

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, February 15, 1966

Opening Prayer by Madam Speaker.

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

Before the Orders of the Day I would like to attract your attention to the galleries where there are some 75 Grade VI students from Oakenwald School under the direction of their teachers, Mr. Olfert, Mrs. Fitzpatrick and Mrs. McIntosh. This school is situated in the constituency of the Honourable the Minister of Mines and Natural Resources. Also in the gallery are some 40 Grade XI students from the Daniel McIntyre School under the direction of their teacher, Miss Wiggins. This school is situated in the constituency of the Honourable the Member for Wellington. On behalf of all Members of this Assembly, I welcome you.

Orders of the Day

HON. DUFF ROBLIN (Premier) (Wolseley): Madam Speaker, I have an important statement of government policy that I should like to make at this moment in connection with the negotiations respecting the development of the Nelson River, and before doing so, I'd be glad if the Page would come and collect the charts I have here and put them on the board so that we can look at them and perhaps find it easier to follow the statement that I am going to make. Perhaps if the easel was moved out into the centre of the floor, members on all sides of the House could see it a little easier. That looks better, thank you.

The statement that I'm about to make, Madam Speaker, marks perhaps the most important step in a policy that was first announced to the citizens of the province about four years ago, in connection with the greatest natural resource development opportunity we have in our province. The citizens of Manitoba are blessed with one of the greatest natural and continuing resources in the nation - the mighty Nelson River of the North. Here is a river fed by a 410,000 square mile watershed extending 1,200 miles from the Rockies almost to Lake Superior and 900 miles northward from the height of land separating it from the Mississippi. Members will note the dark portion marked on the map which indicates the basin and watershed of the Nelson River compassing as it does half a continent. In keeping with its immensity, it flows out of one of the world's largest lakes - Lake Winnipeg, which itself is one of the great natural power reservoirs of the world. In its 400 mile into Hudson Bay, the Nelson falls 712 feet through a series of falls and rapids giving it a power potential of something more than four million kilowatts. It is one of the great rivers of the continent. Its flow exceeds that of the Columbia or the Missouri. That statement I am sure will come as news to some of us. Its water supply is dependable. The rate of run-off in the Nelson basin fed as it is by the North and South Saskatchewan and the Assiniboine from the West, the Red from the South and the Winnipeg River from the southeast, is relatively smooth. This is because of the long flow distances with the natural regulating effect of the river channels on the existing storage reservoirs.

Nearby is the Nelson's sister river, the Churchill, also flowing into the Hudson Bay and draining a watershed of some 90,000 square miles. Members will perhaps be able to discern the light grey area marked on the map above the Nelson basin which shows the area drained by the Churchill River. It is an area of great extent. The two rivers, jointly, have a watershed of over half a million square miles and a combined power potential well in excess of five million kilowatts. Incidentally, Manitoba today uses less than a million, although almost a million.

For these reasons, Madam Speaker, I informed our citizens four years ago this month of the strong and urgent desire of the Manitoba Government to undertake studies looking toward the early development of the full potential of the Nelson. We believe that prospects were encouraging and that the advances being made on long-distance transmission, and with the development of economies of scale, there appeared to be a clear and direct advantage to proceeding with this development as the next power resource for our province after Grand Rapids. We had to make up our minds whether to proceed with a relatively small and in the long run costly thermal generating unit or tackling this giant in the north -- and we looked north.

(MR. ROBLIN cont'd.)

An agreement was signed with the Diefenbaker administration covering the first two stages of a joint federal-provincial three-part study. This was done three years ago this week on February 18, 1963. Under it, investigation centered around economic and engineering surveys to determine if it were indeed possible to develop the Nelson at a cost that would be competitive both in Manitoba and in markets beyond Manitoba. The interim studies, as members are aware, were encouraging indeed. They led to the signing of a further agreement in May 1964 with the Pearson government for a comprehensive engineering and economic analysis with investigation in depth concerning proposed sites, transmission and markets outside the province. This joint federal-provincial study is virtually completed and this next to final assessment is interesting indeed. From both economic and technical standpoints the Nelson River Programming Board which directed the studies and its administrative committees recommended an immediate start on the development of the power resources of the Nelson. They had these things to say about the benefits of an immediate start on development: First, such a development would utilize a renewable resource for the generation of energy - emphasis on the renewable. Secondly, it would provide a source of energy which is better adapted for utility system operation like ours than thermal generation. Third, and assuming that a direct current rather than alternating current transmission line were built, it would provide an opportunity to advance technology in the field of direct current transmission, one almost certain to play a significant role in the future in Canada. Fourth, it would bring within reach the development of several million kilowatts of hydro-electric power for domestic and export markets over the next 20 years. Investment in the first stage of development, which the Board stressed was economic in itself, had the decided advantage of providing the essential base for the development of additional Nelson River sites. Fifthly, it would make available a large source of low cost energy in a region of mineral deposits and forest resources. Sixth, it would make power available in southern Manitoba and play an important role in the export of power beyond the boundaries of Manitoba.

In order to give effect to such a development, the Programming Board recommended in detail a Phase One program which, in itself, could lay down power in consuming centres. Phase One calls for the following -- and here I would ask the Page to remove that map and give us the next chart which needs to be turned up on its edge. Phase One calls for the immediate development of a Kettle Rapids site on the Nelson River so that it can be commissioned in the fall of 1971. We are planning a million kilowatt generating station. This in itself is massive when you compare it with the present 330,000 kilowatt capacity of Grand Rapids, and I might add the present almost a million kilowatt consumption in the Province of Manitoba. First phase then is building the Kettle Rapids power plant. Second, the diversion of a substantial portion of the Churchill River flows into the Nelson. This would be accomplished by building a control device at the outlet of Southern Indian Lake and a diversion structure for releasing water from the Lake into the Rat River which is a tributary of the Burntwood River which flows into the Nelson. Through this diversion the potential of the Nelson is built up to an amount in excess of five million kilowatts of electricity.

