

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, May 6, 1963.

MADAM SPEAKER: The proposed amendment of the Honourable the Leader of the Opposition. Are you ready for the question?

MR. ROBLIN: Madam Speaker, I appreciate probably more than most that my contribution to the debate at this stage is in a sense pro forma, for the record, as we have now reached that stage in our proceedings where most of the matters before us have been debated at some length and there is little of any new consequence that may be added, but it is of course traditional that the Treasurer ought to reply to the main criticisms that are raised with respect to the Budget debate and I feel I ought on this occasion, at the risk of speaking somewhat longer than I would wish to do under the circumstances, make a few remarks.

There have been two speeches made on this motion to date. There is the one by the Honourable the Leader of the Opposition who moved it and the one made on it by the Honourable Member for Brokenhead, and I may perhaps take the liberty of just making some comments with respect to both of those gentlemen. With respect to the latter, may I say that I enjoyed his contribution to the debate. I think that he endeavoured to make a thoughtful presentation of the views held by his Party and his friends and, as such, I wish to offer my congratulations to him for his efforts on that occasion. I rather got the impression that the honourable gentleman was disturbed by the note of optimism which appeared, according to him, in my speech and it is true that I was optimistic, but about the past in a sense. My optimism was confined to reporting the figures for 1962 and they were indeed excellent. I have nothing against optimism and I am sure my honourable friend really has nothing against optimism either provided that it is not confused with complacency, and that is the danger that has to be warded against. When we can look back on a year like 1962, the temptation is to be complacent about the future. From that charge I wish to be absolved.

I think that what has been said in the Budget Speech about the problems of the future, and indeed the measures which the government itself has introduced with respect to the future, indicates that we regard it with anything but complacency and that the program which has been presented to the House on this session is one that is realistic in trying to face up, to a degree at least, to the problems which we foresee in the future. Perhaps it's worthy of comment if I should say that the outstanding record of 1962, an outstanding record in almost every phase of our activities, was achieved while, to quote my honourable friend, we were "floundering in that sea of permissiveness" to which he took some objection. It's true I suppose from his view that we were floundering in that sea of permissiveness when we achieved these striking records of 1962. I must say however that as far as lay within its competence, the government endeavoured to provide a measure of guidance and some selective help in the maintenance of a good climate for development while that floundering was going on. But I must admit that we did what we did without reference to compulsion.

Frankly, I am a bit puzzled by the apparent belief of some members that planning has to be compulsive to be effective, and I'd like to say that I don't really believe that the references made to the planning system in France presented a completely accurate view of what is taking place in that country. We were told that we needed a system -- I take it we were told that we needed a system that had more compulsory features than the planning measures that this government has proposed and the French system was held up as an example in that respect. I wonder if that's true. That's not the information that we obtained recently during the recent visit to Europe.

The Editor of the Winnipeg Tribune wrote of the French system in the following terms: "A feature of the French set-up is that it is anything but bureaucratic or autocratic. It does not issue mandatory regulations and orders but it does provide detailed guides for those four-year programs planned for economic development and for all investment programs." And indeed such a reactionary publication as "Business Week" had something to say about the French system in their issue of April 7th of last year, in which it makes substantially the same point, and I quote: "The French planners essentially use two linked techniques, economic research and programming and group dynamics, that is getting policy makers throughout the society to talk themselves into a concerted view and course of action. In France, this job of creating belief and getting action is done basically by bringing representatives of government,

(Mr. Roblin, cont'd)... business, labour and the public to work on the plan themselves."

So I think that if we accept those two statements, and I suggest they are reasonably accurate, we get a rather different picture of the kind of system which operates within the French Republic at the present time, and I think probably that the people in Sweden would be inclined to demur at the suggestion that their economic effort is to be ascribed to compulsion because I really don't think that is the case.

But our own situation is simply this, that we're not really looking to any other country or any other society as a perfect model for what we are attempting to create in the Province of Manitoba. What we are trying to do is to examine what other people do, to pick out what we find good and desirable from our own point of view and to create for ourselves in this province something that is distinctly Manitoba; something that is tailored to the customs, the mores, the ideas, the background of our own people. That is the kind of a planning system that we intend to adopt and to create, and I want to assure my honourable friend that it will still be permissive, that we will continue to "wallow in this sea of permissiveness" -- I rather enjoy that phrase -- without benefit of those compulsory features which appeal to some. Indeed I do not see how one can keep a bureaucracy, which my honourable friend deplures, within reasonable limits unless one invokes this freedom; invokes this idea of consent in the planning operations that we propose. It is with this idea in mind that we have placed before the House some integrated, and I think well thought out measures to assist that kind of voluntary co-ordination and co-operation.

It was also complained that one could not see -- and I think I wrote down the words correctly -- "any sign of diversification or decentralization" in what we have been trying to do. Well I will admit there are serious problems yet unsolved in that connection, but I must draw the attention of the House to the work of the Manitoba Development Fund which was covered in my original Budget statement, that it has created some 1,200 jobs; that it has been responsible for an increase in production of some \$16 million a year and that 70 percent of that is outside the Metropolitan area. Indeed one of the claims that that corporation may make is the fact that it has been, within its limits, outstandingly successful in my view in promoting the idea of decentralization and diversification in our industrial efforts, and I do suggest that is a sign that can be welcomed by all members of the House in connection with our efforts to solve that problem.

I suggest too that the operations of the Water Supply Board, although at first glance may seem somewhat remote in this question of decentralization, yet that is one of the most important, indeed essential measures that the government is taking to promote diversification and decentralization, by giving a good water supply to our smaller towns and centres and that without that policy we compound our difficulties. So I would say that in respect of that point there are those two at least, that occurred to me actually as the honourable gentleman was speaking, which I think would lend some point to the effectiveness of the policy of the government in this important field.

We believe that the selective attraction of industry is a basic concept of our industrial promotion. The potato plant at Carberry, for which some exception seemed to have been taken, is a specific instance of a plant being located in a particular area determined to produce a specific kind of crop needed for the processing of special products. Any other interpretation is contradicted by the facts. We did not compel the plant to locate in Carberry. It was the logic and economics of the situation that did that, and in this field as well of course we must reject the suggestion that compulsion as a principle is a logical instrument of progress. In fact, I would say that the history of this nation has demonstrated that quite the aversé is probably correct, and if one objects to bureaucracy, as we all do, we would assume that it is difficult to see how anyone can reconcile a call for a directed and compulsory organized economy with a rejection of bureaucracy. No surer way to bureaucratic control exists than that offered by the indiscriminate application of economic coercion where persuasion and logic have been inadequate or where the facts are in conflict with the avowed wishes of the bureaucracy.

I would also disagree with the contention that the Common Market represents a triumph for compulsion. Rather I have thought of it as the very opposite, as a triumph of reason and of hard bargaining among sovereign nations that are in search of a mutual advantage.

Well, Madam Speaker, these perhaps are philosophic points that will continue to separate

(Mr. Roblin, cont'd)... myself and some other honourable gentlemen in the House as to our view of the nature of our economic system and how its development can best be promoted. I say this with all friendliness to my honourable friend whom I feel comes by his views with conviction, and merely say that we do not regard the compulsory factor of our economic organization to be critical or cardinal to its success. In fact we would say the opposite, and that it is to the voluntary co-operation and co-ordination which we propose between the various constituents of our economic society, it is to that to which we look for success in the future; and from what little experience we've had to date, we believe that that does represent the way of the future as far as Manitoba is concerned.

Now I'm not going to say anything more about my honourable friend's contribution to the debate. I think he outlined his own position very thoroughly and I certainly accept the sincerity with which his views are expressed.

I want to say a few words about the speech made by the Honourable Leader of the Opposition. I find that I am not in a position of quarrelling very strenuously with him in his presentation because I think that a good many of the points are ones which really are not consequential when it comes to deciding the fate of an administration, although perhaps they may have their merits in debate. He began rather oddly I thought by re-fighting some of the phases of the last election campaign in which it seemed his main point was that we hadn't fulfilled our election promises.

Now I want to deal with that specifically because I feel, like the Honourable Member for Lakeside, that this question of promises is an important one and that governments, while entitled to change their plans, circumstances may make it necessary, should on the whole do their best to carry out their campaign promises. I was rather thinking that honourable gentlemen might be patting us on the back for the rather expeditious way in which we have dealt with the program that we laid before the people in the last election.

I have the program on which my Party ran in my hand and I can go over the economic and employment development program. We have here a reference to the Manitoba Economic Consultative Board -- I won't give the verbiage by which the idea itself is supported; it's familiar to the House by now -- but the Manitoba Economic Consultative Board, the Manitoba Research Council, a Product Development Fund, The Manitoba Design Institute, the Manitoba Export Corporation, aid to small business, a Trade Mission to Europe -- to the United States rather, a seven point industrial development plan, all included in our last election program; all of them included in the program laid before the House at this Session. So I think that with respect to our economic and development policy, we score a bullseye in that all the measures that we proposed have actually been enacted into law or provided for in the moneys that have been appropriated in this session, and when it comes to fulfilling our election pledges or election promises, I think this constitutes a reasonable record of having done what we told the people we were going to do and done it promptly at the first opportunity that we had.

In the second phase of our program dealing with agricultural development, I find here credit for the beef cattle industry. That's covered by legislation at this time. Long-term leasing on Crown lands, this has been covered in this session. A feed policy, with emphasis on the expansion of credit and Crown land lease improvements to help in this field and the development of community pastures, that has been dealt with in this session. In fact, more community pastures are being provided in the estimates of this year than ever before in the history of one year. I think we are increasing the number by 50 percent. That's certainly living up to the program that we presented to our people. A provincial veterinarian, a swine production improvement program, a soil testing service, a rough fish assistance policy, these were the points that are listed under our agricultural and primary resource part of the program upon which we ran, and every one of these points, Madam Speaker, have been included in the legislation or the estimates which have been placed before the House at this session.

We come to the important item on the Nelson River on which we have received much castigation as to what we said we would do and what we are doing. Well let me read what we said we would do. The significant phrase is that "we would proceed with the essential initial stages of the Nelson River development." There's a lot more about it with respect to what we hope it will do, but the operative phrase is that we will proceed with the essential initial stages of the Nelson River development. That's the program we ran on; that's what we said we would

(Mr. Roblin, cont'd)... do. We pointed out the advantages that would accrue to Manitoba if this could be carried through to completion, but this is the program we ran on. I'm reading from our official platform in this respect. That has been amply demonstrated, indeed a fact in this particular session of the Legislature.

In the field of human betterment, we have called for financial assistance to the affiliated colleges. The members will know that this has actually been done. We also spoke of a student's loan fund, and here I come to the first item in the program which is not included in the proposals that have been discussed in this session of the legislature, and the reason is that we find that due to the time element it has not been possible to prepare our material in time to deal with this adequately at this session. It still remains the first point I have come across, it still remains on the list of things to do, and yet members will note that in spite of this there are very substantial funds provided for loans and bursaries in our present budget, apart altogether from the plan of interest-free loans which we placed before our people and which is still on our agenda of things to do. So there is one item where my honourable friend is entitled to say "well you haven't done it yet." I admit it, and I tell him that that remains on the list of unfinished business.

Then we said we would expand the facilities for technical and vocational education. Members know that we have done that in two important particulars, both in Brandon and The Pas. The honourable gentleman opposite takes some exception to the way in which we announced our policy. I think that we are entitled to announce as and when it seems suitable to do so, and certainly it was part of our official election program and we make no bones about it whatsoever. Further than that, provision has been made in the estimates of this session for a most important expansion in this field of technical and vocational education. We said we would improve the school divisions bus route grants; this has been done in this session of the Legislature. We said we would bring in a revised and improved teachers' pension plan; this has been done in this session of the Legislature.

We said we would bring in a new department of welfare and rehabilitation. Now that's something that we haven't done. This is item number two on the list of unfinished business with respect to our election promises, and members will understand that here again the large amount of detail involved in a reorganization of the type contemplated simply could not be rushed through in time to deal with it at this session, but it certainly will receive our continuing attention.

Then we come to community recreation grants. A new policy of grants was suggested to the electorate; a new policy of grants has been brought in at this session. We said that the Metis and Indian community development programs would be expanded and strengthened. That's certainly been done in this session of the Legislature, both with respect to personnel devoted to this topic as well as to the money that is dedicated to this important developmental service. We said that a new snow ploughing grant to the municipalities would be established to improve the amount of provincial assistance provided; that has been done at this session. We said that the mental health care program would be expanded by the establishment of community mental health centres throughout the province, and that has started. Members know that money has been appropriated for the first of these at Selkirk and the Minister of Health has indicated that others are in the making for other parts of the Province of Manitoba. We said we would bring in low-rental housing legislation to assist municipalities in the establishment of limited dividend housing corporations to meet the need for low-cost housing. That has been done at this session of the Legislature. Legislation has been passed dealing with that subject. Finally, we said that measures would be placed before the Legislature with respect to the centenary celebrations and the establishment of a Manitoba Arts Centre in a central part of the political capital, and this has been done.

So without labouring the point any further than I have, and I probably have laboured it far too much, if you go through our election program you will see that two items alone remain unfinished insofar as this session of the Legislature is concerned, and I do not think that we are subject to the charge that we have not lived up to the promises that we made to the electorate when we went before them in the last part of 1962. In fact, I think it's quite an extraordinary record of achievement in being able to say that so many of these things have been done in the very first session after the election itself. So I think I will have to dismiss my

(Mr. Roblin, cont'd)... honourable friend's charge as a legitimate political exaggeration when he claims that we have not fulfilled our election promises, because I indeed believe that we have made a very good start with respect to that. In fact, I thought the charge would probably be "too fast and too far" rather than anything else, but that seems to be losing its popularity as a slogan in Liberal ranks. They now are looking for another way of representing the actions of the government, but it seems to me that they haven't found anything that is quite suitable from their point of view up to the present time.

Of course there's the question of "who told who" with regard to the COMEF report, and I regret to tell my honourable friend the answer is "nobody". We didn't tell the COMEF people what to put in their report and they didn't tell us what they were going to put in their report, but it is perfectly true that we had been working along the various possibilities open to us and we came to our own conclusions about some of the things that should be done in Manitoba. When you look at the COMEF report and when you consider the fact that there are scores, literally scores of ideas in that statement as to what the government should do, it's hardly surprising that we agreed on four of the important measures involved. So I want to absolve COMEF of any charge that they either told us or were told by us what they ought to include in their report because that is not the fact.

