. Speaker. What are the sort of things we want to know and must know before we can commit the future in this way? I'm not going to try, Mr. Speaker, to cover all of the questions this evening but I'll pose a few of them because I think that this is what the members of this House

(MR. MOLGAT cont'd.) must be thinking about in the next few days. What in fact, Mr. Speaker, will be the total impact of this project on northern development. What is it going to do to jobs, to industries, to income, to mining, to tourism, to forestry, to wildlife and to fishing? What is it going to do? What are the losses going to be and what are the benefits going to be? And how does the particular project now presented to us by the government compare to other alternate projects? What would the costs of those alternate projects which we know exist be, and what would their losses be and what would their benefits be? Because otherwise how can we assess that this is the right project.

Then we must know, in terms of social values, what are the costs going to be for the redevelopment of new sites for the people, the costs of resettlement, the likelihood of success, the problems involved, retraining, welfare and so on? What are the true facts at Easterville? How successful has that limited relocation been?

Then, Mr. Speaker, we have to go into the whole question of the production of electricity for Manitoba at the lowest possible cost. The Minister told us the other day that the successful completion of this project would ensure that we have the capacity to fully develop and utilize our natural resources. The successful completion of this project will ensure that we solidly join the ranks of the have provinces in this nation. Mr. Speaker, to that I say show us, show this House that those are the facts, show this House that in fact what you are proposing is the cheapest way of producing electricity in Manitoba. What are the present estimated costs, Mr. Speaker, for each program in the project? What is the current estimated interest rate that's going to apply on borrowings with respect to the Nelson River project? What is the estimated mill cost per kilowatt hour on the Nelson River Phase I as presently known, not what was known when the project was entered into, Mr. Speaker, but what is presently known, because we are being asked to make a present decision. What on the basis of present day knowledge are the best alternatives to the development of Phase I on the Nelson? Is Phase I today still the most economical way to produce electric power for the Manitoba market? What on the basis of current estimates - not two years ago, Mr. Speaker, but current estimates of cost - the benefit-cost ratio of the Nelson compared to other power sources? What is the current arrangement with the federal government regarding the transmission line from Kettle to the southern system? Have there been any changes in this arrangement since 1966? Has the Manitoba government or Hydro made any representations to the federal government to make any changes in that agreement, and if so what? And what are the current cost estimates of that transmission line?

And when we're discussing the cheapest source of power, Mr. Speaker, what interconnection exists today between our system and the system in Saskatchewan and the system in northwest Ontario and the system to the south of us in the northern states? What are the sizes of those interconnections and what are the plans for the future? What is the situation, Mr. Speaker, with regard to the Lake Winnipeg regulation which was listed in the original program as being an integral part of Phase I, which now apparently is not to be proceeded with? And if it's not to be proceeded with, why is it not to be proceeded with but the project before us now is to be proceeded with? The fundamental question, Mr. Speaker, and I know the difficult one for the government to accept, is Phase I really viable today? I know, Mr. Speaker, it's hard for the government to accept that one, that it's even been questioned -- and you need only look at the Attorney-General laughing in his chair. Mr. Speaker, they think that they have the Divine guiding these people and they are never prepared to look beyond the decision that they have made or to even suspect that the decision that they have made might be open to question. I'll give more credit to the First Minister who is not laughing at this point, Mr. Speaker, because it's not a laughing matter.

MR. LYON: Well it is really.

MR. MOLGAT: My honourable friend can chatter all he wants.

MR. LYON: It's absolutely ridiculous what you just said.

MR. MOLGAT: Prove it.

MR. EVANS: Yes, we will.

MR. MOLGAT: Prove it. That's the whole point, Mr. Speaker, and they haven't yet. And there, Mr. Speaker, is the attitude of this government exemplified by the so-called Minister of Finance, the Provincial Treasurer, and his chattering neighbor the Attorney-General. They are so convinced, Mr. Speaker, they are right; that they are not prepared to look behind a decision that was made a few years ago and they're now going to tell the people

(MR. MOLGAT cont'd.) of Manitoba it's too late, the decision is made, it's irrevocable. It's not.

MR. LYON: You really don't understand, do you? No, you don't.

MR. MOLGAT: Mr. Speaker, I appreciate that sort of comment because I recognize the source from which it comes.

MR. LYON: You really don't understand, that's all.

MR. MOLGAT: I fully recognize the source and we hear it in this House consistently. I might add, Mr. Speaker, you hear it consistently too, don't you? Well, you know. . . .

MR. LYON: We'll have to say it all over again.