The third aspect is the provision of a regulating structure in the general vicinity of Warren's Landing near the source of the Nelson. This will enable the great natural storage reservoir, Lake Winnipeg, to be used. The structure would keep lake levels within recorded ranges - and this is important for those who live around that lake - and would be so operated as to produce the important side benefits for navigation, fishing, resort areas and recreation.

The fourth element is the construction of a large and major transmission system stretching 580 miles from Kettle Rapids to Winnipeg. The actual type of transmission line has yet to be determined. The one we are looking at particularly closely is a double string of towers carrying two plus or minus 450,000 volt direct current transmission lines. This would not only carry the proposed million kilowatt output from Kettle Rapids but with relatively small additional cost could be made to carry substantially more power something in the neighborhood of 3-1/4 million kilowatts - when the Nelson is further developed. An alternative concept to the direct current transmission line involves a system of half a million volts or higher of alternating current. If the direct current system is used, it would provide a body of Canadian technology in the present rapidly developing field of long distance high voltage overland direct current transmission, and for a nation confronted with problems of transferring power over very great distances, this technology is invaluable.

There are some very important features both with respect to the proposed phase one

(MR. ROBLIN, cont'd) . . . development and of the Nelson River development as a whole that should be made strikingly clear at this point, and these deal with the need for that much power, and secondly the financial question of the cost of development in relation to other sources of electric energy. And here I would like to have that map removed and a new chart disclosed.

When investigations began on the Nelson, it appeared certain that to effect the economies of scale, the export of large blocks of power to the United States and the neighbouring provinces was a must. Today I can say that the growing demand for power within Manitoba alone is sufficient to warrant the development of the Nelson. This is a dramatic change in the situation. Our power requirements double every ten years and the plotted demand curve indicate that by the end of this century it will take a generating capacity of eight million kilowatt to meet our needs. The chart that is before you now, Madam Speaker, shows the rising curve of Manitoba demand alone and plots that demand through the introduction of the Nelson River sites, three in particular, Kettle Rapids, Long Spruce Rapids and Gillam Rapids, to meet this growing demand. And I might say there are other sites on the river.

The strips on the chart between these developments represent the construction of additional generating units at existing sites, and this means that the question of demand shed an entirely new light on our plans. It means that Manitoba from a power consumption standpoint can go it alone; the Nelson development is viable for Manitoba alone, and any export of power - which is something of course in which we are very much interested - represents an additional reason for proceeding with this project and represents an additional improvement in economics of the whole operation. I make it clear however, this consideration of exports is to be made after Manitoba's requirements are met.

So much for demand and the dramatic change that has taken place in our situation owing to the rising volume of demand within our own province. I now turn to the question of alternative methods of providing electricity and the costs that are associated therewith, and I would like the House to look at the next chart that I have for them. Now comes the very large question of cost. From this standpoint we must ask ourselves whether it is better to undertake the massive Nelson development or to seek alternative programs -- and here the only practical alternative source today is thermal power. What would happen if we built thermal plants to meet our needs instead of proceeding with the Nelson? A cost projection which you have before you now readily gives the answer. The parallel line coloured yellow near the top of the chart indicates the standard against which we are working, the cost of providing thermal power. The curved yellow line which starts near the top of the chart and goes down to the bottom indicates the advantageous position of hydro power as opposed to thermal over the life of this system. You will notice that at the beginning thermal has a slight edge, but as time proceeds the advantages of hydro power become enormous. The development of the Nelson with federal participation is strikingly lower than the thermal alternative. In some years at the very outset thermal power development would be less costly, but by 1975 the costs would even out and for each year following that the development costs on the Nelson sharply decline in relation to thermal generation. In the chart it shows the cost differential by the end of the century would be 80 millions of dollars in favour of the Nelson development; and these figures are based on what we estimate 1969 costs would be and 1969 dollars, while they assume on the other hand for purposes of comparison established costs for the fuel and the power that we need in the thermal plant, so we've given ourselves a little elbow room as you can see.

The third major question one might ask is this. Does the Phase One development impair future prospects on the Nelson? The answer is a firm "no." The programming board was explicit in stating that developments of the Kettle Rapids site fits in with -- and I use the words of the report -- any possible scheme for the future development of the Nelson River's power potential. Moreover, the full use of the transmission line, the Churchill River diversion and the Warren regulating structure will result in proportionately lower costs for later developments along the river. The detailed report on the study concludes that the development of the Nelson power capacity in excess of five million kilowatts is economically feasible; that Phase One which we are dealing with now, is economically viable in its own right and that it was -- again in the words of the report -- consistent with the optimum development of the total potential of the river. It stated as well that the Phase One project alone would provide an important impetus toward the evolution of a national power grid.

On the question of export, the Investigation Committee said it was realistic to anticipate substantial and advantageous exports over the period beginning with and continuing beyond Phase One development. The first development stage will create a pool of readily expandable power

(MR. ROBLIN cont'd.) for export to neighbouring utilities in the Minneapolis and Toronto areas as well as to our West as and when circumstances are favourable to such export. In other words, to alter an old saying from a different context, "We have our cake, we can eat it and we can make a bigger cake and sell part of that;" and at every stage the economics of the question are on our side, remembering at all times that we intend to meet the needs of this province first.

Madam Speaker, it was against this background of study that we began negotiations last August with the Federal Government to arrange a financing program that would more closely reflect the use of the power development. At the outset, with high development costs and no return, the best way had to be sought to speed up the time when we reached the right side of the ledger. A proposed agreement in principle which is being announced here and in Parliament at Ottawa simultaneously this afternoon, provides as follows: Manitoba will build and pay for the generating plant, the diversion structure on the Churchill and a regulating structure near Warren's Landing. These together will cost an estimated \$208 million. Canada will pay for and assume ownership of the transmission line together with the terminal equipment at both ends. Manitoba will pay for it on a "wheeling charge" basis, that is, a "pay as you use" system. The arrangements are designed so that Manitoba incurs a small transmission cost at the outset while repaying the entire cost plus interest over the life of the transmission line itself. Throughout the service life of the transmission line, Canada would be fully reimbursed. There is a proviso as well, that Manitoba may buy the federal line at any time at the federal government's amortized cost.