Going over the other criticisms, my eye was struck, or rather my ear was struck by the charge that we hadn't done anything about Metro reform. That struck me as really a rather amusing topic, because my response to it is "Look who's talking", because it was the Liberal Party, as I understand it if my eyes didn't deceive me, had plastered Greater Winnipeg with the one single election promise and election slogan. I can't recall another sign put up by the Liberal Party in the last election except "Reform Metro". There it was in the largest and boldest lettering that one could wish for, a great big red sign. From a P.R. point of view, very good, and I give good marks to whoever in the Liberal Party first of all thought of the slogan; and secondly put it up on the sign boards; because without saying a thing, without saying a thing about the nature of the problem, they were able to gather unto themselves or have a good opportunity of gathering unto themselves all the prejudices -- and I use this word advisedly with respect to both sides of the question -- all the prejudices that had accumulated with respect to the problems of Metro. "Reform Metro, vote for us and something will be done about Metro."

How surprising it is that on the first session after the new Legislature meets we didn't hear any proposals from the Leader of the Opposition; no resolutions were moved on behalf of the Official Opposition with respect to the reformation of Metro; and there's no word from them as to how that particular undertaking should be fulfilled. Now I think they were very wise not to do so. That's my candid opinion. I think that was right and I'm not being critical because they didn't do so, because it is the part of discretion sure, as it was the part of discretion on December 14th as far as that goes, that when there is a Commission established specifically for the purpose of reviewing the operations of Metro, that a wise man would wait until those findings had been made and that review completed before proceeding to legislate on that point. That didn't stop my honourable friends during the election from "Reform Metro", but for one reason or another no official statement was made in this session with respect to the problem. I think they were probably wise not to do so, but I suggest to them that it isn't very logical to criticize the government for not having reformed Metro in this session of the Legislature when one is faced with that set of facts, so I will go over that one.

I suppose the same statement could be made about municipal tax reform. Our policy on this subject was well known to the people of Manitoba at the time of the election. We declared it to be a matter of great importance. We said we would establish a Royal Commission and we did so. I want to say that I think it would be unwise to adopt any substantial changes in municipal organization and finance until that commission reports, and so I don't think that criticism for failing to act in this field is one that bothers me very much.

Then we come to patchwork bills. Teachers' pensions is a patchwork bill. Well it seemed to suit the teachers all right. Even though they perhaps may have some reservations about it, they didn't object to it when it came in and they regard it as satisfactory legislation.

We are rapped on the knuckles for our conduct with respect to the Time Sale Agreement and yet the bill in its original form received the approbation of members opposite I believe,

(Mr. Roblin, cont'd)... and as far as I could tell, by and large, the amending bill that came in this year received the approbation of honourable members of the Liberal Party, although I admit they are right in some instances that they did raise matters of dissent from the bill itself, but nevertheless they did agree that some change in it seemed to be satisfactory as far as I can tell from what I heard and from the voting record.

As for the labour legislation which comes in for a lot of criticism from some members of the Liberal Party, I can only repeat what the Leader of the New Democratic Party said about the fate of the various bills when they were in committee and the amount of attention they received from Liberals at that time. But I really don't think that that's a criticism I regard as major because I remember on one occasion, I wasn't in the House when agricultural estimates were being discussed and the Liberal Party made the welkin ring that I was disinterested in agriculture because I was out at another meeting when those estimates were before the House in 1957. That criticism didn't impress me at the time and I guess I'm not really going to make much of a fuss about the fact that members of the Liberal Party who were on the committee were not at the committee at the time that the Leader of the NDP Party mentioned. But with respect to legislation, we're in a rather uncomfortable position. If we act before the study, as we are accused as having done in some cases, that's wrong; if we wait until the study is completed until we act, as we are doing in some cases, that's wrong; so it's very hard to find out exactly where the Official Opposition stand on these points.

I have some notes here about the sinking fund arguments. I'm not going to bother with it because the whole argument raised by my honourable friend was quite pointless. I think he is well aware of just how pointless it is and there's no need for me to labour that point.

With respect to our tobacco tax, I'm glad to know that they support it in that particular respect, if my memory is correct. I think it's the right thing to do. If you must increase taxation, that's the kind of tax that should be increased before others are looked at. It does represent, not five percent of our revenue but something in the order of three percent because nowadays all our revenue is controllable as far as we are concerned except the equalization grants that come from Ottawa. We do strike our own corporate and income tax rates and that means that the figure on that point was a little bit distorted, but then again it couldn't really matter less, so it's not something I intend to spend too much time on.

My honourable friend raised an important point in The Gasoline Tax Act, because he says that we ought to alter the legislation that we've had in the past about farm trucks. There seems to be some impression abroad that farm trucks in the past had been free of the necessity of paying the gas tax, that farm trucks, no matter where used, on the farm or elsewhere were eligible for the tax rebate. I hope we've established by now that that's not the case, that the previous legislation provided for farm trucks to be users of taxable gasoline and that nothing in way of a change is contemplated here.

But my honourable friend the Leader of the Opposition said that we should make a change and that these should be relieved of taxation. I wonder if he did any arithmetic before he made that suggestion as to what this might mean to revenue because it has a most important bearing on revenue. I wonder if he went to the Motor Vehicle Branch and found out how many farm trucks there were and obtained any kind of an idea of how much gallonage they were likely to use on the basis of Dominion Bureau of Statistics figures, to find out just what this would mean to the revenue of the province. Well if he didn't do that, I suggest he should have; and if he did do it, I suggest he ought to have told us what the financial implications of his idea were, because they are important. My calculations indicate that well over a million dollars of gasoline tax would have to be rebated or forgiven if farmers were allowed to use tax-free gasoline in farm trucks. Maybe they should be allowed to use it. I leave that question open for debate, but I say that one must recognize the cost of that particular change. In my opinion, based on the figures which I have assembled, it is well over a million dollars a year, and we can't be expected to deal with this question unless we have some idea as to where the additional revenue is to come from to make up this loss.

After all, we have voted for the estimates; by and large we have voted for them as they stood. Members of the Liberal Party wanted to spend more in some very important fields, but not many reductions were proposed or not many reductions of substance were proposed. So that if one wishes to forego over a million dollars of revenue at this stage of the game, I think

(Mr. Roblin, cont'd)... there is some obligation to suggest where it should be made up, and I suggest that is going to be rather a difficult matter.

Now as for branch line abandonment, I suggest my honourable friend make what representations he can to his friends who are now in control of this matter at Ottawa. I'll give him all the help I can. I have made our position perfectly clear to the new Minister of Transport. I have pointed out to the Government at Ottawa, both the old and the new, and let me say this -- I'm not saying anything to the new government I didn't say to the old one because I don't think that would be quite cricket -- and I want to say that the stand we took with the old government is the same stand that we are taking with the new government and that is to beware of the implications of an unsolved branch line abandonment policy, its implications on the Crows Nest rates and to the farmers and other people in Manitoba, and its wide social impact. All those points have been made clearly, I trust, with the old government and I have taken the liberty of repeating the substance of them in writing to the new government. So that is a subject which will continue to occupy our attention.

Now we have the suggestion that the Tobacco Tax is just a "curtain raiser". It came from more sources than one that the Tobacco Tax is the curtain raiser for a general sales tax. In fact, somebody called it a sales tax. Well I think that you can just as well, just as legitimately call the gasoline tax a sales tax because there is no distinction between the gasoline and the tobacco tax in that respect. Maybe they're both sales taxes. We've never looked upon them in that light so far. We've called one a gasoline tax and the other a tobacco tax (luxury -- suit your choice). There you are -- and we have these taxes.

Somebody says that they may well be the curtain raiser to a sales tax. Well I was glad that one of the members made reference to my undertaking in 1958 with respect to sales tax. That undertaking was that the 1958 platform could be budgeted for without a sales tax and indeed it was. That is a matter of record. That is a matter of history. My undertaking with respect to the sales tax was perfectly clear. It had to do with the implementation of the program on which we ran in 1958, that it could be budgeted for without a sales tax. Now we kept that promise. We lived up to it. Now what will happen in the future? Well I don't know, but I think that no candid politician at this stage in the game, no candid politician could deny the possibility that a sales tax may be necessary in the Province of Manitoba. How can you deny it when you get a continual request on all sides for more aid to the municipal level of government? If we are to give that aid to the municipal level of government, new taxes or increase on present taxes will certainly be called for because we haven't got that kind of elbowroom in the present budget.

Now listen -- if you want to get an idea what I'm talking about, listen to some of the highlights from a brief appearing on my desk today -- and it's not alone, although I quote it today, there are others -- from the City of Portage la Prairie and their request for provincial financial assistance. I'm going to read this to the Committee because it'll give them some idea of the pressure and the demands from the municipal level for more help. They request the payment of grants in lieu of taxes on provincial government property, programs and buildings. It calls for more money than they get from us in this respect now.

"City of Portage la Prairie request the Provincial Government to assume a larger total share of the cost of education and to set the municipal share not higher than 18 mills." The Member for Portage la Prairie could tell me what these mill rates for education are now, but it's certainly a far cry from 18 mills and he knows what it would mean in terms of dollars and cents if we adopted this resolution. "City of Portage la Prairie request that steps be initiated to provide for a junior college in that city. City of Portage la Prairie requests the Provincial Government to establish a school for the re-training of unskilled workmen. City of Portage la Prairie requests the Provincial Government to establish "training on the job" school in our city for training prospective workers for the garment industry." I'm not reading all of it. "City of Portage la Prairie requests the Provincial Government to assume financial responsibility for certain welfare cases. City of Portage la Prairie requests the Provincial Government to make a substantial contribution toward the development of Island Park in our proposed centennial development project." And there's more. I'll just pick out the interesting ones. "City of Portage la Prairie requests the Provincial Government to rebuild the Delta Highway and extend the four-lane traffic at least one mile further north; to give as far as possible field

(Mr. Roblin, cont'd)... engineering studies for a proposed extension north of No.31 Highway from Darlingford to Portage la Prairie; provide a four-lane highway from the bridge over the Assiniboine at St. Francois Xavier to the intersections of Nos.1 and 4 west of Portage la Prairie; provide a six-traffic lane through Portage la Prairie on No.1 highway; construct a portion of a perimeter highway from the south highway to No.1; construct an all-weather highway from 20th Street South West to the Mushroom Flats; requests the grant of \$100,000 towards the construction of a railway overpass on No.4 (a) Highway in the City of Portage la Prairie."

Well that gives you an idea of the kind of things they'd like us to do, and I daresay these are all good things looked at one at a time. They're good projects and I must say I think that the Mayor of Portage la Prairie is acting with his usual all-inclusive initiative when he brings this to my attention and asks for an interview with the Provincial Cabinet. In fact he was kind enough to suggest that we should all go out to Portage la Prairie and he would stand us a free lunch, as I got it, provided that we would be able to meet his views, or at least to consider his views in connection with this brief.

Now I don't single out Portage la Prairie because it's much different from any other municipality. It isn't. They all have the same problems and, as we will hear when the municipalities go before the Royal Commission on local government organization and finance, they will be making the same requests, probably more in the field of education than has been made here. But one can see that if one is to be at all realistic about the possibilities of public finance in Manitoba, that this question of finding some relief for the local taxpayer is going to be one of the important ones, and I myself do not see how any large measure of relief can be granted without some pretty important changes in the income situation of the Province of Manitoba.

But I don't want to leave it on that rather negative line because there's a ray of hope, there is a ray of light, and I think a substantial and important ray of light has been shed on the whole of this problem in recent months that indicates that we may be able to make some of the changes that we deem desirable without the introduction of a sales tax in Manitoba. I want to share this with the House, because I think that the policies on which the present federal administration was elected in connection with provincial-dominion fiscal relations provides that ray of hope for the Province of Manitoba in respect of these matters. It is perfectly true that the former government refused -- refused to consider the question of equalization to the highest province; they equalized on the average. I said what I thought about that in this House and I wasn't altogether complimentary about it. I stuck to the position that equalization to the highest province was necessary. That's my position today and I'm delighted to see that it is the policy of the federal administration -- equalization to the highest province. But that isn't the end of it, because there is a proposal which I believe is also part of their program, that they should yield the total product of succession duties to the provinces of Canada. And while that is not a major item, it is certainly an important one.

But there is a third leg of this stool which perhaps in its implications for the future will be even more important than the other two, and that is that they intend to reorganize the fiscal arrangements between provinces and the Federal Government so that those shared programs, those contingent grants which are so important a part of our structure these days, will be translated into a taxing authority for the provincial administration; that the money will stop coming from the federal treasury and room will be made for us in the various pacts sealed in respect of this matter. Now I think that that may have the most important consideration because it will do two things. It will not only make us more the masters in our own financial house but it will also enable us to reorganize the way in which these moneys are spent. Presently they are dictated -- and I use the word advisably, but I think quite accurately -- they are dictated by the federal policy at Ottawa. If these revenues are placed in our hands without that direction, then it seems to me that we may indeed find ourselves in a much different financial posture than we are today.

Now let's be clear about it. I think it would be quite unwarranted on my part, and indeed a little unfair, if I were to suggest that the Federal Government should plunge into such a complicated matter as this immediately. I've already stated that I have not suggested that to the Federal Government and I don't want to suggest it now, but I think that it is not unreasonable to expect that some time before we meet again next year in this Legislature that there

(Mr. Roblin, cont'd)... will be meetings convened at the request of the Government in Ottawa at which these very important matters of Dominion-Provincial relations can be discussed and, I trust, some better arrangements made than those which prevail at present. I think that the three points of policy, which I understand to be that of the Federal Government, really invoke perhaps a new look at the whole of this problem and it may have most interesting implications with respect to our general tax structure here in the Province of Manitoba.

