

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, March 22, 1968

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs) (Cypress) introduced Bill No. 15, an Act to amend The Planning Act.

HON. STEWART E. McLEAN, Q.C. (Minister of Public Works) (Dauphin) introduced Bill No. 12, an Act to amend The Garage Keepers Act.

MR. SPEAKER: Before we proceed, I'd like to direct the attention of the honourable members to the gallery on my right where we have 100 students of Grade 4 standing, of the John M. King School. These students are under the direction of Mrs. Malcolm, Misses Bain, McLean and Chimchak. This school is located in the constituency of the Honourable Member for Wellington. On behalf of all the honourable members of the Legislative Assembly I welcome you all here today.

Orders of the Day.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Before the Orders of the Day, I'd like to address a question to the First Minister. Has he received a reply yet from Ottawa regarding his communications in the matter of Indian Health Services?

HON. WALTER WEIR (Premier) (Minnedosa): No, Mr. Speaker, there's nothing new to be reported.

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Mr. Speaker, before the Orders of the Day I should like to lay on the table of the House a Return to an Order of the House No. 9, dated the 14th of March, 1968, on the motion of the Honourable the Leader of the New Democratic Party.

ORDERS OF THE DAY

MR. SPEAKER: Orders for Return. The Honourable Member for Seven Oaks.

MR. SAUL MILLER (Seven Oaks): I beg to move, seconded by the Member from Kildonan that an Order of the House do issue for a Return showing:

1. The Report of Law Reform Committee respecting Condominium Housing as agreed to by resolution in the House, May 4, 1967.

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

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, I would beg permission to allow this matter to stand.

MR. SPEAKER: Does the honourable member have leave? The adjourned debate on second reading on the Proposed Motion of the Honourable the Provincial-Secretary. The Honourable Member for Hamiota.

MR. EARL DAWSON (Hamiota): Mr. Speaker, I'm not going to take too much time on this. I simply want to ask the Honourable Minister if it means exactly what it says. Do I understand it correctly - does this mean that if an industry receives a concession in their town from, we'll say the water works, that whatever concession is given, does it mean that this must be charged back to the general mill rate and does it mean that the taxpayers of the town will be picking up the subsidy?

The third thing I wondered about: what does this do to the Public Utilities Board? Does it do nothing? Are they not concerned in this matter?

And I think the fourth thing that I'm concerned about is the fact that if the answers to all my questions are yes, is there any other motive for introducing this bill other than what the Minister made in his statement?

MR. McLEAN: Mr. Speaker, if there are no other members wishing to speak on this measure I'd be glad to endeavour to answer the questions and points that have been raised during the debate. And if I may work backwards, beginning with the comments of the Honourable the Member for Hamiota, he has asked whether or not it means what it says; and I would say yes, it does, that the elements of subsidy that would be involved by reason of selling the utility service at less than the regular rate would be made up from the general revenues of the

(MR. McLEAN cont'd.) municipality concerned, so that the general taxpayers would make up that money and to that extent would be making what in effect would be the subsidy. This fact, of course, would be known to the persons concerned when they would be asked to vote and that would be the purpose of asking, as it were, their approval by way of the vote that would take place before it became effective.

What about the Public Utilities Board? It will be noted that this by-law which would approve of these rates would require the authorization of the Public Utilities Board before it could be submitted to the ratepayers and become effective, of course, if the ratepayers approved, and it certainly involves the possibility that if, in the event opinion of the Public Utilities Board, it was an improper proposal the Board, I presume, would not give its -- I shouldn't say I presume - I'm certain they would not give their approval. But it will be noted that any proposal of this nature would have to be authorized by the Public Utilities Board.

Is there any other motive other than what I indicated? The answer to that question is no. And that ties in, Mr. Speaker, if I may say, the answer to that question ties in with what was said by the Honourable the Member for Inkster who wanted to know if there was any high pressure lobbying and what municipality might be seeking this. I can answer - and I think this answer applies to both - that this idea sprang full-blown from the fertile minds of the Chairman of the Public Utilities Board and the Deputy Minister of Public Utilities, and while I would like to take credit for it myself I really don't think I can, and at the request of the Honourable the Minister of Urban Development and Municipal Affairs who was concerned about some more rational method of dealing with these matters that have come before the Legislature. It is not related to any application that is presently known to anyone. I'm not aware that there's anyone and there's been no lobbying and there's no municipality or no firm or no industry that is concerned in any way in this particular legislation at the present time.

The Honourable the Member for Inkster and other members indicated their disapproval of the principle of luring industry by special arrangements or making special deals. Well, before I was in the Legislature I had some experience in municipal work and I was fairly familiar with this problem that municipal corporations constantly face in the area of attracting industry. In fact, Mr. Speaker, I suppose a good many men and women . . .

MR. SPEAKER: Order. I must say that the conversation prevents me from hearing the Minister distinctly. I'm sure it must be affecting other members.

MR. McLEAN: I was on the point of observing that I suppose a good many people in the municipal world have got elected on the two standard promises that you make; one is that you will reduce taxes and the other is that you will bring industry to your particular town. While I can't really chalk up whatever happened to me to that - but I was honest about it - but my opponents always promised the -- (Interjection) -- I do it every week, yes. And this deals with, of course, the same point that -- and I'm getting away from the point raised by the Honourable the Member for Seven Oaks: did the government want municipalities to bid against one another and wouldn't it be better for them to pay out cash. As I say, this is a legitimate problem, a legitimate matter for debate, and the introduction of this legislation does not in any way indicate that anyone is suggesting or wishing to encourage this type of thing. But all we're trying to do is to deal with the plain facts of life, that these applications have been coming to the Legislature; it has been thought that this is not probably a suitable place in which the decisions can be made and that it would be much better to have the decisions made by the people most directly concerned. And if someone at some time considers it advisable to prohibit it completely, that's a very legitimate point, and of course if that were done then this legislation would become unnecessary. But that hasn't been done and members are well aware of the fact that these applications have been coming and all we've been endeavouring to do here is to provide a means of dealing with them in the area and in the form where we think they are more properly dealt with - if they are to be dealt with at all.

The Honourable the Member for Rhineland inquired whether - if I understood his question correctly - whether, where these arrangements were presently in effect by reason of statutes that have been passed by the Legislature, we're going to be now called upon to make up this difference. The answer to that question is no, this arrangement would only apply to any matter of this nature which would be dealt with in the future, and would have no bearing on any arrangements which are in existence at the present time as the result of bills and legislation that has been passed prior to this time.

The Honourable the Member for St. John's thought perhaps I shouldn't have released that

(MR. McLEAN cont'd.) ... he was concerned about my use of the word "embarrassed", and I'll have to acknowledge that that wasn't really the right word. "Puzzled." I think perhaps when I used that expression, that it is a matter of puzzlement, I'm sure, to members of the Legislature on previous occasions when these matters have come before us, and I didn't really mean what I suppose would normally be understood by the word "embarrassed." He asked a question about companies - privately owned companies - and whether or not they were filing statements with the Public Utilities Board. I can inform him that the following private owners of gas distribution utilities are operating in Manitoba: The Greater Winnipeg Gas Company; Plains Western Gas and Electric Company Limited; Inter-City Gas Utilities Limited, and Steel Gas Utilities Limited, and they are all required to submit financial reports to the Public Utilities Board.

Two mining companies and one paper company, either directly or through subsidiaries, supply electrical energy to communities in which their plants are situated, and these provide the Board with financial information upon request and on the occasion of any consideration of their rates. Those are the only ones to which his question would have application.

On the general matter of inducements, perhaps I might - and I'm not too sure whether the parallel can be drawn - I might remind the members that the Province of Manitoba recently made a presentation, and I suppose it contained an inducement, to have certain hockey games come to Manitoba, and it was roundly applauded by all members of the House and perhaps there's not that much -- in principle it's the same thing and I suppose it's part and parcel of our life. I did want, however - and this is just because, Mr. Speaker, you represent a very fine part of the province - but the Honourable the Member for St. John's made some reference to history and the fact that if it hadn't been for a deal of this nature, that we might be in Selkirk rather than in Winnipeg. That reminded me of something else in that connection, that the original railway, Mr. Speaker, that later became the Canadian Pacific, but the original railway was to be called the Canada Pacific, and it didn't come about because of what was known as the Pacific scandal, the one and only time that a Conservative Government in Canada has been involved in any scandal, but the line of that proposed railway, Mr. Speaker, would have gone up on the east side of Lake Manitoba across the Lake Manitoba Narrows through Dauphin, Swan River, Prince Albert. And I like to tell this story because, Mr. Speaker, if that had happened, if it hadn't been of course for the Pacific scandal, Dauphin would have been the capital of Manitoba - not Selkirk.

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

MR. LYON: Mr. Speaker, the Minister is not ready to have Bill No. 10 called as yet. If you could call Bill No. 27 and then after that the Committee of Supply.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. HARRY ENNS (Minister of Agriculture and Conservation)(Rockwood-Iberville) presented Bill No. 27, an Act to amend The Horned Cattle Purchases Act, for second reading.

MR. SPEAKER presented the motion.

MR. ENNS: Mr. Speaker, if I may, I should inform the members of the House that for some unexplainable reason the Annual Report, that is the Financial Statement of the Trust Horned Cattle Purchases Act was deleted from my year-end departmental report. It was just a single mistake and I am prepared -- it's a relatively short statement. I could either read it into the record of the House or provide honourable members opposite with copies of it prior to going into committee, or give them any information that they have.

I have some hesitation about introducing this amendment. I'm aware that this august Chamber has in days gone by very often been subjected to great debate on this particular subject and I'm sure it has always been of some interest and value to our urban members when the virtues and the merits of The Horned Cattle Act were debated.

