

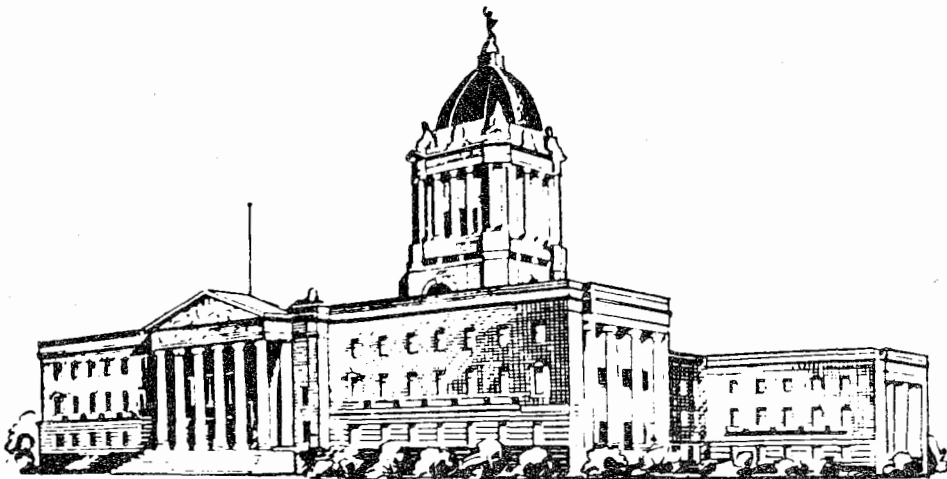


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XVIII No. 59 8:00 p.m., Tuesday, June 1st, 1971. Third Session, 29th Legislature.

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, June 1, 1971

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Call Bill No. 25, Mr. Speaker; unless the honourable member is not prepared to proceed.

GOVERNMENT BILLS

MR. SPEAKER: On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, Bill 25 was introduced on the 3rd of May, I believe, for second reading and was described by the Minister as a housekeeping bill. It was intended to take care of a number of corporations that had been set up by Acts of the Legislature and had ceased to function or it was considered that they had ceased to function because they had failed to comply with the requirements of The Companies Act.

In examining this bill, Mr. Speaker, we noted that of the 27 corporations listed at least one of them might have for some reasons of oversight or inadvertence failed to comply with the regulations even though they were still a valid and continuing corporation. So it was for this reason that we have delayed, or did for the first day or two delay the passage of the bill in order to allow this corporation to comply with the requirements of The Companies Act. Subsequent to this, Mr. Speaker, it was discovered that another of the listed companies was in somewhat similar situation and that they had through inadvertence failed to comply with the requirements of the Act and they, too, would need some time in order to reinstate their corporation.

Mr. Speaker, we have no further reason for delaying the passage of this bill. I would hope that the Minister would be able to give us some assurance that his department has made an effort to contact each of the companies listed to advise them of the steps which were now being taken to cancel their incorporation and I assume that this has been done. And if the Minister in his summation can provide us with this assurance we would have no reason now to delay passage of the bill.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Mines and Natural Resources. The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that debate be adjourned.

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

MR. SPEAKER: Carry on? The Honourable Minister of Finance.

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

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Resolution No. 68 and an amendment thereto by the Leader of the Opposition. The Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Chairman, I wanted to speak on this particular item and on the amendment to it and I want to relate what I'm going to say pretty well specifically to one topic which is the water power side. Before I do so . . .

INTRODUCTION OF GUESTS

MR. CHAIRMAN: I wonder if I may interrupt the honourable member. May I direct the attention of honourable members to the Speaker's Gallery where we have some distinguished guests from the constituency of Transcona. These distinguished guests are from the constituency of the Honourable Minister of Labour. On behalf of the Legislative Assembly may I welcome you to your Legislature.

COMMITTEE OF SUPPLY (Cont'd.)

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Unfortunately, Mr. Chairman, I wasn't intending to say anything untoward about the Member for Transcona, the Minister of Labour, so we can't give him an excuse to make one of his usual style of replies tonight, but he may dream up some reason himself. What I want to do is talk specifically about the water resources of Manitoba in speaking to the item on the agenda.

First of all, to join the others, I'd like to congratulate the Minister and wish him well in assuming the responsibilities of his department. I appreciate the way that he has presented his Estimates, breaking them out in the fashion he has done. I think this is a good way to present them. I think he's presented the points so that they can be discussed. I would like to discuss many of them as we go through them item by item, but I do at this time want to relate my remarks specifically to water power or water resources more broadly speaking in the Province of Manitoba. We've had in recent, the last few days and last few weeks a pretty exhaustive discussion about the water power development picture in Manitoba; and coming out of it, Mr. Chairman, is the disconcerting feeling that the government is being led down the garden path. I think it's unfortunate and I was rather hopeful that the escalation of hostilities didn't go so far as people get polarized to the position of not backing out of any particular position at some time in the very near future. I think that the government the last time the water resources of Manitoba were at issue, which was during South Indian Lake debate, took a pragmatic approach to the problem and maybe history will prove it was the right approach. They've now merged with the possibility at hand of making a decision which would solve or ameliorate many of the problems that were attendant with the previous high level flooding of South Indian Lake. However, they also have optional to them a decision which appears to be well along to being made, if not already made, to go along for the water control of Lake Winnipeg which in itself is not bad providing resource values were adequately recognized and recreation values were being planned for; but under the present proposals there appears to be little question that the government is in fact making decisions on the basis of power interests alone again, which I thought we may have gotten away from.

Mr. Chairman, my own background is a technical background and I appreciate the power picture probably more than the average person but it is a detailed and complicated subject and I don't in any way pretend to be an expert. So I'm not going to speak as an expert but I think with that background I think it's safe to say that you can get a pretty good feeling with the facts presented to you when you're on the right or wrong course, and I feel intently that the government is on the wrong course in making the decision to first of all go for the control of water on Lake Winnipeg at the levels that have been indicated. I think that the facts that are being presented are factual to a limit but beyond that limit there's a high degree of question mark about the validity of the facts being presented to us, primarily by Hydro and by the government who is, because they're their only advisors and they seem to have to listen to them, but they only go so far and don't give the rest of the picture. For instance, the Minister in his speech the other day, said that he was offering to the people a Lake Winnipeg control level between 711 and 715 rather than the natural levels of 709 to 717. Well, Mr. Chairman, if you look over the history of Lake Winnipeg, there's only once in its history that it ever reached 717 feet, and that was recent history; but since 1913 over the entire history of collecting records, it has only reached that level of 717 once. It's got close quite a number of times but it's never reached 717 but once.

The other part of the picture that has not been presented is that the Lake Winnipeg levels generally peak out, according to all the histograms that are available, about this time of year. We heard the head of Hydro say this morning that he tested the water this morning on Lake Winnipeg, it was at 716 1/2 and look out for next fall. Well if the histograms are of any validity, and they're all here and the Minister has seen them, you don't get your peaks under normal conditions in the fall, you get them now when the water starts to go down, that's why you get the other graph that shows the high flows in the summer and the lows in the winter, because the levels are down before winter gets here.

But the part of the picture that is not coming out and would come out if we had a valid hearing on this topic, is that the high levels that are being predicted for 715 by Hydro are always going to be in the fall of the year when you get your winds set up, which is a matter of another three or four feet. But this picture doesn't come out. Many of these items cannot come out without a proper hearing and this is why we keep asking for the government to call a hearing. The government seems to - and the Minister of Mines and Natural Resources has to

(MR. CRAIK cont'd.) take the responsibility - seems to have put out of the picture the possibility that an unbiased group of people can adequately go out and hold hearings and come back with the valid concerns and valid conclusions of a body that can offer good opinion to the government; but they appear determined to make the mistake of going ahead and having only what is now will be the second time around for them, having not a hearing but a meeting, advisory meeting, I suppose similar to the fashion of the meetings that took place with regard to One Big City.

The Minister must be aware that hearings were called, preliminary hearings were called around Lake Winnipeg in 1968 and at that time the people around the lake were advised that the water levels were going to be 710 to 714. That was the request by Hydro. The people were also advised that they were only preliminary hearings; that there would be follow-up hearings to offer more information and offer a better chance for the people to express their feelings. But despite this, the fact that the previous Water Commission gave this undertaking to the people around Lake Winnipeg, and despite the fact that the government has allowed an interim licence for another foot of water on Lake Winnipeg on top of that original range, they have not seen fit to hold a hearing.

