

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, March 6th, 1963.

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions
Reading and Receiving Petitions

MR. CLERK: The petition of Leslie Lidstone praying for the passing of An Act for the relief of Leslie Lidstone and Lucienne Marie Lidstone.

The petition of Harvey Lipkin and others praying for the passing of An Act to incorporate Bel Acres Golf and Country Club.

The petition of John Mason and others, praying for the passing of An Act to incorporate the Nelson Finance Corporation.

MADAM SPEAKER: Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville) introduced Bill No. 18, An Act to amend The Women's Institute Act; and Bill No. 11, An Act to amend The Noxious Weeds Act.

HON. GEORGE JOHNSON (Minister of Health) (Gimli) introduced Bill No. 22, An Act to amend The Vital Statistics Act.

MADAM SPEAKER: Orders of the Day

HON. GURNEY EVANS (Minister of Industry & Commerce and Provincial Secretary) (Fort Rouge): Madam Speaker, before you proceed with the Orders of the Day, I would like to lay on the table the report of the Committee on Manitoba's Economic Future, under the simple title "Manitoba 1962 to 1975". I wonder, Madam Speaker, if I might have the indulgence of the House to say just a very brief word concerning this report. Have I consent? -- (Interjection) -- I appreciate the courtesy of the House very much. Mr. McMillan and the Committee on Manitoba's Economic Future called on the Premier and members of the Cabinet this morning and presented this report which has now been in course of preparation for two years. It's a very large report and undoubtedly members will require time to study it and for that reason I'm not going to suggest at this time when it may be taken into discussion or debated. However, we do undertake at any occasion the members would like to, to have any discussion or to answer any questions we're able to with respect to this report.

What policy may develop from the report remains yet to be seen. It is literally true that the government did not see this report until it was presented to us. It will be found that summaries appear in the press, but they were given to the press some six or seven days ago for their confidential use and so we're not able at this time to indicate what courses of action may be proposed on the basis of the report. I think it may well be a milestone for this province and I think it's unique as a study in at least North America. We have not been able to find any state or province or other area that has been subjected to as intensive a study as this one. The main committee consisted of 42 leading people from almost every segment of the economy. They were the leaders in their field; those who ran businesses did not send their department or other managers, they came themselves. Those who came from the labour movement were themselves occupants of leading positions; the same applied to agriculture and from the academic field and The University of Manitoba.

The report itself is a product based on the studies of some 38 professional consultants or consulting firms and you will find that the conclusions that are arrived at I think are firmly based. But, really the reason for asking permission to make a few extra remarks at this time is to pay tribute to these 42 people on the main committee, some 192 other business, labour, professional and academic people who acted on advisory committees entirely without remuneration and without the payment of anything corresponding to expenses. This was a remarkable co-operative effort by the whole people of Manitoba, and I think it would be only right at this time for me to pay tribute to first, the amount of time and sacrifice that has been put into this report; and second to note the spirit of co-operation that existed first of all between the two sides

(Mr. Evans, cont'd) of the House of Industry, namely management and labour, because both sides gave unstintingly, both sides worked together, and I think it can be noted with great satisfaction that there was co-operation of a very high order in producing this report. And so I do thank the House -- without trespassing further on the time, I do thank the House for their courtesy in allowing me to say this one word of tribute to those who have contributed so markedly, I think, to our progress.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose du Lac): Madam Speaker, I wonder if I might just thank the Minister for his statement and join with him in tribute to the people who worked so hard on this report and also to ask him whether we will be receiving copies now.

MR. EVANS: At once.

MR. RUSSELL PAULLEY (Leader of the NDP) (Radisson): Madam Speaker, I join with the Minister in thanks to the committee -- as a matter of fact I think, if the House will recall, I made reference of thanks to the committee in my discourse yesterday afternoon.

MR. T.P. HILLHOUSE, Q.C. (Selkirk): May I make a suggestion to the Honourable Minister; that out of consideration for the political affiliations of the people on this side of the House, would you be kind enough to decorate our copies with a red ribbon? (Interjection).

MR. EVANS: The matter, Madam Speaker, will be given proper consideration.

MADAM SPEAKER: Before the Orders of the Day, I would like to direct your attention to the gallery on my right hand where there are some 30 Grade XI pupils of the Westwood Collegiate, with their teacher, Miss Avery. This collegiate is situated in the constituency of the Honourable Member for Assiniboia. We welcome you to the Session this afternoon. We trust that you will enjoy and profit by the observations that you make here today. We hope that you will enjoy it, that probably it will be an inspiration to some of you and we hope that you will come back and visit us again.

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Madam Speaker, before the Orders of the Day are proceeded with, I should like to lay on the table of the House, the following annual reports: A copy of the annual report of the Chairman of the Liquor Control Commission for the fiscal year ending 31st March, 1962 -- 56 copies of this report have been handed to the Clerk for distribution; A report of the Comptroller-General showing the statement of assets and liabilities, profit and loss accounts, for the fiscal year ending 31st March, 1962 -- one copy only of this report is customarily tabled; A memorandum showing the general statement of administrative and prosecution expenses by the Liquor Control Commission for liquor law enforcements for the fiscal year ending 31st March, 1962 -- 8 copies of this report are available for distribution in the usual way; A report covering the operation and enforcement of liquor laws in Manitoba for the calendar year ending December 31st, 1962 -- 56 copies of this report will be distributed; A copy of a nil return under the controverted Elections Act for the calendar year 1962, first from the Court of Queen's Bench, secondly from the Manitoba Court of Appeal. No rules were made by the judges under the Act and eight copies of each of these reports are in the hands of the Clerk for distribution. A copy of a nil return under The Trade Practices Enquiry Act for the year ending December 31st, 1962 -- eight copies of this document are available for distribution; A copy of the annual report for Gaols for the fiscal year ending 31st of March 1962 -- five copies have been forwarded to the Clerk for distribution in the usual way.

MR. NELSON SHOEMAKER (Gladstone): Madam Speaker, before the Orders of the Day are called, I would like to direct a question to the Honourable the Attorney-General. Is there any truth in the rumour that the Land Titles Office at Neepawa may shortly be closed?

MR. LYON: Madam Speaker, no.

MR. HILLHOUSE: Madam Speaker, I would like to direct a question to the Honourable the Attorney-General, and if he has not the answer, he can take this as notice. Could the Honourable Attorney-General tell me how many Acts, or parts thereof, passed since 1958 and to come into force on proclamation, have not yet been proclaimed?

MR. LYON: I would suggest Madam Speaker, with deference, that that question might well be put in the form of an Order for Return. We could attempt to get the information for my honourable friend in that way.

MR. HILLHOUSE: I would like to direct a question, Madam Speaker, if I may, to the

(Mr. Hillhouse, cont'd) Minister of Agriculture and Conservation. Could the Honourable Minister advise me as to whether or no any Order-in-Council was passed under the provisions of Section 21, Subsection 3, of The Rivers and Streams Act as amended at the last Session of the Legislature, raising the designated area from 150 feet to 350 feet -- that is in horizontal width from the summer water level of the river?

MR. HUTTON: Madam Speaker, this has not been done. The matter is under consideration between the municipalities interested and the department.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable Member for Turtle Mountain for an Address to His Honour the Lieutenant-Governor in answer to his Speech at the Opening of the Session; and the proposed motion of the Honourable Leader of the Opposition in amendment thereto; and the proposed motion of the Honourable the Leader of the New Democratic Party, in amendment to the amendment. The Honourable Member for St. George.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, I would like to join those who have taken part in the debate and congratulated you on your high office. Your position is a difficult and trying one but I am confident that you have the ability to do an efficient job.

I would also like to congratulate those members across who have been given the responsibilities of departments. I know both these gentlemen; I am confident that they will administer their responsibilities to the best of their ability.

I would also like to extend my congratulations to the mover and the seconder of the Throne Speech. I recall very well a few years ago when I entered the House I had the same privilege. I thought the two gentlemen who spoke did an excellent job and no doubt will make an excellent contribution to the workings of this House.

This government talks a lot about planning. Monday in the debate the Leader of our Party pointed out how the government has failed to plan in many fields, including that of highway construction. Today they have issued the report of the Committee on Manitoba's Economic Future; a report that undoubtedly cost a great deal of money. It is designed to promote a more effective development of Manitoba. This government certainly needs a great deal of help in its own planning.

I have a shocking example, not only of the failure to plan its highway construction, but further of failure to have any co-operation, any co-ordination, between the various branches of government. Madam Speaker, through sheer incompetence; through complete failure to understand basic business concepts; through negligence in protecting the interests of Manitoba, and by total failure to plan its own affairs ahead, this government has thrown away nearly \$2 million of our own taxpayers' money. I propose to prove it to the House as to how it was done. In March, 1960, the government called for tenders for water transportation for the Grand Rapids Development. In April, 1960, the contract was awarded to Drake-Pearson for the movement of 145,000 firm tons of contract material and supplies from Selkirk to Grand Rapids. The contract required the movement of this material at the following rates -- and this has been published many times: in 1960, 25,000 tons; in 1961, 45,000 tons; in 1962, 45,000 tons again; and in 1963, 30,000 tons. The contract price for this movement was \$23.10 per ton. This was movements from the dock at Selkirk to the dock at Grand Rapids. Obviously there are additional transportation costs in getting materials, largely cement, from Fort Whyte to Selkirk, and again from the dock at Grand Rapids to the construction site. These were not part of the contract and were paid for separately by the government. To date, approximately 130,000 tons have been moved. This leaves a balance of 15,000 tons to be hauled this year on the original contract. From information I have received the remaining tonnage will, in all probability, be moved during the month of June this year, thus completing the original contract.

What have effects been of this contract? The contract, as I pointed out, was for 145,000 firm tons at \$23.10 per ton, or a total contract value of \$3,350,000.00. Trade and Engineering publications indicate that the cost of marine equipment to fulfill this contract is \$900,000.00. Other costs including the construction of docks, buildings and other capital requirements are estimated at \$500,000.00. This makes a total capital investment of \$1.4 million. Operating costs over the four-year period are calculated at \$600,000.00. Taking all these figures, therefore, we get the following: original capital outlay \$1,400,000; operating costs for four years, \$600,000; the total cost \$2 million. Deducting this from the original contract value of

(Mr. Guttormson, cont'd) \$3,350,000 leaves net earnings of about \$1.35 million. This is net earnings after paying fully for the total capital outlay. I understand that now other parties are interested in purchasing the equipment for some \$500,000.00. In addition to this, according to information I have received from Ottawa, this company received a subsidy from the Federal Government in excess of \$50,000 for the building of the barges. This was an outright gift from the Federal Government under The Maritime Commission Boat Subsidy Act. So the total earnings on this four-year contract will be between \$1.8 and \$2 million, paid to this wholly-owned American company by this government. I say wholly-owned American company because early in the contract, before the end of the first year, the Canadian partner was bought out. So lucrative was the contract that the company saw fit to spend money to purchase a \$25,000 yacht; another \$50,000 on a plush hunting lodge on Hecla Island. This lodge contains, my information tells me, ten bedrooms, three bathrooms, and an attractive 18-foot stone fireplace. Why were these exorbitant earnings made? The answer; because this government did not plan. At the same time as this contract was being negotiated in March of 1960, and awarded in April of 1960, this government was building a road to Grand Rapids. The road to Grand Rapids was completed in the fall of 1960. At that time less than 25,000 tons of material had been hauled by water. Substantially lower trucking rates were immediately available; but this government took no action to take advantage of this. Even the government's own engineers had told them the road would be ready by the end of 1960. Despite this information this government still went ahead negotiating, and signing, in that same year, this four-year contract for water transportation.