What we're suggesting here, Mr. Speaker, is simply that in the past several years the cattle organizations and the stockmen generally have requested of government that this Act be repealed or suspended or indeed modified, as the feeling is that it's not, in its present form, acting any longer as a deterrent, which was its original intent. I think it's true to say that the Act has served its purpose. At the time that it was introduced, the incidence of horned cattle was quite a bit higher, in the area of 20-22 percent. This was brought down markedly to that of 10 or 11 percent and it has remained at that figure for the last goodly number of years, five or six years, virtually unchanged; so that I think the stockmen have a point when they say that perhaps the degree of animal husbandry in livestock management practices generally are such that

(MR. ENNS cont'd.) the deterrent in itself is no longer playing a major part in keeping the incidence of horned cattle to a minimum.

At any rate, I am suggesting in the proposed amendments to suspend it for a three-year period. We would carry out, continue to carry out any of the commitments that were made under the Fund, that is the Trust Fund that this Act created. It would also be my suggestion in the Act to set aside a specific amount that would enable the department to carry on an extensive survey of the situation three years hence, and if indeed the claims of the stockmen are borne out that this is no longer a deterrent and the incidence of horned cattle marketing has not risen substantially or has remained the same, then at that time we would suggest repealing the Act in its entirety. On the other hand, if the incidence of horned cattle should rise markedly within this three-year period of suspension, the suggestion that's been made, not only by myself and the department but also by the stockmen themselves, is that would be an appropriate time then to modify the present Act so that it would again prove to be a deterrent that was performing the function that it was designed for.

With those few explanations, I commend the second reading of this Act to the House.

MR. DOUGLAS CAMPBELL (Lakeside): May I ask the Honourable Minister a question? I understood him to say that the government proposed a three-year suspension. I don't see that contained in the Act that's before the House. Is that a part of the Act or is it just a proposal of the Minister at the Moment?

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I welcome the decision of the government to bring this forward because I feel that we're just penalizing certain stockgrowers in having this legislation on the statutes. The one point is that we have a trust fund there now, and I think at some later date, probably while we're discussing the estimates of his department, that we should be discussing the fund itself as to what will be done with it.

MR. MICHAEL KRAWCHUK (Ethelbert Plains): Mr. Speaker, . . .

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. ALBERT VIELFAURE (La Verendrye): If the honourable member wishes to speak -- I wanted to adjourn the debate, Mr. Speaker, if nobody else wants to speak.

MR. KRAWCHUK: Mr. Speaker, I wasn't going to speak very long. I only had one thing in mind, and that was when the Honourable Minister of Agriculture had mentioned that this Act might be repealed three years hence. I was just wondering if it wouldn't be wise at that time to have on the board of the committee all producers. I understand this is not so at this time.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, just before the adjournment, there is another question that enters into my mind regarding the bill. It seems to me that there's two propositions contained in the bill, that the suspension or repeal of the Act partly under this legislation, the way I read it, can be done in two ways, not one. It says by the Lieutenant-Governor-in-Council or by an Act of the Legislature, as I read the Act, and if I'm reading it correctly it seems to me to be a departure from normal procedure where we're giving to the Lieutenant-Governor-in-Council by this Act the authority to repeal an Act, and I would suggest that this principle should be looked into very, very carefully. I think -- (Interjection) -- To lift the suspension, is it? Oh, excuse me, I read it wrong, Mr. Speaker. It's O.K.

MR. VIELFAURE: Mr. Speaker, I beg to move, seconded by the Honourable Member from Carillon, that the debate be adjourned.

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

MR. SPEAKER: Do we have a motion from the floor on the moving into Supply?

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

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

COMMITTEE OF SUPPLY

MR. LYON: There was previously distributed to the parties in the House a list of the order in which Supply would be called, and just to remind you again, Sir, the first department to be called is Public Utilities. The only other comment I would make at this stage would be to, as we started on the Committee of Supply, to express the wish that I know is current around the

(MR. LYON cont'd.) House as the clock starts ticking off the 80 hours that we can manage to deal with all of the departments of government that are before us for consideration within that time, and certainly I know from speaking to my colleagues over here that they will do everything possible to expedite the discussion and the debate in these matters, and I know that we can have the same co-operation from my honourable friends opposite, with the joint aim in mind of getting all departments debated before the 80 hours elapse.

MR. CHAIRMAN: Committee proceed. Department No. XII. Resolution 86. 1. General Administration.

MR. McLEAN: Mr. Chairman, as a matter of information for the members and perhaps in a rather different capacity that I have, I have here the list of Deputy Ministers and like persons, and their salaries, which had been requested, and with regard to the other information on staff that I think was requested, it will be found at the back of the Report of the Civil Service Commission, together with the supplementary material that was provided with that report.

Mr. Chairman, in beginning the presentation of the estimates of the Department of Public Utilities, I would wish to acknowledge to the members of the Committee my personal appreciation and the appreciation of all of us, I'm certain, to the Deputy Minister of the department and all members of the staff for their excellent work that they have done on behalf of all of us during the past year, and the splendid way in which they carry out their duties. I believe that they have established good relations as among themselves and with the people whom they serve, and I do want to record now our very grateful appreciation for their work.

Within the department, or associated with the department, are a number of boards: the Public Utilities Board, the Censor Board, the Highway Traffic and Motor Transport Board, the Taxicab Board and the Licence Suspension and Appeal Board; and here, again, I would wish to record our appreciation to the board members who have served diligently and ably and with true dedication to the public interest in carrying out their duties, and I would wish this vote of appreciation to be recorded to them.

Of course, particularly, we have the utilities - the Manitoba Hydro and the Manitoba Telephone System - and to their senior officers and staff I would express our appreciation as well. The two boards, each of the two boards has one of our colleagues from the Legislature on it; in the case of the Hydro Board the Honourable Member for Brandon, and in the case of the Telephone Board the Honourable the Member for Morris; and to all of the men who are serving on these two boards, I again express our appreciation.

I would like to point out that it wouldn't be very good tactics on my part to refer to the public relations or the public information of these two utilities, but certainly they exercise what I like to call good citizenship in every community in the Province of Manitoba, and I think this is something of which we can all be proud. I sense that they conduct themselves in the way that all of us would wish them to do in their relationship as corporate citizens, not only of the province at large but corporate citizens of each community where they serve.

And finally, just one word with regard to all of the people who are associated with the boards and commissions and the whole operation that comes under the general purview of the Public Utilities Department, that I sense a good spirit among the people who are associated with it and with the various functions that are performed, and I am especially pleased at that and especially pleased to be able to report it to this committee.

It is our intention, Mr. Chairman - and I keep my eye on the Honourable the Attorney-General - to summon a meeting of the Public Utilities and Natural Resources Committee next Tuesday morning, at which time, in accordance with our custom, the Manitoba Hydro and Manitoba Telephone System, but particularly on Tuesday the Manitoba Hydro, will be present to make a presentation to the Committee and to be available for questions and information that will be helpful to the members of that committee and of course the members of this committee as well.

MR. PAULLEY: Tuesday?

MR. McLEAN: Next Tuesday, this coming Tuesday at, I presume, 10:00 o'clock in the morning, and I'm certainly hopeful that the committees will be constituted in time for that meeting because arrangements have been made for Manitoba Hydro to be with us on that occasion. This also enables me to remind the members of the invitation for a trip to the Kettle Generating Station on the Nelson River next Saturday, March 30th. All of you will have received your letters and I hope that all of you will be coming with us. I remind you that it will be necessary to

(MR. McLEAN cont'd.) be at Gate 2 of the International Airport at 7:15 to depart promptly at 7:30. Breakfast will be on board the aircraft and we will be home in good time in the evening, I would judge perhaps by 6:30-7:00 o'clock in the evening, and we do urge all of you to join with us and be with us on that occasion. I think it will be most worthwhile.

I was interested in one bit of information that the General Manager of Hydro was able to give me in connection with the trip - that each person on the flight will be insured to the extent of \$25,000.00, and I don't know what the members think, but as far as I'm concerned that makes me worth more dead than alive.

Mr. Chairman, from the published estimates you will note that as far as the department is concerned we're asking for \$1,865,446 as compared to \$1,682,264 one year ago. This amount, of course, does not take into account the moneys that are spent by and through the Manitoba Hydro and the Manitoba Telephone System which are independent commissions, Crown corporations, operating on our behalf, and I would like, with your permission, Mr. Chairman, to just make some brief comments with regard, first, to Hydro and then secondly with regard to the Manitoba Telephone System, and this will contain some information which I trust will be introductory to our deliberations in the committee next week, dealing first, as I have said, with Manitoba Hydro.

During the first ten months of the current fiscal year, that is the fiscal year in which we are actually at the present time, the northern and southern Manitoba electric systems were interconnected by a 230 KV transmission line from Kelsey to Grand Rapids Generating Stations. As a result both firm peak and energy figures now relate to the whole system. The firm peak load of 1,162,400 kilowatts occurred on January 4th, 1968. This is 116,400 kilowatts or 11.1 percent above the total of the separate systems in 1966-1967. The coincident firm peak on the isolated diesel generating stations is not measured. Generation and purchase of firm energy distributed for use was up by 6.7 percent in the first ten months of the current fiscal year. Generation on the isolated diesel systems was up 21.7 percent in the first ten months of the present fiscal year over the same period last year.

Revenue for the first ten months of 1967-68 increased by 7.9 percent and is comparing favourably with the budgeted revenue. Total expenses increased by 4.9 percent for the same period and is in line with the 10-month budget. Capital expenditures in 1967-68 are expected to total approximately \$80.6 million. This figure is an increase from the '66-67 capital expenditure of some \$42.3 million and largely reflects the increased expenditure at Kettle Generating Station.