About all they have done with the Manitoba Water Commission is appoint a number of people to it who raise their voices in loud opposition to one thing or another at some stage of the controversy over water resources in Manitoba. The Member for Lakeside has every right to feel as irate as he did last night and to have expressed his opinions in the same fashion as he did last night, because there's every legitimate reason to ask where the Manitoba Water Commission is now. Not only where they are now, Mr. Chairman, but where has the Manitoba Water Commission been in the last nine or ten months? They're doing absolutely nothing. And these are the same people, regardless of whether they are the academic community or not that my honourable colleague has strong feelings about, I'm politely inclined to say to him that perhaps the reason is that they're not here is that the university is on holiday at this time of year. -- (Interjection) -- Well, there might be an element of truth in the fact that holidays are more important than ecology at certain times of the year, but I expect that that may be a reason why there are not a larger number of them down at the present hearings. It isn't a very pleasant comment to make about the group but having watched the operations of those in particular and having in fact questioned and discussed with some members of it their feelings about what was taking place several months ago, one cannot help but feel that their character or their stance, I should say their stance is a pretty shallow one. -- (Interjection) -- Certainly.

MR. CHAIRMAN: The First Minister.

MR. SCHREYER: Mr. Chairman, may I ask the Honourable Member for Riel since he apparently joins with the Member for Lakeside in expressing concern for the necessity of hearings and the importance of them and so on, how he explains the provisions of Bill 15 that was introduced in this House in April 1969, in which bill there is a clause which states that notwithstanding the provisions of any other Act of this Legislature, including, for example, the holding of hearings, that by authority of this Act that construction, etc., shall proceed, hearings be damned, etc., the net effect of it. How does he explain the introduction of Bill 15 in April, 1969 which washed out hearings in effect.

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Well, Mr. Chairman, the First Minister wasn't here at the time otherwise he would realize he's picked a very bad example to make a case on. Has there ever been a Bill before the Legislature of Manitoba on which there was a wider range of latitude given in hearings at Public Utilities? It went from the Hydro Chairman, to the Hydro staff, to the delegations from South Indian, to the public delegations, to the lawyers representing these people, to the academic community, to the professional consultants to Hydro, all of these were able and allowed to make representation to Public Utilities Committee. Mr. Chairman, I'd appreciate it - I realize the tactics well of the Member from Transcona.

MR. CHAIRMAN: Order, please. I would ask members on both sides to enter the debate at the proper time and not to interrupt the member when he is speaking. The Member for Riel.

MR. CRAIK: Mr. Chairman, thank you very much. I realize well the tactics of the members opposite, particularly the Minister of Labour. The Minister of Mines and Resources when he gets in a corner can be the greatest offender. He always knows when he's in a corner; he's reasonably relaxed right now so he probably doesn't feel he's cornered, but whenever the

(MR. CRAIK cont'd.) Minister of Mines and Natural Resources is cornered he makes up his own rules. He creates them. He's the greatest man at creating a theoretical situation that the House has seen sometime I expect. I expect he's never gotten over his McGowan Cup debating days when he could take either side of an argument and do it, but the Member for Transcona, the Minister of Labour, follows a different tactic. When he's in a corner he just makes a lot of rabble. His theory is if you throw up enough -- (Interjection) -- well I thought he might be under a little better behaviour tonight because he does have some of his constituents present to keep an eye on him. -- (Interjection) - No, not at the moment, Mr. Chairman.

MR. CHAIRMAN: The member has already answered the question, whether we will permit a question or not. I'd appreciate it if the Minister would restrict his remarks to his opportunity to debate the question. The Member for Riel.

MR. CRAIK: No. I'd be pleased to answer questions when I'm finished, if you will hold your fire. -- (Interjection) --

Mr. Chairman, I suggest that perhaps we should call this off until such time as we can proceed under, you know, normal circumstances.

The main point to be made is that there are a number of questions that would normally come out at a hearing on the Lake Winnipeg water levels. As the Member for Lakeside has pointed out, the express purpose for which the Water Commission was set up back several years ago was to look at Lake Winnipeg, it wasn't for any other specific reason, it was set up for the purpose of looking at Lake Winnipeg. As a matter of fact, the present chairman of the Manitoba Water Commission was a consultant to the Board at that time and has a very extensive background in this particular topic. He's done the research work in it, acted as a staff member, became an outspoken advocate of a certain position in water policy, then was appointed chairman of the Water Commission. So another question arises then: why not have the hearings with all this background of information?

The Minister has announced recently that a six hundred and some thousand dollar study will be undertaken to look at Lake Winnipeg. Does this indicate that he now has greater concerns than he had before? If Lake Winnipeg problems are sufficient to warrant a \$600,000 study, are they not sufficient to warrant the examination by a body that has already been set up for that purpose, albeit they may not be under sufficient control by the government?

We had the federal authorities who also wanted to look at Lake Winnipeg and to look at the Nelson River system; who were called off first of all by Hydro with the advice that a million dollars had been spent on environmental studies on the Nelson system. Three weeks ago, in case the Minister would like to follow it up and find out that this communication correspondence exists, the federal authorities were advised by Hydro that they had spent a million dollars. This of course is a vast stretch of the facts. The Nelson system had \$100,000 spent on it in environment studies. Since then I expect that the studies being proposed by the Minister are to lap over and include the Nelson system as well as Lake Winnipeg. However, the evidence I think speaks for itself. If the government is now prepared to spend the large portion of a million dollars on environment studies, how can they justify having made the decision already that with respect to Lake Winnipeg, a decision which has been indicated by stacks of evidence over the last two or three years is questionable, not only from an environment background - and incidentally the environment information that is presented in the reports to us at Public Utilities committee is questionable. I think the Minister knows it. That's probably a reason again for the additional expenditure. They show a credit balance on Lake Winnipeg which staggers the imagination when there is so many question marks that bring forth financial implications which exceed \$3 million one way or another by vast, vast amounts. So again, is it fair to show an environment credit balance on Lake Winnipeg. The answer most certainly is no.

Now the question of the project of power development on the Nelson River ties in to this and I would like to make a few comments on it. We have had presented to us an almost, I think, to use the First Minister's usual cliché, a mind boggling statement made by the Chairman of Hydro to the Public Utilities Committee that there is a remarkable and alarming unanimity of opinion in all the technical and professional advice that has been received by Hydro over the last twenty years. Could any statement he have made stretch the credibility of any one man by so much as a statement like that when it's written out in so many reports right up until October of 1970 that the decision that he is recommending to the government is a wrong

(MR. CRAIK cont'd.) decision, and to come out with a statement that the professional advice that has been received over 20 years agrees with that development. What kind of a snow job is being foisted on to the government? I ask you to look at it, not on a political basis but look at it on the same basis that you were requested to look at it by Mr. Campbell. Because that statement alone, if you were listening, can't help but open up the credibility of the evidence that is being presented to defend the diversion of water from Lake Winnipeg.

The other part, of course, that can't help but open up question marks and which has a direct effect on what is done in terms of where you store water, is the import-export picture and I'm sure that the government was not aware of the position in the United States that is now evident. I don't know what discussions have gone on with the United States and perhaps the government does not either; perhaps there have not been that many discussions go on. Nevertheless, the American authorities are predicting - and that's fine, you can say that's fine for them to predict it - but all it tells you is that the market is there -- (Interjection) -- would you like to speak? Well, if you had listened in committee you would have got the reference. If you want it, we can give it to you. If it's not of interest to you then maybe you shouldn't be here, because you're talking about a pretty staggering amount of money for the Province of Manitoba. The amount of money represented by the American predictions for power imports from Manitoba by the end of this decade, by the end of 1970, amounts to \$73 million a year in power. -- (Interjection) - Well, Mr. Chairman, maybe I should quit, because they're obviously not interested.

You know the Minister of Finance said that this was an expansionary budget that he presented; this represented the expansionary philosophy of the government, and they were able to spend money like it was going out of style with never any concern about where the money's coming from. I think that that attitude is pretty clearly reflected, not only in the Minister of Finance's statement but in the sort of comments that come back across the floor. But the amount of energy that is being predicted as being required by the North Central States in the U.S., amounts to \$73 million a year at their estimate, and as the Hydro Chairman pointed out the other day, last year it was Five Million and their costs of getting it there were roughly two to two and a half mills of transporting power, and the power picture is such that predictions are that it will sell from 8 to 15 mills over the near future for firm power. It's no problem extrapolating that, Mr. Chairman, into \$73 million, and most of that is profit. That represents the same amount of money that the Manitoba Sales Tax brings in, five percent Sales Tax. But that doesn't seem to matter to these people; they seem to still hang on to the weird theory that you don't have to worry about how the money comes in; all you have to worry about is how you -- well, don't worry, don't worry. The only thing you have to be concerned about is how you can spread the joy around in spending the money. No concerns about where the money comes from. Obviously no direction to Hydro, whom they say must take policy from the government; that was made clear at the hearings as well. But where is the over-all direction here?