MR. MOLGAT: Well, you know these self-imposed authorities in all fields, Mr. Speaker, I suppose will be with us forever. I don't pretend to be one.

MR. LYON: You sure aren't.

MR. MOLGAT: But I at least have enough intelligence to be prepared to question something and not accept it as my honourable friend apparently is, that because he made the decision it's good. Mr. Speaker, there's much more at stake than the chattering of the Attorney-General, and the government is going to have to show, Mr. Speaker, that they have these facts, because Mr. Speaker, this matter is now no longer in the hands of Manitoba Hydro. By this Bill the government has now decided that the government is the responsible body, that the government is going to regulate this whole project, and please note, Mr. Speaker, this Bill now will make Manitoba Hydro, force them to clear every single matter with regards to this proposed diversion through the Minister. All the construction projects under the Bill will have to be approved by the Minister. Mr. Speaker, he who approves accepts responsibility, hence the responsibility is in my honourable friend's hands. So they have the responsibility now, Mr. Speaker, to prove to this House and to the people of Manitoba that this is the right course.

So, Mr. Speaker, we have to carry on with further information that the government will have to produce. Are all of the elements of Phase I considered necessary for Phase I itself, or what elements are really needed to maximize the economic benefits of Phase I alone? Because there appears now to be some question as to whether or not we will ever go into Phase II, and here on this side of the House we can only operate by what we read in the newspapers in this area. Do any parts of Phase I involve the construction of excess capacity which could be utilized only by future development of the Nelson after Phase I? And if so, what are these excess capacity elements and how much do they cost? And what is the cost of power in the average power capacity from the Kettle site if the Churchill diversion is not constructed? What does happen to the Nelson cost, or to the Kettle cost? And what happens if the Lake Winnipeg control is not constructed, and what happens if neither the Lake Winnipeg control nor the Churchill diversion are constructed? What are the costs in the production element then? And what is the current construction schedule for Manitoba Hydro up to 1985, and at what time, Mr. Speaker, must construction start on the various proposed plants? What are today's plans with regard to the Lake Winnipeg control? When is it to be built? What is the present estimated capital cost? What are the total estimated costs and benefits, and what is the total power capacity that it will generate on average for Phase I alone, and what will that cost of power be?

And the same questions, Mr. Speaker, with regard to the Churchill River diversion. What is the present estimated cost of Phase I power which will be generated by the Churchill River diversion, first at the Kettle River site, at the Burntwood River power, and then the total power costs? How much power will be generated, Mr. Speaker, on the average during Phase I alone - Phase I alone - by the Churchill River diversion at Kettle site, on the Burntwood River, and in total?

Back to the fundamental question behind the whole Churchill site, Mr. Speaker: what alternatives were examined and compared with the Churchill River diversion, and what was the comparative power to be generated by the alternatives? What was the comparative costs of power, and what was the inventory of relevant secondary costs and the benefits for each scheme - this one proposed by the government, and the alternatives which we know exist? Mr. Speaker, is there under the present proposal any excess capacity in the Churchill River diversion which cannot be utilized during Phase I if, as we hear, Phase II is not to be proceeded with? What are the plans for plants on the Burntwood and Rat River systems? What are the costs and where is this power to be sold?

(MR. MOLGAT cont'd.)

Mr. Speaker, I haven't in any way tried to exhaust the type of questions which members of this House must be satisfied, personally, each one of us, that they have the answer before a vote can be taken on this issue. These are only some of the questions that face them, because it comes back to the fundamental question, Mr. Speaker, of what is best for Manitoba in total, and we do not have that answer at this time. Well, I know what some members opposite, not the backbenchers, in fact not the majority of the front benchers, some of them will say the matter has already been decided. They will say, and I can hear the reply to my comments from some of the honourable front-benchers opposite: "This was settled in 1966; why bring the matter up now?" Mr. Speaker, if it was settled in 1966, why is the government bringing the bill before us now? And furthermore, Mr. Speaker, it wasn't settled in 1966, because if you go back to what was given to us in 1966 of this report, if you go back to the discussions that were held in the committee in 1966, it was clear at that time that further studies were going to be undertaken, that no decision had been reached.