During the first ten months of the current fiscal year the funded debt of Manitoba Hydro increased by \$57.275 million. This increase is reflected in a number of new bond issues and of course the retirement of some of the older ones. Just without burdening the Committee with the details I note that the interest rate on the new bond issues during this current year have been 6%, 6.5%, 7% and 7%, reflecting the rise in the cost of money to the Manitoba Hydro. A 100,000 kilowatt unit is under construction at the Brandon Thermo Generating Station and power delivery is expected from this point in 1970. This will bring the rated capacity of that station to 232,000 kilowatts. Two gas turbine units with a capacity of 12,000 kilowatts each are being installed at Selkirk; one unit was commissioned during the first ten months of the fiscal year 1967-68 and the other unit will be commissioned as soon as it is completed. The fourth unit with a capacity of 110,000 kilowatts is being installed at Grand Rapids. This will bring the rated capacity at Grand Rapids to 440,000 kilowatts and scheduled completion is set for 1968. A sixth unit with a capacity of 33,000 kilowatts is being installed at the Kelsey Generating Station. Provision is being made for the possible installation of a seventh unit at a later date. Completion date is scheduled for 1969.

Manitoba Hydro has arranged to acquire two Hydro Electric Generating Stations with a total capacity of 10,000 kilowatts from Sherritt-Gordon Mines Limited located on the Laurie River. Manitoba Hydro will assume the responsibility for operation of these Hydro Electric Stations in 1970. Construction of Kettle Generating Station on the Nelson River continued throughout the current fiscal year. The project is currently behind schedule because of faulty rock formations which were encountered. However, it is anticipated that the project can be brought back to the original schedule which calls for first power in 1971. The station will initially have four units with a rated capacity of 102,000 kilowatts each in 1971 and will contain a minimum of ten units for a total capacity of 1,020,000 kilowatts. Provision is being made for two additional units of the same size to be possibly added at a later date. Construction of the

(MR. McLEAN cont'd.) 450,000 volt DC transmission was begun during the fiscal year '67-68 and is progressing on schedule to meet the 1971 commissioning date. The transmission line is being constructed by Atomic Energy of Canada Limited and is being financed by the Government of Canada.

The following is a list of - we have a list of major transmission lines recently commissioned or currently under construction. During the first ten months of the current fiscal year a 230 KV transmission line was completed and energized which interconnected the Kelsey and Grand Rapids Generating Stations and thus interconnected the previously separate southern and northern systems. A 138 KV line was completed from Kelsey to the site of the Kettle Generating Station. This line provides construction power for work on the Kettle Generating Station as well as for the residents of the Town of Gillam. Currently under construction is a 230 KV transmission line from Grand Rapids to a terminal station on No. 10 highway in the vicinity of Overflowing River, from this point south to the Vermillion terminal station near Dauphin. From Overflowing River terminal a line designed for 230 KV is being extended to The Pas, but will initially operate at 115 KV. A 138 KV transmission line from Thompson to Laurie River to interconnect the Manitoba Hydro Grid with the Hydro Stations being acquired from the Sherritt-Gordon Mines Limited. This line is to go into service in 1970. Manitoba Hydro will commence the supply of electric service to Sherritt-Gordon Mines at Lynn Lake and at Fox properties in 1970. Sherritt-Gordon Mines Limited is building a 42 mile 69 KV transmission line from the Laurie River Generating Station to the Fox Lake mining properties. This line will be purchased by Manitoba Hydro at the time power is supplied in 1970. In order to maintain adequate electric power supplies to meet the needs of Manitoba Hydro customers the necessary numerous system improvements in the way of transmission, transformation and distribution changes and additions are underway. Electrical interconnections between the Manitoba Hydro and Ontario Hydro Electric systems and the electric power systems in the Northern United States have been approved in principle. These interconnections will bring about significant savings to all electric utilities involved. It will make possible the transfer of capacity and energy for a more complete utilization of resources existing in the different areas. Construction of the interconnections will begin as soon as the necessary negotiations have been completed.

During the first ten months of the current fiscal year, diesel electric power plants and local distribution systems to provide electric service were installed at God's Lake, Island Lake and Nelson House. Manitoba Hydro in co-operation with the Department of Citizenship and Immigration, Indian Affairs Branch, is also making preparations to provide diesel electric power at Berons River, Oxford House and Pukatawagan later in 1968.

Turning, Mr. Chairman, to the Manitoba Telephone System, I would also like to make some general introductory statement that will be I hope of some interest to the members of the committee.

The operations of the Manitoba Telephone System for the fiscal year ending March 31, 1967 have already been presented to you by way of the system's annual report. There are some highlights we might like to mention briefly as the operations will be covered in more detail when the members of the management appear before the Public Utilities Committee. The growth and development of Manitoba in the past ten years can certainly be well illustrated by the expansion of the Manitoba Telephone System. You will find the following brief summary of progress from April 1958 to the end of 1966-67 both interesting and impressive. Telephones in service increased from 238,000 in 1958 to 369,700, an increase of 131,700 or over 55 percent during that period from 1958 to the end of 1967. Local calls totalled 866.6 million, an increase of 260 million calls over the total completed in 1958. Long distance traffic increased by over 75 percent from 6,800,000 calls completed in 1958 to 11.9 million in 1967. During this period automatic dial service was introduced to 68 Manitoba communities with 36,000 telephones being converted from manual to dial operation. Direct distance dialing was introduced in Metropolitan Winnipeg and extended to some 5,000 additional customers in eleven rural communities. To provide for this continuing rapid growth in customers, increased local and long distance traffic and a continuing improvement in service, capital expenditures for the ten year period were over \$149,000,000.

In the 1966-67 fiscal year, over 16,000 telephones were added. Demand is continuing in this order with over 14,000 telephones gained in the past nine months. Long distance traffic and revenues continued to increase in Canada but at a slightly lower rate than that of previous

(MR. McLEAN cont'd.) years. Total toll service revenue for the nine month period April to December 1967 increased by 8.71 percent while within Manitoba long distance revenues for the same period increased by 9.31 percent.

Capital expenditures for telephone plants and equipment for the fiscal year, the one in which we are at the present time, totalled \$23.3 million and capital expenditures of an even higher order will be required in future years to meet forecasted growth, the dial conversion program, the continued upgrading of provincial multi-party rural service and introduction of the latest in service offerings. The value of the telephone plant at December 1967 exceeded \$231,000,000. The construction program for this fiscal year is progressing on schedule and the system will have spent over \$6,000,000 to provide improved service fewer per line, to approximately 6,400 multi-party rural subscribers and the establishment of fourteen automatic dial exchanges in the province, converting over 5,600 subscribers from manual to dial service. With this improvement the average rural line loading will be 6.5 customers per line as at March 31st, 1968.

The system is now over 90 percent dial operated; steady progress is being made on the program to complete conversion of the remaining manual services to dial by the end of the 1972-73 fiscal year. The completion of this conversion program together with the continuing upgrading of rural service will require further capital expenditure of approximately \$45 million.

Capital expenditures in the order of \$31 million will be required in the next fiscal year - that's the year which begins April 1, 1968 - as the system continues plant expansion and service improvements to meet increasing demands.

Expenditures of approximately \$7 million will be made in the rural areas of Manitoba to improve service for existing subscribers and extend service into more remote areas. Fifteen dial exchanges will be established during the year bringing dial service to an additional 9,000 subscribers. The installation of varied and aerial cable for this program will require \$4.4 million. To meet the increasing demands of long distance calling, new toll facilities will be installed at various locations throughout the province. The Western Manitoba portion of the inter-provincial microwave system from Winnipeg to Regina and Edmonton will be completed. This system will also provide the interconnecting facilities for the dial conversion program in the southern part of Manitoba. Construction is underway on the new microwave system to be established from Winnipeg to the Interlake region to northern Manitoba. This new system will improve northern communications and meet the telecommunication requirements of Manitoba's northern development and the Nelson River Hydro Electric project.

The Winnipeg Grand Rapids section will be operational in 1968 with the entire system scheduled for service in 1969. This system when completed will carry live television programs to Fisher Branch, Grand Rapids, The Pas, Flin Flon, Snow Lake, Thompson and Gillam under arrangements completed with the Canadian Broadcasting Corporation. These new facilities will also increase the capacity and improve the reliability, through diversity, of long distance telephone service for Selkirk, Ericksdale, Ashern, Grand Rapids, The Pas, Flin Flon, Cranberry Portage, Snow Lake, Thompson, Wabowden and Gillam.

Additions to equipment at The Pas and Norway House as well as new installations in other areas will enhance the system's existing radio telephone service in northern Manitoba. Total capital expenditures included in the 1968-69 capital budget for the northern areas of the province are \$3.7 million. And, Mr. Chairman, with a glance over my shoulder at our colleague the Member for Churchill I thought that I would just put in here some other interesting information with respect to northern Manitoba because this is a matter which - that is Northern Manitoba receives our very careful attention from time to time - and to report to the committee that since 1958 eleven new dial exchanges have been established providing up-to-date telephone service in the following communities in Northern Manitoba; Churchill, Lynn Lake, Snow Lake and The Pas, Thompson, Clearwater Lake, Gypsumville, Grand Rapids, Norway House, Wabowden and Gillam, and with the conversion of Fort Churchill to dial service in the latter part of 1968, all telephone exchanges north of the 53rd parallel will be served by automatic dial facilities. I thought the Members of the Committee would be interested in that bit of information.

A major extension to the toll switching machine in Winnipeg will be completed providing for growth and the progressive extension of the direct distance dialing to various communities in eastern and central Manitoba. It is estimated that 19,500 telephones will be added to the system's telephone network with 14,000 forecasted for Metropolitan Winnipeg and 5,500

(MR. McLEAN cont'd.) telephones expected to be added in the other areas of the province. It is also worthy of note that the average capital investment per telephone continues to increase as will be illustrated by these figures. In 1958 the average capital investment per telephone was \$465 and in 1967 the average investment per telephone is \$576.75, an increase of just a little over \$100 per telephone and of course reflecting the more and better and more expensive equipment that is being made available to the customers. The Manitoba Telephone System has had a very satisfactory year of operations in meeting the demands for new service, increased traffic volume and continuing the improvement in grade of service. A comprehensive program for the training and development of all personnel to meet the challenges of the increasing complexities of the rapidly changing communication industry is continuing. This includes emphasis on the importance of good customer and public relations and gratifying results are being experienced in all phases of the daily operations. The system with other member companies of the Trans Canada Telephone System continues to provide the people of Canada with communications second to none.