It's clear also in the Hydro reports that if that sort of a tie-in is available with the United States, this represents that that high peak in power that they're talking about, 800 megawatts, comes in the summer and their lows are in the winter; it means that you're exporting most of it in the summer when you have it; it's also when you have the high flows off Lake Winnipeg under natural conditions, and also that the time of concern to you for firm power in Manitoba is in the winter when they have their excess which you bring in. It seemed fairly easy last year for Hydro to suddenly change their traditional long-standing policy of basing everything they did on firm power and saying, well, that's all right, we are going to change the odds; the odds are now one in 20 or 30 or 50 that we could have a brownout, but we're willing to go with them. That's probably good planning, it's just that it wasn't traditional. It means that Hydro is changing and it's timely change because that's an old philosophy - the old business of firm power was like when you had fences around the boundaries of the province, you no longer have them. But this year in justifying their argument for Lake Winnipeg, they come back to the same old argument that we must have firm power and we must first of all guarantee that we are self-sufficient in Manitoba and everybody else go to hell as long as we do this. But last year they were quite prepared to use the reverse argument. Again, where's the credibility. It's not there. Credibility's not there in dollar rationalization; credibility's not there certainly in technical rationalization, and the government seems quite prepared, in spite of the conflicting diametrically opposed evidence that has come to the Public Utilities

(MR. CRAIK cont'd.) Committee in the last three years, in spite of this they're prepared to take a recommendation that is diametrically opposed to the recommendations that have been received up to this date. And I know the argument that will come back. They'll say yeah, but away back in history somebody said that maybe Winnipeg by a programming board should be done first. That was before the knowledge was gathered about Churchill. But they have that now, and since that knowledge was gathered, which was several years ago, there has never been anybody up until now has said that Lake Winnipeg should be controlled first.

Well, it appears, Mr. Chairman, without any doubt, that you can only come to one conclusion, that the Chairman of the Manitoba Hydro Board has been forced into the position of trying to justify the report that he wrote in the very few weeks when he first came to this province in 1969, which over-rode the technical work of hundreds of people over years, and he's now been forced into the position of justifying that report and Manitoba is having to pay through the nose for it; and that is without a doubt very likely what is happening.

I wouldn't argue with the control of Lake Winnipeg if it had been made from other than a power point of view. If the government had even gone to a foot lower which offers recreational possibility, they could probably say to the people of Manitoba in clear conscience that you are going to get benefits from this, but at 711 to 715 there are no benefits other than power benefits despite what anybody may say. There may be at certain times of the year be some benefits, but you don't hear people complaining about low water, it's usually about high; and you still don't know what the picture is going to be in September and October when you have the periods of the high wind setups on Lake Winnipeg.

The only hearings that have been advertised were those advertised by Manitoba Hydro, and the only way a person could object was to put it in -- "Written protests or objections may be filed by any interested parties with the Director of Water Resources Branch, 693 Taylor, on or before November 9, 1970. Dated at Winnipeg the 22nd day of October, 1970. The Manitoba Hydro Electric Board, per J. F. Funnell, Secretary." Well, if the Manitoba Water Commission wanted to hear, why didn't they put an ad in the paper? Here's Hydro saying - here's an ad - what we want to do, they sign it, they say if you object don't write us, write to the Water Commission. The Water Commission didn't put the ad in. Can anybody say this is not a power project, one foot higher on Lake Winnipeg - and a foot is a big difference on that lake - one foot higher than what the people had been led to believe was to be the level of the water control on the lake?

Mr. Chairman, I think with those remarks - I have a number of others that I want to make - but the Minister's Estimates are going to be before us for a short while here yet and I'll have plenty of opportunity to discuss them. I would like to hear his comments on these, which I trust that he'll attempt to answer them in a rational way rather than getting his adrenalin flowing too hard because the problem, the crisis we have before us is much too important for the sort of escalation of hostilities that can take place on this.

MR. CHAIRMAN: The Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, I note the Honourable Member for Pembina wanted to speak but I rather presume that it's on a different subject and maybe it would be better if I dealt with the material that has been presented so that there'll be some chronology to the remarks.

The last two speakers, the former Minister of Mines and Natural Resources and another former Minister of Mines and Natural Resources and a former Minister of Education, have dealt with essentially again the manner in which the department has been dealing with Lake Winnipeg regulation, and I think a certain amount of misunderstanding still exists with regard to this program. Either it's misunderstanding or a subjective failure to accept what everybody knows to be the case.

I think the last thing that was demonstrated is the attempt to use the Hydro advertisement as some sort of demonstration that something sinister is going on. If my honourable friend will refer to the regulations which are required to be followed before the issuance of a licence, which regulations were in existence I believe long before this government was in power, long before the previous government was in power, he will find that that advertisement is the advertisement which is required to be filed in accordance with the regulations in order to apply for an interim licence. So if this represents some type of sinister plot, my honourable friend will at least have to acknowledge that that sinister plot started some 30 or 40 years ago when somebody knew that we were going to want to issue a licence to regulate Lake Winnipeg at 711

(MR. GREEN cont'd.) to 715, to publish an ad in November of 1970, because that's when the regulation approximately went into effect for this type of application. So there is nothing sinister about the ad - and by the way, there were, as I recall it and it's not giving information for the first time, there were 11 responses to this particular ad, some of which represented individuals, some of which represented conglomerates of individuals, but there were responses to the advertisement that appeared in the paper, and as a matter of fact the responses were considered in determining just how the licence should be granted. And some of the things that my honourable friend refers to, that is the pattern of regulation and how it will affect the recreational interests against the power interests, were referred to in the report to the Premier in which the licence was granted, which report was also made public, so there should be no real problem as to how the interim licence was granted.

I think that the most significant position with regard to interim licences and how they are granted came out today, to reiterate what my honourable friend the Member for Lakeside said some two years ago in this House, and that is that the interim licence should have been granted without a hearing because the question of whether or not the Hydro program was proceeded with was a real technical question on which the government had to make a judgment. The question as to what happened by virtue of that program being proceeded with is a question which certainly is one which should be subject to the fullest type of hearing, the fullest type of opportunity for people to make representation, and the fullest opportunity for the government to both disseminate the information and receive information as to putting into force of the project. That's essentially what the former Minister of Mines said in 1968. He said his ad was a mistake, and I rather think that we shouldn't be criticized for not having made the same mistake.

But if we don't want to use the Minister, the former Minister as an authority, then let's take in the person who now everybody says is an authority. Suddenly the former Member for Lakeside has become an authority for members on the opposite side of the House for years. He was a member of the Opposition and enthralled most of us with many of the statements that he made with regard to the government program, but they certainly didn't regard him as an authority. And when they talk about the political appointments that we have been making and referring to the fact that we have appointed nothing but political hacks to the boards that we have under our control, I gather that they would regard the former Member for Lakeside as one of those political hacks who was appointed to the Manitoba Hydro Board that they now refer to as an authority. Well, what did the former Premier of the Province, the former Member for Lakeside, what does he have to say about the granting of an interim licence today. I asked him the question.

MR. CHAIRMAN: The Member for Rhineland on a point of order.

MR. FROESE: The Minister says that the government has appointed hacks. Does he refer to the present Speaker as a hack?

MR. GREEN: Mr. Chairman, I'm referring to the remarks that have been made . . .

MR. CHAIRMAN: Order, please. The member rose to a point of order and I fail to see the point of order. The Minister of Mines and Natural Resources.

MR. GREEN: Having made his point, whether it was in order or not, I think that I should mention that I didn't say that we were appointing hacks; it's members on that side who said that we were appointing hacks. But now one of those hacks has become the one person who can answer the Manitoba Hydro problem in the Province of Manitoba. Therefore, let's take this authority and see what he said today. He said that hearings should be held before a licence is granted, not afterwards. And then I asked him a question: Mr. Campbell, you say that we should now proceed with a medium level Churchill River Diversion. He said, "Yes." I then proceeded and said: And you say that you have enough information to now proceed with that program? And he said, "Yes." And I said: You don't need any more information? He said, "No." So I says, then you would proceed with that program today? And he said, "Yes." And I said: Without hearings? And he said, "Oh, we would have better than hearings." He said, "we would proceed without hearings but we would have better than hearings." And what is better than hearings? He would have the government go down to South Indian Lake, to send a Cabinet Minister and to tap the people on the head and tell them that this is going to be a wonderful thing for you and we really think that we are giving you a good thing; and we are going to explain everything to you, what's going to happen to the houses and what's going to happen to everything else.

(MR. GREEN cont'd.)

And that was better than hearings to the man who is now upheld by the Opposition as the oracle and the answer to the Hydro problems of the Province of Manitoba, the man who we have to interrupt, we have to interrupt all the meetings for, we have to interrupt the Chairman's remarks because a crisis has arisen, a former member of the board, one against five. You know, and all of the others -- you know, I guess we'll have to concede that maybe you will call the Speaker now, we'll concede now that he is an appointment who has some sympathy with the government. He was elected as a New Democratic Party member. But W. J. Parker, he's a political hack. I never knew it, I never knew that Bill Parker was a supporter of ours, but now I find that the Opposition tells me that Bill Parker is a great supporter of the New Democratic Party. The farmers in southern Manitoba should hear of it, that the Dean of the Engineering School, Mr. Hoogstraten, he is also one of these people.