Now I want to just mention also a point that was brought in at the tail end of things by the Honourable Leader to form the basis of his want-of-confidence motion and I am talking about the question of fees, because my honourable friend made it clear in the House and in the committee that he doesn't like the way we handle fees. He was quite emphatic about it and he's entitled to that view, but I think that what is really being done here, an effort is being made to really introduce a new constitutional doctrine, and that constitutional doctrine is that fees and taxation are the same thing. If I read from the resolution that is before us, I get the impression that this is the situation because I quote the words "increasing levels of taxation by increasing fees, licences and hidden charges."

Now I want to examine for a moment the idea that fees constitute taxation and that there's no difference between the two of them. In a sense one has to admit that both are calculated in terms of money that come out of the pockets of the people of the province and to that extent they are the same, but from every line of correct constitutional doctrine they are not the same and they represent two entirely different things. If anyone cares to consult Beauchesne, paragraph 243 of the Fourth Edition, they will see a definition of money bills and a statement of the fact that "an imposition, repeal, remission, alteration or regulation of taxation, or any matter of that sort, constitutes a money bill and has to be brought before the House by means of a message from His Honour and a Resolution."

If anyone considered that fees in this constitutional sense were taxation, they certainly should have to think again when we consider the means by which taxation measures are brought in. Even when I brought in the proposition on coloured gas which didn't call for any change in taxation, the Legislative Counsel who is the servant of the Legislature, insisted it be done by means of a message from His Honour and a money Resolution because he deemed it to be taxation. These other items with respect to fees are not in any constitutional sense taxation and, if they were, they should have been brought in by means of a money bill. The duty of the Legislative Counsel, the duty of the Speaker, the duty of all concerned is set out in Section 250, 263 and 266 with respect to measures of taxation, and had there been any constitutional doctrine that a fee is a tax then it has to be brought in in this particular way.

I want to say to members that a fee is not a tax and therefore does not come in by means of a money bill and is to be considered as a fee and not as taxation. If one wanted to say, "increasing the levels of fees", I couldn't quarrel too much because they have been increased; but one says "increasing the level of taxation by increasing fees" and there certainly isn't any grounds for that doctrine in the constitution. We are told that somehow fees by regulation are sneaky; they are not really frank and candid and the public don't know what's going on; and if we had any intestinal fortitude we'd bring them in by means of a bill rather than set them by regulation of the Lieutenant-Governor-in-Council.

So even if I can make the point, which some people are bound to describe as academic that fees are not taxation, but I think that correctly states the situation, it still doesn't get away from the suggestion of the Opposition that somehow bringing them in by Order-in-Council is not quite above-board and cricket. Well they're certainly not hidden that way. In the first case they all appear in the Manitoba Gazette; and in the second place they're all placed before the Legislative Committee on Regulations which has to go over everyone of these things; and in the third place the public who pay them assuredly know beyond any peradventure of a doubt, they know what's happened to fees. It is a matter of open public record and I don't think that any real objection can lie that way. However, that may be. The Honourable Member for Ste. Rose, the Honourable Leader of the Opposition, took the very firm position that all fees should come in by statute. Well of course some fees do. We just finished dealing with the one on motor vehicle licences. That is an important one and that was brought in by statute, but a great many are being dealt with by means of Lieutenant-Governor-in-Council. Well here again we have one of those interesting cases where, as far as I can see with respect to the Leader of the

(Mr. Roblin, cont'd)... Opposition, it's "do as I say not do as I did," because I've taken the trouble to go through the statutes of Manitoba for the last little while before we came into office to find out what sort of an example was set to us in connection with fees, and let me give you some of the results of my research. -- (Interjection) -- No, these are not the ones. I got them the same way my honourable friend would get them, by looking at the statute to see what the provision was covering fees.

Well here we go: 1958 -- that's before we came into office -- Hospitals Act, fees for licenses, including licence of operations of hospitals, fixed by Lieutenant-Governor-in-Council; 1957 - The Cemeteries Act, fees for licences set by Lieutenant-Governor-in-Council; 1957 - The Employment Standards Act, fees for licences for certain businesses fixed by Lieutenant-Governor-in-Council; 1957 - The Assignment of Debts Act, fees set by Lieutenant-Governor-in-Council; 1957 - Bills of Sale Act, fees set by Lieutenant-Governor-in-Council; 1956 - The Electricians Licence Act, Licences and Permit fees fixed by Lieutenant-Governor-in-Council; 1956 - The Gas Pipelines Act, Cost of inspection fixed by Lieutenant-Governor-in-Council; and fees for applications for construction permits fixed by Lieutenant-Governor-in-Council. The Liquor Control Act -- that's an important one -- fees for licences and permits under the Act, except brewers' licences, fixed by the Commission subject to Lieutenant-Governor-in-Council; 1955 - The Fish Inspection Act, fees for the registration of fish storage and fish processing establishments fixed by Lieutenant-Governor-in-Council; 1955 - The Gasoline Tax Act, fees for licences and permits prescribed by the Lieutenant-Governor-in-Council; 1954 - The Pipelines Act, fees for application for construction set by the Lieutenant-Governor-in-Council; 1954 -- well I'll just read the Acts because you're getting rather tired of this -- but in 1954 there was The Anatomy Act, The Animal Husbandry Act, The Apprenticeship Act, The Barbers' Act, The Change of Name Act, The Companies Act, The Surrogate Courts Act, The Credit Union Societies Act, The Education Department Act, The Electricians Licence Act, The Employment Services Act, The Factories Act, The Fish Dealers Act, The Game and Fish Act, and in that case there were five places in which fees were set by Lieutenant-Governor-in-Council. Well I go right back to 1948. That was the date where I stopped in connection with this little research project of mine. I don't suppose I need give all these figures out because members will be quite well aware -- (Interjection) -- after I'm through you can...

MR. RUSSELL PAULLEY (Radisson). Well no, it's pertinent to this point. I wonder if you'd mind giving us the amounts of the fees at the same time and then I'll get the reply to the Order I attempted to obtain.

MR. ROBLIN: That's a pretty good point but I'd have to look up the Orders-in-Council myself. I haven't done that yet so I haven't got the information.

All I'm trying to say is this, that it's been a long established procedure that fees are set by Lieutenant-Governor-in-Council in some instances, not in all. I'm sure the honourable gentleman opposite could quote other bills in which fees were set by statute and we have this mixed bag. That is the point I'm trying to make, not that there's any great point in it, but seeing want-of-confidence in the government has been proposed because we're doing these kind of things, I think I should bring it to the attention of the committee that it certainly is standard procedure. As far as the Province of Manitoba, it has been for many years.

But there is one particular point that my honourable friend made that I think I ought to deal with because it does imply, if it were true, it does imply a certain duplicity on the part of the government, a failure to be candid about the question of fees, because he says as he winds up his portion of his speech on this point, he says, "and what is particularly objectionable is in connection with the park fees, that here when the House was sitting" -- he spoke of the Minister of Mines and Resources incidentally of not disclosing the fish licence fees when his estimates were on. Well now I accept that comment. My honourable friend the Minister spoke to me afterwards and said, "I intended to say something about it but it escaped my mind entirely; I'm very sorry I didn't mention it." I want my honourable friend to know that that was the case. It was not kept from the House deliberately. It was a slip and I think that if the House was in session it certainly ought to have been mentioned. So we accept that criticism and we'll try not to do it again.

But getting back to the park licence fees. The suggestion was made that we planned all along to do this and should have told the House when it was in session, and as proof of the

(Mr. Roblin, cont'd)... statement the Order for Return was given, was flourished in front of us, which shows that park licence stickers were printed on two different dates. The first of these dates was April 9th for daily permits -- two dates together -- and seasonal permits on April 17th when the House was certainly sitting. The question is raised: "If you had those printed in the middle of April, why didn't you have the candor to tell us?" There is however another fact here and that is that there's another date on which fees and licences were printed, June 7th and June 11th, which is quite a long time after the House had risen and that is the key to this conundrum.

I really don't criticize my honourable friend the Leader of the Opposition for jumping to the conclusion that because he sees a date of April the 9th and 17th, that we were printing the fees for the park entrances at that time and should have told the House about it, but that is not the case. What was being printed on that particular set of dates was the park entrance fees for Grand Beach. Now those fees had been in effect and everybody knew it, since 1961. There was nothing new about that at all. That's not a new fee; it had been in existence all the time; and the licences that were printed in April were the licences that applied to the Grand Beach collection system. With respect to the fees for the rest of the province, the Treasury Board decision was June 11th, the Order-in-Council was June 13th. It is Order 816/1962 dated June 13th. That decision was not made until a considerable time after the House had finished its deliberations.

Now I am not going to say to the Leader of the Opposition he should have looked up the Order-in-Council or anything like that, because I think that in the pressure of debate it's quite understandable that he may have come to a conclusion that the facts did not substantiate, but I want to assure him that the objection he raises to the daily permits and the seasonal permits had to do with the Grand Beach ones which have been in existence since 1961 and not to the ones for the parks. The decision on that respect was only made in the middle of June, so he can see that we did not violate our moral duty to tell the House we intended to do it if the decision had already been made.

Now that about brings me to the end of what I have to say because the resolution before us criticizes the government on this ground of lack of candor with respect to fees and the fact that we should do them all be statute instead of by Order-in-Council, and I tried to indicate some reasons as to why the criticism falls somewhat short of the mark. However, that's really a rather minor point on which to upset an administration.

Sometimes budgets are nicknamed. I don't know whether my honourable friend ever nicknamed any of my budgets, but some people have done so. If I were to nickname his amendment I probably might be tempted to call it "small potatoes", but if I did that the Honourable Member for Emerson would construe it an insult to the agricultural community so I won't endeavour to nickname it. I'll simply say that while my honourable friend is entitled to object to the fact that fees have gone up -- it's true they have, I make no bones about that -- I don't think he's entitled to describe fees as taxation and I don't think he's entitled to be so harshly critical of the government with respect to the fact that they are done by Order-in-Council because that has been a long-standing practice in the administration here.

But what is the important thing that I would like to leave with the committee when I sit down -- with the House, Madam Speaker? It is that we are probably entering one of the most pregnant periods with respect to the policy of taxation that this country has ever known. I foresee within the next twelve months that there may be radical and drastic rearranging of the tax structure of the Dominion of Canada. This is not a partisan matter; this is not a matter on which we need divide in this House, at least at the present time, because it is something that is going to be most significant for our future. We have, first of all, the Royal Commission in our own province here on the burden of municipal taxes and that's going to be something in itself, but do not forget that we have the Carter Commission on the national tax structure and we may expect radical suggestions to come from that body. And thirdly, we have the fact that a new Federal Government with a new policy with respect to Dominion-Provincial taxes, taxation and statistical arrangements is now in charge of affairs. So I say to this Assembly, Madam Speaker, that as of the present time our financial situation is sound, in good shape; as at the present time our taxation, both on a municipal and provincial level, is among, if not the lowest certainly among the lowest of one or two provinces in the Dominion of Canada; and I say that we should

(Mr. Roblin cont'd)all apply ourselves to these new potentialities in the whole of the taxation structure of our country that will arise because of the three situations that I have tried to put before the House.

So on that note, I want to take my seat and say that I think the government's financial policy ought to be sustained.

MR. MOLGAT: Madam Speaker, I wonder if the First Minister would permit a question? Insofar as the park fees, is the Minister telling us that there was no action taken by the government in preparation for the fees until the middle of June?

MR. ROBLIN: I'm going to tell my honourable friend that the Treasury Board's decision was made on the 11th of June and the Order-in-Council went out on the 13th of June, and the orders were placed on the 11th and the 25th of June. Those are the times it was done.

MR. MOLGAT: Was there no action taken by the government of other nature in preparation prior to that date?

MR. ROBLIN: I wouldn't dare to say that because I'm sure the Department of Mines and Natural Resources had been working on this problem, but no decision was made with respect to it until the dates which I mentioned, and that is the critical point.

MR. DESJARDINS: Madam Speaker, I wonder if the First Minister would permit another question? The question is this. How could he reconcile the statement that he's made today in regards to what should be done by the Federal Government in relationship to the Province of Manitoba with the stand he took in this House in 1961 when he asked us to ratify a contract between the federal and the provincial, and the stand during the campaign when he told the people of Manitoba that Mr. Diefenbaker was the greatest friend Manitoba ever had.

MR. ROBLIN: Well I could spend the next half hour on the question but I'll relieve my honourable friend's anxiety by telling him that I won't. I would simply say this, that as far as financial assistance from the Federal Government is concerned, whether you consider the present tax collection agreement on its own footing or whether you add to that the shared cost programs that have been developing over the past five years, no government in Ottawa has ever been as generous to the Province of Manitoba as the former one has been.

Now I want to make this clear, and I want to remind my honourable friends that when I brought in the tax collection agreement in this House some two or three years ago I did not give it my wholehearted endorsement, and those whose minds can carry back to that day will recall that I specifically reserved the position of Manitoba, that I didn't think it was enough for one; secondly, that I didn't like the idea of equalizing to the average of the Canadian provinces instead of to the highest province; and I'm sure there may have been other reservations which don't come to my mind at the present time. At no time did I say that we should be satisfied with it. I said it was the best that could be obtained under the circumstances at that date, and I think a perusal of the records will bear out my position. I think it has been consistent, and to give the Honourable Member for Lakeside credit, I hope it was generally consistent with the view that he took when he had these duties to discharge. I don't think he ever got all he wanted when he was recommending his agreements. I know he didn't and I didn't either, but he and I both ultimately have to take the best deal we can make and that's what we did. I don't think there's any inconsistency with my stand in these particulars.

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

MR. MOLGAT: Yeas and Nays, Madam Speaker.

MADAM SPEAKER: Call in the Members. The question before the House is the proposed amendment of the Honourable the Leader of the Opposition that the motion be amended by deleting all the words after the word "that" in the first line thereof and substituting the following: "that this House regrets that this government has been consistently increasing the levels of taxation by increasing fees, licenses and hidden charges without reference to the elected members of this House."

A standing vote was taken, the result being as follows:

YEAS: Messrs. Barkman, Campbell, Cherniack, Desjardins, Froese, Gray, Guttormson, Harris, Hillhouse, Johnston, Molgat, Patrick, Paulley, Peters, Schreyer, Shoemaker, Smerchanski, Tanchak, Vielfaure, Wright.