Now, Mr. Chairman, I'm sure that the members of the Committee will have some questions and some good advice to offer, and we for our part will do our best to respond with whatever will be helpful to the Committee in its deliberations.

MR. LEONARD A. BARKMAN (Carillon): Mr. Chairman, I would like to thank the Minister for his remarks concerning our utilities, and I certainly agree with him that it is quite in order to mention the fact that we have some of the best people possibly of all departments working in the Utilities Department, and I certainly agree that they deserve mentioning. In fact, public utilities and public relations today are becoming very important, possibly more so than ever before, and as he mentioned in his opening remarks the word "public relations" of course could be used and perhaps good citizenship, and I wish to join with him, and certainly let him know that we are very happy with the people representing the Utilities Branch in southeastern Manitoba, people who certainly show good citizenship in our area. In fact, I think possibly, while Telephone and Hydro were basically mentioned, I'm sure that he meant, and we all do, wish the Manitoba Motor Vehicle and of course the Censor Board and the other departments with his department the best. Sometimes I believe that a lot of our other departments could take some lessons from these departments and I think these two departments, especially, possibly show more of this spirit than many departments do. I guess that the Minister may have in mind that I should be getting up as partly a critic and not only as one that agrees with him that we have some of the best people working for this department, and I will try to bring up a few points as we go along.

I would like to mention a few points, especially firstly in the Telephone Department, and possibly start on the famous subject of party lines. In your report of 1966-67 you report that you have an increase of approximately 16,000 subscribers, and of course you mention that this is creating more problems in a sense - not the way you actually mention it but I agree that as our subscribers increase naturally some of our problems on party lines are going to increase, and I understand they have increased in this respect by at least five percent. Therefore, I think we should make sure that there is no letting up and, as he mentioned later on that we are down to possibly 6.5 subscribers to one line, I think it is still too high in this day and age. I am sure that he agrees with me because, if I remember correctly, last year he mentioned that at home he was also on a private line, and I'm sure then he is quite aware what these people go through that are on party lines. And I certainly agree that we should keep on continually -- I just happened to receive a letter the other day reminding me that I should definitely not misuse the telephone re party line service complaints. I agree with this admonition. I agree that people should be reminded and keep on reminding them that they cannot keep on using the telephone continually on party lines. In fact, in this case it so happened that I'm not on a party line, and I hope that this type of letter did not go out to too many thousands of subscribers, but I certainly agree that to party line users this is quite in order; in fact, we have a little ruling in our own family that a telephone even on a private line should never be used longer than three to five minutes.

I wish to take this opportunity to express my appreciation for the rural improvements that were made in my constituency. I'm referring now to the areas of St. Pierre and St. Malo. I think the Minister mentioned that there were 16 or 14 new areas - I see there's 14 new communities - and I was very happy to have two of my villages or towns involved or also completed, and it has certainly changed the operation of this area immensely.

(MR. BARKMAN cont'd.)

I see that in this report also that our manual subscribers are getting fewer, and, as you just reported, that the dial telephone users of course are picking up, and I note also by the report that the person-to-person calls have decreased by quite an amount and naturally the others have increased. This, I guess, is something that could be expected because after all the station-to-station calls are more economical and in many cases they will serve the purpose.

I also note in your report that our aerial wire and cable facilities are about the same as far as progress is concerned; however, our underground facilities are steadily mounting, as the report shows. I was just wondering if the Minister could tell us if they are operating more efficiently than they used to. I don't think there was anything too seriously wrong but there seems to be bugs and troubles that possibly should have been corrected and I hope they are by now.

I wish, Mr. Chairman, to say a few words concerning our Motor Vehicle Branch who I feel also have been doing a good job, and I was going to bring up before this the matter of the municipalities or persons receiving a commission on selling licences, but at this time the problems that I have had in mind have been dealt with so I don't need to bring that up at this time. Perhaps this is the time to bring out the point that I mentioned last year concerning our 1970 Manitoba Centennial licences. Is the Minister ready to tell us if they are finally decided that they should be aluminized plates, and I understand from the Minister that last year that the - not from the Minister necessarily, but we all understand that the Canadian Centennial plate is possibly not of such great significance now as it was a year ago, and maybe plans should be beginning to think of a Manitoba Centennial plate and possibly could be used already, or at least in the very near future. And I certainly hope that there is no doubt that there will be a 1970 Manitoba plate.

Now, Mr. Chairman, in another field, I feel certain that there must have been various problems arising from the different growths of school buses and more school drivers having to take their reviews as far as to driving conditions are concerned. I'm sure that various problems came up that could have - possibly only minor problems - I agree - but it seems to me that when some of these rules and regulations were handed out to some of the bus drivers - the new bus drivers taking over new buses and new routes - it seems to me that some of the instructors were possibly not quite in agreement as to what kind of orders or what kind of rules they were going to suggest to some of these drivers. I admit they were only minor differences but sometimes a minor difference of regulations can mean a lot to drivers, a lot of new drivers that especially are wanting to begin right. I'm just referring to one place where the instructors had told the bus drivers that they should, as far as their flashers were concerned, they should never put them on until the bus had completely stopped. And of course in that same school some other drivers had been told that they should wait 100 or 150 yards before they put these flashers -- they should put the flashers on 100 to 150 yards before stopping. Now this, fortunately, to some extent was corrected and I fully realize that our buses and our drivers have greatly increased, as I mentioned a moment ago, but I think there should be some agreement between these instructors, or at least some more fundamentals, rules and regulations laid down, so that they would be more of a standardized form. In fact, I'd even go a little further and hope to say that they wouldn't just be standardized in Manitoba but right across Canada.

Mr. Chairman, a lot has been said as far as safety is concerned and I do not intend to cover this subject; I'm sure that my colleague from Assiniboia will have something to say in this respect. But I do feel very strongly that more must be, and can be, done. I've often wondered if we could not improve and give to these persons that are learning - and I'm not only referring to the young people, I'm referring to all the people that really wish to drive better - if we could not give them a different type of an instructional course of some manner. Just the other day I picked up a little book; it comes out from the Canadian Highway Safety Council in co-operation with the Minnesota Mining and Manufacturing of Canada Limited. It brings out a little book, and this one starts off with teaching our young ones to drive a bicycle, and I thought it was quite in order that possibly this is where some of our safety rules should begin. It gives you a message to the parents; some of the care and courtesy and the common sense that should be used; and to know what they're doing; and even goes as far as to say to look after their bicycles. And I know possibly it may not be so important to us when we get a little older, but according to the message that is brought in this bulletin -- and it goes on even to tell the child how to protect their bicycles and of course to make a habit of good habits. And they go on

(MR. BARKMAN cont'd.) explaining what a child should do with a bicycle, but it is of importance enough that the Commissioner from the RCMP endorsed this book, and I won't read the whole thing but I wish to read the last paragraph: "Keeping your bicycle in proper condition, using common sense and applying the same simple rules of safety as set out in this booklet, will not only prevent accidents but will prepare you for the time when you will become the operator of a motor vehicle." And I think that this is possibly the age to start, even if they start with a bicycle. It might sound a little puny right now but it's surprising what forms in the minds of these young people and how these safety rules and the rest of them apply when they get hold of a vehicle.

Mr. Chairman, the British Medical Association has come out with a report that most accidents happen during the first four years of driving. If this is so - and I believe there's many reasons to believe that it is - then surely we must concentrate on more and better driving methods for these people. And again I want to go back and say that I'm not referring only to the young people, I'm certainly referring to the others that finally wish to drive more correctly. I understand, also, that two percent of all the accidents in Canada are due to faulty mechanism, and I'm sure that the old saying could also apply here and it's still true I believe that it could quite easily be that what really still counts is not the nut on the wheel but perhaps the nut behind the wheel.

I wish to make a few remarks, Mr. Chairman, on our Censor Board. While I certainly think they are very much aware of their responsibilities, it may not hurt to remind ourselves that this is in a field where the Board's decisions, I'm sure, are not easy ones but they are certainly becoming more complicated today, and one only has to go across the line and look at some of the things that are allowed today, and I feel that there's much reason and there should be much concern that we keep on encouraging our Censor Board to do the kind of job that they are doing.

Mr. Chairman, I wish to bring up one other matter that I believe has been of very deep concern to many Manitobans. I feel that this is possibly as serious a situation as we can think of in nearly any field. I'm referring now to the many accidents, either electrically happening or otherwise. I'm referring now to the many animals' lives and even human lives that seem to be lost today because of possibly negligence - I don't know - but it seems to me, and whatever I say on this matter I am not trying to be critical as far as the Manitoba Hydro is concerned, I'm not trying to be critical as far as the human beings involved in some of these accidents are concerned, but I think, as my colleague the Honourable Member for Lakeside mentioned briefly the other day, sometime ago when electricity was brought to the people, naturally this opened many avenues of usage. In industry today, and many of us know as far as the farms are concerned much has happened. We are heating our homes today with electricity; we are heating our floors and our pig barns; we are heating and using motors and electricity in possibly any type, nearly any type of usage you could think of. And it struck me quite deeply, when I was discussing this matter with my colleague from La Verendrye the other day, why there were so many accidents and why there were so many happenings in regards to misuse or possibly - use whatever term you like - but these things were happening that really shouldn't happen. I just had to think back in my own area, just a few years ago, between 25,000 and 30,000 broilers suffocated in one night due to electrical error of some description.