One of the undertakings in the proposed agreement in principle is that any power surplus to Manitoba's needs, and again I underline that, will be available to the national power grid or for export or for both. Significance of that statement becomes obvious when one considers that it is possible to sell a million kilowatts perhaps over a period of twenty years for export that will yield about \$30 million a year in foreign exchange or \$600 million over the life of the contract; and when the contract is finished then of course the power reverts to us for our own use. So the stage is set. We are ready to proceed immediately with Phase One.

Quite apart from the provision of needed power, Phase One will give us important economic benefits. It will generate more than power. It will generate business activity and wealth. Phase One will provide direct employment at the construction sites for well over three thousand men. It will provide employment for at least an equal number of three thousand in off-site fabrication of materials for the project, in supply, in transportation and in services. It will require enormous quantities of cement, reinforcing steel, wire cable, bulldozers, heavy machinery, spare parts, oil, gas, instrumentation and control equipment, cold hardware such as insulators and transmission lines, pylons, food and clothing, to say nothing of the services which one can imagine. Indeed some economists have calculated that some 40 thousand different kinds of items will be needed together with the auxiliary services and transportation. We can expect stepped up activity on the Hudson Bay Railway line and at a number of centres along the way. Fortunately, the Kettle Rapids site is almost at the railway bridge over the Nelson and is close to Gillam. Phase One will not only generate employment, what will ensure a chance for some of our local people, the Manitoba Hydro contracts will specify that employment preference be given to people in the immediate area as well as to the rest of Manitoba. When these conditions are met the contractor can go outside the province for additional manpower -- and we will need more. The Nelson development should provide a magnet for immigration into this province. It will require many people as professional persons, in engineering services, technologists, technicians and tradesmen. And it is obvious, Madam Speaker, that it opens up two big areas for the Government of Manitoba to exploit. First of all we have to make sure that we get more local men trained to take part in this great undertaking. This will require the offering of additional training programs to our people of the Indian ancestry for their participation in this plant. Indeed, it will make it necessary to match our educational structure so that the output of our educational system matches the job opportunities that this new project will provide. That's the first thing.

Secondly, we must encourage Manitoba industry to supply the needs of the plant and associated developments; new and aggressive policies to promote "made in Manitoba" manufacture can be expected, for the more the Nelson project permeates every level of our Manitoba economy the greater the benefits we derive. Sensible and responsible proposals will be made in this connection.

But, Madam Speaker, Phase One is only Phase One. The full development of the Nelson

(MR. ROBLIN cont'd.) is a billion dollar proposition; it triples the economic opportunities and it extends the development out over a number of years. Manitoba's own power demands can support the development of this mighty river, but exports will help us get the full plant in place sooner. Again, the effects of low cost power on industrial development are obvious to anyone. Before I proceed with that comment, I would like to display the last chart we have there which indicates the location of other possible building sites on the Nelson beside Kettle Rapids to indicate the scope of the full billion dollar development of which I have spoken. Members will see that at Limestone, Gillam,, even at Kelsey and other points that I just can't quite make out from where I stand, show that there are half a dozen other sites on the Nelson which we confidently expect will be part of this system as it develops. But the effects of this low cost power on industrial development are obvious to anyone. It will help existing industries to keep costs in line that no doubt will help them grow. The assured supply of power combined with its low cost provides a good inducement to industry. But let no one think that the supply of power in itself is any guarantee that other industries will flock here. For power intensive industries, yes, because of their heavy demands and because power costs form a large part of their operating expenses. But to attract other industries new policies will be needed to complement the availability of low cost power; and members of this House can expect new proposals in this field to be introduced.

Madam Speaker, the assurance of a continuing supply of power for our needs and as an earner of dollar exports the scope of the projects involved, the economic activity we can expect will be generated, the new frontier areas that will open up, make the development of the Nelson a high point in our history. It will be by far the biggest natural resource development ever undertaken in Manitoba, and potentially one of the biggest in the country. We have every reason for optimism and our challenge as a government and as a people is to make the most of this new and challenging development.

That completes the statement that I am able to make today, Madam Speaker, with respect to this project. The federal and provincial negotiators, having agreed on the headings of principle, are now to be engaged in defining the actual contract itself. I expect that in due course this House will be asked to examine that in detail and to pass its judgment upon it. I am requesting the concurrence of the federal administration for permission to table here the reports to which I have been making reference, and the correspondence which members undoubtedly will be interested to see in connection with this matter, and I hope that there will be an opportunity before long to have a full discussion of this when the detailed agreements are placed before us.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, I wonder if I may be permitted just a very few words at this time, I will reserve my main comments when we get to the cost-benefit surveys and all the rest of it, but I do want to sincerely thank the Premier for his statement this afternoon. I am sure that all Manitobans will be tremendously interested in this development. This can be truly a major event in Manitoba's forward steps. I am pleased that the development of this program shows a very definite Federal-Provincial co-operation, which I think is essential in many of our developments in Canada. It would be unfortunate indeed if because the very size of the project would make it impossible from a purely provincial standpoint it were to stand idle, and here is a good example of Federal-Provincial co-operation.