NAYS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cowan, Evans, Groves, Hamilton, Harrison, Hutton, Jeannotte, Johnson (Gimli), Klym, Lissaman, Lyon,

(Nays cont'd) McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Roblin, Seaborn, Shewman, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir, Witney and Mrs. Morrison.

MR. CLERK: Yeas, 20; Nays, 35.

MADAM SPEAKER: I declare the motion lost. The proposed motion of the Honourable the First Minister.

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

MR. ROBLIN: Madam Speaker, that you leave the Chair and some member takes the seat of the Chairman.

MR. CHAIRMAN: Resolved that towards making good the sums of money granted to Her Majesty for the public service of the Province for the fiscal year ending the 31st day of March 1964, the sum of \$124,552,032 be granted out of the Consolidated Fund.

Resolved that towards making good certain moneys for various Capital purposes the sum of \$37,111,820 be granted out of the Consolidated Fund.

Mr. Chairman put the question and after a voice vote declared the motions carried.

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

Madam Speaker, the Committee of Ways and Means have adopted certain resolutions, directed me to report the same and ask leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the committee be received.

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

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Education, that the resolutions reported to the Committee of Ways and Means be now read a second time and concurred in. In moving this resolution, may I say that it would be our intention to proceed, by leave, to move these various bills through all their stages now.

Madam Speaker presented the motion.

MR. CLERK: Resolved that towards making good the sums of money granted to Her Majesty for the public service of the Province for the fiscal year end the 31st day of March 1964, the sum of \$124,552,032 be granted out of Consolidated Fund. Resolved that towards making good certain moneys for various Capital purposes the sum of \$37,111,820 be granted out of Consolidated Fund.

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

MR. ROBLIN introduced Bill No. 60, An Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March 1964.

MR. ROBLIN introduced Bill No. 100, An Act to authorize the expenditure of money for various Capital purposes and to authorize the borrowing of the same (1).

MR. ROBLIN introduced Bill No. 101, An Act to authorize the expenditure of moneys for various Capital purposes and to authorize the borrowing of the same (2).

MR. ROBLIN presented Bill No. 60, An Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March 1964, for second reading.

MR. ROBLIN presented Bill No. 100, An Act to authorize the expenditure of money for various Capital purposes and to authorize the borrowing of the same (1), for second reading.

MR. ROBLIN presented Bill No. 101, An Act to authorize the expenditure of moneys for various Capital purposes and to authorize the borrowing of the same (2), for second reading.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Municipal Affairs, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following bills: No. 60, an Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March 1964; No. 100, an Act to authorize the expenditure of money for various Capital purposes and to authorize the borrowing of the same (1); No. 101, an Act to authorize the expenditure of moneys for various Capital purposes and to authorize the borrowing of the same (2).

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

(Madam Speaker cont'd)..... and the House resolved itself into a Committee of the Whole with the Honourable Member for St. Matthews in the Chair.

Bill No. 60 was read section by section and passed.

MR. MOLGAT: Mr. Chairman, we obviously have not had time to check these bills at all, just having received them. I presume that there is no change in the wording of the bills from the past? Secondly, I wonder if the Minister could indicate why there are two different Bills for the Capital Supply? Is there a reason for the separate bill?

MR. ROBLIN: Mr. Chairman, I can say that the Bills are in the same form that they usually take, and the reason for the difference is that the first Bill -- also this is customary -- the first Bill deals with items which are either the Crown corporations or direct government requirements and the second one has to do with the loaning associations. It has been customary to introduce a separate bill for the loaning associations, the Farm Credit Association and the Industrial Credit. I must confess I've never seen any good reason why they should be separate, but there is a technical reason that the prophets in the back office tells me that makes this desirable. I'm sorry I can't be more satisfying than that at the moment.

Bills No. 100 and 101 were read section by section and passed.

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

Madam Speaker, the Committee of the Whole has considered the following bills: No. 60, an Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March 1964; No. 100, an Act to authorize the expenditures of moneys for various Capital purposes and to authorize the borrowing of the same (1); No. 101, an Act to authorize the expenditure of moneys for various Capital purposes and to authorize the borrowing of the same (2); directed me to report the same without amendment and ask leave to sit again.

MR. MARTIN: Madam Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

Madam Speaker presented the motion and after a voice vote declared the motion carried. Bills No. 60, 100 and 101 were each read a third time and passed.

MADAM SPEAKER: The Honourable Member for Virden has an announcement he would like to make to the House, by leave.

MR. DONALD M. MCGREGOR (Virden): Madam Speaker, I would like to take this opportunity on behalf of the Virden Agricultural Society to extend an invitation to every member of this House to be present at the opening ceremonies of the Virden Fair. This is a "b" Class Fair and I think a very good one. I hope every political party of this House will be well represented on this occasion, and the date is Friday, June 28th at 8:00 o'clock in the evening.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Education. The Honourable the Leader of the Opposition.

MR. MOLGAT: Madam Speaker, the report, concurrence of which the government is seeking at this time, purports to deal with the statements that were made in the House here on the 6th of March by the Member for St. George. I want to go over the statements that he made at that time, Madam Speaker. He charged the government with failure to plan highway construction; with failure to have co-operation and co-ordination between departments; with wasting nearly \$2 million of the taxpayers' money. Those were his statements. At no time, Madam Speaker, either here in the House in that statement or in the Committee, did the honourable member make any statement against any individual. At no time did he mention any individual by name or by inference. At no time did he make any charges of wrong-doing or improper conduct or anything of the sort, on either the part of the officials of the government, the government itself, or of the contractor involved. In fact, we hold the members of the Civil Service in high regard. As the First Minister himself said, a large number of those people were appointed during our term in office.

The first mention, Madam Speaker, of any scandal or of any wrong-doing was by the First Minister himself when he made the reply that day. And he said, and I quote from Hansard, page 51, speaking about the Honourable Member for St. George: "Because he is one of these members of the House who specializes in what I call scandal" -- and he goes on -- "I remember the same honourable gentleman has raised other issues of a scandalous nature which he failed to follow through on." This, Madam Speaker, has been carried on by members

(Mr. Molgat cont'd) of the government ever since, not in discussion of the charges at hand but personal attacks against the Member for St. George, and I repeat, at no time did he make any sort of a personal attack on anyone. I deplore the attitude that the government has taken in this regard and the attitude the Premier has taken in this regard. His comments in the House to begin with, his personal attack in the committee itself -- and I refer there to transcript No. 8, pages 17 and 18 -- and the personal attacks outside of this House on TV.

Madam Speaker, the same applies to the other government members who spoke in this matter. The Honourable the Attorney-General probably reached the peak of all. I would like to suggest to the Attorney-General that he is the Attorney-General of this province, not a crown prosecutor. The statements that he made in this House, bringing in all the names of everyone from the Hydro and so on, were absolutely uncalled for and unnecessary, and certainly not in keeping with what the member for St. George had said.

Then there was a great deal made about the fact that the Member for St. George was supposedly looking for headlines. This annoyed my friends on the far side apparently. The Attorney-General didn't like the language he used. His phrase on Page 1743 of Hansard is: "And I ask the members of the House particularly to note the adjectives -- well-turned legman's adjectives."

Madam Speaker, I would like to bring up some statements that were made in this House in past times by other speakers. Here for an example is what the present Premier had to say back in 1956. Speaking in the liquor enquiry at that time, he said and I quote: "What we have exposed in the liquor question is to be feared in other directions as well. Every time the Opposition pry open another cupboard door, out falls another skeleton." The 30th of March, again Mr. Roblin speaking as reported in the Free Press: "Mr. Roblin charged that every day discloses further evidence of incompetence, neglect and irresponsibility in the government's Liquor Control Commission." Yes, "well-turned legman's adjectives," The Attorney-General said.

Madam Speaker, the First Minister and the other members speaking in this debate have been trying to turn this into a personal attack on the member for St. George. I'd like to say this, that the job of an MLA is not easy if he does it conscientiously. It's easier for members to ignore a lot of things that come up and not make an issue of them here in the House. It's a lot easier to sit in your seat rather than discuss difficult problems or bring up matters that may require a great deal of work. The member for St. George had plenty of hard work and plenty of sleepless nights in connection with this whole affair, just going over the material that the government handed to him just to read. It would have been much easier for the member for St. George never to have got involved in this at all. But, Madam Speaker, the responsibility of all the members of this House is to the people of Manitoba. Complaints were made to the Honourable Member for St. George. He checked these complaints. He checked them out as best he could in the light of the information that he had. He came to the conclusion that there was a basis for the complaints and he aired those complaints in this House, and I say that it's the right thing to do.

In reply to the Member for Roblin who asked me the other day where I stood, well I stand very clearly on the matter. I stand -- the position that I respect the right of every member of this House, be he a supporter of my group or of any group, to bring matters in this House of importance to Manitoba, and I think in this case the Member for St. George had justification for bringing in the charges that he did. The member didn't dream this thing up, Madam Speaker. It was causing considerable concern in many business circles throughout the province. There was a great deal of talk about this matter, and I say that it's good for the government when these things come out. It's good for our whole system of government to have these matters aired here when they're a matter of concern across the Province of Manitoba.

The government doesn't operate like a business does with a profit and loss statement at the end of the year. There's no direct means of relating the efficiency as you normally do in business according to whether or not the organization is making a profit or a loss, and the MLAs and this House are the watch-dogs of these matters. I say that any member who would refuse to bring a matter up in this House of this nature, where it has been brought to him specifically, would be failing in his duty, and I support the

(Mr. Molgat, cont'd.) . . . Member for St. George. For the Premier and his followers to change this into a personal attack as he has against the member is in my opinion unfair, uncalled for, beneath the dignity of his office, and it's not in the interests of good government in Manitoba.

Madam Speaker, when the Premier proposed calling this Committee, he gave the House the assurance of full and complete investigation. We took him at his word. We accepted willingly and got to work on the material that was supplied to us. There were no reservations and no complaints on our part. The Premier chose to call a Committee. We told him the information that we required and there wasn't a single complaint insofar as we were concerned.

I might point out, Madam Speaker, that this is very different from the position taken by the present Premier when he was the Leader of the Opposition back in 1956, on the proposal of the government of the day to establish a committee on beer prices, because here's what the then Leader of the Opposition, the present Premier, had to say, Madam Speaker. And this please note is before the Committee was even set up. This was at the time when the government was proposing to set up the committee, and I'm quoting now from the Tribune, 15th of February 1956. The headline is: "Whitewash Charge Sparks Debate. Government" -- and I'm quoting -- "Government attempts to set in motion a legislative investigation of Bracken Commission beer profit charges bogged down Wednesday as opposition cries of 'whitewash' were met by sniping from government benches in the hottest debate of the session. After three hours of bitter debate punctuated by continuous interruption, the House did not come to a vote on the government's plan. Mr. Roblin" -- who was then Leader of the Conservative Opposition -- "opposed formation of the Committee which he called a 'whitewashing expedition'. Mr. Stinson" -- who was then Leader of the CCF -- "called the government's plan 'evasion of duty' and moved for an independent Commission." On another occasion, Mr. Roblin said: "The government would be judge and jury with the Opposition unable to submit even a minority report." This, Madam Speaker, was his view before the Committee was ever set up in 1956.

Madam Speaker, we said or did nothing of the sort. We accepted the Premier's statement here in the House. We never considered nor provided nor attempted any obstruction here in the House when he suggested he have the Committee, or in the Committee itself. We didn't object to the fact that it would be a government-dominated Committee because we had the statement of the Premier that he would permit full and complete investigation.

It soon turned out though, Madam Speaker, once we got into the Committee that things weren't quite the way we had been told. To begin with the government did not produce all of the information that we requested. Time and time again the member for St. George had to come back to the Committee and the House here and say: "such and such is missing; I have not got all the information I want." And this was repeated on a number of occasions.

It raises another point, Madam Speaker, as to how much we can count on Returns to Orders that we place in this House if this group was any indication. At no time did the government make any reservations about the capital and operating statements that should have been included in the first place, until in Committee when my honourable friend brought up the matter that they weren't there. The first time the government said: "We will supply them." Two or three days later they said: "No, we won't." In the initial stages when the request was made, there was no reservation made by the government. They said: "We will supply all of the information." And they didn't. The capital and operating statements were never produced.

Third point. They proceeded to change the terms of reference, Madam Speaker.

MR. ROBLIN: What was your second?

MR. MOLGAT: The second point was the matter of the capital and operating statements.

MR. ROBLIN: The first one?

MR. MOLGAT: The correspondence. Third point, Madam Speaker, they changed the terms of reference from what the Premier had said here in the House to what was eventually set up in the Commission, and the terms of reference we objected to in the committee. I specifically stated at that time on the one condition that what the Premier stated in the House is going to be the limit of the investigation, and this was a proviso that we put in very clearly. The fourth point. The government refused both counsel and auditors to the committee itself and particularly to the member for St. George. The fifth point. They refused the right of the counsel that he obtained for himself to do any of the questioning in committee. Sixth point.

(Mr. Molgat, cont'd.) . . . They refused him the right to get financial information on this contract as he requested. The final point. They finally refused to give him the right to question witnesses. This refusal, Madam Speaker, was by the committee. The committee made the decision refusing the right to proceed with the questioning.

And what question was the Honourable Member from St. George asking at that time, Madam Speaker? He was asking for verification of the figure that was given in the material that the government had supplied. He was asking for verification of the figure of \$308,750 listed here as the amount of investment of one of the partners. It's listed in one of the documents supplied. The member was asking whether the figure was correct. The committee says you're not entitled to ask that sort of a question.

Madam Speaker, how does this compare to the statements that the First Minister made in the House? How does it compare to what he said on the 6th of March? Here is the First Minister speaking: "Because I want to make it perfectly clear and beyond any shadow or per- adventure of a doubt that there is nothing in connection with this matter as far as the Govern- ment 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 I will suggest in a minute or two." Then I skip a sentence or so. "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 pub- lic any information that we can supply in respect of these matters, so I propose that the Com- mittee 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 who think like him may have an op- portunity of pursuing this matter to any length they wish."

Does that, Madam Speaker, agree with what did happen in that Committee? Compare that sort of treatment, Madam Speaker, with that afforded the opposition in 1956 in the Beer Probe. They were given legal counsel of their choice. The opposition decided who they wanted as leg- al counsel. They submitted a list of four names that they chose and from that list two auditors were selected and one legal counsel. They were given . . .