I picked up the paper the other day, the local paper, Carillon News, it's printed at Steinbach, right on the front page "485 pigs die in suffocation." Here's a picture of all these hogs being picked up, of all these pigs that were nearly ready to go to market, weighing around 170 pounds, and the article goes on to say that there were three fans, two of them 20 inches in diameter, one 16 inch in diameter and just like that, in 30 degree below weather suffocation of this nature, the reason I don't know. And believe it or not in the same issue, I take a look at the side here which is even much more important, "Alerted by housewife, 12 escape burning home." The last day of the year, 1967, a whole family was saved from death just by coincidence, you might say. A neighbouring lady got up at 4:00 o'clock at night to feed the baby, and as luck would have it -- it was one of these cold evenings, 20 degrees below -- she took a peek out of the window and here about three-quarters of a mile off, her neighbour - and I know these people well - her neighbour, their house was burning to the extent where it looked as if it was ready to collapse at any time - and fortunately, in her wisdom, she picked up the telephone, phoned these people and these people just had enough time to jump out of the window with 10 children - dentures, glasses, clothes and everything had to be left. Now this is something that

(MR. BARKMAN cont'd.) has happened around my area just within a few miles, is happening in many more places in my own constituency, is happening in every constituency that you yourselves know of instances in your own community. And I am not here to blame the Manitoba Hydro; I'm not here to blame the individuals involved. I talked to this person afterwards and I said, what really was the cause? "Well" he says, "I hate to admit this. We had a little heater going; the children were very cold that evening" - and I know they are poor people and perhaps negligent. I don't know. But my main point is this, regardless who we are going to blame for this, hasn't the time arrived, hasn't the time come where we must think of some way, of some device whereby -- possibly a warning system of some sort - I don't know.

A couple of years ago the EMO department thought of putting up a warning signal right across Canada in case of an emergency. Maybe this is the solution; I don't know. Maybe some of you are thinking of a sprinkler system in a home. I don't know. I believe on the overall this would be too expensive. But surely our Manitoba Hydro or we as individuals or the universities today, we must try and find a way of warning these people, not just to save dollars, not to just save the many things that are so valuable in life, but certainly to save the lives and I hope within the near future we can find some type of device to save some of these lives and some of this money.

MR. PAULLEY: Mr. Chairman, may I first of all join with the Minister in extending the appreciation of my group to the staff personnel of our Public Utilities. I'm sure that all members of the committee will agree that Manitoba by and large are well served by the people connected with utilities. I know on the occasions that I've had to deal with the men and women of our two major utilities in particular, the Hydro and the Telephones, I could not wish for more courteous and attentive associations with the members.

I'm also very glad that we are going to have the opportunity - the Minister caught me a little bit by surprise, I must confess by announcing that the committee on Public Utilities will be meeting on Tuesday. However, I am appreciative of the fact that in the Province of Manitoba we have an opportunity of meeting with the personnel who are charged with the responsibility of operating our telephone and our hydro utilities. At that particular time I'm sure that there will be a considerable number of questions directed to the management of these industries, utilities insofar as the operation of them are concerned.

It is with deep regret though, Mr. Chairman, that I find that we cannot have before us at that committee representatives of a publicly owned gas utility. If the Government of Manitoba had been a little farseeing or forward looking when they took office back in around 1960 when we had the great debate on gasoline, the distribution of gasoline in this House, we would be able to meet with the operators or managers of a publicly owned gas utility which unfortunately we cannot do today.

I note that the report of the Public Utility Board makes reference - and of course the report is about a year old - the report makes reference to continuing negotiation between the Winnipeg and Central Gas, Inter-Plains and others in respect of rate setting. I don't know whether that has been finalized. I must confess I hadn't noted that the hearings have been completed, but I do say to the government that irrespective of whether you missed the boat back in '60, the time will come when it will be necessary for the advancement of our province in an orderly manner for the gas utility to become publicly owned. And I want to say now, as I have said in the past, that were we to have in Manitoba New Democratic government this utility would before too long come under public ownership because of its importance and because of the fact that it is the type of utility that should be owned and operated by the public in the interest of the public as a whole.

I followed the remarks of the Minister in respect of Hydro with a considerable degree of interest. It seems to me, and possibly I shouldn't press for answers of my honourable friend but await Tuesday's meeting, it seems to me that at the same time as we will be bringing into production thermal plants at Brandon and Selkirk, I believe my honourable friend referred to, coincident with that will be the inflow of some power from our Nelson River development at the same time as we're entering into agreements or agreements in principle for the export of power.

Now I note that my honourable friend the Minister of Industry and Commerce is not in the Assembly this morning. I just would like to pose a question to him. It seems to me that if we require this additional power, or if we should utilize this additional power for the purpose of

(MR. PAULLEY cont'd.) the expansion industrially in the Province of Manitoba - and I don't know whether it's the Minister of Public Utilities who's ahead of the Minister of Industry and Commerce in this regard by having available power or whether it's the Minister of Industry and Commerce still lagging behind the eight-ball in having industrial production or advancement in the province to utilize the power so that we could get the full benefit of it here in the Province of Manitoba.

The other day I made reference to a new industry or an additional industry that we were anticipating in Manitoba two or three years ago, namely a \$3 million cable plant in the City of Transcona, and that was to be in connection with the transmission line from Gillam to Winnipeg and of course the net result has been - I don't know who was sleeping at the switch - the City of Transcona went ahead and they've built an industrial park there, the Minister of Industry and Commerce came out into my fair city with great gusto along with officials of the CNR and the city officials, turned the sod for the industrial park, we visualized a lovely new industry for Manitoba, \$3 million developing aluminum cable and other cables for our great publicly-owned industry, and today on the industrial site in Transcona we're building a police and fire hall, and still no industrial development at all. Now I don't know whether the Minister of Industry and Commerce went out a little later and put back the earth that he moved from the hole that he dug when he turned the sod, because it's not being used for industrial purposes. The Province of Quebec have gained the industry; Manitoba lost it. So I think that in this even it might be that in the consideration of its purchases that it might be advantageous for Manitoba if there were preferences given to local products and the utilization of the development of our industries in Manitoba for our industries instead of them going out of the province as they apparently have in this particular case.

I want to compliment, however, both actually the Manitoba Telephone and Manitoba Hydro on their reports. I find them both very easily read and very attractive. I wonder, Mr. Minister, whether you could indicate to me whether the job of the printing of these reports was done in the Province of Manitoba or whether here too the job may have been done without using our local talents, because I do know that in many respects - again back to my friend, and I hate picking on him really, because he is a jovial sort of a character, my friend the Minister of Industry and Commerce - I find from time to time much of the material that could be produced here in Manitoba is done elsewhere. So I want to compliment the utilities on the manner in which they present their report.

I'd like now, Mr. Chairman, to say a word or two about our Public Utilities Board and I notice that the Honourable the Attorney-General is here, I hope he's not leaving, because I want to make reference to the Public Utility Board in one field in which the Attorney-General should be concerned with, and that is in the - I note that in the report of the Public Utilities Board that reference is made to The Liquor Control Act and dealing with the prices paid to brewers. I was always under the impression, I was always under the impression that when we changed the Liquor Act of Manitoba some years ago, that it was the function of the Manitoba Liquor Commission to do what it could do to receive the best value possible for the users of the liquor - beer particularly - and then that the Utility Board would be charged with the responsibility of setting the price after due consideration of the brewers on one side and the Commission as representative of the public on the other. But if you take a look at Page 13 on the Public Utilities Board's Annual Report for the year ending December 31, 1967, we find, and I quote: "The Board dealt with two submissions of the Liquor Control Commission concerning the price that had been negotiated between the Commission and the brewers at which the Commission would purchase beer from the brewers. In both cases the price agreed upon between the parties was approved by the Board." I appreciate the fact that this is a follow up - possibly just a stamp of approval - but I question, Mr. Chairman, whether or not the Liquor Commission has gotten itself into a bind where it is agreeing and there's not sufficient and thorough investigation into the prices being charged for not only the consumers' but the price paid by the Commission to the brewer. This is a matter that caused, originally back in 1956, I believe, considerable consternation. Our prices were out of line then and for a while our prices seemed to be within a reasonable line and it seems to me that at present the situation that prevailed back in 1956 and prior to that is coming back into effect in the province at the present time.

I also note, Mr. Chairman, dealing with the question of the Public Utilities Board that on Page 6, dealing with the question of protection in gas service risers, if my friend the Minister

(MR. PAULLEY cont'd.)... would take a look at Page 6 - It's noted here that there were amendments made to Order 1/60 in respect of protection of the above grade gas service riser - that's that portion of the gas line that comes out of the ground before it goes into the building. That that was changed to state that "An adequate guard shall be provided to protect above grade gas service risers and appurtenances where any gas equipment may be subject to damage from vehicular traffic in any of the following locations: (i) public thoroughfares, (ii) any parking area, etc., (iii) any commercial or industrial loading area." Now we did have the other week or so a very peculiar accident of a toboggan on a school ground knocking over one of these high risers, gas high risers, causing considerable damage. I suggest to the Minister that on all public property, in addition to those listed here, that the Board order should be amended again to make provision for adequate guards.

The next item that I just want to make brief, mention in passing reference to is Item No. 3 in the Public Utilities Department, namely, the Censor Board of Manitoba, I'm of a somewhat different opinion than my honourable friend the member for Carillon. I'm wondering whether or not it's any longer necessary for us to make an expenditure, even though it is only \$28,000, for a continuation of this service, because of the influx of programs originating outside of the province, in many respects that we have no control over, particularly our movies and others, and then the general principle of how far we can carry censorship or how far we should, but I am sure other members in the House will have possibly something further to say in this respect.