I would hope and I was very interested in the Premier's statement that we will be able to use the Kettle power ourselves. I think this is important. In view of the fact that the Federal Government are prepared to assist in the provision of transmission facilities for a development which is essentially Manitoban and not one that is of really national concern at this stage, if it is not for the export of power, I would hope that this would mark the beginning of a true development of a national power grid. Because while we look upon export of power as an eventual possibility, and possibly a necessity, it would seem to me that from a Canadian standpoint, it would be most important if we can use this power in Canada, that it be so used, and that the Federal Government should move on now from this initial step, which I think is a first where it has entered the transmission field, to develop this truly national power grid. Our country was developed through transportation; our railways linked Canada from coast to coast. Many years later the Federal Government stepped into the matter of trans-continental highways systems. I think the time has now come when it must step forward in the development of a trans-continental power system, so that rather than look forward to the export of our power to another country, we should look upon it as a further step in the development of Canada as a whole.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, I would like to say a word or two in connection with this very important announcement which has been made here this afternoon by the First Minister, and as he indicated, also at Ottawa. One cannot of course, make any detailed comment on the sketchy outline that we heard from the First Minister this afternoon, because there were obvious omissions - and I presume that the omissions are because of the fact that the detailed studies have not been completed. Obviously the First Minister was not in a position to indicate to us what he means by low-cost power. I am sure, Madam Speaker, every member in the House will agree with me that if we are going to attract industry, which we haven't done up until now into the Province of Manitoba, then the cost of the electrical energy will have a considerable bearing as to what types of industry we may be able to attract into our province. Also in the announcement of the First Minister it appeared to me that the Province of Manitoba was putting up all of the money for the development and possibly this will be clarified later. It seemed to me that there was relatively a small amount of Federal money going into this scheme. I might -- (Interjection) -- I beg your pardon. -- (Interjection) --

MR. ROBLIN: They're really acting in a banking function.

MR. PAULLEY: Yes, as a banker, and you know what bankers are like, Madam Speaker, they look after their own before they look after those that put the money in the bank; and they make sure, they make sure that the interest payments come out of the pocket of the depositor before anything else. This is one of the points I noted in the remarks of my honourable friend, the Premier, in his remarks. However, Madam Speaker, it would be unfair of me, and I think unfair of any of us really, to offer any further comment at this time until we have had an opportunity of studying in detail the propositions which have been outlined here this afternoon.

The First Minister mentioned the question of export into Minneapolis and areas to the South of Manitoba. I would like to know from him eventually, whether or not there has been any survey made of potential, or whether or not the area he mentioned in the Southern part of the States, Northern part of the States to the South of us are interested in receiving our energy, because as I have said on numerous occasions in this House, nuclear energy is becoming a factor in the development of cheap power. As a matter of fact the Hamilton Falls proposition is still in the process of discussion, due to the fact that in New York State it is appearing that nuclear energy may produce power cheaper than it can be transmitted from Hamilton Falls in Labrador. So as I say, Madam Speaker, we are quite interested; and I want to say that as a Manitoban, I am glad to know that we have a potential for development in Manitoba in our hydro resource. It is up to each and every one of us to put our shoulder to the wheel to see that here in Manitoba this development is exploited for the benefits of all of the people of our province.

MR. J. M. FROESE (Rhineland): Madam Speaker, I too would like to add a few words, make some comments. I feel that this is very welcome news to the people of this province that we will proceed with the development of the Nelson River, and we welcome the decision that the government of our day has made to go ahead. It will provide new jobs as the First Minister has already indicated. It will mean further development and we all hope it will mean low cost hydro power for this province. We have heard of statements made that the rates will be competitive. We have also heard that the transmission lines will later on be available for the province to purchase at amortized rates. Once we get the detailed information we will know just what constitutes the competitiveness, and also amortized rates. I think these are matters of interest, and we look forward to getting the further information on this matter.

MR. GORDON W. BEARD (Churchill): Madam Speaker, I feel our people of Northern Manitoba would think I was lax indeed if I didn't rise at this time to comment on the First Minister's announcement for the development of the first steps in the Nelson River project. I might say we have lived in eager anticipation for the day when this announcement would set the wheels in motion to bring about the answer to many of the dreams of Northern Manitoba. Government I am sure, will see to it that the necessary steps are taken to develop our human resource, to develop the renewable resources, and also develop the non-renewable resources, of your half of the province which lies in the North. We should anticipate markets for our power that will return us revenue that could well rival that of the natural resources of oil-rich Alberta, the pulp-rich British Columbia, and the potash-rich Saskatchewan. I believe that the people of the Province of Manitoba will certainly realize that they will require the leadership of such men as our First Minister and his Executive Council to provide the necessary guidance for this huge development. I also believe in Manitoba Hydro we have the executives and the engineers of proven ability to look after the big business of getting this job done.

(MR. BEARD cont'd.)

I believe that our Department of Education and community development must be ready to see to it that facilities, guidance and instruction are available to train our people to take advantage of the job opportunities. In this vast country of ours there has always appeared to be a border line between the north and the south. It is actually an invisible border line, but it has always been there. We trust that a project the size of the Nelson River Development will eliminate that border in Manitoba, that this project will allow the North to share equally in the prosperity and progress of Manitoba. We trust that it will promote equal cost of living throughout our Province. We trust it will bring about equality in all things, including equality to shoulder our fair share of the cost of provincial administration of the future.

In closing, Madam Speaker, I might add that our waters will finally be put to good use, but it is hoped that the Nelson River Development will somehow encourage the redistribution of the fresh water before it is wasted in the Hudson's Bay. What better by-product could come out of this huge development than the provision that all people of Manitoba will be assured of all the fresh water they require at nominal, economical prices. In closing, I say, let's get on with the job of making this province a better Manitoba.

MADAM SPEAKER: Orders of the Day.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, before the Orders of the Day, I would like to direct a question to the Minister of Education. In view of the temperature, has he any suggestions to recommend with regard to clothing for the trip to Northern Manitoba tomorrow?