It is true that the bridge over the Saskatchewan River had not been built at this time, but a ferry capable of carrying 150 tons per load was in operation in May 1961. This was even before the lake was open for navigation.

Madam Speaker, the transportation rate between Selkirk and Grand Rapids is probably the highest in the world. I am informed that the rate between Fort William and Sarnia, almost twice the distance between Selkirk and Grand Rapids, is about \$2.00 a ton. Every barge load of oil to Grand Rapids cost \$10,000 more than if it had been transported by truck. This was reported in the newspapers in 1961 and never contradicted.

The government recognized the exorbitant rate because while insisting that the contractors actually working on the Grand Rapids project bring their fuel requirements, plus all other requirements in by water route, they gave them a subsidy; they charged the contractors only \$10.00 a ton, transportation charges for fuel, while absorbing the remaining \$13.10 themselves. The government obviously felt that \$10.00 was a reasonable charge.

During this time, June of 1961, the Manitoba Trucking Association approached this government to see if they could not obtain some of the hauling for Manitoba truckers. Did they receive any satisfaction? No. Truckers were apparently prepared to haul at substantially lower rates. The present fourth-class commodity truck rate from Winnipeg to Grand Rapids is \$15.60 per ton. The present rate on bulk cement from Winnipeg to Grand Rapids is \$14.00 per ton; on petroleum \$11.50 per ton. Trucks haul directly from the Winnipeg site, from the plant or the site in Winnipeg to Grand Rapids or the construction site. The water contract, as I pointed out, calls for additional transportation costs at both ends. On the basis of these truck rates direct from the Winnipeg site compared to the water rates the government accepted, it is obvious on this \$145,000 ton contract there would have been a saving of about \$2 million. Meanwhile this same government-subsidized water transportation firm is trying to get tonnage hauled on Lake Winnipeg by other regular service boats on that lake. Boats which have been assuring service of all the various outposts on Lake Winnipeg for many years, are now faced with this new competition created, and subsidized, by the government of this province. If the regular boats lose this tonnage they in all probability will go out of business this year and for all time. What then can we make of this mess? The government spends \$5 1/2 million to build a road from Gypsumville to Grand Rapids; the prime purpose of this surely was to haul supplies for construction of the power site. Yet this same government turns around while it is doing this and awards a four-year contract to a water carrier, providing that firm with earnings of nearly \$2 million. The same contract by truck hauling might have been done for \$2 million less. This is a direct waste of \$2 million of the money of the taxpayers of the Province of Manitoba, because this government did not plan. In addition to this the truckers of this province

(Mr. Guttormson, cont'd) lost the opportunity to get the business.

This, Madam Speaker, is the story of what happened in the past. One would think that after this shocking performance the government would see to it that Manitoba's interests were protected for the future. The contract is now almost over, but there is still a lot of construction to be done at Grand Rapids, probably involving some 50,000 tons; structural steel, generators, power plant equipment and so on. What is the government going to do? I have information now that the government is presently carrying on negotiations with this same water carrier to renew or extend this contract. I see no indication that tenders will be called. I see no indication that the truckers of this province will be given a fair chance of this work. I challenge this government to table all the correspondence between the government, any of its boards, commissions and agencies and the Drake-Pearson Company; I challenge them to investigate and make public this whole sorry mess.

MR. LYON: Madam Speaker, I believe you will pardon me if I omit the usual generous references to yourself, to members of the Treasury Bench who are new here, and also to new members of the House and permit me with your permission to perhaps allude to those very pleasant subjects at a later time in this debate.

I rise at this time, Madam Speaker, to answer some of the rather severe allegations that have been made by the Honourable Member for St. George, lest any misinformation of the kind that he just gave the House be broadcast too far before the actual facts were known. I do not, unfortunately, have in front of me at the present time, the story or the details chronologically leading up to the granting of the water haulage contract to Drake-Pearson by Manitoba Hydro, but I think the first point I would wish to stress to the House, Madam Speaker, is that the contract which so disturbs my honourable friend from St. George was a contract, not between the Government of Manitoba and Drake-Pearson, but a contract between Manitoba Hydro as the commission responsible for the building of the project at Grand Rapids and Drake-Pearson Company. I hope I will have the indulgence of the House if the information which I provide at this time is of a sketchy nature, and I can assure you, Madam Speaker, that it will be with a great deal of pleasure that I will attempt to educate my honourable friend as to the facts of the situation when the facts are at hand in more detail.

The first point I would make, however, with respect to his allegations is this: that in a project of the scope of the Grand Rapids Hydro Development involving the expenditure of \$140 millions of public money, the paramount question that had to be determined before the project was entered upon at all was that of schedules; scheduling of materials, the arrival of materials at the site. Now I think, Madam Speaker, that you can appreciate along with all other reasonable members of the House that the site of Grand Rapids as it was only a few years ago was unconnected to the rest of Manitoba, either by road or rail or regular air service -- not that the latter would be of any value in long-term haulage of heavy material -- and so when embarking upon this project the number one and prime consideration that Manitoba Hydro had to give attention to was the question of scheduling of materials arriving at the site for construction. I need give you no more cogent example of the necessity for the scheduling than merely to remind you that \$140 million, the investment of that amount of capital, if delayed for a period of six months -- six months would amount in interest to \$3 1/2 million; and if delayed for a year at five percent, your interest or carrying charges on this amount run to approximately \$6 to \$7 million, and so one can see immediately that scheduling is all important when you are dealing with these amounts of money, because the delay of the project for six months or a year can result in much higher cost carrying charges on the capital that is to be invested. It was apparent right from the outset that new modes of transportation, according to Manitoba Hydro, had to be developed in order to make this project feasible economically. It was apparent that a road had to be constructed into the Grand Rapids site north from Gypsumville; it was apparent as well that the water connection between southeastern Manitoba and Grand Rapids had to be utilized to its fullest extent because of the availability of haulage on water surface during spring and summer and early fall months, when it provided perhaps the most adequate form of haulage service to the site. It was with these thoughts in mind that Manitoba Hydro realized that the road had to go ahead and that a water haulage contract had to be entered into, contemporaneously. One could not take a chance on having a road in alone because one who is familiar with roads and weather conditions in Manitoba realize that during spring

(Mr. Lyon, cont'd) break-up when road conditions in Manitoba are not always at their best, if the road were the only form of transportation that the Hydro could rely upon, there may well be weeks when they could not have any road transportation at all passing over that route. Another prime consideration of course was the fact that one could not tell how long the road construction was going to take. The water haulage contract on the other hand presented a problem more easily resolved in the sense that it was a question of getting the proper type of haulage firm to carry on this work on the waterways in order to back up and to buttress the form of transportation that would subsequently be made available through the building of the highway. Well, the two went ahead contemporaneously.

Now I may just have material here which will permit me, chronologically, from that point to move on. The roll that I have been speaking of with respect to water transport is defined and described by Hydro as the back-up roll; the back-up roll of water transport to provide and to ensure a continuous supply of materials and heavy equipment onto the site during the initial period, 1961 to 1963, and the barge system was found by Hydro to be the sole means and the best means of heavy transport throughout the whole summer of 1960. In order to provide this requisite degree of schedule protection about which I have just been speaking, Manitoba Hydro decided that by a combination of heavy barge transport as well as the new highway and the bridge which my honourable friend mentioned, not only could an adequate degree of transport reliability be provided, but also that this was -- and I stress this -- the most economic means through which a requisite degree of work reliability could be achieved. In order to provide the necessary marine transport equipment Manitoba Hydro called for tenders for the transport of certain stipulated tonnages from Selkirk to Grand Rapids including the necessary loading and unloading facilities. Manitoba Hydro of course realize that a very large proportion of the costs associated with water transport would relate to the availability of the necessary tugs, the barges, the storage yards and the lifting equipment and so on, and that these costs would be relatively independent to the expense to which these facilities were actually employed. In order that the contractors could tender intelligently on the water transport services required, Manitoba Hydro stipulated certain minimum or guaranteed tonnages which would be available for water transport in each of the four navigation seasons, from 1960 to 1963 inclusive. This meant, in effect, that Manitoba Hydro, under the contract, would pay a stipulated rate per ton for the guaranteed minimum tonnage, even though somewhat lesser tonnages might actually be shipped. Now in order to make sure that the heavy construction could get off to a proper start in 1961, irrespective of the type of break-up and the condition of the roads in the early spring of 1961, Manitoba Hydro had found it necessary to stipulate minimum tonnages for 1961, which would be adequate to cover the minimum requirements for that season, and so the question of minimum tonnages, I suggest, Madam Speaker, is explained through the necessity of Hydro having to enter into the water haulage contract and to provide certain minimums before it could get firms to tender upon the haulage contract itself.

Now I do not have at hand anything of more detail at the present time with respect to the actual costs, or the precise figures of the tonnages, or the tenders that were received by Manitoba Hydro at the time. I can make that, and I certainly will get that information, and make sure that it is provided immediately. If further information is wanted with respect to the scheduling, let me give my honourable friend this further advice, however; the reasons for the contract for the transportation by barge over the seasons that we have mentioned, rather than by road through Gypsumville I'll review, and I'll set out the four main points for you.

Firstly, the need to transport large tonnages during 1960 when no road existed -- this was the primary reason that was motivating Manitoba Hydro to act as it did. Secondly, the projection of the project schedule which I have already dealt with. Thirdly, the relatively cheap cost of this protection having regard to what I have already mentioned, namely, the carrying costs on the amount of capital invested. And fourthly, the potential savings in contractors' estimates for contingencies and savings in preventing claims for extras because of uncertainties, or breakdown, or other unreliable items in transportation facilities.

It was absolutely necessary in 1960 to utilize the whole construction season if the scheduling which made Grand Rapids an economically feasible project was to be followed through. Neither a highway, as I have mentioned, nor a railway, could be completed in the desired time and marine transport was the only logical alternative at that particular moment

(Mr. Lyon, cont'd.) and subsequently as a back-up measure for the highways.

The failure to reach the Grand Rapids target date which I have already mentioned in terms of the scheduling and the importance of carrying charges, could result not only in the loss in carrying charges that I have already mentioned to you, but in a costly power shortage for the Province of Manitoba, because one must remember that there are two items to be considered in scheduling a project of this nature. No. (1) - the supply of power that is to be made available to the people of Manitoba, and the dates on which this power must be available for consumers, industrial farms and so on; and No. (2) - the other item of carrying charges that I have mentioned.

Manitoba Hydro did not consider 120 miles of Class "B" Highway alone as a sufficient guarantee for the movement of the mammoth tonnages on the tight time table required to protect this whole project schedule. This was particularly true during, as I have mentioned, spring breakup and after heavy summer rains. It was only through the combination of the two, the road and the marine route, that the necessary degree of transport dependability with respect to very vital materials could be provided.

Now, I didn't note down my honourable friend's figures with respect to tonnages that were contracted for, but I can give him these figures and if they are in harmony with the ones that I now quote to him, his mind will be at rest. The tonnages contracted for were as follows: 25,000 tons in 1960; 45,000 tons in 1961; 45,000 tons in 1962; 30,000 tons in 1963. The over-all cost to Manitoba Hydro, including dock and handling facilities and storage costs, is \$3,335,000 or \$23.10 per ton. The truck haulage rate would not likely have been less than \$13.10 per ton, if one could have depended exclusively upon highway haulage. Against this apparent premium of \$10.00 a ton, which seems to be the nub of my honourable friend's concern, or a total of \$1,450,000 for the period 1960 to 1963, we must then credit the cost of 23,500 tons over a distance of 120 miles by tractor-train, from Gypsumville, amounting to \$17.00 per ton, or approximately \$400,000.00. In addition reduced maintenance on the highway with the road tonnages reduced by approximately half, would also be credited in part of the cost of the barge transport to further decrease the outside figure of approximately \$1 million. The above amount represents less than one percent -- as a matter of fact .72 percent -- of the project cost -- which would have been a very tempting premium in itself to obtain were it not necessary to have this absolutely ironclad schedule protection, which was afforded by the dual system of transport.