I now would like to say a word or two insofar as the Motor Vehicle Branch and here too, Mr. Chairman, I would like to extend my appreciation for cooperation. I am wondering whether or not, though, the government and the Minister should not start taking a closer look at the necessity of establishing adequate auto inspection facilities in Manitoba. We've been talking about this for years and years and at one time we did have a sort of a voluntary auto inspection service where the unit used to go around Manitoba. I haven't seen them for some considerable period of time. I do see, however, an increasing number of derelicts that are on our highways, and possibly we had better set up an auto inspection service once again, only of course on a larger scale than we ever had before. When I mention derelicts, Mr. Chairman, it has been proven, in the last year or two particularly, that many new automobiles are coming off of the production line and having to be recalled back for adjustment because they are not safe, particularly insofar as steering mechanisms and braking mechanisms are concerned, so if they are getting off of the production line, then surely it is more necessary than ever for us to set up a proper auto inspection system in Manitoba.

I have one complaint that I want to suggest to the Minister that has been relayed to me on numerous occasions, and that deals with the question of driver testing. Maybe this is just a personnel matter where there seems to be a conflict of temperaments or emotions between the persons who may be appearing before the branch to have their tests made. I guess, like even the jovial Minister of Public Utilities and the jovial Member of Radisson, sometimes we are not as jovial as we should be and this rubs off and causes a complaint from some other party, but I have had a number of complaints, Mr. Minister, and whether they are really serious or not may be questioned, but nonetheless I do think that whoever the individual is, when they are dealing with the public on behalf of government, there should be no end of endeavours to enhance our government operations.

Lastly, Mr. Chairman, dealing with the question of the Motor Vehicle Branch, I would like to suggest to the Minister that every operator of motor vehicles be given a brief, or broad outline of the rules of the road. This is done insofar as the few drivers are concerned when they are tested; they go through their test; they are given a handbook dealing with the question of rules of the road; and this House has changed the rules on numerous occasions and they are constantly changing the rules of the road. And I would suggest that maybe once every two or three years or three or four years - and I suggest the time is now - that the department should issue a booklet trying to bring the people more up-to-date with the rules of the road. I'm thinking particularly, with the ever-increasing conglomeration of signs that we are having on our highways today, heavens to Betsy, you don't know what you are going to be faced with the morning after you go down the highway -- (Interjection) -- The Minister of Education is so right. We come down Highway 15 and there are more signs than there is pavement and -- (Interjection) -- well there's not very much education. I think there's need for some education in the sign department. -- (Interjection) -- Well, if my friend the Honourable Minister

(MR. PAULLEY cont'd.)... of Education would get up off his -- and get cracking, then we will be.

MR. LAURENT DESJARDINS (St. Boniface): I didn't hear what you said.

MR. PAULLEY: Get up and get cracking - that's what I said, and I'm sure that Hansard will record it accordingly. But there is, Mr. Minister -- now I can imagine that there may be a conflict of interest between the Department of Agriculture and the Department of Public Utilities insofar as placing signs on highways. I'm not sure who has the authority, whether the Minister of Agriculture is the authority or whether the Minister of Public Utilities, insofar as signs are concerned, but I do say almost invariably every time the Manitoba Gazette comes out, there is some new sign in there. Well everybody in Manitoba doesn't get the Gazette but they sure get the signs. Sometimes I wonder whether the government hasn't an interest, or possibly we should have an interest, in the sign production operations industry in the Province of Manitoba.

These, Mr. Chairman, are but a few rambling remarks directed towards the Minister of Public Utilities. May I finish for now in the same manner in which I started - I think that Manitoba is well served by its publicly-owned utilities, by the personnel within the departments, and I appreciate, as an individual and as Leader of my group, the job they are doing. I only wish, as I said earlier, we did have a gas utility owned by the public.

MR. FROESE: Mr. Chairman, my remarks in connection with the Department whose estimates we are discussing will be very brief this morning. I, too, wish to congratulate the Minister and the officers and management of the utilities concerned, because I feel we have very able people in these utilities who do a very satisfactory work in my opinion, and I for one have received every service that I required and I feel that the people concerned are doing a good job.

I find that both the Manitoba Hydro and the Telephone System are expanding as the years go by, and that more money is being used and tied up in these utilities. Maybe this is as it should be, but at the same time the cost will go into the consumer's bill and naturally will be reflected in that they will, be required to pay more to pay the costs of the utilities and the services. I find, for instance, that we have better than \$500 million tied up in Manitoba Hydro and, as was already pointed out by the Minister, that new monies have been borrowed since so that this is substantially higher than what we find in the financial statement. The financial statement showed that net assets of \$510 million and the assets of the Telephone System at \$182 million. This is close to \$700 million tied up in the two utilities. The plant assets as such, less the accumulated depreciation of the Manitoba Hydro, stands at almost \$400 million, and when we take a look at the actual revenue coming from this utility, the revenue for last year amounted to \$47,185,000, and when you take a look at the amount of interest that we are paying, better than \$18 million, and you take the depreciation, the profits aren't very high. In fact, in my opinion, the margin is rather narrow but maybe this is as it should be, because this is a utility owned by the people of this province and therefore why should there be a large profit? As long as we can make ends meet I think this is quite in order.

I think the same holds true for the Telephone System, that there too the profits are very marginal, but at the same time, when you take a look at the estimates for 1969, on the last sheet we have the public debt of this province and we have listed the amount of revenue that is supposed to come from the Manitoba Hydro and Telephone to pay for the interest and also the contributions to the sinking fund, and Manitoba Telephone System the amount of interest they will pay towards the government sinking fund is \$2,382,000 and the Hydro's is \$2,341,000; at the same time the sinking fund contributions are much smaller. The Telephone System will be paying \$792,000 and Hydro \$1,125,000. Now, if I understand correctly, this is only a part of the actual interest that they are paying, because as I understand it, Hydro and Telephone both have made other debts which rest on their own utility and are therefore not reflected in this statement here. What I do appreciate is these meetings that we have where the committee can meet representatives of Hydro and Telephone and get information from them personally as to the programs that they are following and the expansion that is taking place, and so on. I do appreciate the opportunity that we have as members of the committee to question these people.

I just wish that the same opportunity was offered to the members of this House, or of this committee, in connection with water supply. I feel that we have a number of Crown agencies

(MR. FROESE cont'd.) . . . where we should have the same opportunity of questioning boards of Crown agencies. I feel that Hydro and Telephone, the people running these utilities are accepted throughout the province and there is very little criticism coming their way, whereas in connection with some of the other boards this is not the case, and you have considerable criticism, which we as members have no way of questioning them directly and getting the proper information. I feel that this practice should be followed with other Crown agencies and that honourable ministers should take note and that this same privilege would be coming forward in connection with such other utilities and commissions.

We read in the Throne Speech where there would be certain propositions coming forward in connection with debt management, and I'm just wondering whether this will apply to the utilities as well; whether the matter of sinking fund payments will be stepped up or just what will be the proposition and will it apply to the utilities as well; because I feel that here again we should be stepping up, because with the amount that we are expending on some of the Utilities - and who knows that by the time that these utilities will be paid for they might be obsolete with the developments that are taking place in connection with Hydro and the source of power - that we should be repaying the indebtedness of these utilities at a faster rate.

I listened with interest to what the Minister had to say in connection with the Telephones, and he mentioned that the northern towns are all getting dial systems, or most of them had already gotten the services. I'm just wondering whether we are not giving them more service than we are giving the people of the south, because in southern Manitoba we still have many many people on party lines, and I would suggest that we speed up and formulate a different policy so that more of these people will be getting the services of private lines when desired and at a lower cost. I feel the discrepancy between private lines and party lines is too large and that there should be some reasoning applied and that the cost of private lines for rural Manitoba be made much more feasible and at less cost.

The matter of expropriation of property in connection with transmission lines has been one that has been brought to my attention and which has created trouble in this latter while. Apparently the Hydro is probably following a different practice where they are not going along the road allowances as they used to. They are cutting along properties that are not necessarily along road allowances; therefore, this is causing concern for the farmers who will have to be hereafter troubled with these towers or poles and so on, and this is something that the farmers object to very strongly. I don't think they mind if these lines are strung up along the road allowances because that is where they are least troublesome, so that I would like to hear from the Minister on this matter, whether this is not a fact and whether the policy in this connection has been changed. Naturally we will have the opportunity to question some of these matters in committee, and that if the information is not forthcoming here that we will probably get it in committee.

These are some of the thoughts I had and that I was going to point out to the Honourable Minister. I will have more to say in committee.

MR. T.P. HILLHOUSE, Q.C. (Selkirk):

MR. CHAIRMAN: Did you have a question?

MR. HILLHOUSE: Well, it is more of a statement.

MR. CHAIRMAN: The Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I wish to thank the Honourable Minister for giving us the information on Public Utilities when he introduced his estimates because it gives us some idea on this side the course of action that has been taken and the work that is planned ahead by our utilities. And I was most interested to hear when they mention that work that they're doing in extending the communication system in our north. The Minister did mention that a telephone direct dialing system has been installed in some of the biggest centres and in our Telephone System Annual Report it shows where the relay systems and the network will be installed in most of the bigger centres and its indicated here that which is under construction now in such areas like Gypsumville, Grand Rapids, Wabowden, Kelsey and Gillam. But my concern and some of the information that I have that there is not sufficient communication systems in the north and at the present time when we are trying to develop our northern areas and expand it I think it's most important that we do make better facilities in areas that there is settlement, for instance like Moose Lake; Oxford House, God's Lake; Bears Island; Nelson House, where there is good size developments and residents in those areas - there must be some communications or better communications than we have now. In case of emergency or

(MR. PATRICK cont'd.) . . . even for our northern commissioner to do a worthwhile job and to do a better job I think that communication services must be better.