But in any event, I refer to the remarks that have been made time and time again in this House that what we are doing with the people's money is making appointments of our political friends to these boards. Do you want me to find that said not once, not twice, but thirty times, because that's all you've had to talk about in the last two years. The fact is that these are the people who are on the Hydro Board. These are the people on the Hydro Board and these are the people who we are now talking about. Nevertheless, I assure you, and most honourable members know this, that I have the utmost respect for D. L. Campbell. I have formed a relationship with him in this House which I think is as close a relationship that I can form with any member, and I respect and welcome his views. But the fact is that that's what he said about hearings.

And what are the honourable members referring to when they say that nothing is being done? Do they at least read their newspaper? In December of 1970 that very same Water Commission, who the Member for Lakeside spits on, that very same Water Commission announced of itself that it was going to have hearings with respect to Lake Winnipeg regulation and the pattern of regulation but not as to the program itself, that Lake Winnipeg regulation would proceed and that the effect -- (Interjection) -- Well, Mr. Chairman, that's exactly what D. L. Campbell said that he would do about hearings. That's exactly what he said. So then at least let's recognize that D. L. Campbell is supported by the former Minister of Mines who said that it was a mistake for him to call hearings.

MR. ENNS: Mr. Speaker, on a matter -- I think a case of misrepresentation is being made. I have no objection to the Minister referring to D. L. Campbell in any way that he chooses, but to suggest in any way that we on this side regard him as an oracle on all matters Hydro, or for him to assume that statements made . . .

MR. CHAIRMAN: Order, please. It's a matter of debate not a matter of . . .

MR. GREEN: Mr. Chairman, -- (Interjection) -- Pardon me? You know, I have made a position on the basis of the last ten days what has been said by the leader of the Conservative Party that a crisis has been caused because a man who is most interested in Hydro, former member of the Board, former Premier of the Province -- (Interjection) -- all right, I will accept the fact that the members of the Opposition now do not regard D. L. Campbell's opinion as being of any importance. Is that the position that you are now taking? -- (Interjection) -- No.

MR. CHAIRMAN: Order, please. The Minister of Mines and Natural Resources.

MR. GREEN: The fact is that we are talking about what the responsibility is with regard to the government and to Lake Winnipeg regulation, and the members of the Opposition have attempted to isolate Lake Winnipeg regulation as if if you didn't do that you wouldn't be doing anything. Now let's face facts. You can have a Churchill River diversion by itself, followed maybe some years -- if you take it at its worst picture as presented by the man who you now place no reliance on, D. L. Campbell -- some years later you can have Lake Winnipeg regulation; or you can have Lake Winnipeg regulation and then a Churchill River diversion of some depths, which we can't exactly identify at this point but no more than ten feet; or you can go to a Churchill River diversion with a flooding of approximately 34 feet and discount Lake Winnipeg regulation for some years to come.

So that in any one of these cases, whichever one we choose, all of the arguments that are now being used by the Opposition would apply. If we decided not to proceed with Lake Winnipeg regulation we would have to decide to proceed with Churchill River diversion, in which case they would be saying what have you found out about the resources? Why are you not

(MR. GREEN cont'd.) conducting hearings? What do you know about this program? All of the arguments which you are now applying would apply to that program. -- (Interjection) -- Certainly. The honourable member says certainly. But the honourable member, the Honourable Member for Lakeside and the Honourable Member for Riel both know that time - and we are not the ones who created this problem - time has always been a factor and cannot be ignored in this situation.

The fact is that we were told two years ago that that decision had to be made in September of 1969. It's not quite two years ago but it's almost two years ago. We were then told that that decision could be somewhat delayed, and after taking into account all the factors, taking into account all the judgments that we as a government feel responsible in relying on, we are deciding that Lake Winnipeg regulation is going to be the program. That we'll have problems associated with it, yes we acknowledge that, but anything that you do in this area will have problems associated with it, and as we look at it, the least problem and the most benefits are associated with Lake Winnipeg regulation. My honourable friend, when he says -- (Interjection) - no, I'm not kidding, I'm deadly serious. You think I'm kidding and I'm telling you that I'm serious.

The fact is that this is the position that we are taking. Having taken that position it would be a fraud on the public, a fraud on the public to go to the people around Lake Winnipeg and say to them, we would like you to tell us whether you like this program or not, whether this is the way Manitoba should retain its Hydro power or not.

Now that's the kind of thing that was done by the previous administration. They had decided that the Churchill River diversion was going to be built and that South Indian Lake was going to be flooded 34 feet. And then somebody said, well this won't look good unless we have hearings. So they said, well in order to make it look good let's have hearings. And then in the middle of the hearings the Minister said, not only doesn't it look good but it's a disaster; we're going to have to say these hearings don't mean anything.

Well, we had decided that it is better to call a spade a spade; it's better to say that the government had decided all of the options and has come to the conclusion that this is the best option, that we are going to proceed with this option and that the result of proceeding with this option and the manner in which this option can be proceeded with to the extent that you do have some elbow room, we will indeed have hearings and the Water Commission announced that in December. And for the honourable member to now say, where's the Water Commission, why are they not holding hearings? What is the Water Commission doing? I have indicated -- it's been indicated in the House - maybe the honourable member doesn't come to the House - but it was indicated today, it was indicated some weeks ago that the Water Commission is going to be holding meetings - that is right - is going to be. There is no doubt, you know - the honourable member wishes to re-emphasize my argument - yes, after a decision in principle to regulate Lake Winnipeg is made, after we say that that is the way in which we are going to provide for this Hydro need, we are going to say the effects of our decision and the effects of regulation to the extent that they can be in some way used to achieve the greatest benefits and to avoid the greatest defects, that those matters will be the subject of hearings.

And when the Member for River Heights says that the cottage owners would be up in arms, that nothing has been looked at to see how this would affect them, may I repeat to the honourable members, because they appear to be slow to understand, that all of the representations that I have had in the roughly 18 months that I have been Minister of this department are to the effect that we want something to be done on Lake Winnipeg. And D. L. Campbell put it very well today. He said that what he is worried about is a conflict between those people who wish to use Lake Winnipeg for recreational uses and other uses and those who wish to use it for the achievement of power, will be in constant conflict with one another - and I agree. You say that they don't have to be, and I say -- (Interjection) --

MR. CHAIRMAN: Order, please. Order, please. Order, please. May I have order, please. May I have order. A few moments ago the Member for Riel was speaking and I tried to maintain order for him to complete his remarks and I'm endeavouring at the moment to maintain order for the Minister of Mines and Natural Resources. The Minister of Mines and Natural Resources.

MR. BILTON: . . . is suggesting to us that he doubts the integrity of Mr. Campbell and what he had to say this morning after 47 years' service in this House?

MR. GREEN: It's those fellows who are doubting the integrity. I am just repeating what

(MR. GREEN cont'd.) he said. I'm saying that there is a conflict - I agree, I am agreeing with that; apparently the Member for Riel is not agreeing. I want it known that I sat through the Member for Riel's speech, I don't think I made a single interjection; he has been unable to sit still because he is unwilling to listen to the arguments that are being presented. But I agreed, and when the honourable member asks his question he again demonstrates his misunderstanding of the position.

I have found very few water regulation programs where there isn't a conflict between the people who want the high road and the people who want the low road. I don't know of one, I don't know of a single program where the Manitoba Government is regulating water that there aren't some people saying make it higher and some people who are saying make it lower. And the Lake Winnipeg people, they want the regulation program to the extent that they have been in communication with me. They haven't said don't regulate Lake Winnipeg; they said, certainly regulate Lake Winnipeg, only instead of bringing it down from 717 to 715, bring it down from 717 to 714 or 713.

The honourable member should know, and the Member for Lakeside should know that there isn't a hope in hell to regulate, to spend \$50 million on regulating Lake Winnipeg to achieve single use benefits for recreation alone. It isn't possible. The only way - and as a matter of fact the previous government instructed the Water Commission -- listen, the previous government -- (Interjection) -- just listen for a moment. The previous government instructed the Water Commission to stop considering Lake Winnipeg regulation because the Manitoba Hydro indicated to them that it wouldn't be needed until 1978, and therefore it's admitted that in the absence of a power plan no government could work out cost benefits for Lake Winnipeg regulation. It's just not possible, and therefore the only way that they can get some relief, and I have always told them - I've never made a hyperbole, or hyperbole, whichever way you want to pronounce it - about what this type of relief would do. I've said to the people in Lake Winnipeg that it won't solve your problems but it'll make your problems a little less than they were, that instead of having the water at 717 you'll have the water at 715 at certain times of the year. This involves keeping the water at higher levels than they would have been at other times of the year.