Now there are other items that one could carry on to discuss in this regard. I think I have only dealt in general terms with the basic reasoning behind the contract, the necessity for the back-up haulage, and so on. I can tell my honourable friend, however, because we have had discussions with Manitoba Hydro about this contract, that it is their considered opinion that the combination of the new Class "B" Highway and the highway bridge, plus the marine transport, was the only way in which they could provide the requisite degree of transport dependability to permit Hydro to take on the obligation to supply cement, reinforcing steel and the other heavy materials and equipment that was necessary for the project; and that it reduced very much the contingency risk on the part of a contractor and as a result permitted much more attractive unit price tenders than would have otherwise been available had there been no water haulage contract in existence. That is another item I am sure which has escaped my honourable friend's consideration, but I ask him to take it into contemplation to see if he does not agree that this would be a salutary thing in considering tenders on a project of this dimension.

If dependence had been placed on the road transport alone, Hydro would have accepted a higher degree of responsibility for any shortage in the elements that might lead to transportation breakdown, and therefore contractors would have had to tender higher because of the iniquities of weather; the iniquities of lack of dependability on transport, and so on. The most likely consequences had Hydro depended entirely upon the highway would have been first of all, high contingency items incorporated into the unit prices of these contracts that I have mentioned; or, cost-plus types of contracts, which are not desirable; or thirdly, the incorporation into the contract of some sort of save-whole provision, under which Hydro would have paid standby charges in the event of breakdown of transport arrangements. On the other hand, I suggest to honourable members of the House, Madam Speaker, Manitoba Hydro have taken, as

(Mr. Lyon, cont'd) they tell us, and as we believe, the most reasonable course with respect to the development of this huge project. The dual transport system that they arranged and entered into, guaranteed the schedule, and guaranteed and saved in many cases unit prices on contracts which otherwise would have been much higher than the prices that are being enjoyed at the present time.

Manitoba Hydro, I can tell you, holds the view that by undertaking to provide cement and reinforcing steel in adequate quantity on the site, backed up by these dependable transport facilities, overall savings have probably accrued to Manitoba Hydro in excess of the \$1 million premium, which my honourable friend talked about, and which Manitoba Hydro was cognizant of when it entered into the arrangements that it did. As an example, the first two contracts entered into with respect to this project together had a low tender of \$29 million and a high tender of \$35 million. An estimate for this work based on actual costs for similar work recently in much more accessible regions was about half-way between those figures; and so Manitoba Hydro is in the fortunate position of being able to prove on the basis of its own estimates that there have been substantial, indeed great contract savings, because of the reliability of the dual transport system which they established in order to complete this project.

I realize, Madam Chairman, that my words today have been, with the exception of a few statistics that I have at hand, have been of a very general nature. I hope that we will be afforded the opportunity at a later date to answer, if in fact any answer is needed, any further allegations or any points that I may have overlooked in my honourable friend's remarks.

I know nothing at the present time with respect to current negotiations between Manitoba Hydro and Drake-Pearson, but I will undertake to become familiarized with whether there are in fact any negotiations occurring at the present time. Apparently there is a small balance of the original tonnage to be completed early in 1963, at which time Manitoba expects it can negotiate a favourable price for any additional material to be shipped to the site, the haulage equipment and so on still being in place.

I do not believe there is anything further I can give to answer these allegations at this time except to say this, Madam Speaker, that the economics of this whole Grand Rapids project were investigated most thoroughly by the Board and by the operating executive of Manitoba Hydro under the chairmanship of Mr. D.M. Stephens. I need not pay any tribute to him or to the leadership that he provides to Manitoba Hydro in this Chamber; nor do I need to pay any tribute to Manitoba Hydro as an operating commission entity in this Chamber because members opposite are as well acquainted with the efficient and practical type of organization that they operate as are we on the government benches. I merely say that all of the scheduling with respect to this project was gone over most thoroughly; that all of the steps that Manitoba Hydro took with respect, not only to the transport haulage, but with respect to tendering and so on, had to be measured against the schedule to make the project in itself economically feasible; and had to be measured as well against the desirability, indeed the absolute necessity, of having generators, or having the first unit of this plant in operation in 1964 to 1965. These were the motivations for the procedures that were adopted with respect to Grand Rapids. My honourable friend can attempt all he wishes to make a prima facie case of negligence against Manitoba Hydro in this regard. I can only reply, Madam Speaker, with the facts; and if there are any facts that the House still desires after these few remarks today, I shall be only too happy to provide.

MR. MOLGAT: I wonder if the Minister would permit a few questions. He stated in his opening phrase that he was going to deal with the misinformation that had been given by the previous speaker. I wonder if the Minister would indicate what items in the speech given by the Member for St. George were misinformation and incorrect.

MR. LYON: The main allegation that was made -- of course, it's the usual allegation, Madam Speaker, from the Honourable Member for St. George -- was an allegation to the effect of negligence on the part of the Manitoba Government with respect to this contract. He apparently wasn't even aware that it was Manitoba Hydro who had entered into negotiation. But the theories of, shall I say, misinterpretation, placed upon certain basic information that he had I think warranted the comment that I made, and on reviewing Hansard I'm sure that that comment will stand up even more readily than it does at the present moment.

MR. MOLGAT: Will the Minister permit another question? Is this government responsible for its boards and agencies, such as Manitoba Hydro?

MR. LYON: The government is happy to take responsibility for the actions of its commissions, even though they be separate and autonomous commissions operated by their own board. There is no attempting to dodge the issue of responsibility whatsoever.

MR. MOLGAT: Would the Minister follow the suggestion of my honourable friend from St. George and table all the correspondence and agreements between the government, any boards and agencies, and Drake-Pearson.

MR. LYON: If my honourable friend, Madam Speaker, would do us the courtesy of I'm not aware that the figure that was mentioned by the Honourable Leader of the Opposition can be construed as "profits". I don't think that I -- I know I haven't that information at hand and I'm much more convinced that my honourable friend hasn't that information at hand.

MR. MOLGAT: But Madam Speaker -- (Interjection) -- I happen to be asking a question.

HON. DUFF ROBLIN (Premier) (Wolseley): This is not the customary way of conducting a debate. If my honourable friend wishes to speak on this issue I'm sure we'd be delighted to hear him. He has the opportunity of doing so and he can bring out any observations that he wishes to make in that way. We don't usually have a series of cross questions. In fact I doubt that it's in order.

MR. MOLGAT: Madam Speaker, I was asking questions of the Minister of Public Utilities, not of the First Minister. The Minister of Public Utilities said that this had been very thoroughly investigated by the government and by the Hydro. Would he not then be aware of what the profits were?

MR. LYON: Madam Speaker, I'm afraid my honourable friend didn't do me the courtesy of listening with that degree of care that he should, my remarks. I said that this matter had been thoroughly investigated by Manitoba Hydro and that the whole matter of the scheduling and the economics was tied in very closely together, that was why it was necessary to develop the dual system of transportation about which I've spoken at some length, and about which my honourable friend, I hope, is more enlightened now than he was half an hour ago.

MR. D. L. CAMPBELL (Lakeside): Madam Speaker, would the Honourable Minister answer me one question? -- (Interjection) -- I'm used to that. Madam Speaker, I was quite able to follow the honourable gentleman's argument with regard to the point of the importance of the scheduling as far as providing adequate power was concerned, but for clarification I would like to ask him if he would elaborate on the point of the interest, because it seemed to me that when he was dealing with the matter of interest that he was suggesting that interest would be charged on the whole \$140 million during any delay. Surely, he's not suggesting that the whole \$140 million would be borrowed at once.

MR. ROBLIN: the whole point; you missed it -- (Interjection) -- Yes, you missed it.

MR. LYON: Madam Speaker, would be approximately \$5 million, a loss of approximately \$5 million in construction interest charges, that's based on a rate of 5 3/4 percent on over 80 millions of dollars of investment at the time that the loss would be sustained.

MR. CAMPBELL: Madam Speaker, might I ask the Honourable the First Minister a question. I understood him to say that they were paying interest on the whole amount of \$140 million. Is that correct?

MR. ROBLIN: Madam Speaker, it is quite out of order for me to answer a question at this time and I would decline to do so; but I would be delighted to deal with the matter at some suitable date when it's in order.

MR. CAMPBELL: It's not as much out of order for my honourable friend to answer the question as it was for him to make the "interjection" and suggest that I had missed the point and that interest was paid on the whole \$140 million, which he did. Whether the record caught him or not, that's what he said.

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): May I extend to you, my very best wishes and my congratulations, and to the new Ministers also, my very best wishes and good luck; and to the mover and seconder, I want to say that I enjoyed their remarks, I thought they were very pertinent and I'm looking forward to seeing more contributions from them in the future.

I hope to participate in the debate before it is all over, but I couldn't just sit here and

(Mr. Hryhorczuk, cont'd) listen to the answers that have been given to this very serious charge without at least getting up and making some remarks about them. As to this \$140 million, I understood the Honourable Minister to say in his opening remarks that he calculated the interest costs on the \$140 million, if I heard him correctly. If he did calculate them on the basis of \$140 million then of course he is not accurate in that calculation. Because surely this government nor no other government invested \$140 million before the transportation of the required goods and materials were delivered or were to be delivered to Grand Rapids.

Now, he's made quite a bit of the fact that we have dual transportation. Now how important is that dual transportation? And why did they proceed to enter into a transportation contract knowing -- and they must have known, if they planned all this work well in advance, they should have done. It's a \$140 million project -- certainly didn't make up their minds in a month or a couple of months -- they must have known well in advance they were going ahead with this project. They could have also known that they could have that road completed in the matter of a year; that road bed as I understand it and the information I have is a good sound road bed, it's nothing like our bog up north here, the construction material there is excellent. The engineers could have given them, as they did, fairly close calculations as to when the road would be completed, and all they had to do was to start the building of the road just a few months earlier, and then it would not have been necessary to have the water transportation, because the road would have carried the freight that was needed at Grand Rapids. I would also like to point out, Madam Speaker, that insofar as the production of electricity in Grand Rapids, which I expect will be ready about 1965, my understanding is that our present production of electricity in the province will hold the province in its needs until about 1967.

Now I'm going into this debate on the spur of the moment in the same manner as the Honourable the Minister has, and I find that his answers are inadequate to the charges made. Now had the road been constructed in time to carry the equipment needed at Grand Rapids, then what about this spring break-up of roads that the Minister is talking about as one of the arguments why they had to have the water transportation. May I remind the Honourable Minister that he could have used the road the year around for delivery. He could have used that road during the winter months as well as the summer months. If there was any danger in defaultation on delivery of equipment, it would sooner happen over the water with the barges available than it would have over the land with all the truckage equipment we have; and if the figure of \$2 million profit on an investment such as we have heard of this afternoon is correct, then this particular charge requires a much better answer than was given us this afternoon.