I understand in many of the remote areas where there are settlements, in cases of emergency we have to fly in by plane and I'm sure this must be much more expensive than radio communication system.

Mr. Chairman, I have had some correspondence with Honourable Minister on some problem that I had in my constituency and that was the telephone service in Headingley. I must say at this time that I received a reply from the Honourable Minister, he was most co-operative and I was able to advise the constituents of my constituency that there will be a station built - a modern telephone station built in Headingley on a direct dialing system. But many of the people are concerned, they feel that they should not be charged a long distance charge from Headingley to Winnipeg, because my information is that there's many people, even some farmers that are within a mile of Headingley, are at the present time on a direct dialing system to Winnipeg with no long distance fee, and most of the people in Headingley feel that there's no reason why there's other residents and subscribers so close to Headingley that do not have to pay the long distance fee, and within half a mile the residents of the village of Headingley are subjected or will have to pay the long distance fee to Winnipeg. I just want to raise this point with the Honourable Minister at this time; I know I had some information on it and his reply on this subject before.

Mr. Chairman, the other point that I wish to make is, which I have asked the Honourable Minister on two occasions before the Orders of the Day, and that's the Hydro discrimination of hooking up power to trailer homes. I did not get a reply, the Minister told me he will be getting some information and I think the first time I asked the question he mentioned that he sees no reason why the hydro cannot connect to the trailer homes directly. But my information is that in all trailer parks in the Greater Winnipeg area or Manitoba this is not the case. If, when the trailer is parked in a recognized trailer park, then the power is only supplied to the trailer park and then the park or the court has to charge each individual trailer home in the park a fee for the power, I know there may be problems because most trailer or many trailer people are transient, they may not stay too long in a place, but there's no reason why it can't be worked out like in the water system or the telephone where they have to pay a retainer, and there would be no problem with people leaving and not paying the fee when they're finished staying in any trailer court. It is a concern to many people in many of the trailer courts in the Greater Winnipeg area. So I wish that the Honourable Minister would look at this problem and give me some explanation because I do have a petition from one trailer court and the letter that I had from them was that their charge is that the Hydro refuses to hook up power for the residents individually in the trailer court.

Mr. Chairman, the other point I wish to make, I believe this is the first time in many years that we never had any lineups by the Motor Vehicle Branch on the last day of February getting their license plates. I think this is most encouraging because I understand from the people at the Motor Vehicle Branch - and I had an opportunity to be there - you could have walked in, got your plates in a matter of 5 to 10 minutes without no problem at all - which is a great change from what it used to be when you had lineups almost for half a block. And in this instance, I would wish to compliment the Motor Vehicle Branch for any publicity that they have undertaken but my information is that it was strictly the newspapers, the T.V. and the radio that carried out this publicity and certainly they deserve a compliment. I believe they advertised on the news and in the papers or the news was given to the people when the notices were mailed out for the plates and then the final mailing and the last day that the plates had to be on the cars and I think this was really good service on behalf of our news media.

Mr. Chairman, I just want to make a comment on our driver testing which is now covering the whole of Manitoba and I'm very glad to see this because my first year in the House I had the opportunity to bring a resolution in on highway safety and driver training and I see at this stage that there certainly has been progress made. I am somewhat concerned, I know there's been great improvement in the way of suspensions, more appeals by drivers and more appeals are refused at the present time, but I just wonder if we are still lax or are we tough enough because of our accidents which are increasing at the such great percentage. Because when we studied the highway safety and driver training some three years ago by the Committee of the House, I had an abstract of a driving experience of one driver who had 20-some convictions in a matter of 2 1/2 years. Some of these convictions were quite serious, Mr. Chairman,

(MR. PATRICK cont'd.)... I don't think this is the case now, as I mentioned that our suspensions are sooner and more appeals are denied, but I am still concerned, are the penalties stiff enough for the people and particularly the ones with impaired driving. I think any person that is charged with drunken driving should be an automatic suspension with a certain amount of time with no chance of appeal. Because if you look at the last year where we had over 200 fatalities and the information that I have, I don't know how accurate it is, but they tell me it's in the neighbourhood of 50% of your fatalities where alcohol was involved.

There was some mention made already on the safety lanes and, Mr. Chairman, our Committee at that time studied the motor safety lanes and I believe recommended that we would have inspections of all cars either annually or twice a year and there's been no progress made on this since our Committee has studied this. I know that there's the question of costs but at that time when we did look at it, I believe we were told that the cost would be fully recovered in a matter of five years. If the assessment at that particular time was correct, then I don't think the cost is the factor in this instance at all.

Mr. Chairman, there was also mention made by one of the members before me about a booklet for driving and I just wondered if there has been a handbook developed for our motorcycle people. I think this is most important because the results will speak for themselves of the many serious fatalities we had as a result of motorcycles and at one stage one would say this was almost getting out of hand. I think we should look at this quite seriously and see if there should be some recommendations made as far as our motorcycles is concerned and I think a handbook for the new drivers would be going in the right direction.

We have also talked about signs, I don't know what the Honourable Leader of the New Democratic Party meant when he said - I'm not just sure if he meant highway signs; if this is what he meant, in more uniform, I would agree with him; not only uniform as far as Manitoba is concerned but I think they should be uniform as far as Canada is concerned and as far as most countries in Europe are doing at the present time. They have uniform standardized traffic signs throughout Europe. I believe the City of Montreal has adopted this practice and one other city in Canada - if I'm not mistaken, it's Toronto - have also adopted the same system that they have in Europe at the present time. And I cannot see why Winnipeg should not follow the same course and have or start thinking about standardized traffic signs for our city.

Mr. Chairman, the other point that I wanted to raise and that's about Public Utilities Board and I'm just in this instance looking particularly at the Winnipeg Real Estate Brokers Act which is administered by the Board. I wish to pay them a compliment because under the complaints and inquiries you will notice that there was only one registrant which was suspended in the last year. I think this is an excellent record and certainly credit must be paid to the Board and as well to - I would like to say to the Winnipeg Real Estate Board as well for administering the - not administering but for their code of ethics and checking on most of their members in the way they practice their business in this city.

Mr. Chairman, if I may at this time, this is of interest to note what a good record this has been as far as the real estate transactions in Winnipeg - and I would just like to make a comment or two about the Winnipeg Real Estate Board, which is an association of some 650 real estate brokers and salesmen which was established as the first Real Estate Board in Canada in 1903. It was organized and the objects of the Board were to study and promote civic interest of metropolitan Winnipeg, and over the years I think the Board and its members as individuals have made substantial contributions to the growth and development of the City of Winnipeg. The Winnipeg Real Estate Board has also made improvements in the standards of service, in the real estate code of ethics and the . . . by-laws have become the rules with which the present realtor can operate in Winnipeg.

Mr. Chairman, that's a few remarks I wish to make on the Estimates now. I will have questions later on as we go along on our estimates.

MR. BEN HANUSCHAK (Burrows): Mr. Chairman, in dealing with the Estimates of the Public Utilities Department, there's only one item in particular that I wish to deal with and that is the Censor Board of Manitoba. I had spoken on this last year, I'd drawn to the Minister's attention the fact that my interpretation of the Act leads me to believe that we have not only the Committee of such who are appointed as censors but in fact each and every peace officer in a sense is a censor - at least to this extent that there's a section in the Act which states if a peace officer finds that any advertisement of a movie is in his opinion obscene then the theatre or the movie house owner may be prohibited from showing that film.

(MR. HANUSCHAK cont'd.)

However, I wish to go a bit beyond that one section of the Act and speak about the Censor Board in general and its effectiveness and also the need for it. A couple days ago, on Monday, March 18th, the Chairman of the Provincial Censor Board expressed his views on the role and the effectiveness of the Board as such. And in his statement to the press - this was a story appearing in the Winnipeg Tribune - he makes two points, or three really, that it's an anachronism at this time that serves only to classify movies, and secondly that it's outdated because the Censor Board has no control over other media used to convey a similar type of information to the public, and thirdly that the public pretty well determines what it wants to see.

The Chairman of the Censor Board also states that they classify movies into three groups: general, adult and restricted. And I suggest to you, Mr. Chairman, that even if in its wisdom the Censor Board classify, or even if its felt that the Censor Board classified the movies properly, the operators of the movie houses are in fact using this classification, not to deter people from attending movies into whatever classification they may fall, but in fact to encourage people to attend them. Just checking, I just happened to tear out a sheet out of Tuesday's newspaper, and this could be any day's newspaper, we'll find the same thing; and what do we find? We find many other classifications of movies other than those set by the Censor Board, or variations of them, and just what they are to mean I really don't know. There is the Restricted movie and it's shown as such. There's another which is described or classified as Not Suitable for Children. Another - Admittance Restricted to Persons 18 years of age or over. Now what is the difference between that one and the one that is labelled strictly as Restricted? And General, and Adult? And then there's also - now I don't know whether this was inserted by the Censor Board or by whom, but the note reads as follows: "Due to startling scenes in this motion picture, a medical attendant will be on duty at all performances." Another - Admittance Restricted; and the rest are - whatever the inscription was to say it's completely blurred; one can't read it; one can't make out what it's meant to say; it appears that whatever it was meant to say perhaps the movie house operator does not wish the public to read what was meant to be stated there. Another is listed as Adult and with an added comment, "Suggested for mature audiences." Now, what does this mean, Mr. Chairman? That the Censor Board not only determines who is adult and who is not adult, but even within the group of adults the Censor Board is proceeding to say that there are some who are mature and others who are immature and this is only for the mature adults to view.