There has been no mistake about this. In the press release that was issued in conjunction with the licence, we said that there would be a conflict between those users of the lake who wanted it for one purpose and those users of the lake who wanted it for power purposes, that it would be the power purposes that would predominate but we would not ignore the other. Now that's as much as you can do, and the fact is that I don't think that my honourable friends do justice to this program when they say that we are now studying it as a result of having to implement it, because that would be the case no matter which program you entered into. If you had a Churchill River diversion, are you telling me that we wouldn't have to spend this \$650,000 to deal with maximizing the benefits or minimizing the losses and much more so than we would have to do on Lake Winnipeg? If you think that the Federal Government and us were having difficulty with negotiations on these questions, I tell you that the Federal Government is just as interested in entering into a plan to look at the results of Churchill River diversion as they are on Lake Winnipeg regulation. You couldn't go to one or the other without this kind of a program, and to suggest that the money should be spent before the program is entered into, that that's the only way of doing it, is to say in effect that you're not going to have any Hydro program for the next long while until you get the effect of these studies. And maybe that would be the best way, but that way is foreclosed to us, and it's not foreclosed to us by the actions of this government, according to you people it was foreclosed to us in the spring of 1969 and we were able to at least delay it some period of time which I think has resulted in us coming up with a better program.

Mr. Chairman, of all the things that have been said, and this assault was launched by the saliva of the Honourable Member for Lakeside and then followed up with the snide criticisms of the Member for Riel, the one that deals with the Water Commission is in my opinion the least forgivable and the most unfair.

Mr. Chairman, I'm not naive about how people are appointed to commissions or how when a government is in power that it doesn't suddenly start using for its appointees all of the members -- to suddenly disqualify members of the Conservative Party. I don't think that when John Diefenbaker became Prime Minister or Duff Roblin became Premier of this province that he said no Conservatives will be appointed to boards, we will only appoint New Democrats.

(MR. GREEN cont'd.)

I have a philosophy of government which says that a government in making its appointments will generally make those appointments from amongst people who are sympathetic to the general direction of the government. It should make good appointments; they should be qualified people; but generally they will be people who generally sympathize with the direction of the government, and of all of the people who are chosen in this way - and I have no hesitation in saying so - judges are No. 1. If I was ever fortunate enough to be elected as the Minister of Justice in Ottawa and somebody said to me that you shouldn't, in considering your appointments, you shouldn't consider lawyers who have been of your political philosophy, I would say I would have cheated the people of this country; I would have lied to them about my intention on taking power; I would have been a complete fraud if I did not want to see the judiciary in some way generally reflecting the general direction of the country. Some people think that that's a scandalous remark, it indicates that you're going to have patronage in the appointment of judges. Well, call it what you like -- (Interjection) -- shouldn't be a balance? Well, you know, the balance up until now has been all Liberals and Conservatives; that by you is a balance. I remember asking the Member for Lakeside - you know, he said that he never considered the policy

MR. WARNER H. JORGENSEN (Morris): . . . if the Minister would permit a question?

MR. GREEN: Certainly.

MR. JORGENSEN: I wonder how his remarks dealing with judges relates to the Ministry of Mines and Resources and Environmental Development.

MR. GREEN: Captain Marvel for short, that's right. It relates because in the past several weeks we've had really quite sanctimonious criticism of the remarks that the Minister of Transportation made with respect to a magistrate in the Province of Manitoba, and the people were incensed and the newspapers were full of it and they were screaming bloody murder. We appointed five people to a commission, a Water Commission. I didn't know who they were. Cass Booy I met when I met Dr. Kuiper. I had no idea of what his politics were at that time, I don't know what they are at this time. -- (Interjection) -- Mr. Newbury? Yeah, I'll get the names straight, but I assure you that I don't know - excuse me a moment - oh yes, the Member for Lakeside said "political appointees". He said "political appointees". He said "political appointees" - those were his words - "political appointees, intellectual dishonesty, I spit on them, self-made hypocrites, sold themselves out for \$5,000 appointments." These are the remarks -- (Interjection) -- He said "political appointments". You can look it up in Hansard. You can look it up in Hansard - "political appointments, sold their intellectual dishonesty for a \$5,000 appointment, hypocrites, self-made hypocrites." I ask members now to look in perspective as to how my honourable friend refers to an appointee that has been appointed by this government and the Honourable Member for Morris can make his own relationship with the appointment of judges.

I wonder how my honourable friend would have reacted to a magistrate that was appointed by this government who somehow didn't do what he thought that that magistrate was doing. Well, we have a sample about what he says about these people, and these people, Mr. Chairman, who are the members of the Water Commission, are Professor Booy, Mike Kawchuk, who was a member of this party - and I don't disqualify members of this party for appointments from the government. When I find a government that disqualifies its own political adherents from appointees then I will bow to them and say that you have shown a greater purity than I. But I won't disqualify a New Democrat if I think he's a capable person and I make no hesitation about saying so. Peter McDuff of Brandon - I don't know Mr. McDuff, I may have met him at meetings in my office. Dr. R. W. Newbury - I was right - of Winnipeg. I never met Mr. Newbury until after he was on the Water Commission. Billy, William Uruski, MLA of Arborg - I suppose he would be the counterpart to Homer Hamilton, the MLA of Sperling who was on the previous Water Commission. Paul Murphy and Norman Stevens and Frank Griffiths and R. H. E. Bonnycastle - and I knew Mr. Bonnycastle very well of course; Paul Murphy, I know from the Wildlife Association. But I would assume that the government did not determine before they appointed these people that they were all non-Progressive Conservatives. I don't assume that that is what they found out about them.

Nevertheless, the real problem that I have with my honourable friend's remarks is his suggestion that somehow the Water Commission, because they received these political appointments, that somehow they have stopped taking an interest in these problems, somehow they

(MR. GREEN cont'd.) have kept quiet and somehow they have done nothing, because, Mr. Chairman, some of what they have done is known to my honourable friend. They announced that they were going to conduct hearings in December of 1970. Other things that they have done he asked me about, and he could have asked me more about but he didn't, and the fact is, Mr. Chairman, that the Manitoba Water Commission is one of the groups that answered the advertisement that you have referred to; they have raised all of the problems that have been raised both by the Member for Riel and the Member for Lakeside; they have acted as an alert watchdog to everything that is happening in this area; they have made substantial criticism of what they think should go on and what they think should not go on; that they were instrumental in having the licence so framed as to protect the interests of the Department of Mines and Natural Resources and to protect the interests of anybody who wished to make representation as to the pattern of regulation; and they have been consistent in making sure that the Lake Winnipeg regulation program is proceeded with in such a way as to take into account matters other than power interest. And they have done this continuously -- (Interjection) -- Well, the honourable member says they have done nothing, and I tell him, I tell him that they have done all of these things. -- (Interjection) -- Well, Mr. Chairman, I didn't say that they have no discretionary powers. I tell him now that the Water Commission has done all of the things that I have just now said. You say when? I say between the time that they were appointed to the Water Commission and the present time, that they have done -- (Interjection) -- no, they were appointed, they were appointed back in the fall of 1969. I tell the honourable member - you know, I have to repeat it for him because he has difficulty understanding - I tell him that the Water Commission was one of the -- (Interjection) - Well, Mr. Chairman, I wish you would ask the honourable member to keep quiet again. Mr. Chairman, the difficulty with honourable members is that they want to make their attacks and they are very disappointed when they hear that they are wrong -- (Interjection) - Will you shut up! You've had your . . .

MR. CHAIRMAN: Order, please. Order, please. Once again I would ask all the members to direct their remarks to the Chair, and unless they have the floor keep their remarks to themselves unless they have a point of privilege, and a point of privilege as outlined in the rules is rather limited. The Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, if the honourable member will listen, I told him that on the record the Water Commission has done these things. They answered the advertisement that Manitoba Hydro published; they were instrumental in making representations and recommendations to the Minister which protect the interests of non-Hydro users; they have insisted on the right to have hearings to make sure that the kinds of things that D. L. Campbell says should be done if you have a Churchill River diversion are done with Lake Winnipeg regulation; they have done things which I have not enumerated here because I can't remember all of those things. All I know is that I repeat, the Water Commission has acted constantly and without in any way withdrawing or without in any way holding back frank talk; they have acted consistently as an alert watchdog to the interest of the non-Hydro users on Lake Winnipeg. Now, they haven't done what the Member for Riel wants them to do and presumably because they haven't done what the Member for Riel wants them to do they are not independent. Presumably, they become more independent if they do what he says. That's his definition of independence.

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Mr. Chairman, the Minister has indicated that the Water Commission has petitioned for a hearing for the non-Hydro users. Can he indicate when they petitioned and whether or not it was granted?

MR. GREEN: Mr. Chairman, I never used the word "petitioned". I did not use the word "petitioned". I said that the Water Commission announced in December that they would hold hearings with respect to the pattern of regulation, that the manner and style of those hearings are now being arranged as between the department and the Water Commission and Manitoba Hydro. But they announced those in December. It was made public through the Press. I don't know why there is all this question about whether such meetings will or will not take place. They were announced; I answered questions in the House the other day telling you that they will be conducted and I think that all of the remarks made by the Member for Lakeside and by the Member for Riel with respect to these individuals - and I'm not worried about the ones that they want to identify as New Democrats - and, if they were not made in this House, they are slanderous.