I understand that the Honourable Minister said that he will have more to say on this subject at a later date. I hope he has. I think the people of the Province of Manitoba will be waiting for sufficient answer to the charge. I also either did not hear him give an answer to the rumour that there are at present negotiations to extend this contract going on with the same company. If there are any basis to these rumours, I think it is only right that the government should give us the answers because there's no question from what we've heard this afternoon that the contract with the Drake Company was ill-advised, and if it was ill-advised then certainly a continuation of that contract cannot be well-advised. And if there is any possibility the government is intending to extend that contract, then I think that before they do so all particulars should be available to the members of this House.

I regret, Madam Speaker, that I had to get up and take part in this debate without all the detailed knowledge that I would like to have had, but I think it is only fair to the members of the House and the people of the province that the members of the Opposition do ask for good and complete answers to the charge made by the Honourable Member for St. George.

MR. ROBLIN: Madam Speaker, this is the kind of debate that I must say I enjoy, because usually when we meet in this House there's a temptation on the part of some of us to deal largely from a prepared brief when discussing matters of interest to us, and of course, I suppose in the nature of things, that is to be expected. But it does provide an interesting afternoon when members who have a point of interest to them, such as that that's been raised by the Honourable Member for St. George, place them before the House in the emphatic manner in which he usually does, and then they insist on some immediate and prompt reply on matters of considerable technical complexity. However, I think that it is good that we should discuss these matters insofar as we can, speaking from a background of information rather than from detailed scrutiny of the

(Mr. Roblin, cont'd) points made by the honourable gentlemen at the time the point is made, because he is one of these members of the House who specializes in what I call scandal. He is one of the members of the House who makes it a matter of personal pride, I think, to bring before the Legislature matters which, at least from the way in which they're presented by him, as far as that presentation commends itself to me, seems to imply that there's a scandalous matter which he, as an intrepid legislator, has unearthed and wishes to present for the scrutiny of the public. Well, I suppose that I shouldn't really complain about that, that's part of the duties of a member of the Legislature. I remember the same honourable gentleman has raised other issues of a scandalous nature which he failed to follow through on; but in this particular occasion I propose to give him an opportunity to follow through, because I believe that we should definitely have this matter examined in a way in which is not possible in the regular meetings in this Chamber; because it is, I think, in the public interest that charges of this sort should not be allowed to remain in the area of speculation or uninformed comment, and I think that what has been said by my honourable friend is in the nature of speculation and uninformed comment, and that he is entitled -- and let us give him his due -- he is entitled to have these matters considered in a way in which we cannot do in the Chamber, but which we can do outside the Chamber, where we can have those experts and technicians upon whose advice the government necessarily relies, explain what their views are and be available for the questioning and cross-examination that members of the House may wish to put. Because I want to make it perfectly clear and beyond any shadow or peradventure of a doubt that there is nothing in connection with this matter as far as the Government of Manitoba is concerned, that we will be glad and happy to have fully scrutinized in the most detailed way by members of the House in a way which I will suggest in a minute or two. That is, a public concern like this raised by a member as they have been, I think are entitled to be dealt with in that manner, and I want to give the assurance to members of the House that there will be no effort on our part to dodge this in any way or to withhold from the House or the public any information that we can supply in respect of these matters, so I propose that the Committee on Natural Resources and Public Utilities should be convened at an early date so that my honourable friend the Member for St. George and those that think like him may have an opportunity of pursuing this matter to any length they wish. I might say, of course, that although my honourable friend likes to surprise us with these statements, which this afternoon's performance is typical, I must say that he's not breaking a new trail because the Honourable Member for Selkirk had some concern about this matter one or two years ago. We did our best to explain the facts to him and, while I don't know how he feels about it at the present time, I had hoped that the explanation given at that time had carried his judgment as being reasonable under the circumstances. Whether they do or not still, I don't know, and he may enlighten us on it, but in any case this is a matter which is not new, although it has been presented in a startling and dramatic form this afternoon.

Now with respect to the actual charge in itself, I think there are one or two observations of a general character that may well be made at this stage without the benefit of the detail and without the benefit of the technical advice which is so important in these matters, and the first is that hindsight is mighty easy. It's very simple to say after an event has happened or after time has elapsed, "Oh, you could have done so and so." I daresay that applies to many different activities of life. If we had the gift of foresight; if we could look ahead with certainty with respect to great issues and great undertakings; it would be a lot simpler than the fact actually is, and if we were blessed with that gift of hindsight which comes rather handily to my honourable friend for St. George, that would help things too. But the plain fact is that one must deal with the situation as one sees it at the time and one must deal with it on the facts that are presented at the time, and then one makes one's decision. Anyone who is engaged in any undertaking of magnitude, an undertaking of the magnitude of \$140 million as this particular undertaking is, one proceeds with due caution, particularly when it is not only a question of money that is involved, but the supply of an essential public service, one proceeds with due caution. I want to say that I would have been critical of the management of the Manitoba Hydro Board, as I am not critical today, if they had taken undue risks in the conduct of their operation in connection with Grand Rapids, and I say that no member of this House can, in reason, criticize them for using natural prudence in the conduct of that great affair.

(Mr. Roblin, cont'd)

Let me tell you some of the factors that are involved in this situation. We are dealing here with the supply of electricity to a great province. We don't want any blackouts in the Province of Manitoba when it comes to electricity supply, and I say to the Member for Ethelbert who has more information as to how long our electricity will last than I have, I say to him that he's quite wrong if he thinks that there could be any margin for risk-taking in connection with the supply of electricity here in the Province of Manitoba. What would happen to the reputation of this province as an industrial centre; what would become of our campaign to industrialize Manitoba, based as it is to a very important degree on the supply of electricity, if we had had a brownout or a blackout or a failure of supply, particularly because our Hydro Board to whom we entrust this responsibility had failed to act with due prudence and reasonable caution. There would be a basis for criticism. There would be a basis for our people to declare that we and our utility and the Hydro had failed the public interest and public responsibility. So when you consider the investment of \$140 million for this purpose of guaranteeing the supply of electricity in this province, then I think a policy of prudence on the part of Mr. Stephens and the members of the Hydro Board is a proper policy indeed and one which we should support.

I say to my honourable friend the Member for St. George, and I say to the Leader of the Opposition and others on that side of the House, that they should take that into account; that they should look at this matter, not from the point of view of scoring perhaps a dramatic success in the debates of the Chamber, but they should look upon it with a point of view as to how it fits in with prudent management in the supply of electricity. I say to you that if you had been sitting in the seats of the Manitoba Hydro Board in '59 and '60 and those years when this tremendous plan was being developed, you too would have said, "We will ensure transportation to Grand Rapids." Now it is perfectly true that that road was built with great despatch, but I think I betray no secrets when I say that at the time this decision had to be made -- at the time this decision had to be made, and that was before one square cubic yard of earth on the Grand Rapids road had ever been moved -- more than that, before it was ever surveyed and investigated and laid out -- before a thing had been done, because of the time element involved, decisions about transportation had to be made and they couldn't be avoided and they couldn't be postponed. Now by the grace of God and some very smart work on the part of the Department of Public Works that road was built, with what I think is extraordinary despatch, but that could not have been guaranteed. The circumstances of road building were unknown. That was a chance that had to be taken. That was a risk that had to be guarded against and that is the kind of risk that I think carried the judgment of the Manitoba Hydro Board when they had this in mind.

I have spoken of the supply of electricity which is the basic factor in all these considerations. My colleague has mentioned other ones which are of great importance; the carrying charges if there was a delay. My honourable friends opposite don't seem to realize that you can't start to work that plant until the full investment is in place, and if you have a six-months delay at any stage, particularly towards the end of that investment period because of a delay at the beginning in turning the wheels for electricity, you are paying interest on the full cost or so close to it that it makes no difference and therefore, if you're delayed for six months or a year, as you might have been, then the question of interest which has been explained to my honourable friend assumes its real importance, and you can see that until this plant is actually working and available for the supply of electricity, it isn't earning anything and therefore the carrying charges apply if there's delays of that nature. I for one don't take my stand on this question of interest, or whether it's interest in respect of \$140 million or \$80 million, that's a matter that we can debate if we like. The principle is there, that a certain amount of interest certainly is involved in this thing. The Hydro Board estimate a very large sum, several millions of dollars, in view of their knowledge of the probable course of construction and the probable amount of investment at various stages, and I for one am quite content to take their word for it. They also were able to do something else because of having a guaranteed -- and I emphasize that word "guaranteed" -- method of transportation to this site. They were able to quote tenders on the basis of the Hydro supplying the materials at the site. In other words, a tremendous area of contingency allowance, which is normal in great contracts of these sorts, in what was at that time, and remember this, in the middle of a howling wilderness, these contingency

(Mr. Roblin, cont'd) allowances of the sort that I have mentioned were not required to be included in the contractors bids because Hydro assumed the contingency and the responsibility in respect to transportation. And why were they able to do that? Simply because they had guaranteed to themselves that one method of transportation or another would be available to them under these circumstances.

I say that it is no secret that our cost figures on Grand Rapids are much better than we had thought in many important particulars, and I am informed by the Hydro management, and I believe it to be correct, that one important reason for that is because the question of transportation contingency was ruled out and those who were doing the construction were able to do so with the knowledge that they did not carry that risk and that the situation had been guaranteed by the transportation arrangements that had been made to get the materials to the site. Now, Madam Chairman, I don't intend to speak much longer on this important topic because my main purpose in rising was not so much as to defend the Hydro or to explain the reasons for their action, although I think that is important, as to inform the Chamber as to the measures that would be open for members to investigate all these matters.

Now as to the domestic concerns of the Drake-Pearson Construction Company, I must confess I haven't got any information about that. I don't know whether this is a profitable contract for them or not, but I suspect that it was because I haven't yet found anybody that goes into a contract except under the impression that they're going to make a profitable thing out of it, and I expect that it was profitable to them. The only protection that the Manitoba Hydro have in connection with excess profits that I am aware of at this moment is the protection that is available to the government itself, namely, the issuing of tenders. We rely on the tender system to secure the lowest possible prices for the public interest, and as a rule it works very well. I can't say at this moment how the tender system worked with Drake-Pearson. I can only assume that it worked in the usual way, and if they made the money on the contract, well that's one thing and it's to be expected that they would, because that's the reason why they are in business. Matters of this sort, the question of letting of tenders and all that kind of thing, can be looked into when the Natural Resources and Public Utilities Committee meet, but I wouldn't be surprised if the people who are engaged in this contract made money in what they were doing, but I would be surprised if the Hydro Board did not protect their interests in the best ways open to them in connection with contracts of this sort.

As for what may be done in the future, as my honourable friend the Attorney-General said, although the member for Ethelbert apparently didn't hear him, "we have no information at this moment about any future contracts", but that too can be enquired into before the Public Utilities Commission. But the point that I want to make and to close with, Madam Speaker, is this, that in an operation of \$140 million, involving as it does the supply of electricity to the people of this province, demands of those who operate it reasonable prudence; and it is quite unreasonable, I suggest, for any honourable member to take one particular aspect of that operation and say this was extravagant without relating it to the total problem. I think it is quite unreasonable for members opposite to say you paid ten cents a pound too much for freight, or whatever it was -- \$10.00 a ton -- I forget the exact expression -- it's quite unreasonable to settle on that point alone without taking into account all the factors that the Hydro Board had to take into account when they let the contract. I think that just makes common sense and that if members reflect upon it they will see that one can only judge the conduct of the Hydro Board in the context of the total problem, because it is only in the context of the total problem that their decisions were made.