MR. ROBLIN: Yes, but you supplied the list.

MR. MOLGAT: They were given all of the information they wanted, Madam Speaker. In fact it's rather interesting to see the change of tune that my honourable friends to my left, the NDP, from 1956 because I recall at that time, and I'm going to quote what the then Leader of the NDP, Mr. Stinson, had to say then, and I'm quoting now from the Free Press of the 21st of March, 1956: "CCF Leader Lloyd Stinson said that in a public enquiry no information should be considered private. He said he objected 'strenuously' to any reservation." On March 14th, 1956, in committee, Mr. Stinson asked Mr. Turner, representing Shea's Winnipeg Brewery Limited, the following question: "I wonder if Mr. Turner would answer this question. Would his clients object to giving information to this committee with respect to contributions made to political parties or candidates at election time?" That's page 225 of the transcript of that Beer Probe. On the 28th of March, 1956, Mr. Stinson moved -- this is on page 434 of the transcript -- "that the breweries operating in Manitoba be requested to table information with respect to the contributions made to political parties and candidates for the provincial election campaigns of 1945, 1949 and 1953." Madam Speaker, who do you think seconded that motion? None other than the present member for Radisson, now the Leader of the NDP. What a far cry, Madam Speaker, from the puppets now who jump at the government's command and agree completely -- go right along.

Back in 1956 you could go into all the details of the beer companies but in 1963 it's a dif- ferent tune altogether. What a change in their view of the public interests, Madam Speaker, when you consider the actions of this Grand Rapids Committee. Madam Speaker, when you compare them to past actions, particularly in this Beer Probe, any reasonable observer will wonder why we stayed as long as we did in such a committee, which attempted from the very beginning to obstruct and prevent any information except the information that the government wanted to have appear.

I note that the report says in its final paragraph that "Your Committee deplores this ac- tion on the part of the aforesaid members and brings the matter to the attention of the House." The matter that we left the committee. Well, Madam Speaker, I don't know what the House proposes to do about it but I can tell you this, that I went to the Committee in the first place on

(Mr. Molgat, cont'd.) . . . the basis of the assurances of complete disclosure and full information given by the Premier in this House. Any resemblance between what went on in that committee and the statements that were made in this House were purely coincidental. There was no attempt made to live up to the statements and the assurances that we had. I for one want no part of any such committee or any such reports.

I want to return now, Madam Speaker, to some of the information that did come out, even in this most restricted government-controlled enquiry. The member had said, "Failure to plan highway construction." Well in the committee it came out, Madam Speaker, that the choice for next power was either Grand Rapids or Selkirk. In any case, if Selkirk was chosen first, the next step obviously was going to be Grand Rapids. Well why weren't steps taken earlier to begin the highway? The government is now considering Madam Speaker, a Nelson River project. Is it going to wait until the last minute to make a crash decision on transportation or is it going to plan now as part of the over-all project?

The member for St. George said that there was failure to have co-operation and co-ordination between departments. I don't blame the Utilities or the Department, Madam Speaker, but I do blame the government for not setting up some co-ordination and for not making decisions on time. What came out in the enquiry? Well one of the government witnesses said that he did not know when the road would be ready. I'm quoting now from page 35 of transcript No. 1, and in reply to a question by the Premier himself the government witness said: "When discussing the question of the construction of the new road the officials were quite clear they could not guarantee us when the road could be built. In my own recollection there was no suggestion it would be built in one year."

This is a statement made in committee and yet, Madam Speaker, at that very same time while they were planning for the construction, one other department, the Department of Public Works, was putting out tenders for the construction of the road. The same time as the water haulage contract was being tendered the road was being tendered. In fact, the road contract was tendered -- that is the closing date was first. The closing date was the 7th of April, 1960. I'm quoting now from the McNamara contract, this memorandum of agreement on the 7th day of April, and it says clearly: "To construct and finish in a good and workmanlike manner the following work" -- and it's detailed there what type of work -- "and to deliver" -- I'm skipping now to the bottom of the page -- "and to deliver the same work complete and fully finished in every particular to the Minister after the expiration of 100 working days." The commencement date is listed as April 4th, 1960, and a further clause in the contract "time shall be the essence of this agreement."

So we're negotiating the water contract the same time we're negotiating a road contract to be completed within 100 days. Well I know the Attorney-General said, well 100 days -- you may have some days where you can't work. That's true, Madam Speaker, but surely 100 days, starting on the 4th of April in the Province of Manitoba, permits a road to be constructed. In fact I have a better authority still, Madam Speaker, the man who was then the Minister for the Department, because he said at that time, and this is on the 11th of March, 1960, in reply to a question by the Member for St. George: "Was the intention of the government to let out the contract and complete the road?" He said, "Yes, that is the objective during the coming year." The Member for St. George said: "Including gravelling?" And the Minister replied, "Yes." -- (Interjection) -- 1490. Madam Speaker, the Minister certainly at that time in March of 1960, the Minister of Public Works was certainly very positive in his statements about whether it was going to be completed that year or not. What sort of co-ordination is this, Madam Speaker? One department says they don't know if it's going to be built; the other one assures that it is going to be and proceeds with its contracts on that basis.

The government made a great point that the road, even when built, might be unreliable. Well we all know that there's a period in the spring in the Province of Manitoba where we do put on road restrictions but, Madam Speaker, this is usually for a period of one month each spring. The remainder of the year our highways actually are more reliable than water haulage on Lake Winnipeg because water haulage on Lake Winnipeg ceases completely during the winter obviously and during the summer time, with the storms that come up, it is not always reliable. Surely the government isn't telling us that it's proceeding to build roads that won't stand up. Why did it go ahead and build the road at all if it didn't intend to have it used for transportation?

(Mr. Molgat, cont'd.)

The facts are, Madam Speaker, that on numerous occasions the government had to use the road because it couldn't use the lake. This came out in the transcript as well. Transcript No. 7, page 19, Mr. Hryhorczuk asking a question: "Isn't it true that because of the failure of Drake-Pearson to deliver the cement as it was required at Grand Rapids, you decided to have it delivered from the plant at Fort Whyte direct to Grand Rapids?" The reply of the government witness was: "My recollection is that we did on occasion have grout cement hauled via truck to Grand Rapids rather than via truck to Selkirk, to make sure that they had the supplies that we required on the job." And yet we're told, Madam Speaker, the water haulage contract was essential to ensure delivery. On the other hand, we used trucks on occasion because the water haulage contract does not assure delivery.

The government claimed savings by having a fixed price for transportation, claimed that by having an established price that they could quote firm prices at Grand Rapids to the contractors, and yet while one department says this, Madam Speaker, other departments are out giving contracts at subsequently higher prices, and I refer here to the bridge contract at Grand Rapids. I read this in the committee and I will read it here again. "While the government was establishing \$23.10 as the rate of haulage to Grand Rapids and quoting the contractors on that basis, and have the service available, a contractor quoted here, and his tender was accepted I believe on the bridge, for 3,620,815 pounds of material to be hauled there, and he put in his tender the price of 27 cents a pound or \$54.00 a ton. Now is this the type of saving the government was obtaining, Madam Speaker, by having this four-year high-priced contract? How do you compare these? Now this is only one. How many others were there of the same type? I don't know, but certainly the government didn't establish any co-ordination between departments when it establishes a rate of \$23.10 and accepts contracts quoting \$54.00.

The Member for St. George said that there was lack of planning, Madam Speaker, The government admitted that one of the three critical factors in Grand Rapids was transportation. The government has a lot of experts, Madam Speaker. The Department of Industry and Commerce, I believe, has a transportation department available to industry. Someone who wants assistance, an outside corporation who wants to come to the government to get information on transportation matters, can go to the department, I believe, and get information. There are certainly consultants available outside, but apparently this government doesn't make use of its own consultants or proceed to go outside, because it came out in evidence, Madam Speaker, that there was no consultation. I refer now to transcript No. 7, page 12. Mr. Guttormson is asking a question of a government witness. "Did you have any consultants for the planning of your transportation facilities?" The answer, Madam Speaker, is, "No sir, no consultants." Mr. Tuckwell, when speaking to the committee, stated that there was no consultation with the truckers. In other words, there was no advice sought, Madam Speaker, from others who could give information on transportation costs and give advice and plan the matter. Is this the type of planning that we require in the Province of Manitoba in government affairs, Madam Speaker, when they have the consultants available and don't check with them?

But the main charge, Madam Speaker, was really that of wasting nearly \$2 million. Well I would want to say, first of all, that I agree that during the summer of 1960 there is no argument -- you did need some other means of transportation to Grand Rapids than the road, because there was no road in the summer of '60, so there was need for other types of transportation. Probably it was required, as well, as insurance for 1961; but why, Madam Speaker, why a four-year guaranteed contract? Why a contract for so much tonnage knowing full well when the contract was being let that the road contracts were also being let? Why is it that the government department on the one hand proceeded to call tenders for a road, put the road in, and on the other hand another department go ahead and give a four-year contract? There were many variations possible. The contract could have been firm for one year, and an option for the balance, or firm for two years if they wanted full insurance, and option for the balance; or it could have been a combination of firm and option, or option to buy, or the government could have considered putting it on its own equipment for the first year, and stand by for the future. From testimony it was obvious that they would not have needed all the equipment that was put on that lake if it was going to be for a shorter period.

It came out in evidence that the original plan was to carry only 20,000 tons the first year,

(Mr. Molgat, cont'd.) . . . 25,000 tons the second year, and 50,000 tons the third year. This is the basis of the first letter that was sent out, and yet all the equipment was almost supplied within the first year. Surely there was surplus capacity in order to carry the low initial tonnages. I want to remind the House, Madam Speaker, that the cost of that equipment was borne by the people of Manitoba, because it came out in evidence that the government fully expected the contractor to pay for his depreciation through the charges that he made. In the testimony, Madam Speaker, it came out that if the government had used the road more it would have saved money, for government witnesses admitted that for every ton of cement that went by truck, the government saved \$13.33 per ton. Every time that the water haulage contract didn't work, and the government sent by truck from Fort Whyte to Grand Rapids, it was \$13.33 per ton. This as a result of one of my questions, page 21 transcript No. 7, the government witness said, "I believe it is correct to say that a ton of cement -- bulk cement -- delivered to Grand Rapids via road by the Cement Company, ended in a net cost to us, to Manitoba Hydro at that point, \$13.33 less than the same ton of bulk cement delivered by barge. In addition to this, Madam Speaker, on every truckload that went up, the government collected a gas or diesel tax and it also provided additional employment in the Province of Manitoba.

Now shorter term contracts would have allowed this. A shorter term contract, a lower tonnage contract, would have allowed for more to go by road with consequent much greater savings. Once into the contract, Madam Speaker, it seems to me that the government could have broken that contract because it came out in testimony that they were not satisfied with the contract. I read onto the record a series of letters from the government to the water haulage contractor indicating that they were not satisfied with it. The Attorney-General laughs. I'll read a couple back to him again. As early as October 19, 1960, Madam Speaker -- this is the first year of the contract -- there's a letter by a Mr. Daggitt addressed to a Mr. Oliver of the Drake Construction Company. I don't read all the letter -- just a portion of it -- and it says, "If your organization is not capable of completing the construction of this skeleton shed building which has been under way since the middle of June, kindly advise, and I will recommend to our head office that no further work be awarded the Drake Construction until such time as I am satisfied you can fulfill your work commitments." I read onto the record one from the 17th of October 1961, stating, "Your present water transport facilities are neither capable of nor being operated to handle tonnage at a rate sufficient to meet the requirements of the contract." And it goes on to say, "Your performance on the handling of bulk cement in particular has been much below our indicated requirements." In 1962 we have a telegram: "In view of fine weather and heavy demands for cement at Grand Rapids, we consider this a violation of the contract." This was the government writing to the contractor, Madam Speaker. But no action was taken apparently to make any change in this contract, cancel it, when by their own letters they were stating that they weren't satisfied with the contract. Why? Or, Madam Speaker, the government could have considered buying out this contract. Mr. Tuckwell, when he came and spoke to the committee, stated that he had made that suggestion to the government. At that same time, August 12, 1961, a large newspaper headline -- Free Press: "Truckers ask Hydro to buy out contract. Would save money on Grand Rapids haul. The Manitoba government may soon get an official request from provincial truckers to buy out the lake haulage contract to Grand Rapids and save nearly half the \$3,500,000 transportation costs by shipping on trucks. Individual truckers have already approached both Premier Duff Roblin and Utilities Minister J. B. Carroll with the suggestion that the government order its Hydro Utility to cancel the lake haulage contract." No action was taken, Madam Speaker.

I want to come back now to the contract itself. The government says that the proof that the price is not too high is that the contract was let on the basis of the lowest tender. A great deal was made of this by the Member from Brandon. Madam Speaker, this is not protection enough. The government knows full well that it's normal business practice to estimate in advance what a contract price is likely to be. If the tenders are far out of line when they come in it's common to check the tenders, it's common to refuse them all, it's common to recall for new tenders. In fact, the government makes provision for this itself, because in the very first letter that they sent out on the 11th of March, the first request for tenders on the second page -- the bottom of the page -- it was clearly stated: "The Board reserves the right to reject any or all proposals, and the lowest proposal will not necessarily be accepted."

(Mr. Molgat, cont'd.)

Madam Speaker, it's not goo enough to say that it's the lowest tender and therefore we accept it. Did the government check? Did the government consult? Did the government get any transportation specialists to advise them? Did the government use its own services in the Department of Industry and Commerce to see if this was a reasonable price? The answer from the testimony, Madam Speaker, is no. The result is that on the basis of alternative transport by road, by the government's own admission they paid for freight more than twice the price per ton -- for every ton of bulk cement, which was the largest amount of any one material hauled -- twice the price for every ton by barge rather than by truck. When the government entered into this contract it did not check, it did not consult; and when later it was advised and complaints were made to it, it did not act.