I said a week ago, or two weeks ago that I didn't remember any member in the House

(MR. GREEN cont'd.) making a remark in the House and making it in such a way as to protect himself because of his particular immunity, legislative immunity, but I say that the remarks that were made by the Member for Lakeside in the House last night fall into that category. They are slanderous, they are libelous, and if made outside of the House or repeated outside of the House then I am sure that the members of that commission could sue him for them. Now I don't know whether they would or not but I say that they are slanderous.

In any event the Member for Lakeside, I respect his criticism of what the department is doing in the other areas. The Honourable Member for Riel says that I've spoken too long and I've said nothing. I have questions to answer that the Member for Lakeside raised. I think I have dealt with the matters raised by the Member for Riel, but to take advice from the Member for Lakeside who says that I should split up the time, I'll answer his questions at a later date and let the Member for Pembina proceed.

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MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: Mr. Chairman, I too wish to let the Member from Pembina proceed but the opportunity afforded to me by the Honourable the House Leader to indicate, as I have done on other occasions, how clever he is at disguising the fact with words and the use of words in a court room fashion to attempt to cover up some glaring inadequacies in his arguments. I take particular exception to the remarks that he made when he attempted to draw in the Member from Morris, who is not in his seat at the moment, by suggesting that the remarks that I made with respect to this specific commission under question should they have been applied with respect to magistrates or judges appointed by a government. That that was in fact a similar situation and it was fair to draw conclusions as to the kind of judgments you could expect or the public could expect coming from members of this side of the House with respect to these kind of appointments.

Mr. Chairman, I've used this illustration before - the trick in doing this in a convincing way is to use half-truths and be correct in it. We certainly don't question the concept of governments appointing people; it's a question of what you do with them after you've appointed them. And if the Minister can indicate that we have appointed magistrates and judges and then made the decisions for them in cases of law, in criminal cases in court and have the magistrate rubberstamp that decision - is that what the Honourable House Leader is suggesting that has been the pattern? I don't think so. -- (Interjection) -- No, Sir. But you certainly are doing that with the Water Commission right now, and for that reason, Mr. Chairman, let me reiterate so that there is absolutely no misconception that the words that I mentioned yesterday - which I would perhaps have liked to have modified somewhat because they were spoken with some heat - but I want to make it very clear that the intent was explicit and expressed I don't mind saying them again. Because the Manitoba Water Commission was appointed and was conceived expressly for that purpose, that we do not arrive at or should not arrive at decisions with respect to our water resources in particular from a single use point of view; and that surely the whole genesis of the argument advanced so eloquently and so capably by men like the present Chairman of the Manitoba Water Commission, who acted as a Chairman of the group, and another member of the Water Commission, Professor Newbury who was part of the five-man group that so adequately presented their concerns from a non-political point of view to the way and manner in which decisions were being arrived at by government, by any government I was led to believe, and the eloquence of their arguments undoubtedly had a great deal to do with what I would consider a considerable impact on the public generally on this particular matter.

Now for these two honourable gentlemen, for these two honourable gentlemen to sit by and be appointed to a board that is expressly appointed for the purpose of advising the government on access, prior to government action, to sit still, because what has happened, what has happened, what is the difference today at South Indian Lake, for instance, under the government's proposal today? I'll tell you what the difference is. You recall the concerns about the flooding would bring about the caving in of the shorelines particularly in permafrost areas. We had film slide representations about it. Well those same shorelines are going to cave in when you put ten feet of water in South Indian Lake. And where are our soil scientists and our soil specialists expressing some concern about that with the present government's program? We're going to disrupt, we're going to disrupt with ten or fourteen feet of water essentially the resource base of the community at Southern Indian Lake. We're going to louse up the fishing for them for -- (Interjection) -- well the Minister shakes his head right now but certainly for an indeterminable period of time. We are going to flood thousands of acres of land albeit less thousands of acres of land than before. The difference is that in Bill 15 at least we were assuring that the people affected were guaranteed by statute compensation and full protection of the law with respect to opportunities as a result of this kind of readjustment that had to be made in their life. Now we're proceeding with a plan where we have no assurance from any government agency or no assurance - and I don't criticize the government - no assurance by virtue of any bill with respect to the rights of the people at South Indian Lake, but we're flooding South Indian Lake. We have no assurance of what the desirable range for regulation of Lake Winnipeg is. We have some indication that certainly from the point of recreational and other uses around that lake it's probably in the area of 713 to 714 maximum. This was precisely the kind of - and I, you know I can recall Professor Booy coming to my office and handing me a letter explaining in great detail the reasons why he was taking this

(MR. ENNS cont'd.) position of opposition to the government's then view. Mind you he sent the letter to the news media at the same time; that's his right of course. But the tenet of his argument was the damnable practice of government past and present - at the time we were still the government - and present today, of governments making arbitrary decisions with respect to water resources, making them complete and finis without taking into consideration, without availing themselves of the help that the lads in the Ivory towers were prepared to help governments with.

I want to tell you something, Mr. Minister. I was prepared to accept, although I was certainly in a position where I had to argue and take and apply myself in opposing position with them, but I could at that particular stage of our encounter certainly respect their concern, respect their professional integrity, respect their professional judgment for advancing the arguments in the manner in which they advanced it. I find it very difficult, Mr. Chairman, to describe these honourable gentlemen in any other way than I described them yesterday, for them having the ability, particularly the two gentlemen that I've mentioned who were so actively engaged in that very wide range of public debate and public meetings. Why you know, Mr. Chairman, the Honourable Minister took some offence at the concept of having a former premier disturb the hearings. You know, who is he that we should bring the wheels of government to halt and start hearings.

I want to tell you what we did in circumstances, but then of course we had that kind of vision that they don't have on that side. We even gave the floor to a would-be Cabinet Minister, at that time a candidate, namely the Honourable Minister of Transportation who took the occasion to speak at the hearings, the public platform that we provided them for. -- (Interjection) -- Well here we go into the word of semantics. It wasn't hearings. We weren't discussing Hydro development two years ago. It was all a bad dream. I know there were times that I wished it was all a bad dream. But I had the distinct impression, the distinct impression that what we were discussing a few years ago was the question, the subject matter of Hydro development in this province. I don't care how they want to work behind technical or legal wording of whether a bill is in the House or isn't in the House or whether a committee can hear only from executive chairman of corporations or not, the fact of the matter is that now when you have the opportunity to bring a full range of discussion on this very important subject matter, the shoe is certainly sitting in a different manner. In fact if I understand the Premier's words correctly at the committee hearing this morning he said that there was no possibility of anybody appearing at Public Utilities other than that perhaps you saw fit or chose to allow to come forward.

Mr. Chairman, I don't want to preclude from allowing my friend the Honourable Member from Pembina to address himself to the Minister's estimates, but I make it very plain that the reason for the remarks that I directed in a somewhat heated manner towards the members of the Manitoba Water Commission are in my judgment called for, for the manner and way in which they have behaved, the manner in which they have been able to stifle their otherwise great concern about the lack of full-scale studies. Two years ago they wanted the 200, 300, 400 thousand dollars done well in advance. I don't argue with the Minister's position, the Minister's position and my position happen to be pretty identical with respect to the responsibilities of government and those who share that responsibility in arriving at decision-making; I'm now speaking about the position taken by the members that serve on this Commission and the now Chairman of this Commission. Their position was not that position and I would assume that when they accepted the appointment on this Board it was on the basis that they would now gladly serve in that capacity to put into practice those objections that they voiced at the time that they were facing what they then thought was an autocratic government and a government that allowed for no discussion on vital and important issues. Well we gave them that opportunity to discuss; we provided a platform for them to discuss those issues. It's strange now that they find themselves in seats of power you might say, sitting in a recognized formalized body, the Manitoba Water Commission, that is specifically charged by Statute to make recommendations to governments in this area, that we have to kind of search out as to whether they had hearings or whether they in fact made representations to Manitoba Hydro in response to that ad. Now we find out that we really haven't had any hearings in the intervening two years, but they've announced that they're going to hold hearings, and I wish we'd get this story straight because the Chairman of Manitoba Hydro, who seems to really be the final authority in this particular matter, he indicated very plainly that the Manitoba Water Commission was

(MR. ENNS cont'd.) not going to hold any hearings, but the Minister of Mines and Natural Resources is going to hold hearings. He said that this morning. I want to know who's holding hearings. But I think what I'm really trying to tell you, Mr. Chairman, is the fact that whether the Manitoba Water Commission holds hearings or not doesn't really give a damn, that they may undoubtedly, and I would hope at least be that useful - you know, sucking the fifth teat on a buffalo cow stuck in a snowdrift - that they would be that useful that they would provide some form of suggestions as to how the regulations can be properly applied and how they can be properly used to ameliorate some of the advantages or disadvantages of high or low water. I would accept that as a minimum norm, but on the basis and on the strength of their transcribed objections of a few short years ago that this was wrong, wrong wrong and dead wrong to have government proceed in an arbitrary autocratic manner of make the decision and then call in the experts and say now what can we do about making the best of the situation. These were the men that told me that that was wrong and I find them now strangely silent. And for me to deduce - I do it for purposes of underlining the awkwardness of their situation. Not really in a sense that the four or five thousand dollars of salary or remuneration made on this commission is the influencing factor, the factor is that they now find themselves convenient not to mount any objections, not to mount any stand and not to express publicly and invite other professional people to assist them, to arouse the public into concerning themselves with how this government is arriving at decisions with respect to water resources. So with those few comments, Mr. Chairman, I'll let it pass.