As far as we are concerned, we have confidence in the Manitoba Hydro Electric Board. I am quite certain that they're not perfect. I don't know of any organization that we're connected with that is perfect. I'm sure they make mistakes, but I am confident in the sound judgment and public responsibility exemplified by the Manitoba Hydro Electric Board servants, and I say that because we can look back on a number of years of the record of these people under several administrations. I have never had any cause to feel that they were anything less than completely devoted and efficient and able public servants, and I am satisfied that their reasoning in connection with the problem that is being exemplified today is justified in terms of the problems they faced and justified in terms of the overall problem. I'm sufficiently confident in that judgment that, as I say, I'm willing to have this committee called, in fact we will make

(Mr. Roblin, cont'd).... sure that it is called, and invite members who wish to pursue this matter further to attend that committee so that we may assure the people of this province that, in spite of the startling statements made by gentlemen opposite this afternoon, that due caution, reasonable prudence, a concern for the public interest and the dictates of an efficient, technical organization are all present in the record and in the achievement and in the policy of the Manitoba Hydro Electric Board. These facts must be established because public confidence must be maintained and, in my opinion, the men who run the Hydro Board are entitled to that opportunity to clarify the issue.

MADAM SPEAKER: The Honourable Member.....

MR. MOLGAT:undertake to supply the material asked for by the Honourable Member for St. George?

MR. SAUL CHERNIACK (St. John's): Madam Speaker, I greet and congratulate you on your election to your office. I am rather pleased to know that you and I took our respective seats on the first day, but I recognize that the task which you have before you in one which, from this afternoon's performance alone, indicates a strenuous and difficult one, added to the fact that you must be impartial, whereas I for one know that I must be partial. I can only hope, Madam Speaker, that if I should allow myself to become emotionally aroused so that I do not follow your orders well, that I will have your forbearance. I bespeak your guidance and I promise you, to the extent that I can, my support.

The early part of this afternoon, Madam Speaker, was one of great interest to a new member. It was interesting and even exciting to see the strenuousness of debate; the emotionalism that was aroused; and possibly it's just as well that I speak now because I doubt if I will be so provocative but that I will make it possible for the members of this House to relax a bit and just listen if they care to.

I for one, Madam Speaker, enjoy very much listening to the speeches of the Mover and Seconder of the main motion. I was much impressed with the pride that they showed in their constituencies; I was impressed with the manner in which they described the quality of the grain that they produced, of the cattle that is produced, of the bees and the honey, of the breeding stock. I realize, Madam Speaker, that a new member apparently is expected to speak of his constituency and, as I listened to the description of the constituencies of Turtle Mountain and Swan River, I thought of my own constituency of St. John's, which lies on the western bank of the Red River, a river which has been the pathway, the roadway to the growth of this area and of this province. I thought of this river which was so vital for trade, for commerce, so vital in the growth to the extent that the traders used it; the Indians used it. The Indians and the immigrants from out of the British Isles would come there and they fought with the Indians and then they traded with the Indians, and then they proceeded to live with the Indians, and possibly that was the beginning. That friction and fighting that took place then, was the beginning of the problem which is referred to, and even today in the Speech from the Throne, as the Indian and Metis problem. I thought of that river, Madam Speaker, the Red River as it is today, an outlet for raw sewage; a river which is inadequately provided with bridges to enable the normal intercourse between the residents of both sides of the river; a river which has brought us flood and a river which is hardly a beauty spot in this city. And I thought further of my constituency and I thought of the inadequate parks that it has; the inadequate community recreational facilities that it has; and of school buildings which are only in the recent years starting to be refurbished and renewed although they were condemned many many years ago by the R..... Report, I believe, in 1948.

When I listened to the Honourable Member for Swan River speak of the quality of the breeding stock, I was forced, Madam Speaker, to think of the slums which exist in a portion of the constituency of St. John's where vermin is bred; where infectious diseases occur; where there is poverty and malnutrition and lack of proper health and welfare facilities.

I listened to the description of the rich agricultural products of Turtle Mountain and Swan River, and I was happy to know that this House and the government can leave aside problems which do not exist in constituencies such as that and start looking with concern at constituencies such as that which I have the honour to represent, a constituency which does not export substantial products. It seems, Madam Speaker, to export people, because when the people in the slums are able to get out, they move. And even though we have parts of our constituency which

(Mr. Cherniack, cont'd)... have fine housing, I find that the people in the fine housing who can afford to move, move, and that is the export of our constituency.

When I listened to the description of the beauty spots of Turtle Mountain I thought of the beauty spots of the Constituency of St. John's and I realized that there were beauty spots. The beauty spots in the faces of the people who make it up, Madam Speaker, the immigrants, the sons and daughters of immigrants; working people; people who have fought to make their way in this province, in this City; people who have waited for their place in the sun; many people who are still waiting, but yet they are people of a rich multi-cultural background who have contributed their history and their traditions, their songs, their dances, and mainly their love for democracy. And to me, Madam Speaker, it is of some pleasure to know that, as I interpret their love of democracy, they have shown it in the sense that they have for many many years elected representatives in school board, in municipal government, in this Legislature, in the Parliament of Canada, who I believe are the true representatives of the people, who are the workers and the immigrants and the sons and daughters of immigrants. That is why, Madam Chairman, I am rather proud to be one of a group of people who have through the years led, I believe, the battle for social justice. I am proud of the fact that I follow in the footsteps, and will try to continue to continue to follow in the footsteps of those who are responsible for so many of the social welfare measures which we have provincially and federally, and who never sat in seats of government.

I am proud of the fact, Madam Speaker, that I follow in the particular footsteps of David Orlikow who, I believe from my reading and from what I've heard, made a substantial contribution in this House. I hope that I can try in some way to carry out that indication of leadership. And because of my pride in the party and its predecessor parties, I feel very much at home. I must admit, Madam Speaker, I've often been asked why a young -- and I used to be young -- aggressive and ambitious -- and I used to be and I think still am ambitious -- lawyer does not find himself in sympathy with the two old line parties, because especially a young ambitious lawyer has found that it was very fruitful and very useful for him to be active in the old line parties. Well, Madam Speaker, speaking for myself, I find I am most comfortable to sit amongst the ranks of those who, I believe, have made their contributions in those fields which I have already mentioned. I must admit that when I debated on the election platform with members of the other two parties, the Conservatives and the Liberals, it was often difficult to see that there was a real difference in what we had to tell to the people of our program. I remember that the speaker on behalf of the Conservative Party finally admitted that any government would look good following the government which preceded it, and I thought that that was probably so. But I did feel, Madam Speaker, that although we seem to be talking very much in the same vein on the election platform, there was quite a difference in the enthusiasm for progress with speed in these directions. I think that there was a difference in depth; I think there was a difference in emphasis and in scope in what we had to speak of.

I find, Madam Speaker, that I have become a little impatient in connection with these steps that we all talk about, that we want to accomplish in social welfare. And when I read the Speech from the Throne, I was reminded of the game that we used to play as children, where somebody stood and said, "Take a giant step or take two, or take a baby step or take three", and I felt in reading the Speech from the Throne that the specifics which were mentioned there were baby steps, some were even faltering steps. One that I might allude to was the one that said: "well we passed a law last year about time sales, this year we think we'll try and fix it up so it will work." The giant steps to me, Madam Speaker, were the general steps. To me they spoke in generalities; I am looking forward to see the specifics.

But, Madam Speaker, I wish to deal only with a few features of the speech. But, in passing, I noticed a phrase dealing with the undertaking for the expansion of public recreational resources, and I wondered if that meant the type of work which the province has been doing or the government has been doing in Falcon and in Grand Beach, the investment of huge sums of money to develop these resort areas. I couldn't help but think, Madam Speaker, of the short period of time when I was a member of the council of the Town of Winnipeg Beach which was and is represented by the Honourable Minister of Health, when the Town of Winnipeg Beach, which is one of the oldest resort areas in this province; which is one of the closest resort areas to the City of Winnipeg; and which is the area to which many of the constituents of St. John's go

(Mr. Cherniack, cont'd)....for their summer months; and how that town pleaded for some support, somewhat along the lines of what was happening in these new areas of Falcon Lake and Grand Beach. I know, and I'm sure that the Minister of Health had a great deal of interest in seeing to it that finally the Town of Winnipeg Beach had some assistance in the construction of the sewage lagoon and to that extent there has been some progress.

But again, in relation to the ratepayers, the summer ratepayers of the Town of Winnipeg Beach, I couldn't help but compare what I know of the problem of the summer residents there with the summer residents of let us say Falcon, and I thought to myself of the tax burden which so many of the summer residents are only too happy to pay because they help in the education of the children of the full time residents of Winnipeg Beach and they help in the social welfare problems of the Town of Winnipeg Beach and other such problems. But one could not help but wonder why it was that a person who chose to go to, let us say Winnipeg Beach or any other municipality for his summer holidays, would have to pay the municipal tax load whereas a person moving out to Falcon Lake would get a permit and the permit would cost him, and I understand it is from \$30 to \$60 a year, which would enable him to benefit from all that the government has done in providing these facilities and yet he did not have the problem of servicing so many local residents' needs in a municipal way. I think, Madam Speaker, that this point that I make deserves consideration in the future, but I am more interested in some of the other aspects of the Speech from the Throne.

I am interested in the undertaking for substantial increases to the University of Manitoba Physical Plant, and I wonder if what is meant there is that two to one formula which the government has used, where they said to the University: "you raise some money voluntarily and we will match it two to one". That to me, Madam Speaker, is a most peculiar way of deciding about the educational needs of the people of this province. Does voluntary contribution give you a proper indication of the extent to which the children of the province need the education or are entitled to it? Does the effectiveness of a campaign machinery, be it one which is hired or one which is voluntary, does that effectiveness properly describe the needs of the youth of our province? It seems to me, Madam Speaker, that it is a negation of responsibility to say to an institution such as the university: "Go out --raise money and we'll sit back and anything you raise we'll double". As a matter of fact, Madam Speaker, as one of the persons approached to contribute to the university, I realize that if I gave \$100 then the government would give \$200, and probably on the tax base that I am in I would be contributing not only that \$200 which the government is giving because I gave \$100 but possibly more, and I would end up instead giving the \$100 voluntarily, I would end up by giving \$400 through the various means. Now this is all right, I don't begrudge it, but I begrudge the fact that my neighbour might not want to give the first hundred and all I can force on him is his involuntary contribution. I would suggest, Madam Speaker, that we have too many students in the Province of Manitoba who cannot afford the education to which they are entitled. I would also suggest, Madam Speaker, that we have too many students who attend the university because of social or status reasons who do not deserve to continue to study at the university because they are not capable of obtaining that level. Therefore I suggest, Madam Speaker, that it is of the utmost importance to recognize that, of the natural resources of this province, the greatest and most important resource is that of our youth and we owe it to the youth, and they are entitled to it as a matter of right, that their educational requirements are given to them in such a way that it is without measure of their ability to provide those services on a financial basis.

I would like briefly, Madam Speaker, to speak of urban renewal, which is a matter very close to the hearts of a number of people in the constituency of St. John's, so I took the trouble to get a little bit of the history of urban renewal which I will just quickly review. I find that in August, 1955, the City of Winnipeg, and I think it was the Welfare Council, prepared a housing survey known as the Courage Report which revealed the great need for improved housing in the central area of this city. I found that from 1956 to 1958 urban renewal studies were being conducted; some efforts were made on limited dividend housing. By November 26th, 1959, I find that the Honourable the Minister of Health happened to be at a meeting where it was agreed that there would have to be amendments made to the Charter of the City of Winnipeg on The National Housing Act to permit the construction of housing subsidized by the City without referendum to the taxpayers. By September of 1960, the City Council was requesting approval and participation of the government in the urban renewal program and subsidized housing. By

(Mr. Cherniack, cont'd)....October, 1960, there was a motion made to again appeal to the Provincial Government to approve the City of Winnipeg plan. By May of '61, the Honourable the First Minister indicated that there would be assistance when they received the cost figures. By April of '62, an act was passed establishing the Manitoba Housing Commission. By October, '62, City Council finally authorized application to the province for participation in the Jarvis renewal area. In February of 1963, last month, Madam Speaker, the province indicated that it was prepared to participate in the Jarvis area up to \$1 1/2 Million, seven and one-half years after the Courage Report and, Madam Speaker, if you drove through the constituency of St. John's in the slum areas, I don't think you would find any indication of any program of urban renewal.