The government cannot say, Madam Speaker, that it didn't know. It can't say, "This is one of our utilities' fault," because it came out quite clearly that they had ample information given to them and ample complaints. Mr. Tuckwell came to see the Premier himself. He wrote to the Premier. He went and saw the Minister of Public Utilities. There was one newspaper clipping I just read; there were others at that time. On the 10th of August a headline: "Hydro pays for lack of faith. Despite lower truck costs oil goes to Grand Rapids by barge." On the 11th of August: "Contract criticized as too high." The government knew Madam Speaker, that there was something wrong here, but took no action. My complaint is not against the contractor, Madam Speaker. He bid on this and he got the contract. This is normal business practice. I'm not interested in the over-all activities of this contractor. However, Madam Speaker, for the purpose of this one contract, a separate company or corporation or organization was set up -- for this one contract alone. In the committee, the only information we were seeking was on this portion only. We were interested only in the earnings on this particular contract, which is in effect a government-established monopoly. The government majority, along with these puppets on the left, refused the production of this information, Madam Speaker. Why did the government not let the facts come out?

The Premier gave us one of his great impassioned speeches in committee that it was wrong to ask for this information. The Attorney-General read it back into the record here the other day that it was wrong to seek information from this company-- information, I repeat, Madam Speaker, that dealt only with this contract; only with the transport monopoly which the government had in effect established, not with any other aspects of the contractor's operations. Now how does this refusal to get the information, Madam Speaker, compare with statements that the Premier made when he was Leader of the Opposition himself? And I want to refer here to his statements at the time of the beer probe again in 1956, Madam Speaker, because here's what the then-Leader of the Opposition, the present Premier said, and I am quoting now from the Tribune, Legislature in Session, the 3rd of February, 1956, speaking about the Throne Speech debate on the 2nd. "The Manitoba Government allowed breweries to reap extraordinary profits. It has allowed breweries to set up beer monopolies with monopoly prices resulting." This is the Premier speaking, Madam Speaker -- the present Premier that is -- and I quote: "And these profits are retained by the breweries at the expense of the Public Treasury and by extension to the people of Manitoba." The Free Press of the same date -- oh pardon me, the Tribune -- yes, continue on the same: "The Opposition Leader said strenuous efforts would no doubt be made to prove the figures pointing to excessive profits wrong, but that it was crystal clear that charges of monopoly are sustained and the Conservative Party 'believes no one is entitled to monopoly profits especially from liquor legislation.' But still" -- this is a particular quote, that is, by the then-Leader of the Opposition -- still quoting from the newspaper: "Mr. Roblin then made his most telling points. A Bracken Commission staff consultant had said: 'the Liquor Control Commission has never investigated brewery profits to ascertain whether the prices paid breweries yielded returns appropriate to the investment and services performed by the owners.' Said the Tory Leader, 'If this statement is true then the Government Liquor Control Commission stand self-condemned as lacking in the simplest elements of prudence.'"

Madam Speaker, in 1956 it was fine to check the breweries to see if they yielded returns appropriate to the investment and services performed by the owners, but in 1963 it's absolutely improper, Madam Speaker -- suddenly becomes something that is just going to create the downfall of our system, if you ask for the earnings on one portion -- one contract -- and attempt to

(Mr. Molgat, cont'd.) . . . get information on this government monopoly.

Quoting now from the Free Press, also 3rd of February: "The Conservative Leader transformed the House into a tense courtroom. He was the public prosecutor; the charge against the government was gross negligence in its dealings with the breweries. When a government confirms monopoly privileges it had the duty of seeing they were not used to gouge the public and to see provincial revenues were not cheated."

Tribune, 29th of March, Madam Speaker: "The government, not the breweries, is on trial at the legislative committee investigation of excess profits made by the Bracken Commission, Opposition Leader Duff Roblin said in a radio address Wednesday night. "The government has allowed the beer combine to milk the provincial treasury at your expense as a citizen of this province," he said. Mr. Roblin said the great defence of the government in denying Opposition requests for aid had been its responsibility to the public."

Winnipeg Free Press, 21st of March, 1956: "Members of the Legislative Beer Probe Committee Wednesday took strong objection to a stand by two legal counsel that breweries should not be required to divulge publicity production figures that might jeopardize their competitive position. Opposition Leader Duff Roblin termed the breweries' stand totally unacceptable. He said the committee's counsel and accounting staff should make whatever information it gets available to committee, and as committee was a public body the information should go to the public." And here's a direct quote, Madam Speaker, from Mr. Roblin at that time: "We can't countenance this limitation. Facts must be disclosed. Manufacturing costs and salaries must be included in any investigation as to what constitutes cost and profit," he said.

The Free Press, March 22nd, 1956: "Opposition Leader Duff Roblin had asked in a letter to committee for annual balance sheets from all breweries dating back to 1942, including an analysis of changes in capital and earned surplus, profit and loss statements including the prime cost of beer manufacturing, operating and sales overhead, analysis of sales, and a separate accounting of production costs distinct from hotel financing and other extraneous matters."

Madam Speaker, why was it in the public interest in 1956 to produce all of this information from many companies on their over-all operations? All the details is what he wanted then. Why is it contrary to public interest in 1963 to produce limited information from one government contract? Why is the government not prepared to have this information produced? I submit, Madam Speaker, that it's in the public interest that the facts be brought out as it was in 1956. The government is now planning many projects, Madam Speaker, planning on the Nelson River; planning on the Winnipeg Floodway; on the Portage Diversion; on the Shellmouth Dam. The people of Manitoba have the right to know that the Government of Manitoba is spending their money in a prudent and businesslike manner. The people of Manitoba cannot afford the philosophy of "what's a million" or "what's two million". The government wouldn't allow this information to come out in committee, Madam Speaker. Certain statements were made in the committee regarding the earnings made on this contract. Any attempts to check those statements were denied. The figures were repeated by the government counsel in committee. They were repeated by the Premier in committee. They were repeated here in the House, I think, by every government member who spoke, giving these figures added weight and publicity. In my opinion, Madam Speaker, these figures were not complete. In my opinion, the earnings were much higher than what was stated in committee and repeated here. In my opinion, the government has by lack of planning and lack of checking and lack of co-ordination and consultation, given out a contract which allowed excessive earnings at our expense as taxpayers. From my information, Madam Speaker, and this could have come out in committee if the government had allowed the information to be produced -- and Madam Speaker, I am not making this statement in an irresponsible way. I am making this statement because I am convinced that it is in the interests of Manitoba and of proper functioning of our government that this information do come out. The information would have come out if the government had been prepared to allow as much leeway in this investigation as was given in the beer probe.

Madam Speaker, I am prepared to stake my political reputation on the statement that I will now make. In the year 1962 alone, the net earnings on this contract were over a million dollars, and this information could have come out in committee if the government had been prepared to let the information be produced. This, Madam Speaker, was on contract revenue, or sales if you want, of some \$1.6 million. Charges to the government, Madam Speaker, of some

(Mr. Molgat, cont'd.) . . . \$1.6 millions and net earnings of over a million. Is this a reasonable and prudent contract for the taxpayers of Manitoba? Earnings of over a million dollars in one year alone after paying expenses and after paying depreciation. Madam Speaker, I repeat; this information could have come out if the government and their NDP friends had allowed it. It is in the public interest that it do come out. Let not the government hide behind now the story of innocent third parties. In 1956, I repeat, when the present Premier was Leader of the Opposition, all the information had to be produced. Everything was to be open. I've read his statements of that time. Why not in 1963? It's our money; the money of the people of Manitoba that is concerned here; and I say to the government, you refused in committee to have this information produced. It should have been produced. It proves that this was not a prudent contract. You could have got the information. You did waste the taxpayers' money.

MR. PAULLEY: I think, Madam Speaker, just so there should be no misunderstanding of where I stand, or that of my party, that I should say a word or two at this time. I don't know whether it's quite parliamentary or not, Madam Speaker, to refer to another party or a group as "puppets", but I want to say that I am not surprised at my honourable friend for his choice of language this afternoon or his descriptions of individuals. Because, of all the years that I have been connected in public affairs at the various levels, I have always come to the conclusion and appreciated the fact that when you haven't a case, you haven't a leg to stand on, the only approach that you have is abuse against those who have a difference of opinion as in that of yourself. I think the truth of the matter, Madam Speaker, in this whole discussion, in this whole investigation shall I call it, into the conduct of the affairs of one of our most prided public utilities, I think the more apt description was given by the Winnipeg Free Press on Tuesday, April 23rd, by an editorial which they called, "Smoke but no Fire." I think this truly describes the situation of my honourable friends to my right.

I have listened with a great deal of interest to the statements of the members of the government and the statements of the Liberal Party in respect of this matter. My honourable friend can call us puppets if he will, but I suggest of all of the political parties in this House at the present time, Madam Speaker, we're the only one that hasn't got an axe to grind for political purposes. I think it is a truism that the Honourable Member for St. George when he raised this question in the House originally on March 6th I believe it was, figured he really had something, for not only was he raising a question in the House here as to the value of a contract and as to whether or not the contract was justified, he attempted really to bring this to the fore in the eyes of some of the public at least, when in order to colour and qualify his remarks he had to bring in aspects of a yacht and a summer camp down on the lake. I suggest, Madam Speaker, that if my honourable friend was concerned only and solely with the destiny of Manitoba and where it was going, it wasn't necessary to attempt to bring colour into his remarks by references of this nature. So I say, Madam Speaker, that as far as we are concerned in this group, we have no axe to grind, except this one: that we are firm believers in the public enterprise system and to us it is not the government at stake. Despite what the Honourable the Leader of the Opposition has attempted to establish this afternoon, Madam Speaker, in this whole matter it was the Public Utility that was on trial, because if it were otherwise, Madam Speaker, then can we not say, if we accept the position of my honourable friends on my right, that the government because of the fact that the Utility did something, that the government is on trial, then does not this violate the principle that we've established or attempted to establish in our public enterprises of this nature, that they should be divorced from the realm of politics?

MR. MOLGAT: Tell us about the beer probe in 1956.

MR. PAULLEY: Yes, I'll tell you about the beer probe in 1956, but I say, Madam Speaker, does this not -- the inference of my honourable friend -- imply that we should have political and government interference into the operation of our public utilities here in the Province of Manitoba? And I say we should not, and I say, Madam Speaker, that in the hearings that we had, in the Committee room we had ample opportunity to question all of the officials of Hydro to gain from them all of the information that we require, and we obtained it, and I'm satisfied and my colleagues that were on that committee are satisfied that the citizens and the taxpayers of the Province of Manitoba are well-served, and there was no gypping. Hindsight, Madam Speaker, is a darn sight better than foresight, and that is what my honourable friends to

(Mr. Pauley, cont'd.) . . . my right are attempting to establish their case on; and I ask my honourable friends this too, Madam Speaker. If they were so concerned with what was happening in 1960 and 1961 in respect of these contracts that were entered into, if they were so concerned that this was a bad contract, that we shouldn't have entered into the agreement -- or the Hydro shouldn't have -- in respect to the water contract, why is the matter before us today in 1963? My honourable friends infer that they knew that this was a bad contract previously. If they were so concerned with the affairs of Manitoba and the protection of the taxpayer of Manitoba, why then, Madam Speaker, didn't they raise this question a year ago?

My honourable friend, the Leader of the Liberal Party, has just said that in the year 1962, according to his information, there's been another profit of \$1.6 million by this company. I don't know where he obtains his figures. He's even outdoing the Member for St. George. But if he's not, Madam Speaker, why was not this brought to the attention of this House at the time we were last meeting? I say on this alone, on this very point alone, it's proof evident -- you can't use the word "hypocrisy" in this House -- it's proof evident to me, Madam Speaker, that they have failed the people of the Province of Manitoba in their whole attitude, in their whole action in this case, because they have tried to drag this public utility to a low ebb in our province. For what purpose? Politically attempting to besmirch the government of the day; but I don't mind them doing this. I don't mind them doing this. It's typical, not only in this jurisdiction, but others as well. But I don't mind what they say about the government of the day. Call me a puppet. Call my group a puppet, because of the fact that we had enough intestinal fortitude to stay with the committee to hear all of the evidence instead of running away like a coward who had no legs to stand on, as my honourable friends did, and at the same time support the government for additional taxes. Who's the puppet insofar as this House is concerned in this Session?

My honourable friend has mentioned 1956 and the beer probe. Well, Madam Speaker, I was a member of that committee and we had many differences of opinion with the government of that day. There was a commission -- a Royal Commission -- headed by an honourable gentleman who was a former Premier of this House, this province, into the whole aspect of the beer industry, and in his investigation he drew to our attention that we were not receiving the same amounts of profits in our beer industry by comparison with other jurisdictions, particularly in western Canada, and so we conducted an investigation by a committee of this House. My honourable friend loves to talk about the fact that the Honourable Member for St. George was deprived legal counsel. I suggest, Madam Speaker, that there's no comparison at all between the two cases. We did submit -- as the Honourable Leader of the Liberal Party has said, the other two opposition parties -- submit a list of names of legal counsel for the committee. The final analysis? The government itself chose from those whose names we had submitted, and they reserved, incidentally, onto themselves, Madam Speaker, to reject all of those whose names we submitted.

MR. ROBLIN: He said he'd admit the Chief Justice.

MR. PAULLEY: Yes, that's right. That's right. That's right, but they were so magnificent that they would allow us to submit names but reject the names that they didn't like -- any individual that we liked. The same with the accountants that my honourable friends have referred to -- exactly the same, Madam Speaker. We could submit the names of all the accountants -- of two or three firms of accountants -- but if they didn't like them, well we didn't have them. We had one of their two. But I submit, Madam Speaker, that there's a different case entirely in the case that we had before us here. My honourable friend referred a moment or two ago to the fact that my then leader, Lloyd Stinson, seconded by myself, asked the question of one of the representatives of one of the breweries, to disclose -- would he be prepared to disclose the contributions to political parties from the breweries? And I remember this quite well, because the first solicitor -- I don't want to mention his name, because I'm not quite positive of him -- said, "I don't think that's any of the business of this committee", so the matter lay that way for a short period, and then one of the other solicitors of one of the other breweries came forward a little bit later and said to the committee, "Well, the Leader of the CCF Party has asked this question. I don't think that they have the real right to it, but just in order that there be no hidden facts as far as this party is concerned, we're voluntarily going to offer the information to the committee"; which was done. I'm happy, Madam Speaker, to be

(Mr. Paulley, cont'd.) . . . able to say that, as today, our Party was the only pure Party in the Province of Manitoba, because we hadn't received any contributions from this particular source -- (Interjection) -- Oh you weren't a Party then. So I say, Madam Speaker, that there was no difference.