HON. GEORGE JOHNSON (Minister of Education) (Gimli): Madam Speaker, I am delighted to answer that question. -- (Interjection) -- As a Nordic, I thought he'd be the last one to ask Madam Speaker, I would like to take this opportunity of stating -- I have advance notice, some of the members asked me to make a statement before the Orders of the Day. The idea is that we will hope that everyone who will be proceeding to Cranberry Portage tomorrow morning will be ready to take off at 8:30 from the Winnipeg International Airport, Trans-Air; there will be a person in the hall to guide you. We feel that - members I think have decided they'd rather drive out independently to the airport, leave their cars there. We hope to arrive home 8:30 to 9:00 Wednesday evening. We will have breakfast on board on the way up and luncheon at the school and on the way back we can have a light supper on board. This is in order to squeeze everything into one day. And secondly, when we arrive at Bakers-Narrows tomorrow we will be transported in the Frontier Division bus down to the school. I think it would be -- just wear long undies and usual clothing. Thank you. I would like if each member -- Whips of each party, or a member of each party would know exactly whom in his group is going for certain. We won't hold up the flight or an early start. Thank you.

MR. GUTTORMSTON: Madam Speaker, a subsequent question. What is the expected arrival at Bakers Narrows tomorrow?

MR. JOHNSON: I'm sorry, Madam Chairman, I haven't got the particulars in front of me. I don't think it's a very long flight in a DC 3 - is it? I think we arrive around eleven or so at the base tomorrow.

HON. STEWART E. McLEAN Q.C. (Attorney-General) (Dauphin): Madam Speaker, before the Orders of the Day I should like to place on the Table of the House a copy of the regulations made pursuant to statute on and after the 22nd day of February, 1965 and on and before the 4th day of February, 1966. In addition the Annual Report of the Legislative Library of the Province of Manitoba for 1965 and the Annual Reports of jails of the Province of Manitoba for the calendar year ended December 31, 1965.

Madam Speaker, the other day when I was tabling the report of the Liquor Control Commission, I inadvertently put on the Table a report which was a year old and I now lay on the Table the proper report for the year ended March 31, 1965. This is the report which was forwarded to members some time ago. All members received the correct report; the error was only in the copy that was tabled a few days ago.

MR. PAULLEY: Madam Speaker, I wonder if I might ask the Honourable the Attorney-General whether there will be copies of these reports available. I'm particularly interested in the report on the jails.

MR. McLEAN: I think not. The report has not been reproduced as far as I'm aware. There are three or four copies in the hands of the Clerk which of course may be obtained from him for perusal.

MR. PAULLEY: Madam Speaker, on that point -- for perusal or for having them in our custody, because I think that is important, Madam Speaker.

MR. McLEAN: One copy -- it would be quite in order for leaders to have a copy and retain.

MR. PAULLEY: Thank you.

HON. J. B. CARROLL (Minister of Welfare) (The Pas): Madam Speaker, before the Orders of the Day I'd like to lay on the Table of the House the Annual Report of the Department of Welfare for the fiscal year 1964-'65.

MR. D. M. STANES (St. James): Madam Speaker, before the Orders of the Day I would like to extend a very warm invitation to you, Madam Speaker, and through you to the honourable members of this Assembly on behalf of the Mayor and the Council of St. James and the Chambers of Commerce of St. James to the Manitoba Winter Carnival commencing on Friday afternoon next, continuing through Saturday and Sunday. It's the first time this event has taken place in St. James. The purpose is to have fun. The schedule has grown, I have a preliminary list here which I understand has increased considerably since that time. It is commencing on Friday afternoon and we're very honoured that the Carnival is being opened by His Honour the Lieutenant-Governor; it completes on Sunday evening in the brand new \$840,000 Civic Centre in St. James with a religious service.

Madam Speaker, you have probably noticed around Greater Winnipeg, people wearing this toque, if I may put it on, and this scarf. They are residents of Sunny St. James publicizing this Carnival. I do hope that yourself and members and the Press will join us in having fun this coming weekend.

MR. JOHNSON: Before the Orders of the Day I would like to lay on the Table of the House the Annual Report of the University of Manitoba Board of Governors for the year ending March 31, 1965. I only distributed about ten copies of this, Madam Speaker, but there are sufficient copies for each leader in the House and one will be placed in the Library.

Madam Speaker, while I'm on my feet, may I say that in addition -- the real Manitoba Carnival will be taking place at Winnipeg Beach starting Friday going through Saturday and Sunday. We haven't got an \$800,000 pavilion; we just have the outdoors and the Skidoos, the Toboggan Slides and so on. I'm sure the Honourable Member from St. James won't mind if members of the Legislature turn northward on that weekend. Thank you.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Honourable Minister would give us a definition of the expression "so on."

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood Iberville): Madam Speaker, before the Orders of the Day I would like to table the Annual Report of the Manitoba Agricultural Credit Corporation for the year ended March 31, 1965.

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, before the Orders of the Day are proceeded with I should like to lay on the Table of the House a reply to questions of the Ministry asked in the House on the 11th of February, 1966 by the Honourable Member from Gladstone-Neepawa.

MR. MOLGAT: Madam Speaker, before the Orders of the Day I'd like to address a question to the First Minister. I presume we will be completing the Throne Speech Debate today - I think it's according to our rules. Will we be getting the estimates this evening?

MR. ROBLIN: Madam Speaker, yes we'll be completing the Throne Speech today at 10:30, if we last that long. I do not propose to bring down the estimates today but to do so on Thursday at the first opportunity.

I think I should also inform the House I will not be making the Budget Speech this year on the introduction of the estimates; it will be some few days later. But we will bring down the estimates on Thursday and there will be a statement made at that time in connection with them.

I should also say that if it meets the convenience of the House, the Attorney-General would like to deal with his estimates first. This year you will notice the departments are listed in alphabetical order rather than in the previous order of I don't know what; but it's alphabetical now. Attorney-General comes after Agriculture but he'd rather go first. So if it meets the convenience of the House, we on our side would be prepared to do that, but naturally we would like to make sure that this is not thought out of the way by gentlemen opposite.

MR. MOLGAT: Would it be the intention then to proceed immediately on Thursday with the consideration of estimates or will we have an opportunity to peruse them before we actually start into the estimates themselves?