Mr. Speaker, I refer now to the Nelson River investigations, the interim report, November 30, 1965. I received my copy on the 21st of February 1966, and it states on Page 21: "Churchill River Diversion. Two main routs exist for the diversion of water from the Churchill River, one in Saskatchewan and one in Manitoba." And then it goes on to describe them and I would say that the paragraph that states most clearly the position is on Page 22, and it states: "Although the Rat-Burntwood River route for Churchill River diversion appears at this juncture to be very promising, the Phase I development which is discussed in this report would not require a start on construction of the diversion route works before 1967. This, in effect, would leave a marginal amount of time within which to further examine the Sturgeon-Weir route in case it should reveal advantages greater than those indicated by the preliminary assessments which so far it had made of that route."

On questioning subsequently, Mr. Speaker, in the committee, the reply at that time when asked about studies -- I'm referring now to Page 31 -- these are other studies when I was questioning Manitoba Hydro: "What effect will this have on the other aspects, for example, fisheries and wildlife? Has this been studied thoroughly?" This is my question, Mr. Speaker, on Page 31 of the third meeting of the committee on the 21st of March, 1966. The reply from Hydro was: "They are being studied in general terms." Further on, on Page 32, I again asked: "Did I understand correctly that the studies insofar as effect on fisheries and wildlife are proceeding now but have not been completed?" The reply was: "There are studies to get underway, more intensive studies to find out what adjustments can be made here and there."

So Mr. Speaker, it wasn't settled in 1966. It was being studied in 1966. And the question that this House now asks: what were the results of those studies? Let the government tell us. Let the government produce the studies. Let the government show that the benefits of the Churchill River diversion through the Rat and Burntwood by study are superior to those of the Sturgeon-Weir by study. We have seen no evidence of this, Mr. Speaker.

Mr. Speaker, we know that if you look at the whole question of costs that there's been a fantastic change since 1966. One need only look at the interest rate for one, because if you come back to this original report, Mr. Speaker, in 1965, it says on Page 37: "Notwithstanding the short term superiority of the thermal sequence, the Phase I development of the Nelson River over a 50-year term at a 5 1/2 percent rate of interest has a benefit cost ratio very slightly in excess of one when compared to the thermal alternatives."

Mr. Speaker, that's a 5 1/2 percent interest rate. If I remember correctly, the Provincial Treasurer, when telling the House some three weeks ago about our most recent borrowings in the United States, indicated that the costs of the borrowing was in the order of 7.9 percent. In other words, some 2 1/2 percent higher than they anticipated. And Mr. Speaker, if you go back to these hearings in 1966, you will find that under questioning it was indicated that every one percent change in interest rate would be the equivalent to roughly one-half mill in the cost of power, and so if we were talking in those days in terms of power at roughly four mills delivered to the Southern system, and we're talking in today's terms of money at some even say two percent higher, then we're talking in terms of an extra mill at least minimum.

But what about construction costs, Mr. Speaker? The interest cost is one feature. What's happened to construction costs. Well I don't have the latest figures, Mr. Speaker, and I would ask the government to submit them on every element involved because this House cannot make a decision on this sort of an issue unless we have all the facts, but the last time

(MR. MOLGAT cont'd.) we looked at it, the last time we got information from the government, there had been a very substantial increase, Mr. Speaker, in the estimated costs then. The original costs were estimated to be some \$305 million for the whole of Phase I. I'm sorry, Mr. Speaker, I do not seem to find the exact page at the moment but from my recollection this had moved up in the course of the past year to one of the elements which was 143 million in the first place - that's the Kettle site - had moved up to 289 million, virtually doubled. And when you look, Mr. Speaker, at what the costs were in 1966 and when we looked at that one - and I'm referring now to the first hearing, the second section, on the 8th of March, 1966 - under questioning of Hydro it was revealed that the cost of installation of the Kettle structure was going to be something in the order of \$161.00 per kilowatt hour installed. And one of my colleagues who was then proceeding with the questioning said, "Is there any possibility that this cost might come up to, instead of being \$161.00, could quite conceivably end up as \$261.00 for the first phase of the development?" And under reply Hydro then said, on page 55, "I can't see any prospect of them being at levels that would shoot the costs from \$160-odd up to \$260-odd. This would be an enormous inflationary increase."

And yet, Mr. Speaker, if the latest figures I have are correct - and I hasten to add, Mr. Speaker, that I have to operate by what information I can get; I do not have access to all the information - but if we're talking in 1966 in terms of \$161.00 per installed kilowatt we were at that time talking in terms of a station of 855,000 kilowatts. By 1969 the project has changed. We are now talking in terms of a station of in excess of one million kilowatts and the costs have apparently gone up to something in the order of \$289 million. Well, if it's a million kilowatts at \$289 million cost, we are then in the category of having something in the order of \$289.00 per installed kilowatt. I don't think it will be quite that high, Mr. Speaker, because I think the capacity is probably something in excess of one, but we're pretty close to that \$260.00 figure which in 1966 was considered to be an enormous inflationary increase.