Now I would suggest, Mr. Chairman, that surely the Minister ought to be aware, and is aware, of the ineffectiveness of this particular board for which he is responsible. I'd be most interested to hear the Minister's comments on this. In the newspaper report that I'm referring to there is a statement from the Honourable Minister, but all he says is that he could see no changes in the board's status in the near future; nothing is in the offing to alter it. But he does not go on to elaborate on this statement. He does not give any reasons for making it. He gives no reasons for justifying the continuation of the existence of this particular board. Now if he has some reasons, Mr. Chairman, I think that the House would certainly appreciate hearing them. If the Minister feels that there is some real justification for the continuation of the operations of the Censor Board, then let the members of this House hear what those reasons are. My own view, Mr. Chairman, is that the Censor Board, as we now have set up, should be abolished. It is most ineffective. It has control, whatever limited, or at least it thinks it has control over movie houses, but I would suggest to any member of this House he could walk into any theatre in Winnipeg and regardless of the label appearing on that movie, if it's shown as Adult, there would be children there of all ages attending that movie, children accompanied by parents or attending there alone.

Secondly, Mr. Chairman, the Minister should realize that the movie is not the only medium of communication. There are books, magazines, newspapers, television, radio programs which reach perhaps a larger number of people than the movies do, and the Censor Board has no control, no jurisdiction over what is broadcast over television or radio, and it's quite conceivable, and it has happened, that movies that were branded as being unsuitable for viewing by children, did appear on the TV screen, and how can any government body enforce a similar rule in anyone's home by saying that this television program is not suited for viewing by children and the children ought not view it? How are you going to enforce it? Are you going to impose a penalty? Of what sort? How are you going to prove that an offence has been committed? How are you going to prevent the commission of such offences?

(MR. HANUSCHAK cont'd.)....

It will also be interesting to know - and this of course in no way changes my attitude towards the Censor Board - but I'd be interested to know what criteria does the Censor Board follow in the process of classifying movies into these three categories, because it seems to me, Mr. Chairman, that one could make out a case to rule that practically any movie is objectionable for viewing. I suppose one could even make out a ruling that a religious picture is objectionable for viewing. One could even make a case that some of the children's movies that there are, are objectionable for one reason or another, because they attempt to inculcate certain attitudes towards life that some may feel are undesirable, unhealthy or objectionable. I would suggest to you, Mr. Chairman, that in view of the fact that what the Censor Board proposes to do is most ineffective, it cannot be enforced, and in this particular area I think that the best censor, the most effective censor is the individual himself. Let the individual himself be his own censor and let him determine what movies he wishes to see, what books he wishes to read or television programs he wishes to watch, but I realize that in this particular case we're dealing only with movies. Let him make that decision for those individuals who are under his charge, for whom he is responsible, and that is, the members of his family. But I do feel that it is absolutely futile and useless for a government to attempt to legislate people's morals, to attempt to tell people that this is good for you to see and that is bad, that this is good for a person over a certain age - I don't know where the chronological age dividing line is between an adult and a child because the range is quite broad. For some purposes one is not classified as an adult until he reaches 21 years of age; for other purposes it may be at 18. I suppose with reference to the Public Schools Act, in a sense one becomes an adult at 16 years of age. If you're 16 you can be compelled to attend school; you pass the age of 16, if you choose to leave school you may. So I really don't know what the Censor Board means by an "adult". And as I mentioned before nor do I know what the Censor Board means by "mature adult".

So for these reasons, Mr. Chairman, I would suggest that the Honourable Minister do give serious consideration to abolishing the Censor Board or, on the other hand, if there is some merit for the continuation of it, I would like to hear the Honourable Minister get up and present his views on why the Censor Board ought to be continued and why he feels it is serving a useful function in our society.

MR. HILLHOUSE: Mr. Chairman, I'd like to support the Honourable Member for Burrows in requesting that the Censor Board in Manitoba be completely abolished. I think it has become an archaic form of the government. It serves no useful purpose, and if I were to make use of a cliché, any author who has a book banned in Boston is sure that that book is going to become a best seller.

Now we have varying degrees of morality throughout Canada. Each province in Canada has its own Censor Board. There are movies that are shown in Quebec that cannot be shown in Manitoba; there are movies that are shown in Manitoba that can't be shown in some other province. But, over and above that, we have one form of entertainment where there is no censorship at all, and that is television. There's no censorship of television and we have no control over television in Manitoba. That is a federal responsibility, and I doubt very much whether the federal authority would have any control over television which is beamed from across the border. In fact, I'm sure they wouldn't. So after all, censorship, as we know it today, is completely archaic and it should be completely abolished. It has never accomplished anything. As far as children are concerned, I think the sooner we reinstate the responsibility of the parent to look after the children's morals, the better off we'll be and the less juvenile delinquency we'll have.

I would like to deal with one or two matters under The Highway Traffic Act. First of all, I would like to know whether there is any intention on the part of the government to introduce legislation dealing with breathalyzer tests under our Highway Traffic Act, similar to the legislation they have in Saskatchewan. That legislation in Saskatchewan has served a very useful purpose. It has been held by the Supreme Court of Canada to be intra vires of the powers of that province, and I think until such time as the Federal Government should amend the Criminal Code, making it compulsory for breathalyzer tests, we should try to fill the gap just now by adopting the Saskatchewan legislation.

There's another matter which I'd like to deal with as far as the Highway Traffic Act, and that is this: the compulsory inspection, mechanical inspection of motor vehicles. I was on that committee, that Special Select Committee of the Legislature which was dealing with the new

(MR. HILLHOUSE cont'd.)... Highway Traffic Act. We had a great deal of discussion regarding this particular aspect of highway safety. We heard from numerous individuals, quite a number of whom were experts in that particular field, and I know that every member of that committee was satisfied beyond any reasonable doubt two years ago, that this government did intend to introduce compulsory mechanical inspection of vehicles, but nothing has been done since Mr. Steinkopf left that department. Now I wish to say this about Mr. Steinkopf, that he had the habit of getting things done, and I hope that the government will give serious consideration to introducing compulsory mechanical inspection of motor vehicles in this province.

What I have to say this morning is more or less in the nature of a rambling diatribe, but there's one thing I'd like to find out from the Honourable Minister, and that is the basis upon which electric power rates are fixed. Now the reason why I mention that is that just recently at a meeting of the Council of the Town of Selkirk, one of the councillors brought up the question of the differential between rates existing in the Town of Selkirk and existing in Brandon, and he informed the Council that the Brandon rates were cheaper than those existing in Selkirk. Now I would like to find out from the Minister whether or no that statement is correct, and if it is correct, how they arrive at the differential.

Another matter which I'd like to raise is the question of the Manitoba Telephone System, that is the service between Winnipeg and Selkirk. I wonder how soon the government is going to be in a position to cut down the number of party line users and how soon they are going to be able to furnish an adequate and efficient service for those subscribers living in the neighbourhood of St. Andrews and between St. Andrews and Lockport.

A matter which has given a great deal of concern to the people in the area of Selkirk and in the area of Netley Marsh and on both shores of Lake Winnipeg is: what is the government's intention regarding the maintaining of levels on Lake Winnipeg? There was some discussion took place in this House, or in this Committee, a few years ago arising out of the intention of the Hydro-Electric Board to develop the Hydro-Electric site on the Nelson River. It was then intimated that in order to run that plant at full capacity in the wintertime, it would be necessary to build up a winter reservoir of water, and it was intimated then that that level would be maintained above the mean summer level of 712 feet above sea level. I think your desk mate, the Honourable Member for Gimli and Minister of Education - yes, the man who you're touching is Exhibit A - could assure you that on Lake Winnipeg, with the wind blowing from the right direction you can, in a period of 24 to 48 hours, get a vertical rise of water of anywhere from four to five feet, northeast and sometimes the southeast. Now, if they are going to build and maintain the level of Lake Winnipeg by artificial means above the mean summer level, which is 712 feet above sea level, there's going to be a great deal of damage caused to the land on both shores of that lake. -- (Interjection) -- No, I won't either, and I think the Town of Gimli will be completely wiped out, Riverton will be completely wiped out, Winnipeg Beach will be wiped out, and Lord only knows what's going to happen to Netley Marsh. And I think the sooner the government assures these people in that area of its intentions, or the intentions of the Hydro-Electric Board regarding the height of level that that lake is going to be kept at, the sooner they do that and let them know whether there's any danger latent in that level, the sooner the people will be able to take the necessary action.

And another thing too, Mr. Chairman, is this: if it is the intention of the government by artificial means to raise the level of that lake and maintain the level of that lake at the amount to which they are going to raise it, what are they going to do in the matter of compensating the owners of riparian lands? Are they going to give them any type of protection against that increase and danger, or are they going to move them from these lands onto lands that are higher and safer? I think the people of that area are entitled to that information because this is a matter of grave concern. I understand that on the first of April there is a meeting in Winnipeg of the Water Control Commission at which representations will be made by people in the area of Lake Winnipeg and the area of the Netley Marsh, and on both sides of the Lake. Now what the purpose of that meeting is I don't know, but I think that the government should, without any further delay - and I think the figures are known - announce in this House to the people of Manitoba and particularly to the people of that area, at what level they intend to keep that lake and what protective measures they intend to construct or build, so that these people will at least have some relief from the worry which they have been going through for the past two or three years. I believe too that there was a survey made of the levels of Lake Winnipeg and Lake Manitoba in 1958 and I believe on that occasion that certain recommendations and certain

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(MR. HILLHOUSE cont'd.).... figures were stated, and if I am not wrong, if my memory isn't playing tricks on me, I think that that Board found that if the level of that lake were maintained above between 17.13 and 17.14 that there would be grave danger to the riparian lands, and I hope that the government does do something.

MR. LYON: Mr. Speaker, I suggest that the Committee rise.

MR. CHAIRMAN: Call in the Speaker. The Committee of Supply has considered a certain resolution and directed me to report progress and ask leave to sit again.

MR. DOUGLAS J. WATT (Arthur): Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, the report of the Committee be received.

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

MR. SPEAKER: It is now 12:30 and I am leaving the Chair to return again at 2:30 this afternoon.