MR. ROBLIN: Well, usually the motion to go into the Committee of Supply is adjourned by my honourable friend and he'll be able to adjourn it tomorrow or Thursday if he wishes to do so and the estimates will be considered when the motion is itself actually dealt with. But there's no - it's up to my honourable friend when we proceed with them.

MR. MOLGAT: I don't believe that that has been the practice we followed. I have adjourned the budget debate but I don't believe I have adjourned the Committee of Supply debate. (Interjection) -- I don't believe so.

MR. ROBLIN: Well you may if you wish.

MR. GUTTORMSON: Madam Speaker, before the Orders of the Day, I'd like to direct a question to the Attorney-General. Did an individual have \$4,000 worth of special liquor imported to Manitoba by the Liquor Commission, and then have it turned over to this individual; and was the Liquor Control Commission aware of what this individual did with the \$4,000 worth of liquor after it turned it over to him?

MR. McLEAN: Madam Speaker, this is a matter which is presently before the Courts and I think it would perhaps be not proper for me to make any comment.

MADAM SPEAKER: The Honourable Member for Portage.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I'd like to draw the attention of the House to the first anniversary of our Canadian flag today. If we can recall the furor and the uproar that was taking place down in Ottawa one year ago on the final day of debate, it is certainly heartening to see how Canadians across this land have accepted this new symbol of Canadian Nationhood, and I would just like to draw the attention of the members to this first anniversary.

ORDERS OF THE DAY

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

MR. PAULLEY: please, Madam Speaker.

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

MR. HILLHOUSE: With your permission, Madam, I'd ask to have this matter stand.

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

MR. HILLHOUSE: I would ask that this matter be allowed to stand too, Madam.

MADAM SPEAKER: The adjourned debate of the Honourable the Member for Portage la Prairie. The Honourable the Minister of Industry and Commerce.

HON. GURNEY EVANS (Minister of Industry and Commerce) (Fort Rouge): I wonder if the House would allow this to stand.

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

MR. M. N. HRYHORCZUK, Q.C. (Ethelbert Plains): Madam Speaker, I beg to move, seconded by the Honourable Member for Selkirk, Whereas the appointment of an Auditor-General in other jurisdictions has proved of great benefit in controlling waste in government and has provided savings to the taxpayer, therefore be it resolved that there be appointed an officer known as an Auditor-General and that he be empowered to make independent spot inspections and running audits of all government departments, boards, commissions and utilities, and to report to the Legislature; and be it further resolved that the Auditor-General should be appointed by the Legislature, be responsible only to the Legislature, be removed from office only by a two-thirds majority of votes in the Legislature.

MADAM SPEAKER: Would the Honourable Member for Selkirk please take his seat. Thank you.

MADAM SPEAKER presented the motion.

MR. HRYHORCZUK: Madam Speaker, this is not a new motion, it has been before the House on several occasions and has been turned down by the government on the grounds that it was only a duplication of the services we now had in the office of the Comptroller-General. The First Minister, I believe it was, termed the Auditor-General nothing more than a bookkeeper. Well, Madam Speaker, after all the publicity that has been given to the position in the Federal Government during the last two or three weeks, I'm quite sure that the First Minister and every member of this House is fully aware that the Auditor-General is not only a bookkeeper and is not a duplication of the offices of the Comptroller-General which we have in this province.

(MR. HRYHORCZUK cont'd.) . . .

I do not intend to go into a lengthy discourse on this subject because I do feel that we're well enough acquainted to make a reasonable decision as to the value of the motion and whether it should be accepted. In order to curtail my remarks as much as possible, I would only like to point out that the Auditor-General does certain external audits -- and I may say, to my surprise, some internal audits, I believe we can call them. I think for the purpose of the motion and for the information of the members of this House, if I read the pertinent sections of the Act that cover this office in the Federal House, we'd probably save time and give you a full idea of what his responsibilities are.

I have before me, Madam Speaker, the report of the Auditor-General to the House of Commons for the fiscal year ended March 31, 1965. It's quite a lengthy report and it contains some very valuable information and it points out in no uncertain terms that the Auditor-General earns a great deal more than his pay. By uncovering certain matters he has seen to it that hundreds of thousands dollars have been returned to the Treasury; and he has also seen to it that in future certain practices were discontinued which were costing the Federal Treasury hundreds of thousands of dollars. Now what are his responsibilities? And I quote from this report on Page 1, Madam Speaker. "The Auditor-General shall report annually to the House of Commons the results of his examinations and shall call attention to every case in which he has observed that (a) any officer or employee has wilfully or negligently omitted to collect or receive any money belonging to Canada; (b) any public money was not duly accounted for and paid into the Consolidated Revenue Fund; (c) any appropriation was exceeded or was applied to a purpose or in a manner not authorized by parliament; (d) an expenditure was not authorized or was not properly vouched or certified; (e) there has been a deficiency or loss through fraud, default or mistake of any person, or; (f) a special warrant authorized the payment of any money."

Now you will think that would pretty well cover the office and be a big job in itself; but that is not the whole of his duties. On page 3 of the report we read as follows: "The Auditor-General shall examine in such manner as he may deem necessary the accounts relating to the Consolidated Revenue Fund and to public property and shall ascertain whether, in his opinion, (a) the accounts have been faithfully and properly kept; (b) all public monies have been fully accounted for and the rules and procedures applied are sufficient to secure an effective check on the assessment, collection and proper allocation of the revenue; (c) money has been expended for the purposes for which it was appropriated by parliament and the expenditures have been made as authorized; and (d) essential records are maintained and rules and procedures applied are sufficient to safeguard and control public property." That is a very big job and you can see from it that it can be very very important. I'm sure that each and every one of the members of this House have read the two daily Winnipeg papers and have seen some of the examples of what the Auditor-General has done insofar as the Federal Government is concerned in the year 1965.