During the hearings of the Committee, I submit that there was ample opportunity for all to make their point, if they had points to make. I submit that the Honourable Member for St. George, who apparently did retain counsel for himself -- although I must confess that I didn't see the counsel there for the last couple of days of the hearings of the committee; I don't know if he'd been discharged or not, but he was not there -- but through the counsel questions could have been asked by the Honourable Member for St. George of a proper nature, but there had been no attempt made on this basis. The question of tenders has been a subject of considerable discussion by the Honourable the Leader of the Liberal Party. I want to draw to his attention the fact that there were five tenders submitted for this water contract, ranging all the way from \$3,458,000 up to \$5,420,000, so it was on a basis of a proper tender. My honourable friend a moment ago mentioned the fact that apparently there was no investigation to see whether or not the tenders were in line or whether the prices were reasonable. Well, I want to say to my honourable friend if he'd have stayed in the committee long enough, he'd have found that the Leader of the New Democratic Party asked this question in the final days of the hearing. I asked of the legal representative, Mr. Thompson, "I would like to know for my own personal satisfaction the extent that the low tender price was investigated, as to whether it was a proper low tender or not." And then following from that, Madam Speaker, I received information that on the basis of many of the articles that have been transported by a water contract up to Grand Rapids that this appears to be a reasonable, low tender.

Talking of low tenders, Madam Speaker, I want to say to my honourable friend the Leader of the Liberal Party that it seems to me that there must be a slight difference of opinion between himself and the former Leader of his Party in respect of the question of low tenders, because dealing with the Department of Public Works during the estimates, I raised the point on the question of low tenders for Public Works contracts and the various discrepancies between the low tender and the high tender, and instead of the Honourable the Minister of Public Works replying to me I had the reply from the former Premier, the present Honourable Member for Lakeside, and he said this, and I quote: "However, when he gets to the question of the difference in tenders and admonishes the Minister to not hold it against him that he is inveighing on one hand against combines -- which my honourable friend suggests that we should have had --" the present leader -- "then suggesting that the free enterprise system should work more like a combine. I would like to say to him that when he finds it so remarkable that these people with the same specifications to deal on could be as much as a half a million dollars out, variance of half a million dollars, I would suggest to him that that would depend a great deal on the size of the contract. Half a million dollars would be a tremendous amount, I would think, on a half million dollar contract." And then he goes on: "This is one of the great things about the tender system, that you do find under the free enterprise system, that you have these people with exactly the same specifications and they all get equal opportunity to go and make investigations of the road if they wish to, of the terrain . . ." and, of course, Madam Speaker, this was dealing with roads and not water contracts. So here we have one side of the Liberal Party defending the free enterprise tender system and the other side condemning it.

Now Madam Speaker, I want to say this, that my group found itself in a peculiar sort of a position when the searching questions of the Honourable Member for St. George insofar as the inner workings of the Drake-Pearson Company and its amount of profit. And I made a statement at that time, and repeat it now, that we are no supporters of the so-called free enterprise system but we recognize that it is the system under which we're operating at the present time. But we are doing all within our power to make amendments to the free enterprise system in order that we think that our system of government and our economy will operate in a more advantageous position insofar as the greater number of people are concerned.

But while we have the type of contracting that we have in the Province of Manitoba; while the Government of Manitoba -- indeed all the governments of Canada -- have to carry on under the tender system, be it road building, road construction, highways, hospital construction; and if we're satisfied that there has been investigations into the prices of the tenders, then I

(Mr. Paulley, cont'd.) . . . suggest, Madam Speaker, that we have not got the right to delve into the private operations unless we can prove monopoly, and in this particular case we haven't proved monopoly. There has been no suggestion of it. The officials of Hydro came before the Committee; they established to my satisfaction and I think to the majority of the Committee's satisfaction, it was necessary for them in order to ensure that in the fall of 1964 there will not be a blackout of power, that it was necessary for them to go ahead with the water transport system. In 1960 we did have the best building -- road building construction year in the history of the Province of Manitoba. I wonder what the attitude of my honourable friends to my right would have been if we had had a normal year at that particular time. I suggest, Madam Speaker, it would be entirely different.

So I say, Madam Speaker, puppet or not, I want to say that I am more convinced now than ever that the affairs of the Province of Manitoba in respect of the Hydro Board and its agencies are in good and capable hands. I'll condemn the government at the drop of the hat; I'll condemn the Liberal Party at the drop of the hat; but I despise efforts that in my opinion have been made to drag this great public enterprise that we have in Manitoba down into the mire on the basis of political expediency of the nature that we've had during this whole discussion on the question of public utilities.

MR. ROBLIN: Madam Speaker, I first am going to start by giving an undertaking to the Committee that I shall in the course of my remarks do my best to refrain from being carried away with the emotion of my own eloquence as, to me at any rate, seems to have been the case with some of those who have spoken before in respect to this matter. And I shall also begin by admitting as candidly as I can that I have found this whole matter a very puzzling and anxious one, indeed, to know what should be done in the interests of the people of Manitoba and to deal fairly and equitably with all concerned in this matter. I am no more infallible, and the government is no more free from error, than any other group of men. But I start with the assertion that the things we have done we have done because we believe they were best in the circumstances for the public interest in connection with this matter. Because I believe the essence of the case that is presented by the Leader of the Opposition can be summed up in one word, and that is, "hindsight." How easy it is to produce convincing evidence after the fact and after the time, when those concerned have had to make their judgment on the basis of the facts known to them. And also, may I say, how easy it is to make a convincing case if one ignores, as I think my honourable friend has done, the evidence presented to set forth the other point of view; and the evidence presented to set forth the reasoning on which Hydro made their original decision, and on which they are making their decisions today. It isn't hard to do that. The obligation that is upon us now is to try and sum up in a balanced manner, if it's possible to do so, the situation that we are called upon to decide.

I say this has been a puzzling question for me, because everybody knows that the very Act of the Legislature itself; the very statutes of this province; the very policy that has been adhered to by all the governments of Manitoba since these Crown Corporations were established, can be expressed in the phrase "hands off." We have said, our predecessors have said, the statute itself says, "hands off -- no political interference". No interference on the part of the executive branch of government with the operation of these great institutions. They are to be run by their own board of directors. They are to have autonomy. The statute explicitly declares they are to have autonomy and the right to carry out their own responsibilities through their own methods of management. But the odd quirk of the constitution is -- and I do not complain about it -- is that in spite of that explicit statement that governs the operations of the Hydro, and indeed the Telephones, that when it comes to questions of responsibility in this House, that is something that lies at the door of the government. And while it may be true that we had no part in making the decisions that may be called in question -- in fact, that we may not have ever been aware of their existence, or their having been made till some time after the fact -- yet nevertheless we are called to account for the operations of these utilities in this Legislature. And I, for one, have no intention of trying to dodge that responsibility awkward though it may be from time to time, because that is what we are here for, and I want to make that point perfectly clear.

It seems to me, however, that while members can talk about charging the government with this and charging the government with that, and talk about it properly, they do so really

(Mr. Roblin, cont'd.) . . . in the technical sense alone, because everybody knows in this House and outside it, the "hands off" policy with respect to Crown corporations. They understand the way they operate under their own board of directors and under their own management and executive, and they know that while we have this technical responsibility it is not something that one can make stick in my opinion, to say that we're not quarreling with the Hydro, we're only quarreling with the government. They must quarrel with the both of us, because while they act, we take the responsibility, but between the two of us we cover the whole of the constitutional situation. However, I'm not going to stress that point because if the Honourable Leader of the Opposition or members opposite want to say, "The government!" this, "the government!" that, I for one am prepared to accept that situation because it is the constitutional propriety that it should be so. And I want to say that while I make the observation, I do not claim that we are free to disclaim the constitutional responsibility that is ours.

I have been trying to make notes of the points that the Honourable Leader of the Opposition made in the course of his speech. Perhaps I should say a word or two about the beer probe because that's been brought in as an invidious comparison of the present situation. I really don't find it on all fours with the present situation at all, because in 1956 we were dealing with quite a different set of circumstances. Here we were dealing with what was a government-created monopoly in effect, in respect of the beer business; and here we were dealing with the fact that the government had set the price for beer, not by tender, not by any usual system of that sort, but they had set the price. Secondly, that they had raised the price, and that was really the nub of the issue -- they had raised the price. And then they had been told by a Royal Commissioner that they had raised it too high. And the proof of the pudding was that as soon as the government got word of that, or shortly afterwards, if my memory is correct, they reduced the price they paid to the brewers by some \$300,000.00. And furthermore, after the investigation was over they reduced the price again by some \$300,000.00. So that we were dealing here with an instance that is, I think, not on all fours with the present case at all, but rather in a case where we have the government setting the price; the government raising the price; and a Royal Commissioner saying that you've raised it too high. Now I think that represents quite a contrast to the situation here where we have a public utility dealing with the tender system, and where no one has alleged -- and that is the one comforting fact that came to me from the speech of the Honourable Leader of the Opposition -- that nobody has alleged any charge of scandal in connection with this matter.

Now as to the point as to whether counsel should be appointed, I think that was within the purview of the committee to decide. As to whether counsel of one of the parties should be allowed to cross-examine is something that has never been done in my experience in this House, and I don't think the committee committed any great injustice in asking the parties concerned to ask their own questions. As to the question of the terms of reference and what they meant when they were being debated in the committee, the Attorney-General made a clear statement as to what they meant; that he did not accept the reservations made at that time by the Honourable Leader of the Opposition, and the Honourable Leader of the Opposition recognized that fact because he voted against the terms of reference.

As for the CNO statement, when that was discussed in the committee, again the Attorney-General gave the condition, that if it was callable under terms of the order that it would be called, so I don't think there was anything of a misleading character in those interchanges. But, Madam Speaker, I would be less than human if I did not say that the charge directed specifically against me, that I misled the House or the committee with respect to what would or would not be investigated in the course of its activities, is something which caused me -- and causes me -- much concern, because it is, in my opinion, unfortunate to say the least, if there should be any widespread public opinion that in my capacity as Leader of the House that I had given an assurance or made a statement which I had not subsequently lived up to when the committee itself met, and while I'm afraid I don't believe I'm going to satisfy gentlemen opposite, I want to give my side of that argument to show that in my mind, at any rate, what I did was in accordance with what I said in the House, because what I said in the House was quoted from page 51 of Hansard by the Honourable Leader of the Opposition, and he talks about my giving the assurance that "there's nothing in connection with this matter that the Government of Manitoba is concerned about. We'll be happy and glad to have fully scrutinized in the most detailed

(Mr. Roblin, cont'd). . . way by members of the committee. We will supply any information in respect of these matters" etcetera, etcetera; "and the fullest line of inquiry" -- we've heard those statements so often I don't want to bore the House by repeating them. But what did they have reference to? They had reference to the calling of the experts and the technicians on whose advice the government relies.

Now I want members to look at page 51, those who doubt my line of argument here, and to see if I can't convince them, that on page 51 and in my statement with respect to what this committee would or would not do, I was not referring to this question of Hydro experts and members of the government staff and all that kind of thing. That was clear in my mind. I tried to make that point in the committee but I don't know whether anyone was there to hear me make it--but I tried to make it. It is on the next page, page 53, that I refer then to the domestic concerns of Drake-Pearson and I said then I had no idea of what their profits were. "All I know is what I've heard today in the committee and that the protection that the Hydro had was this matter of letting contracts on tender." So in my own mind -- and I want to give members my word for it, for what it's worth, -- that in my own mind I was quite clear that the undertaking that was being given was to produce those people in the government or the Crown agency who held positions of responsibility or advice, and to let them give the facts, and that is what I intended by my expression, and I think that is what the records show and that my reference to the affairs of the construction company made it quite clear that that was in another category and that I did not have and did not give -- could not give -- the same undertakings with respect to their affairs as I did to that of the Hydro and the government officials. So I don't know whether I can convince anybody of the uprightness of my intentions in this respect, but I do say that that is what I intended by the speech that I made. I think that's what the speech says, and I believe that I did not go back on any undertaking or any assurance that I gave members of this House when the matter was up for review, so I'm glad to deal with that point, because I think it has some importance in these discussions, that at least my side of that question should receive a little attention as well, as I am perfectly certain that the other side has received lots of attention in this respect.

And so it follows that having made that distinction clear, in my own mind at least if in no one else's mind, it follows quite naturally that in the failure or the lack of a charge of wrongdoing or something of that sort, with respect to a contractor who was under no contractual relationship to disclose his figures, against whom no allegations of impropriety or anything else were alleged, it is on that basis, on the basis of the lowest tender being accepted from publicly-called tenders, that the government recommended to the committee -- and we take the responsibility for it, although we were supported by the members of the NDP -- that we took the responsibility of making that recommendation to the committee as we did, and I think it is on those points, the points as to whether we lived up to our undertaking in the House, as to what should go on in the committee, and to whether our decisions in the committee were sound or wise, those are points which this House certainly has to consider at this particular time.

In dealing with the particular allegations of the Honourable Leader of the Opposition, I tried to say something about the relationship between this probe and the beer probe. I tried to say something about my view, if it's nobody else's -- my view at least -- of the undertaking that I gave when I spoke here in the House. Let me go on to some of his other charges. He says why didn't we plan to build the highway sooner. Well, why doesn't he ask his own party? Because that Hydro plant of ours was first planned for 1953. That's when the plans came in; and if a road should have been built before it was, we were in no position to build any road. We'd just taken over the government. If it should have been built, it should have been built, I think, by our predecessors, but I don't think that charge lies against our predecessors. If I had been in the position of the First Minister of the Province in 1958, I wouldn't have recommended the building of any road to Grand Rapids on the basis of building a power plant there. I think that he's not to be charged with negligence or blame because he didn't build that road, because it was clear from the evidence before us that until we had the Saskatchewan arrangement worked out in the fall of 1959, nobody should have made a decision to build the road, and I don't criticize those who preceded me in my responsibilities for the fact that they didn't do it. I think that the road was started at the earliest possible time that it could be started.