MR. CHAIRMAN: The Minister of Mines and Natural Resources.

MR. GREEN: Well, Mr. Chairman, outside of giving us a lecture on how a mammal gains its nourishment, I didn't get much else from my honourable friend's remarks. The fact is that if we are going to deal with these questions we have to either accept facts or challenge the validity of the facts. I tell you that the Water Commission at every stage in this proceeding has made a significant input based on preserving the use of Lake Winnipeg and preserving the integrity of Lake Winnipeg for other than Hydro users. I'm not saying that the Water Commission's position in every case was accepted, but I ask my honourable friends to accept the fact that they have done exactly what the Act requires them to do. I don't expect that my honourable friend would say that in each case the Water Commission and the government should have agreed, as a matter of fact that would be the kind of collusive relationship that he is saying that they shouldn't be into, and I tell my honourable friend that these men have acted with the utmost of integrity and have done exactly the kind of thing that he says that they should be doing.

Now, Mr. Chairman, he says that they are a rubber stamp of the government. Where does this come from? He now, in order to demonstrate the validity of the position, brings back South Indian Lake and he says that they are not complaining about South Indian Lake. Well, how does he know? The fact is, I tell you, that the Water Commission expresses the same fear with regard to the South Indian Lake program and the flooding of ten feet as they have always expressed, and it's for that reason that I have said publicly - and the honourable member knows it because I've heard him say it back to me - that Hydro has not been granted a definite commitment on the 850 of South Indian Lake. What they have been told is that if you need 850 we will give it to you, but in the years intervening, the present time and the time that it is required to go ahead, you have to make such efforts as you can to reduce that. They have said those things, and I tell you that the Water Commission has been involved. The member is not suggesting that the Water Commission's position must either be sustained or else it doesn't make an input, because that's not the case.

I note that maybe the honourable member feels that this commission acts that way because that may be his view as to how the former commission acted, and I'm not saying that's how they acted, but I do know that in a letter dated April 11th of '68, the Chairman of Manitoba Hydro informed the Commission that Lake Winnipeg regulation would not be required for power purposes prior to 1978, which is what I stated in the House previously. Consequently, in the summer of '69 the Commission reached the conclusion that regulation of Lake Winnipeg was not feasible at the present time or in the near future, so the Commission by being told by Hydro that it was not necessary to regulate Lake Winnipeg - and I say this for the benefit of the Honourable Member for Roblin and the Member for Riel - that immediately once it was discounted for Hydro purposes, that all of the complaints of the people who wanted some control of the lake levels on Lake Winnipeg went for nothing and the Water Commission just stopped

(MR. GREEN cont'd.) considering it because they were told that Hydro doesn't need it.

I'm not going to criticize the Water Commission for doing this because everything that I have understood since taking over this portfolio indicates that cost-benefit studies just would not sustain Lake Winnipeg regulation for recreation purposes alone or for other uses alone, and that in the absence of a power project there would probably be no way of regulating Lake Winnipeg. So if the people on Lake Winnipeg are to get any relief, and I don't make it a big thing, relatively small relief, but if they're to get anything at all it has to be combined with a power project.

Now, once we've got the project I see lots of trouble, because I agree with D. L. Campbell that once you've got those works, control works in and the improvement channels there, then the people who have cottages and the water is at 714 and they're getting water would say, well, you've got the power just to press a switch and that water would go down to 713. The fact that it would have been at 715 if it were not for the regulation will mean nothing to them. And I know it, and the member and the former Minister of Mines knows it because he's had to deal with this problem. There isn't a single regulation program where people can't see it being used to their benefit in one way or another.

I'm not going to take much more time but I'll refer to the Red River Floodway. I have representations from the Minister of Health, the people in his constituency - and the Minister of Mines knows it - says that the Red River Floodway could be used to reduce waters south of St. Norbert - they have terrible floods there - and they say why have you spent \$64 million to protect Winnipeg; all you have to do is press a switch and let the water go into Winnipeg and we'll have lower water south of the Red River, south of St. Norbert. And it could be done, they're right, and it requires the utmost firmness; it requires the utmost control; and I think I would respect that the previous Minister would have, I assume, behaved equally as I did in saying it may be that you are right, that we could reduce the water if we let six inches more into Greater Winnipeg, but the fact is that that \$64 million was spent on the basis that the water south of the gates would be the same level and the water that came into Winnipeg would be the same level except in two channels. Isn't that right? And that's the same all over. The Member for Brandon gave me Pelican Lake and Lake Manitoba. The wildlife people want it high; the farmers want it low; press the button.

And they'll say the same thing about Lake Winnipeg regulation and that's why a board has been set up. This particular control will not be regulated by Hydro. Maybe that's something that I should be emphasizing. Hydro will not have control over these works; it will be a board on which there are members of the Department of Mines and Natural Resources, members of Hydro, a Chairman, and if they can't agree as to whether the pattern is being followed or not, in the last analysis it will be a question of government policy in each case in order to protect the non-Hydro interests. That's the kind of a thing that the Water Commission had some input in.

So to ignore these things and to just try to put me in the spot which I'm obviously in - and I know that the honourable members have to try and keep me there - I say yes, there will be problems, and I guess that if I wasn't prepared to deal with those problems and take some of the criticisms that I get from the Member for Lakeside and the Member for Riel - some of it from the Member for Roblin is a little harder to take because he doesn't know what he's talking about - but the fact is, the fact that I'm willing to take that is one of the reasons that I and others here vie for these positions. Harry Truman said it best, "If you can't stand the heat get out of the kitchen". Well, we're in the kitchen and we'll take the heat.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, there are several questions that I directed to the Minister and I was hoping that he'd be able to -- we would take them up as being the questions which I consider were important and which he didn't answer. The reason I was bothering myself to try and prod him a bit was to get him to answer them, but he has this curious habit of always going around to either one side or other on the question and trying to make an issue out of something that's ancillary to it but not directly at it.

The main point that I tried to get at him on was the statement made at the Public Utilities Committee meeting that there had been an alarming degree of unanimity of expression of opinion by all the consultants and so on with respect to power development in the Nelson River project, and I went on to say well how could anything be further from the fact - and I think the

(MR. CRAIK cont'd.) Minister knows it - and this is one of the things that I was hoping he would comment on. I want to quote a few things to back up and give him the reasons for this, and also that lead into the reasons of why we think here that the Water Commission should be active. He seems to have the opinion that all we're trying to do is put him in the kitchen and turn the heat on, but we're also trying to find out some facts in this thing. Of course he can interpret it whichever way he likes.

So I want to quote one of the conclusions of the report made March 1970 last year, and I'll quote it: "Control of Lake Winnipeg levels and outflows by regulating structures would not be economically beneficial to the system prior to 1993 if either or both diversions of the Churchill would be implemented." Those are the two, 850 and 854. This is the system study report done for Hydro by Underwood McLellan, and as I said, March 1970 - March 1970 - which was done after the recommendations of the now Chairman, of the present Chairman of the Manitoba Hydro Board after his once-over-lightly report which he did in the fall of 1969. This has been made, the recommendations.

Now go back just prior to this to the Water Commission that was set up in 1968 to do a study, and maybe the Minister would realize if he would read through the original terms of reference of the Water Commission what important powers they had with respect to Lake Winnipeg, and I think that this might solve the problem of the people now that are going to be affected by this and would answer many of the questions that are now before us here.

"The Commission shall determine and recommend to the Minister what it considers to be the most acceptable and practical range of regulations within which the levels of Lake Winnipeg might be controlled to best meet the needs of the various interests which are to be affected by the levels of this lake now and in the foreseeable future.

"The Commission shall hold public hearings during the early stages of its enquiry and study, at suitable times and places, to enable presentation by all interested parties of their opinions and recommendations respecting beneficial and adverse effects of various levels on Lake Winnipeg and the extent of control, if any, considered to be desirable.

"The Commission shall determine what technical studies and investigations are required to provide it with the information required to enable it to arrive at a decision as to the most acceptable and practical range, etc.

"The Commission shall have available to it reports on all previously completed related studies. They can call on any person or organization, municipality or corporation or department of government to provide it with all available information in respect to, and in support of, its interests in the levels of Lake Winnipeg and may request " so and so and some more general terminology here.

"The Commission shall, when considered necessary by it, request the government to make available to the Commission such officers and employees of any department of the government or its agencies that may be required for the successful execution of the enquiry and study.