I want to quote one or two of those examples so that we could realize that the same thing could very easily occur here in the Province of Manitoba. But before I do so I would like to quote one or two more paragraphs in this report that concern the position of Auditor General -- and on page 6 we read as follows: "A fundamental part of an audit is a critical review of the accounting and internal controls within the organization. This embraces the entire system of controls, financial and otherwise, established by management in order to carry out operations in an orderly and efficient manner; to ensure adherence to prescribed managerial policies to safeguard the assets for which management is responsible, and to check as far as possible the accuracy and reliability of its records." Now this particular quote goes to show us that when the First Minister and other members of the government said that this office was only that of a bookkeeper or a duplication of our Comptroller-General's office, they were a long way from the truth.

And another paragraph that refers to the Comptroller-General's office and the part that the Auditor-General plays in it appears on page 7, and it reads as follows: "Internal auditing is an integral part of a department's system of management control. It is first and foremost a management tool to ensure good performance and therefore should be carried out under the exclusive direction of senior departmental management if it is to function to best advantage. It is important to the external auditor in determining the scope of his work because where the internal auditor's work is effectively carried out, the amount of work to be performed by the external auditor can usually be substantially curtailed. Consequently in his capacity as the external auditor the Auditor-General is particularly interested in the degree of management's

(MR. HRYHORCZUK cont'd.) . . . acceptance of the findings and recommendations of its internal auditor and in the action taken." I think that pretty well cinches the argument that the Auditor-General's post, or office, is entirely different from that of a Comptroller-General. It's an external audit which goes far beyond anything that the Comptroller-General has the authority to do; and not only that, it gives him the right to go into the Comptroller-General's office and make such recommendations as he deems fit and proper.

We have in this report a case that points out the difference between the internal and external audit, that is the difference between what the Comptroller-General would do and what the Auditor-General will do and we find that on page 42 of this report -- and I am going to quote from it, Madam Speaker, because I think it is very pertinent and will give any of those who still doubt that there is no difference, will give them reason to change their opinion. This appears on page 42 under the heading of "Municipal Winter Works Incentive Program." The Federal Government is signatory to agreements with all of the provinces in the Yukon and Northwest Territories under which it undertakes to pay a percentage of direct labour costs incurred on site on accepted works projects undertaken during the winter months by municipalities, Indian Reserves or Bands and Unorganized settlements. The Federal Government has been party to similar agreements with the provinces since 1958; the terms have been modified over the years to provide for a wider scope of acceptable projects, an increase in the maximum incentive payable towards municipal buildings construction; and an increase in the percentage of direct labour costs payable under special circumstances. Incentive payments by the Federal Government from the inception of the program to the end of the year have amounted to \$136,741,000. The prime purpose of the federal payments is to encourage municipalities to create additional winter employment by postponing or advancing work scheduled for summer into the winter periods. Embodied in the agreements are certain conditions designed to ensure that the maximum benefit from the additional employment created accrues to persons who would be unemployed in the absence of special works projects. A condition of the agreements is that final claims for incentive payments by the Federal Government will be audited by the Provincial Auditor or an auditor designated by him. In some of the provinces the audit carried out in compliance with this condition included an examination of the records of the municipalities and contractors involved; an essential procedure determining whether the terms of the agreement are being complied with; whether the charges are legitimate and whether the purposes of the agreement are being achieved. In other provinces checks were made of the records of the municipalities but not of the contractors. In Saskatchewan and Prince Edward Island, however, a little more than a check of their arithmetical accuracy of the claim and the authority for the projects was being made.

Now we come to the crux of what I want to stress. The certificate of the Provincial Auditor was based primarily on certificates attesting to the direct payroll cost incurred provided by the relevant municipalities and contractors without any examination being made of the underlying records of the municipalities or contractors. In these cases there is reason to doubt that all charges are legitimate and whether the conditions of the agreement have been met. A condition introduced in 1963-64 agreement is that the provinces will permit access by authorized officials of the Government of Canada to records, documents, files and so on of the province and its municipalities, as may be deemed necessary for the audit to direct payroll claim under this program. Incidences were noted where regular or permanent employees of a municipality were employed on projects without being replaced at their regular job by men drawn from the pool of unemployed as required by the agreement. In these cases the incentive payment, instead of being diverted to the unemployed, becomes an additional subsidy to the municipality. Now I suggest, Madam Speaker, the same thing could very easily occur here in the Province of Manitoba or any other province where there are agreements between the province and the municipalities as to certain works, into which works no investigations are ever made.

Now I want to quote, and I'm going to even curtail the number of quotes I'm going to make because of the cough which doesn't add anything to what I have to say. On Page 56 we see the following: "The Unemployment Assistance Act 1956, Chapter 26, provides for payment by the Federal Government to the provincial and territorial governments of 50 percent of the costs of providing assistance to persons employed and in need. As early as 1958 our report made reference to the ambiguities in the text of the Act and to the resulting difficulties in administration. Such reports drew attention to the further difficulties in administration that had come to our attention. These difficulties arose mainly from the inadequate definition

(MR. HRYHORCZUK cont'd) . . . of shareable costs from the relationships between this program and other programs of social assistance. In our 1961 and '63 reports we recommended that consideration be given to the overall co-ordination of all the programs involving assistance to individuals to avoid overlapping and duplication and to achieve greater equity in the treatment of individuals as well as to reduce the costs of administration. Well I'm quite sure that an Auditor-General would be of great help to this government or to any government in the field of our social assistance, because no doubt we would find a great deal of overlapping and waste of funds.

Now I'd like to suggest, Madam Speaker, that if we had an Auditor-General during the last five or six years, a great deal of the time that the members of this House used in trying to obtain information that was significant and of interest to the Members of the House and the people of Manitoba, the time that was spent by the Members of this House could have been saved to do other work that was necessary and just as important, and I have in mind such as the inquiry into the Grand Rapids, the Bain Estate, the Centennial Centre, and probably several others, that an Auditor General would have looked into and reported to this House which would have made it unnecessary for us to go and set up inquiries and commissions to look into the matter. That would have been one of his jobs that he would have done as well here as he does it in the Federal Government.