But we now know that the government is moving on this most important program. I'm happy to hear about it, Madam Speaker, but I do recall a time a few years ago when the Honourable Member for Winnipeg Centre had occasion to appear before the Finance Committee of the City of Winnipeg, because at that time he was working strenuously on behalf of a small voluntary limited dividend group plan, and he enumerated to the Finance Committee the steps he had to take to get approval, the numbers of boards and authorities which he had to approach for approval. I think they numbered approximately 20. I wondered then and I wonder now what has been done in order to get rid of so much of the red tape so that progress could be made. It could be blamed on the City of Winnipeg possibly; it could be blamed possibly on the Federal Government; but I have the pleasure, Madam Speaker, to be addressing the Provincial Government and I suggest that it must, too, shoulder part of the blame for the lack of initiative and lack of progress and lack of enthusiastic support for urban renewal; for slum clearance; for subsidized housing.

Madam Speaker, I listened with interest this afternoon to figures of \$2 Million to figures of \$140 Million, and I realize that it would take a little time before I become accustomed to figures of that magnitude. I have had my experience in a field where we dealt with money that was not quite in that realm. I have spent time on the Winnipeg School Board, in the City Council, in the Metro Corporation, and despite of what it said about the money that the Metro Corporation raises and spends, Madam Speaker, I am not yet comfortable listening to talk of \$140 Million ... (interjection)... I'll become that I imagine.

Madam Speaker, throughout the time that I had the opportunity to serve as a member of the school board and of these municipal councils, I was keenly aware of the fact that the financial problem, that the burden, and the ever-increasing burden on the real property taxpayer, was the major problem in municipal affairs. At that time we made appeals to the Provincial Government, whichever it happened to be at the time, for guidance and for assistance and, Madam Speaker, I'm happy that now I can make that appeal in a much more direct form.

I do not now want to deal extensively with the problems of the Metropolitan Corporation of Greater Winnipeg. I assure you, Madam Speaker, I have a few ideas about it, but I want only to touch on the fact that here is a corporation created something over two years ago, fathered by this House, fathered by the government that now heads this House, and I submit, Madam Speaker, treated as a foundling by the people who created it. I believe, Madam Speaker, that the troubles in Metro are, in the main, two. One is a lack of understanding by the people of the area, but mainly by the people who are in the councils of the area municipalities of the purpose of Metro; and secondly, the financial problem is the great one. I believe that Metro was a great forward step, but I believe that it was no excuse for the government of this province to leave it alone to fend for itself and not to provide aid which I think it was entitled to have. As a matter of fact, Madam Speaker, I remember the number of times in the Metro Council when we asked the provincial government to give us information of the amount of grants given for road construction to the area municipalities prior to Metro, for those roads which Metro subsequently took over. We wanted to know, Madam Speaker, if the government was continuing to give as much for these roads before Metro take-over as after. It took a long time, Madam Speaker, and unless it was received latterly I am not sure that the information is yet clearly before us.

(Mr. Cherniak cont'd)

I remember, Madam Speaker, having an opportunity to point out to members of the Cabinet that there was an item of \$40,000 in the Metro Act which was formerly, I believe, a responsibility of the province to contribute to the Metropolitan Planning Board, which was one of the first things that the Metropolitan Corporation was required to pay. I remember saying then, "if you could only explain to me, give me some justification for the \$40,000 figure mentioned there, I will never again speak of it," and I had the impression then that there was no answer and that we were going to get the cheque, but I'm not aware that it was ever received. But this is a minor matter, Madam Speaker. What is important is our attitude toward the inter-municipal problems in the Greater Winnipeg area.

During the campaign -- the election campaign -- the Conservative Party spoke of the need to reform Metro and they said, "well we have appointed a commission and it will see to it that Metro is reformed." Of course the Liberal Party, they were loudest in their statement, "reform Metro", and they were so loud in their statement to reform Metro that when one looked at their publicity one saw big billboards and all they said was "reform Metro" and I, for one, found it difficult to read the small lines that must have appeared somewhere underneath that slogan "Reform Metro" to find out how they planned to do it. But I did hear that they planned to do it by putting the area municipalities representatives on Metro Council, and I stop there, Madam Speaker, because as far as I know that's all they had in mind to do, as far as I could learn. If they think that their solution is the solution for the many problems of Metro, then I am afraid that they will have to do a good deal of studying and review.

I am proud, Madam Speaker, that our party, the New Democrats, did come with something rather positive in the dealing with the problem of Metro. The positive thing was that they recognized that Metro was a form of municipal government like other forms of municipal government, and we recognized that the problem of Metro was the tax burden of Metro and the municipal governments and we therefore came along with a simple but positive statement. We said that we feel that real property taxation should be used in order to provide services which serve real property and that services which serve people should be paid by people, and that the best way that has been found to obtain the money from people on an equitable basis, based on the ability to pay, was on the income tax basis.

I found, Madam Speaker, that in the four years from 1958, when I think this present government took power, to last year, 1962, that in spite of what I understood was their program of easing the tax burden, that in the City of Winnipeg the mill rate rose from 42 mills in 1958 to 49 mills in 1962, and need I remind you that the City of Winnipeg today is dealing with the problem of a possible additional six mills this year.

May I point out, Madam Speaker, that the portion of the education costs of the Winnipeg School Division rose from 1958 from 23.96 mills to 28.89 mills, an increase of five mills, during which time, Madam Speaker, the school division was supposed to be getting all sorts of increased aid to education -- I think that is the word that's used in the Speech from the Throne -- so I thought well maybe they were increased dollars, but let's try and find out something about percentage contribution, and I found and I can give those figures quickly. In 1958 grants consisted of 20.04 percent of the total budget of the Winnipeg School Division; 1959, new grant system came into effect and the percentage rose to 24.01; 1960, it rose to 26.09; 1961, Madam Speaker, it dropped to 19.71, and the explanation may be, well there was a new assessment -- there was a new equalized assessment and I expect there will be an answer that will become complex which I will not be able to understand, but I undertake to try to in the future. All I know is that it cost the taxpayer of the City of Winnipeg more in the following year, and I find that in 1962 the proportion of grants was 20.83 percent; in 1963, it is estimated at 18.26 percent which brings it nicely below, almost two percent below the 1958 figure. Madam Speaker, these figures would appear to be not too bad because at least it isn't much worse, but I must point out that the figures alone are not adequate information for this House because the operational grants have gone down; the capital grants have gone up and in dollar volume there may be more, but I must point out that when capital grants are given by the Province of Manitoba they are matched by borrowing -- capital borrowing by the municipalities or the school division, and when that is done that's an increased loan; and when capital monies are expended, that itself is an indication of increased operational costs, so that if capital grants go up and operational monies go down, then we are in serious trouble because the taxpayer still has to bear

(Mr. Cherniak cont'd)
the burden.

I have before me, Madam Speaker, a pamphlet issued by the Canadian Tax Foundation entitled "The burden of Canadian Taxation", written by Irving J. Goffman, who stems from the same part of the country as does the Honourable the Minister of Education, a person who was brought up in Dauphin. I think he was educated in part in Winnipeg and then he was one of the Canadian exports to the United States; a person apparently who is considered an authority on certain aspects of taxation and the burden of same, and I read from a schedule which appears on page 15.

MADAM SPEAKER: that he has approximately four minutes left.

MR. CHERNIAK: Thank you, Madam Speaker. In this excerpt, Madam Speaker, there is an indication that the percentage paid by people out of their income, based on federal, provincial and municipal requirements for people with income of under \$1,000, the federal government takes 11.6 percent of their income; people who earned between \$3,000 and \$4,000, the federal government gets 14.1 percent of their income; people who earn \$7,000 or over pay 24.3 percent; an indication of that ladder which we have all accepted as being right in terms of payment based on ability to pay. The provincial portion of the income: in the case of under \$1,000, 2.9; in the case of \$3,000 to \$4,000, three percent; in the case of \$7,000 and over, 4.4. The ladder has slanted considerably. But in the case of municipal taxation, Madam Speaker, under \$1,000 people pay 7.3 percent on municipal taxation; if they earn \$3,000 to \$4,000 they pay 3.7 percent; and if they earn \$7,000 or over they pay 3.7 percent. Madam Speaker, this to me is a clear-cut indication of how unfair it is to load on the municipal real property taxpayer the costs of education, the costs of social welfare, the costs of health; something which I believe has nothing whatsoever to do with municipal affairs and municipal services, and if the province wants the municipalities and the school divisions to undertake the administrative problems involved in providing these services, that's good, but the cost should not be placed on the hands and at the expense of the municipal taxpayer.

Madam Speaker, I want to comply with the rules. I see that there are some progressive measures in the Speech from the Throne; there have been some in the past speeches. To the extent that they continue, I hope, Madam Speaker, that I can support them; to the extent that I disagree with any of them, I hope I will be able to criticize them in a positive way. I think I understand the duty which I have undertaken. I don't promise to read this today, but I'll try and get it done in the next day or two. I know I have much to learn in the work I have to do, Madam Speaker, but I hope that I will be able, with the help of yourself and other members of this House, to make a form of contribution to the work of this House.

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MADAM SPEAKER: The Honourable Member for River Heights.

MR. MAITLAND B. STEINKOPF (River Heights): Madam Speaker, I wish to speak on the amendment to the amendment proposed by the Honourable Leader of the New Democratic Party. May I first congratulate you, Madam Speaker, upon your elevation to the speakership and to say how happy I am that a member of the feminine sex graces the chair during my introduction to the rules and ways of this House. I also compliment the Honourable Member for Turtle Mountain and Swan River for the capable and interesting manner in which they moved and seconded the motion, the amendment to which is now before the House. My predecessor and good neighbour, Mr. Bill Scarth, has been a true friend and a real help to me and I would like to pay tribute to his real services and devotion to this House

I have only myself to blame for the predicament I now find myself in. I thought it would be a little easier to follow my old friend the Honourable Member for St. John's than my newer friend the Honourable Member for St. George, but my luck has finally deserted me. It seems that the Honourable Member for St. John's has a vivid and a crystal clear memory on figures and statistics he picked up on the various boards he has served so well from Winnipeg Beach right through Winnipeg and Metro, which total many millions of dollars; and when you add the figures of the tax foundation that he has also so ably memorized, they must amount to billions; but when it comes to figuring out a fair contribution to the capital fund of his Alma Mater, his memory becomes a little sticky.

The Speech from the Throne is a harmonious recital of non-contentious progressive matters designed to fit the style, the way of life, and the pocketbook of every Manitoban. It would not have been possible to bring such a comprehensive and pleasant program before this 27th Legislature if the foundation had not been well laid and all the homework done during the 26th Legislature and so, as a neophyte, I must pay my respects to and compliment not only the government of the 26th Legislature but also the opposition whose intelligence and constructive criticism certainly keyed the government to the point where it was possible for that government to scale the lofty heights that it did; and also the intelligent Manitobans who recognized the work of the 26th Legislature and asked for a larger second helping.