"The Commission shall, for the purpose of appraising the acceptability of its recommendations in respect of the optimum range of regulations, make known by way of preliminary report, available to all interested parties, its recommendations and reasons therefor and shortly thereafter shall hold public hearings to receive viewpoints thereon."

Next point, major one, "The Commission may modify its recommendations presented at the public hearings if it considers such modifications in the public interest."

Now, Mr. Chairman, this is a far cry from what the Minister is saying that the Commission is now doing. The Commission now -- he says that one of its major moves, it announced in December that it was going to have a meeting and that meeting's going to come up. Well, that's a pretty weak set of terms of reference compared to what the Water Commission had before. He also said, and I think we'll read in Hansard tomorrow, he said the Water Commission had petitioned to him, I took it, for a hearing for non-Hydro users. However, if we heard him wrong, I'm sure it will be in Hansard.

All right, now the other important point is here. "Early in the study," - this is when the study was started - "it became apparent that the economic justification of any type of regulation would depend primarily on the power benefits obtained." This then presents Hydro's position. "Manitoba Hydro informed the Commission that the utility would not in any event require Lake Winnipeg regulation for power prior to 1978. Preliminary studies conducted by Manitoba Hydro indicated that even by 1978 the cost of regulation would be much in excess of

(MR. CRAIK cont'd) the power benefits obtained." That's the first, only one of the signs of the economic feasibility of what the government is now planning to do on Lake Winnipeg. Furthermore, the Commission was proceeding on the basis of instructions from Manitoba Hydro, May 28, 1968. A quote from a Hydro letter. "We conclude that a power range of four feet between elevation 710 and 714 would satisfy our requirements."

Well, here you've got the evidence, the information presented to the Water Power Commission, the Water Commission in 1968; you've got a consultant's report done on the complete information that was available from the Churchill which led them to their conclusion in March 1970 that said control of Lake Winnipeg levels would not under any circumstance be economical before 1993, which is a much more extensive study than the Water Commission had. In addition to that, it put the qualification on that then only if it exceeded or was less than a certain amount which is around \$15 million. You now have the case where the Hydro has come back and said we don't want 710 to 714, we want 711 to 715, another foot on Lake Winnipeg which is significant on that lake - and the residents know it is very significant, one foot of water - and the government says we're going with it, we're going with their recommendation.

The experts are all unanimous according to the present Chairman. I mean, is the government going to take that evidence as being its only evidence that they should go ahead with Lake Winnipeg regulation? Is this Minister not responsible, is he not the one singular Minister that has to stand up and question why Lake Winnipeg when there is exceedingly strong evidence from his own Water Commission and from the consultant's report that it's a bad move? I don't really believe that he can downplay Mr. Campbell's presentation as much as he would like to, but I'm not going to use them as technical evidence because Mr. Campbell did not want - he said this morning that himself - but you know, the put-down that the Minister of Mines and Natural Resources is trying to use on Mr. Campbell is just not in keeping with the over-all competence of Mr. Campbell.

But that's not the only argument. The argument lies well documented, well documented in the books, and the Minister could well afford to look at it. Why doesn't he take the Water Commission, say go back to your original terms of reference, the reason for their creation in the first place, and say take those terms of reference, have your hearings, you obviously do not have in hand these various inputs that are necessary to make a decision and the hearings would give them to you. And you still seem to want to refuse to do it.

Now you can say we're putting you in the kitchen and trying to heat you up. Well, maybe we have to do it to see that this gets done. I was hopeful that it would get done without getting to the point where everybody has to start shouting at one another, but it's obvious that this seems to be the only way that the system can operate is that we degenerate to the point where we start shouting to find out why the other person hasn't looked at certain things. I contest that if you did have your hearings, your Commission, some of your Water Commission at least would make sure that the proper representation got before them and that this would come out in the open. But now they can't even write their letters to the editor, all they can do is run to your door and tell you we'd like to do this or we'd like to do that, and you tell them, well make an announcement in December and you can have the hearing next summer, so that you can sit on the shelf between December and next summer.

But your Water Commission is entirely powerless and they're the body that should be hearing all sides of the arguments on Lake Winnipeg. Right now it's a power decision on Lake Winnipeg solely, and nobody denies the fact that power is the most important factor, but it's not the only factor and right now the decision is being made solely on a power basis.

I don't think the Minister is paying the tribute to his responsibility or his office when he grants an interim licence for the control of Lake Winnipeg in the face of technical evidence and the former recommendations of his own Water Commission, and I don't think he's got the right to proceed without them having their hearings.

MR. CHAIRMAN: The Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, the honourable member is an engineer and I am a lawyer. He's asked me to comment on a statement that is made by the Chairman of Manitoba Hydro, and I assume that if he wants answers with regard to a statement that is made by the Chairman of Manitoba Hydro he should go to the Chairman of Manitoba Hydro and get those answers. If he is asking me about my responsibility within the department and the reports that we have looked upon and the things that we have considered, I can tell you that as long as

(MR. GREEN cont'd) this department has been in existence, to my knowledge, it has wanted some form of regulation on Lake Winnipeg.

The difficulty has been what the honourable member says, that in the absence of a power program it is completely uneconomical and I assume, although I'm not an engineer, it would appear that when the Underwood McLellan people were looking at the report and tried to gauge whether Lake Winnipeg would be economical, they were taking the levels 710 and 714. It would appear that those are the levels they were considering because my honourable friend says those are the levels they were considering, and if they took the levels 710 and 714 then obviously they've lost a foot on Lake Winnipeg and they come to that conclusion. But nevertheless, the Task Force went not only through that book but through everything that has been done on Lake Winnipeg and they came to the conclusion that the Chairman of the Hydro has demonstrated. But how does that affect the Department of Mines and Natural Resources? What we know is that we will have a better situation on Lake Winnipeg with this power project than we would have without it. And the people way that this is the case. We also know that in the absence of the power project we will have no Lake Winnipeg regulation or nothing at least that I can conceive of.

Now another report, and certainly if he takes the Hydro report prior to September of 1969 - and again I'm not an engineer but I have a fairly good idea and I'm guessing and my honourable friend will be able to embarrass me if I'm wrong - sure, if they calculated that Lake Winnipeg regulation would not be a benefit until 1978 or even beyond that, then I suggest to you they were calculating 34 feet of water on South Indian Lake. Well, Mr. Chairman, the fact is -- (Interjection) -- no, I'm not talking about that report, I'm talking about the report that you read to from the Water Commission in April of 1968.

The Chairman of Manitoba Hydro wrote the Water Commission and told them that they wouldn't need Lake Winnipeg regulation until 1978. -- (Interjection) -- Well, April of 1968, that's a very interesting date. On that date Hydro was planning to put 34 feet of water on South Indian Lake and they did not calculate what the subsequent reports calculated, and that is what it costs to put 34 feet of water on South Indian Lake. So therefore they came to the conclusion and did exactly what I said they did yesterday, that every time the engineer looked at the Churchill River they probably started some place at 15 feet; then they said, well with 17 feet you can ignore this and with 19 feet you can take out a thermal plant and with 25 feet you can reduce something else, you could reduce the flow in this direction, and with 34 feet you could ignore Lake Winnipeg regulation. That's how they came to the conclusion, and if you're reading from that report of April of 1968 then it's obvious.

I would again repeat I'm not an engineer and I'm not supposed to be able to answer all of these questions, but the fact is that if that's the report he's referring to, he's referring to reports which took 34 feet of water on top of South Indian Lake and made no account for -- (Interjection) -- the Churchill diversion. I tell you that if that program had been proceeded with we would have lost the resource values that were not included; we would have had to spend the same kind of money - and the former Minister acknowledges this - on the kinds of studies that would have had to be paid for, which we are now spending both on Lake Winnipeg and we are contemplating spending on the Churchill River diversion, to deal with what happens how we can best deal with the change in the ecology, and the Crippen Report and the Task Force Report tell us that in Lake Winnipeg it's net benefits not net losses. If you're telling me that Lake Winnipeg would not be economical to spend \$50 million for the regulation alone, we have no argument between us. I agree with you. Without a diverse use of that lake, including power and other uses, this project would not be viable from anybody's point of view, but certainly from the department's point of view, although it doesn't do wonders, it gives us some regulation of Lake Winnipeg which is what has been asked for many many times by many many people.

Mr. Chairman, I move that the committee rise.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE (Winnipeg Centre): Mr. Speaker, I beg to move, seconded by the Member for Flin Flon, that the report of the committee be received.

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

MR. SPEAKER: The hour being 10:00 o'clock, the House is now adjourned until -- the Honourable House Leader.

MR. GREEN: Can I confirm to all honourable members that the Thursday meeting of the Economic Development Committee is cancelled and is replaced by another meeting of the Public Utilities Committee. I believe that some of the members know, perhaps we can have this recorded now so that everybody is given notice.

MR. SPEAKER: The hour being 10:00 o'clock, the House is accordingly adjourned until 2:30 tomorrow afternoon (Wednesday).