Now they say -- and something was made of this; quite a lot was made of this -- "When

(Mr. Roblin, cont'd). . . you were building the road, why on earth didn't the Hydro people find out when it was going to be built, and why on earth did you let a contract which specified its completion in 1960 and not tell anybody about it or apparently come up with this unco-ordinated action with respect to this matter." Well of course, the fact is that the road was not completed in 1960. The fact is the contractor did not complete it in 100 days. The fact is it was not until 1961 that that road was completed; in the sense that it had gravel on it, it was ready to go; so if any member of the committee, particularly the Honourable Member for St. George and his friends, had wished to inquire into the building of that road, why on earth didn't they call the Deputy Minister of Public Works? He was available to be called. One of the puzzling things about this whole arrangement is that my honourable friends seemingly found it unnecessary to call some of the people whose testimony was rather important to support their case. We were told in the House in the first statement of March 6th that we had been told that the road would be ready in 1960. We never were. Nobody ever made that statement. None of our advisors ever advised us in that respect, and if the Deputy Minister of Public Works had been called, I think he could have shed a little light on that point, but that is the fact with respect to it, and that is the fact that I would like to make at this time.

Now, carrying on with the charge that has been made against us. We come against this position of "Well you got into it all right. Maybe you should have got in it for 1960 and 1961, but what on earth did you hang onto the contract for? Why hide behind this business of road restrictions which is only good for one month of the year anyway? Why on earth, when you found you're in this thing, didn't you get out of it right away?" I can only conclude that the people who asked the questions had simply discounted one hundred percent the testimony given by Don Stephens, Bill Fallis and Jim Rettie. They discounted one hundred percent of all the testimony given by those men who had been responsible for building the hydro plant in this province for the past few years and had done so successfully, because it is their testimony, their testimony that establishes the necessity in their minds, not only of having the back-up provision in '60 and '61, but having it in '62 and '63. They are the people who drew from their own experience with respect to the building of Pine Falls and other plants in this province, drawing on that experience and making it necessary for them to conclude that in the interest of their primary responsibility, namely power when we need it -- no one's mentioned that. No account has been taken in the speech of the Leader of the Opposition to "power when we need it." No measure has been weighed. No attempt has been made to evaluate the importance of that primary responsibility on Hydro of power when we need it. And no excuses, thank you! No -outs; no blackouts; no excuses. Don't come running to us about bad luck or unforeseen weather conditions. No one has said anything about that responsibility weighing on the shoulders of Hydro by statute with respect to their function and responsibility. That is brushed aside, but it wasn't brushed aside in the testimony of Stephens and Fallis and Rettie. They are candid, honest men. They gave everything they knew to that committee, I'm convinced of that -- everything they knew. All their doubts; all their worries; all their problems; and they concluded that if they were to live up to their responsibility they needed the back-up for the full period.

Now you have to believe that. You have to believe that if you believe the Hydro are qualified to carry on their job. If you don't believe that judgment on their part, then perhaps we should fire the lot of them, because that's the only recourse we have. If we find that we can't believe what they're doing we have to simply get new men to take their places. That's the critical point. Do you believe those men or don't you? If you don't believe them you're entitled to say whatever you like about the contract. Probably it will be said anyway, but if you think that their judgment is sound and their testimony true and in the best interest of Manitoba in 1960 as well as in '63 when they have to deal with these questions, that's the point that members have to make up their minds about. That's the essential point with respect to the responsibility of Hydro. They maintain that none of the combinations suggested by the Leader of the Opposition for renegotiating this contract were acceptable to them. Now they're not perfect. They may well be wrong. My judgment is, in the light of 1961, in the light of 1960 they did the right thing. If they made another kind of contract they would still have to pay for the initial capital installations in this connection and the cost would be different with respect to the years, but it probably wouldn't be much different. But that's the essential thing. If you think the Hydro's judgment was sound and right based on their experience, that's one thing. If

(Mr. Roblin, cont'd). . . you think it's wrong, that's something else; and I can only conclude that the Leader of the Opposition must think it is wrong.

Now what about the question as to whether they consulted? I see people looking at the clock, Madam Speaker. I'm willing to stop now, but perhaps I could be finished in another few minutes if the House is willing to hear me out. I would say this: take the question of consultation. To listen to the Leader of the Opposition one would think that he had never heard anything about the consultations that took place by Hydro and various other people, and yet it was categorically stated, categorically stated by the representatives of Hydro, that they did consult; that they consulted with transportation people. Not with Mr. Tuckwell, it's true enough, but they did consult with transportation people, and not only that they consulted with people in the Hydro Electric plant building's business; the engineers, the specialists and others with whom they have an association. They consulted with them about this whole question of transportation and the question of background, and I think it is far less than justice to the Manitoba Hydro management to intimate that they did not consult with others with respect of this matter. They did. Or that they did not compare prices. They did. The Honourable Leader of the Opposition says, and quite rightly, that we don't have to accept the lowest tender. We can accept any tender or not as we please, and the Hydro gave us their reasons why they accepted that tender at \$23.10 in spite of its size. They knew they had the possibility of rejecting the tender and yet in the light of the fact of 1960 they accepted it, because in the light of those facts it was in their best interests to do so, and I think they were wise in making that decision. I would not criticize them for it. The Honourable Leader of the Opposition says, "Well that's all very well, but what about this grouting contract and the bridge where you paid \$54.00 or something?" Well, I haven't got the breakdown of those \$54.00 and I can't get it at this particular stage in the proceedings, but I can tell him that the people he's talking about shipped their goods up by barge because they were there in 1960. They had to use Drake-Pearson's facilities and they did, I'm told; and that they also used barges of their own which they took up there and used as permanent installations in the building of the bridge, and that these factors as far as I know may be all part of their transportation figure, but it is not right to say that there was no co-ordination or no co-operation with respect to that grouting contract on the bridge, because I believe there were.

And then the Honourable Leader brings in the question of the fact the contract wasn't any good anyway, and he cites the top negotiating letters sent by Hydro to the contractor to make sure that he does his job right, and then after citing those letters he asks us to believe that the men that wrote those letters were so weak and feeble that they wouldn't have cancelled the contract or wouldn't have made some other arrangement if they thought it was the right thing to do. That doesn't add up to me. These men pressed for the management of that contract in the way they thought it should be done, and if anyone has listened carefully to Rettie, Fallis and Stephens I don't think they would think they would hesitate to change that contract if they thought it was in their best interest to try and do so. They did in some particulars. They were of the opinion then and they are of the opinion now that the contract was good as far as they were concerned, because it gave them that element of insurance that they thought they should have.

Now Madam Speaker, I don't really know what I can say to convince my honourable friends opposite that they were not robbed -- if you want to use that way of putting it -- and that if they had been able to produce their facts that they would have been able to establish a different case. I think -- the impression I got -- that the case that they were first trying to establish was that there was lack of co-ordination and co-operation between the Hydro and other branches of the government. I got this distinct impression. That was my feeling. That's what I said when I spoke on March 6th. My whole idea of the case made by the Opposition was that they were going to prove lack of co-operation and lack of co-ordination between the various branches in the government, and they're going to prove it particularly in connection with this contract. Didn't call any members of the Department of Public Works, which I thought they might well do, to try and prove their case with respect to lack of co-operation and co-ordination. They didn't call any members of the Hydro Board, either past or present. Mr. Sprague -- Mr. Daniel Sprague was a member of the board then. Since then Mr. Bill Parker, Mr. Ted Peterson, Mr. Burns are members of the board, and presumably are to be charged with some responsibility for this lack of planning and co-ordination, but they were not called. It appears

(Mr. Roblin, cont'd). . . to me that there was no case, no case that could be sustained by reasonable men putting themselves in the position of Hydro in 1960; no case to show that this was a mistake or an error in judgment.

Then I think a shift took place. To my way of looking at it a shift then took place to say there were excessive profits and that these should be looked into, and I have already explained why, in the opinion of the government, it was not fair or proper with no allegation of wrongdoing and no contractual requirement, when the lowest tender of a public call for tenders had been accepted, that we should make that investigation. Anyway, the solicitor for the company volunteered a statement about their profit; that's the only information I have about their profit. I do not know what other figures are, although I would say that the statement made by Mr. Hunter to the effect that that would be their profit when this contract was through was a statement which I, for one, would be willing to accept because I have some reason to have confidence in his accuracy, but in any case there wasn't a single question put to Mr. Hunter about that profit statement. I was rather surprised -- I thought there would be -- but there wasn't a single question put to him in that respect.

Then after that, another shift took place in the line of argument of the honourable members opposite in the way I see it. And that is, they then said, "Well, the trouble with this whole thing is that the government has used its majority; it's applied a gag, and even though the NDP went along with them, they're all in the Premier's hip pocket." I have to confess they're not. I think their votes in the House indicate they're not. I only hope that they thought the government was right in the decisions it was making but anyway they did support us in that statement. But we've heard expressions used by other members who have been speaking, which have pointed to what they describe as the "brute force" of the government majority, charges of whitewashing, stacking, fraud, kangaroo court, judge in our own party -- all that kind of thing. Some members opposite have objected on procedural point, that we should have done it in a different way, although I must say to the Honourable Member for Selkirk that it took him a little while to discover this. He didn't seem to find the situation so unsatisfactory in 1961, although he found it unsatisfactory today. And we have this whole situation where now it has become a question as to whether the government has used its majority properly or whether it has used its majority to improperly prevent the full disclosure of the facts which should be placed before the public at this time. And I would be less than candid if I didn't say that this worries me. If only the government were concerned I think this would be called a normal political ploy. It's quite to be expected that oppositions complain about government majorities. I've done it myself. I heard some rather eloquent quotations read by the Leader of the Opposition in different circumstances, and I have to admit -- I would be less than honest if I didn't -- that I have complained about government majorities in the past. Whether my complaints were justified or not remains a question in the minds at least of some around here. But in any case if it were just a question of the government I would feel better -- if I can use that phrase, that expression -- I would feel better about these charges of the Opposition that they were imposed upon by a majority of members which included not only the government but members of other political parties. Because, you know, governments have to take the responsibility for using their majority. There's no other way this system operates. We use our majority in this House every day in the conduct of our business and in defeating propositions and ideas of which we do not agree that are brought forward by other parties in the House. The use of the government majority to decide is an elementary part of our democratic system, and we do it every day, and every government does it, and every government must take the responsibility of the consequences of using its majority. That's the essence of responsible government, and if we are accused of using the majority in the committee I say that's true -- we did. We believe we have done it properly, but we did use our majority, just as we have used it in the House on the motion to receive the report and just as I trust we may use it again on this motion to concur.

But there is something more in this that causes me grave concern, and that is in spite of the charges that are levelled against the government, and that constitutionally is correct -- the government must stand up to these -- I cannot ignore the fact that the reputation and the record and the integrity of the people who are running our Hydro system have, to say the least, been cast in a shadow, and we are told that these charges are neither proven nor unproven. We are told by organs of responsible public opinion outside the House; we are told by members of

(Mr. Roblin, cont'd)...the Liberal Party inside the House and outside of it, that the charges have not been proven because the government used its majority to prevent them from being proven, and however you may view those facts there can be no question that there has been a doubt and a confusion raised in the minds of the public respecting these proceedings, and I must say they cause me concern. Because we politicians can speak for ourselves. We do so at inordinate lengths -- as I remark as I look at the clock -- but men who are operating Crown corporations are not in that position of self-defence and we have this question of public confidence being shaken, perhaps, in respect of the Hydro, and we have the question of what a problem that presents for us to solve. I am confident that the Hydro Board and, let me say as well, the other branches of government that have been connected with this thing, while not free of error or perfect in all they do, I am confident that under all the circumstances, in the light of all the facts that they knew and know now, I think that they have conducted themselves as we would expect them to do so; particularly in view of their large and over-riding responsibility to protect the supply of electricity for the people of the Province of Manitoba. I have complete confidence in the reputation and character and efficiency and integrity of the Hydro system in this province. I am therefore going to vote for this motion of concurrence, but I want to say frankly, Madam Speaker, that I'm concerned about the shadow in which their reputation I think, and -- let us be frank -- the reputation of the government as well, rests in connection with this matter, and I give notice that I reserve the right to consider what other steps should be taken to deal with this point.

MADAM SPEAKER: Are you ready for the question?

MR. FROESE: I think it's 5:30. I'd like to make a few comments after.

MR. ROBLIN: Would the honourable members be disposed to finish this now and allow my honourable friend to speak. He usually has the virtue of being brief.

MR. FROESE: Well I will be brief too. Just before the vote is taken I would just like to mention that when I previously spoke on the motion to receive the report that I made some reservations, and I feel, while I concur with the major portions of the report, there are certain sections with which I do not concur, and I will therefore vote non-concurrence.

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

MR. ROBLIN: May we have the yeas and nays, Madam Speaker?

MADAM SPEAKER: Call in the members. The question before the House is the proposed motion of the Honourable the Minister of Education that this House doth concur in the report of the Standing Committee on Public Utilities and Natural Resources received by the Legislative Assembly of Manitoba on Saturday, the 4th of May, 1963.

A standing vote was taken with the result being as follows:

YEAS: Messrs. Alexander, Baizley, Beard, Bilton, Bjornson, Carroll, Cherniack, Cowan, Evans, Gray, Groves, Hamilton, Harris, Harrison, Hutton, Jeannotte, Johnson(Gimli), Klym, Lissaman, Lyon, McDonald, McGregor, McKellar, McLean, Martin, Mills, Moeller, Paulley, Peters, Roblin, Schreyer, Seaborn, Shewman, Smellie, Stanes, Steinkopf, Strickland, Watt, Weir, Witney, Wright and Mrs. Morrison.

NAYS: Messrs. Barkman, Campbell, Desjardins, Froese, Guttormson, Hillhouse, Johnston, Molgat, Patrick, Smerchanski, Tanchak and Vielfaure.

MR. CLERK: Yeas - 42; Nays - 12.

Madam Speaker declared the motion carried.

MR. ROBLIN: Madam Speaker, if it meets with general consent I would suggest you call it 5:30 and we reconvene at 8:00 and continue with our Order Paper.

MADAM SPEAKER: I call it 5:30 and leave the Chair until 8 o'clock.