Until November 23rd last I was just another Manitoba taxpayer and a voter, pleased to sit on the sidelines, satisfied that as a lawyer and a businessman I could do more for the province I loved by following in my father's footsteps and working hard generating taxes by building up Manitoba; helping to establish industry; and raising a family that, in turn, would build up the province and to add a little more than my fair share of communal work; as opposed to being a politician, tied down and dictated to by editors and other politicians whose views I have not always shared. However, it was forcefully pointed out to me that time was running out and much of the experience that I had gained during the last 32 years would be of little value to me or anyone else if it were not turned back right now and, as a result, I now find myself talking against this amendment moved by the Honourable Member for Radisson, in the knowledge that the amendment is so contrary to conditions and facts and the 1963 way of life of every Manitoban that the honourable member must have moved the amendment more out of desperation than out of reason.

Last evening around 7 P. M. I drove four laughing, singing 12 year old Girl Guides to their Guide meeting. One of them was my daughter. What was unusual was the fact that all of them were mongoloid children - - retarded children. Girl Guides were started two months ago at the Retarded School on Notre Dame, filling another social need for the retarded and their families. Because the retarded school was there, it was not necessary to keep some 260 children on the Portage la Prairie waiting list so long that by the time they were accepted they would not be able to comprehend the beauties and companionship afforded by Girl Guide troops. Because of this, and the assistance of this government, hundreds of happy Manitoba homes would now be broken. I said to myself last night, I must tell the Honourable Leader of the New Democratic Party about some of the day-to-day doings of the Roblin government as seen by a non-politician, and then I am sure he will withdraw his motion. In the field of the handicapped, as it traverses the Department of Health and Welfare, this government is providing leadership; works in close harmony with the volunteer organizations and obtains their co-operation. By its far-sighted policy of helping to establish schools, clinics and workshops, and encouraging the handicapped to live at home wherever and whenever possible, it will save

(Mr. Steinkopf cont'd) the taxpayers millions of dollars in the years to come by not having to provide and to maintain maximum residential facilities and all that that entails.

In the field of business this government has few peers. The credit rating of the province has never been higher. The faith the average Manitoban has in himself and in his government was practically demonstrated by the way he invested in his province and purchased Manitoba Savings Bonds.

The honourable member must certainly have had in mind the ancient and legal maxim caveat emptor or "let the buyer beware" when he queried the Nelson River arrangements with the Federal Government. He was not too sure whether the First Minister acted as buyer or seller in this transaction. Whatever the arrangement that exists between the province and the federal government, this fact cannot be denied, that while the Columbia sleeps, this government has stirred the Nelson giant into action. And as the Winnipeg City Hydro has paid untold millions to the citizens of Manitoba, so will the Nelson, thanks to this government.

One cannot help but wonder why the honourable member suggests that we should not share with the federal government any of the ultimate power profits, either as repayment of the \$500,000 just committed; or for further advances. Why does he anticipate a "catch" or a give-away? Yet true socialism must follow a doctrine of sharing an equal distribution of our natural resources. Did he not say that we are our brother's keeper and that the federal and provincial matters, notwithstanding the BNA Act, are so intermingled that we should register our say as to the use and the storage of nuclear weapons? Would not Radisson, whose body has been cool these past 300 years, be most unhappy to learn that the honourable member who now represents him and carries his crest on his sleeve, does not do so in Radisson's manner of fur-trading and of keeping the profits for himself. For was it not Radisson who knew that in the north the fur trader and exploration were inseparable? The fur trader would yield returns to reimburse the adventures. Exploration would open the way to new tracts of beaver land, and with this flash of geographic and economic insight on the part of Radisson, which revealed a strategic conjunction of the bay with the great swampy tract of Winnipeg through the Nelson River with its abounding furs and waters leading southward and westward. I'm sure that the honourable member is a true disciple of Radisson, with the same pioneering spirit, knows that the ultimate profits of the Nelson will be reaped in the main by those who own the Nelson.

In the building of every building, every family, every house, every railway, every venture, one can look back and pick up errors and say if I had to do it over I would have done so-and-so. I'm not so naive to think that a business as large as this one never makes a mistake but, as a taxpayer, I much prefer a government or a man with vision -- one not afraid to take a risk -- to a government that is so decrepit that it does nothing because it has not the strength to rectify any slight mistake that it might make. I find my work interesting and I see where it can be very educational, to the point this afternoon where my good friend the Honourable Member for St. George would show me and others how to make a return of 60 percent on a very simple investment. And as a young, aggressive, ambitious lawyer, I hope to find it fruitful belonging to this particular old line party. Even our Golden Boy will not lose his youthfulness, his aggressiveness or his ambitions so long as this government retains the youthful, aggressive leadership that it now possesses.

The competition for industrial investment is fiercer now than it ever has been. One can leave here after supper tonight and be in London three hours before the sun rises. There you might run into representatives of Middle East nations, Communist China, South African countries, all of our sister provinces, each one of the 50 states, West Germany, Japan, and so on, all trying to sell their countries and themselves. The leadership taken by this government in the field of industrial development would support the honourable member's suggestion that any economic planning would call for the united efforts of all sections of the community. One does not have far to look to see the advantages citizens of Manitoba have under a free enterprise system, directed by a government with a keen perception of the needs of the day in a modern up-to-the-minute approach to the economic welfare of our citizens. Never in the history of Manitoba has a government been so universally popular at one and the same time with labour, the farmer and the business man. Many hurdles had to be overcome by this government to set this stage so that every Manitoban could act and live his life under Utopian

(Mr. Steinkopf cont'd) conditions.

The importance of secondary industry to the welfare of this province cannot and should not be under-rated. Every western province is envious of the comfortable position Manitoba finds itself in and each is trying to overcome some short-sighted policy that socialists and "funny-money" governments instituted within the memory of all of us.

This government has attracted labour and capital by the attractive climate it has created for both. Big business and big labour, like small business and the small working man, like to know where they stand. That is why more industry is being established in Manitoba and why the quality of our labour is so good, and why labour is so contented. The government's firm, fair action on the Brandon Packers strike added a new resource unknown to previous governments. Industry building is like herd building; you sell the charms of your province in Europe and whet the appetite of the entrepreneur. No socialist government is that social-minded that it would care to share its resources with Manitoba, so we rely on the free trader. He comes to Manitoba; likes what he sees; picks a location; builds a plant; trains labour; develops a market for his product; combats competition; develops new techniques; then hopes to make a profit and to pay taxes. Unless a cow, a newborn calf, a part-payment on a bull, and the prospect of renting Crown land constitutes the assembly of a herd, then industry is not established overnight.

It is financially possible for every Manitoban to acquire the education he or she is capable of consuming. The University of Manitoba Foundation has had but one Manitoba student request for financial assistance for the furtherance of education in the last number of years. This government is moving swiftly to tie up the loose ends of education in all its ramifications and at all levels. As the Vice-President of the Manitoba Students Union in 1935 I waited with many delegations on the government of the day for a small handout, but there was always a deaf ear. By the actions of this government, the prestige and honour once held by our university is coming back. One can feel it amongst the students, the staff, and in talking with educators in other provinces. Since democracy is individual liberty combined with self-government through voluntary co-operation, our children should be accustomed to thinking and weighing evidence for themselves as they grow up; to working out their problems individually, self-reliantly, and to practicing self-government and voluntary group co-operation in dealing with common concerns in order that they will have the habit of democracy when they mature. We need no generation of pantywaists and it need not be a mark of shame to have led a donkey down the residential streets of Winnipeg and to sell children's pictures thereon in order to raise enough money during the summer months, as some of us did, to continue our university education.

It has been my pleasure to work with this government in the past in the fields of tourism, the Blue Cross, the Winnipeg General Hospital, the Van Gogh Art Exhibit in the Norquay Building, industrial developments, urban renewal, the Society for Crippled Children and Adults, welfare, and matters pertaining to ethnic and minority groups, and on every count this government acted as if it were in a hurry and knew where it was going and, in many cases, anticipated the layman approach.

After all these accomplishments is it a fact, Madam Chairman, that this government goes too far and too fast to the theme of the Hesitation Waltz. The government not only has the confidence of the people of Manitoba but the people of Canada and peoples of the world and, I feel, has the complete confidence of the members of this House. For the reasons outlined, and many others, I feel that I can be proud and happy to bring up my family and live in wonderful Manitoba, the land of sunshine, and say thank you to this government and vote against the motion, the amendment to the amendment.

MADAM SPEAKER: The Honourable Member for LaVerendrye.

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, first I would like to congratulate you on your nomination to this very important post, and may I say that, as a new member, it is very pleasant to be able to address myself to a lady in the Speaker's Chair. Especially in the French language, we always like to address the ladies as "Madame." Madam Speaker, I would also like to say that I am very proud to be in the Liberal caucus serving under such a fine leader as the Honourable Member for Ste. Rose. I would also like to say that I am proud to see in our caucus the Honourable Member for Lakeside who has so much ability and so much experience. I think it is an opportunity for me to be in this caucus.

(Mr. Vielfaure cont'd) I would like to say that it has also been pleasant to work with the other members of our caucus so far.

I would like to say that I was very impressed by the kind words which practically every member who spoke so far had for the new members. I know that this won't last forever, but it is enjoyable in the meantime. I would like to congratulate the Mover and the Seconder to the Speech of the Throne. I think they did a wonderful job and I shared their feelings when they arose for the first time. I would also like to congratulate the honourable Ministers on their new Cabinet posts, and here I would congratulate especially the Honourable Minister of Labour, because when I remember that ten years ago I was laying on his table and he was working on my back, I never dreamt that some day we'd sit in the House together. However, I think he did a good job because I feel fine and he looks well and I wish him so.

My name being Vielfaure and coming from the small town of La Broquerie and representing the constituency of LaVerendrye, I don't think I would be honest if I did not say my first few words in this House in the French language.

Mr. Vielfaure spoke in French. Translation will appear in tomorrow's Hansard.

Madam Speaker, I consider it a very great honour to be able to represent the constituency of LaVerendrye for, in fact, this constituency is composed of four very different ethnic groups; namely, the Mennonite, Polish, Ukrainian and the French people. May I say that I will always do my very best to represent them as well as they expect me to. If my constituency is composed of different groups of people, it is also composed of different types of farming. In the west we have quite a district of market gardeners and grain producers. If you move a little more to the east you will find quite a few little towns which, although they have around them some very nice highways such as No. 75 to the west, 52 to the south, 12 to the east and No. 1 to the north, there is room for much improvement on the roads linking these little towns and especially the roads leading to the main highway, and more specifically yet, those towns who are more than five miles from the nearest highway. In this same district there has been a lot of drainage work done and there is room for much more work in order to clean some of the canals and ditches to bring the water from the further east into these main arteries. In the same district you will find a number of farmers who are producers and consumers in that, although they produce much grain, they do consume a lot on their own farm feeding it to their flocks of turkey or poultry or hogs.

Another important part of my constituency is that segment where many of the milk producers of the Greater Winnipeg Milk Shed are situated, and here I would like to draw your attention that in the last three years there has been a very complete revolution in the milk shipping industry. Many farmers' barns now look like a very clean house. And here I'd like to refer to the statement made by the Leader of New Democratic Party a little while ago when he said the Liberal Party is always asking for stable government, and you know what kind of smell you get from the stable, well let me say honourable members that in many of the barns the smell would degrade no political party. I would like here to applaud the Honourable Minister of Agriculture for the aid that's been given the Herd Improvement Association in the district. I think this has contributed very much to improving the herds and the production for herds.