So, Mr. Speaker, if you look at all these things it is evident that there must be a total re-analysis. Mr. Speaker, I know what my friends opposite are going to say. It's too late. It's too late. We can't change. Mr. Speaker, it's not too late to look at it and to get the facts. If we are locked in and if there's no way out, then we'll have to face the facts. But, Mr. Speaker, let us not make a decision without the facts because nothing could be worse for our province. Let us get the facts. Let's find out really where we stand at this time.

Mr. Speaker, when you are asked to make a decision on this sort of a basis, I think that all of us would do well to go back to what our own experts recommend as a basis of good planning in the field particularly of resources. Coming out of the 1961 Canadian Conference on Resources were a number of recommendations as to what was a good approach to sound planning for the multi-purpose use of natural resources. The elements that were listed then are as follows, as the basics of good planning: No. 1: The costs of all reasonable alternatives should be obtained. No. 2: The economic benefits of all reasonable alternatives should be obtained. No. 3: The costs of damage, disruption, benefits foregone, and so on, should be obtained and added to No. 1.

MR. SPEAKER: . . . to remind the House that it is now 10:00 o'clock and I'm open for any suggestions.

MR. LYON: Mr. Speaker, we're quite prepared to sit longer to let my honourable friend conclude his contribution.

MR. SPEAKER: Agreed? (Agreed.)

MR. MOLGAT: Mr. Speaker, I think I can conclude very quickly. I was at No. 3. No. 4: The intangible costs of each alternative should be assessed. No. 5: The intangible benefits of each alternative should be assessed. No. 6: The degree of closure of future options for each alternatives should be assessed. And the conclusion then, on the basis of all points above, the decision as to which is the most economical and desirable alternative can be made.

Mr. Speaker, this is the position I think in which this House now finds itself, and the government must provide the answer to those six points before any members in this House, including my honourable friends opposite, can conscientiously make a decision on an issue which has such potential impact on the future of our province, Mr. Speaker, because once this decision is reached there is no turning back. There is no changing the situation once South Indian Lake is flooded, and we must be sure before we make that decision that it is in fact the best alternative possible. If it is, Mr. Speaker, unpleasant as it may be to all of us, that unpleasant decision will have to be made, and I for one will be prepared to make it but,

(MR. MOLGAT cont'd.) Mr. Speaker, I cannot make that kind of a decision without having all of the elements.

So, Mr. Speaker, I appeal to the government: don't close your minds. I say to the Premier: don't listen to those three individuals to your right. Ignore them. They've got closed minds. Closed minds. They're not prepared to look at life as it is today. They're not prepared to look at what the facts are at this moment. They're so convinced that they made the right decision three years ago that they couldn't conceive of looking at it again. So Mr. Premier, ignore them. But you do what's right for Manitoba. I know that that's what you want. I give you credit for that. The only way that you can do what's right for Manitoba here is to have a full disclosure, an openness. Get the facts out. If the facts are right and if they endorse what's been done, you will have my support. But I cannot give support, Mr. Speaker, to this bill without having those facts, and so I ask the government to hold this Bill in the House. Let us call the Public Utilities Committee. Let us get before us the experts and let's get the answers. Then, Mr. Speaker, I will be prepared, once the answers are before us, I will be prepared on a non-partisan basis what's -- (Interjection) -- well obviously the Provincial Treasurer has never heard of a non-partisan basis. -- (Interjections) -- I didn't think he had. I didn't think he had. It confirms my point of view, Mr. Speaker, that the Premier ought to ignore those three. They're bad medicine. They can only lead him to trouble. I hope I couldn't -- no, I shouldn't impugn motives to them but, Mr. Premier, beware of them; they're a dangerous lot. Don't know who they're working for, you know. But I'll tell you. Let's get the facts on what's good for Manitoba. Let's get it out in the committee. Let's get all the information; then this House can make a decision. So, Mr. Speaker, I urge the government: do not pass the Bill now. Call the Public Utilities Committee. Let us get all the information required, then we can come back into this House and make a sound decision. Short of that, Mr. Speaker, it is impossible to support this Bill.

MR. HANUSCHAK: Mr. Speaker, I wish to move, seconded by the Honourable Member for Kildonan, that debate be adjourned.

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

MR. LYON: Mr. Speaker, I beg to move, seconded by my honourable friend the Minister of Finance, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 10:00 o'clock Friday morning.