In this same area, specifically in the rural municipality of LaBroquerie, you will find a very serious tax problem. You will find in both the towns of LaBroquerie and Marchand some of the homes there with no sewers, no garbage collection, no fire protection, do have to pay more taxes than some of the very beautiful homes in the cities that are located in some very nice districts. Here I would urge the Minister to do something about this situation. I think this is very serious because many of our people have moved out because of this tax condition.

There is in my constituency some very nice farms. There are also some other districts called marginal lands and unorganized districts. I would like to here applaud the Department of Public Works for their winter works program. I think this is something good which should be further developed. In these same districts you will find many welfare cases, and here I would like to draw the attention of the Minister to make a very serious study of the people who qualify for social assistance in these districts. You will find many people that have worked very hard all their life cutting wood, and who have now reached an age where they cannot do it because they are incapable and, even if they were able, they could not because there

(Mr. Vielfaure cont'd) is no more wood left and they are too young to qualify for Old Age Assistance, yet they do not seem to fit in any way to get the proper assistance. I think this is very serious and should be looked into.

You will also find in the constituency of LaVerendrye quite a few privately owned resorts situated along No. 1 east, and here I would invite every member to visit them. I am sure you will enjoy your stay at any one of them. Further to the east you find in my constituency the Sandilands Forest Reserve and the Whiteshell. I think every possible effort should be made to improve these forests as it creates some employment for the local people, and here I would like again to call on the Minister's attention that something should be done to see that the people working on these different projects get paid a little sooner. It seems sometimes that it takes months after the project is finished before the pay reaches the man concerned, and this creates hardship not only on the person himself but also on the small local merchant who has to supply these families with food, clothing and tools until the pay is received.

Before leaving my constituency you arrive at the beautiful resort of Falcon Lake. I think everybody here likes the resort but very few like the gate, or rather the money that has to be paid there. I think we all agree that these parks are expensive and they should be paid for some way, however, I would like to see some way devised that the gates are so located not to penalize the local business people at the resort.

In conclusion, Madam Speaker, I would like to thank the honourable members of this House for listening to me so carefully, even though my English grammar is very poor. I thank you.

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. D. WATT (Arthur): Madam Speaker, along with the rest of the former speakers, I would like to congratulate you on your election to your very high office. I may say that the former Speakers of this House have set a precedent that you no doubt realize, and I am sure that you will follow in their footsteps and maintain the dignity and the control of this House that has been in the past. In fact when I suggest, Madam Speaker, that you no doubt will maintain control of the House, I think that in doing so you probably will make most of the members here feel very much at home. I would like also to congratulate the new members that have come in. I tried to remember three years ago when I came into the House and said a few words that when I got up to speak and took a look over this assembly hall I was almost tongue-tied. I would like to congratulate the mover and seconder of the Speech from the Throne. They did a very good job and my congratulations to you boys.

Madam Speaker, I brought with me today a document or a report which I think is in the hands of the most of the members here. The reason I brought it, I was interested in the remarks of the honourable member the Leader of the NDP when he spoke yesterday and suggested to this House that this report was being ignored by this government -- interesting remark. I wonder if he could have read this report, because, Madam Speaker, this report gives us a very interesting story of the past four years of this government, and I must say as a member of the Rural Municipal Council I cannot understand how anyone in this House would suggest that this or any other government would ignore a report brought in by men, who I know personally, in the persons of Reeve Rose -- I'm sure that you all know him; Charlie Argue, the reeve from Mather; Lawrence Smith who is no stranger to any member, I think, in this assembly. I know casually the mayors of the urban area who also were members of this board -- the mayor of Morden, and I think you've all heard of the mayor from Portage la Prairie, and Mayor Kushner from West Kildonan.

In suggesting that this government is ignoring this report, I think we should probably take a look over the past four years and see what has been done for the municipalities in the Province of Manitoba by the Roblin government, and if the Honourable Member from Radisson has read his book he will find the answers on page 47, of the increases in government grants to all levels of local government. I don't think it is necessary for me to read into the record here today because these reports have gone out to all members and to all Reeves and Councilors throughout the province, but we have here -- I'll give you the rough figures -- in direct aid to all levels of government an increase since 1957-58 of \$17 million; an increase from \$24 million -- I'm just giving you the rough figures, Madam Speaker -- an increase from \$24 million to \$41 million in 1961-62. In indirect aid we have an increase from \$30 million in 1957-58

(Mr. Watt cont'd) to \$58 million in 1961-62, and I suggest to you how could you possibly say to any government that in four years relief had come to the municipalities to the extent of these many millions of dollars.

I suggest also to the honourable member the Leader of the NDP that it is written right into this report — this report which is the Municipal Enquiry Commission Report, not the Fisher Report, although we know that Doctor Fisher was the chairman of that board. We know and respect him for his ability in municipal work, but I say, Madam Chairman, under Doctor Fisher this report endorses the government's policy in setting up a rural commission to investigate into all phases of economic levels between our two levels of government. As a member of a local council, I am well aware where the increased grants have gone to. I could go into a great deal of detail at this time to point out to you what has been done in health in the municipalities as far as increased grants are concerned; what has been done in welfare. I could talk to you about the access roads that have been built through special grants to municipalities. I could tell you of many towns in the southwest part of the province that never dreamed that they could possibly put in hard surface roads through the towns. I could go into the matter of education, but I see the Minister of Education sitting down here and looking at me and wondering if I'm going to delve into his field, so I'll simply say that the increased grants as far as education is concerned in the municipalities in the Province of Manitoba is evident wherever you go.

I'm not going to take up any more of the time of the House at this time, Madam Chairman, but I simply point out to the House that I endorse the province's plan in setting up a Royal Commission in which they have agreed to incorporate whatever measures they see fit out of this Municipal Enquiry Commission when it has been endorsed by the municipalities and the urban areas themselves, and this has not been done to this time. Thank you very much.

MADAM SPEAKER: The Member from Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, it must be a great honour for you to hold a high office in this House. I know, and I can assure you that I'll do everything possible to observe all the rules of this House and live up to them. I would like to congratulate you on the high office that you hold, not only in the high office that you hold here but also to be the first one of your sex to hold this office in the Province of Manitoba. I would also like to congratulate the mover of the Speech from the Throne, the Honourable Member for Turtle Mountain; and the seconder, the Honourable Member for Swan River. I thought they did a good job. I think it is only fitting that I also congratulate the new Ministers and I want them to have my best wishes.

I want to take this opportunity in this debate, Madam Speaker, on behalf of the people of Assiniboia, to pledge myself to work in the best interests of my constituency and for the Province of Manitoba. I want to point out that Assiniboia was the first municipal body established in this province and today it is one of the fastest growing within the Metropolitan area of Winnipeg. We have many planned housing projects underway, and I am happy to learn that the plans for a new hospital are underway. I would also like to point out that we have 66 acres of land set aside for recreation facilities. I would certainly appreciate or I would like to appreciate the government in locating the Manitoba Institute of Technology in my constituency.

During the past year the Government of Manitoba has established a branch of the Department of Welfare, of Fitness and Amateur Sport. This development is a step forward. The branch has assisted in conducting various coaching clinics and leadership training programs. However, if we are concerned about physical fitness we should provide some help and guidance that it would influence all children in the province rather than the few select who are interested in competitive sports. The most important place to establish a good program is in the schools. Over the past few years many new secondary schools have been built with gymnasiums for physical education programs. The provision for these facilities is good, however, in order to carry out an effective program it is necessary to have well-trained teachers, preferably teachers who have had professional training in this field. At the present time there is a lack of persons with such training. Teachers with less training need help, guidance and encouragement to carry on this important work. At the present time there is no one employed by the Department of Education to provide such assistance. In the past three years the people professionally engaged in physical education, along with many other interested persons, have

(Mr. Patrick cont'd)asked the Department of Education to employ a supervisor of physical education, with staff, that would assist teachers with their work, however, to date, nothing has been done.

One of the most important places to establish a proper attitude to physical fitness is in the elementary schools. Recent reports have indicated that, except in the larger urban centres, physical education is not taught in elementary schools even though it is a requirement of the Department of Education. Teachers are unable to obtain adequate training here at the University of Manitoba. Almost every province in Canada has established professional courses for people interested in this field. It is understood that close to 100 young men and women are taking courses in the United States or other provinces. It is unfortunate that these young people could not be provided with courses here. The most unfortunate thing is that these people, very few of these people will return to this province. The government should encourage the University of Manitoba to establish such courses here.

At the present time there is a lack of public indoor swimming, track and field facilities and stadiums in the Province of Manitoba. There is only two public cinder tracks for track and field in the whole province. These are located in the Metropolitan Winnipeg at Sargent and St. Vital park. I know it must be most discouraging for a lot of our young people to work hard for six weeks and then have their meets rained out at one of these parks and then be unable to hold any of the meets and the year goes by without them having such meets. I think this must be very discouraging.

The needs of the province in relation to physical fitness and physical education are establishment of a supervisor of physical education and staff to assist schools in establishing and improving programs in physical education; encourage the University of Manitoba to establish courses in physical education and recreation; and to provide financial assistance to develop facilities to carry out such programs. In the modern society we're becoming physically soft -- no chores for the youngsters. Physical fitness is not wholly the basis for a healthy body but also the foundation of a creative, intellectual activity.

A commission headed by Dr. F. W. Kennedy from the University of Manitoba on Physical Education and Recreation provided many recommendations and guidance for its program -- not enough was implemented. High school football might not be able to operate this year because there might not be any facilities. This would be a disaster to High School recreation in the whole Greater Winnipeg and the Province of Manitoba.

Madam Speaker, the government set up a review commission on Metropolitan government. I hope the government will take some action on the study of this commission. In view of the fact that the Moray-Haney bridge will not be built for at least five years, I believe that studies should be made and costs taken into consideration on the proposed alternative alignment proposed by the Metropolitan Corporation. I want to compliment the government for the action it took to retain the T. C. A. maintenance base here in Winnipeg. However, I wonder why the delay -- why the delay allowing the T. C. A. transfer getting to the stage where it did, when the St. James Chamber of Commerce raised great objections to the removal of the maintenance base to Montreal as far back as 1960. I'm very much disappointed that the Leader of my group was not included as part of the official delegation in making this protest in Ottawa, because I think it was our leader that first instigated this move and made it publicly known.

I regret very much that the revision of the school curriculum was not included in the Speech from the Throne, Madam Chairman. I also heard about all the good roads and if the Trans-Canada Highway through the Kirkfield Park area to the Perimeter is any indication, I am very much disappointed. The people here and business establishments have suffered because of the mud extending the two lanes on each side. This being the No. 1 highway going west, I hope it will be given priority and immediate consideration.

MR. MARK G. SMERCHANSKI (Burrows): Madam Speaker, I move, seconded by the Honourable the Member for LaVerendrye, that the debate be adjourned.

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

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable Member for Inkster.

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MADAM SPEAKER: The second proposed resolution standing in the name of the

(Madam Speaker cont'd)Honourable Member for Inkster.

MR. MORRIS GRAY (Inkster): Madam Chairman, if no one wishes to sit here and listen to me for more than nine minutes, what's the use.

MADAM SPEAKER: The proposed motion standing in the name of the Honourable Leader of the New Democratic Party.

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HON. STEWART E McLEAN, Q. C. (Minister of Education) (Dauphin): Madam Speaker, Order Paper, I move, seconded by the Honourable the Attorney-General, that the House do now adjourn.

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