Now I could go on indefinitely as to the advantages of this office and the reasons why we should have it. I'm not in the form to do it today and I don't think it is necessary, Madam Speaker, because I believe that the members now are well aware of the work that this gentleman does, that this office is responsible for. The only thing I'd like to point out and remind the members is that the auditor-general is not responsible to the Executive Council, but he is responsible to the Legislature, which gives him all the freedom of action that an office of that nature requires. And I would only ask that, let us forget for once that this particular motion happens to come from the opposition seats, and I do hope that the government will see fit to support the motion at this time.

MR. OSCAR F. BJORNSON (Lac du Bonnet) I move, seconded by the honourable member for Dufferin, that the debate be adjourned.

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

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

MR. NELSON SHOEMAKER (Gladstone): In the absence of the Honourable Member for St. Boniface, I wonder if the House would agree to let the matter stand.

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

MR. ALBERT VIELFAURE (La Verendrye): Madam Speaker, I beg to move, seconded by the Honourable Member from Carillon, Whereas the farm truck is an essential piece of equipment vitally necessary to the efficient operation of a farm, and Whereas most of the gas used by farm trucks is used on the farm and on municipal roads between differently located parcels of farm lands, Therefore be it resolved that the government consider the advisability of providing that bona fide farmers with a farm truck licence be allowed the use of purple gas in farm trucks on the same basis as the Province of Alberta has used for some years and the Province of Saskatchewan did legislate last year.

MADAM SPEAKER presented the motion.

MR. VIELFAURE: Madam Speaker, I don't suppose that this resolution comes as a shock to this House. I have personally brought it now for the third time. However, last year my resolution was amended by members from the other side, saying that they were suggesting instead - - and if I quote from the amendment, "Be it resolved that the government consider the advisability of extending such further recognition to bona fide farmers operating farm truck licence under The Highway Traffic Act by way of a reduction of farm truck licence fees."

Madam Speaker, this amendment at that time seemed very important to the members on the other side, and as a matter of fact I will quote from what the Honourable Member from Springfield had to say on this particular amendment. He says here, "I think, Madam Speaker, that in the long run other provinces where farmers are living, where they have great farming communities, those governments will beat a path to the door of Manitoba and try to adopt the same methods of helping out the farmers, rather than giving him allotments of coloured tax-free gasoline." Well, Madam Speaker, if they're beating a path, it's from coming back and forth and not getting an answer and seeing that nothing has been done except an amendment to my resolution.

Now the Honourable the Minister of Agriculture speaking on the same amendment thought that it was really something too. Speaking after the Honourable Member from Emerson, here is what he had to say: "My honourable friend from Emerson seems to be terribly troubled about the fact that the government benches have found a good idea, and why couldn't they have it? They have found it some time ago while the Liberal benches couldn't find the answer at all." I don't know if there is much difference between just talking about it and not finding it at all. "The only thing that I can say to the Honourable Member from Emerson," he continues, "is that it didn't take us as long to find out that we were on the wrong scent as it has obviously taken him and his colleagues." And concluding the speech, "I think from the standpoint of feasibility, the practicality of administering a program and the equity in the application of that program to the farmers, that the Honourable Member from Springfield has advanced a good proposition." Well I'm not saying that the proposition wasn't good at all, but certainly if nothing is done about it, it's not much better than none.

Now, Madam Speaker, it is a fact that the farmers of Manitoba think that there is an inequity in the present legislation where they have to pay tax on farm gasoline when it is used on the farm itself. Now the convictions that have been made in the last two years prove that there is definitely dissatisfaction amongst the farmers, that they are convinced that they should be allowed the use of purple gas.

Now this resolution again was treated by the First Minister a few days ago when he spoke on the Throne Speech, and speaking about the members on this side, he said, "Ah, but that's not all in the farm program; there is something else. We are going to solve the farm problem of purple gas. We are going to put Manitoba farmers on the same footing as the Saskatchewan farmer who has purple gas." Then he says, "What about the four percent sales tax in Saskatchewan?" Well, Madam Speaker, I am not one who thinks that purple gas is going to solve all the farm problems. There are many more farm problems. Purple gas is just one of them, and this is one resolution that I'm bringing which I think is important.

Now to say that the Manitoba farmer is much better off because he is getting a rebate compared to the Saskatchewan farmer, if you analyze you find that even though the Manitoba

(MR. VIELFAURE cont'd) farmer doesn't have to pay a four percent tax, he pays three cents a gallon more, and gasoline sells for around about 25¢ which makes it a 12 percent sales tax; he doesn't have the use of the purple gas; and he pays more for his truck licence. This is the story of the farm purple gas situation in the province.

So, Madam Speaker, I am convinced that this is an important resolution. I am convinced that the farmers are due for some consideration in that field and I ask the members of this House to support this resolution.

MR. M. E. McKELLAR (Souris-Lansdowne): Madam Speaker, I beg to move, seconded by the Honourable Member for St. James, that the debate be adjourned.

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

MR. S. PETERS (Elmwood): Madam Speaker, I wonder if we could move the coffee bar in here so that we could get some of the government members in their seats.

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

MR. PETERS: I beg to have this resolution stand, Madam Speaker.

MADAM SPEAKER: The adjourned debate on the proposed resolution of the Honourable the Member for Carillon. The Honourable the Leader of the New Democratic Party.

MR. PAULLEY: Madam Speaker, I intend to say a few words on this important resolution. Despite the fact that has been pointed out by my colleague, the listening audience is rather depleted. However, I guess this is one of the penalties that a member of the House must from time to time pay, and particularly after listening to such an exhaustive report as we heard this afternoon from the First Minister.

Madam Speaker, the question of tax rebate is a very interesting one. As far as we are concerned in the New Democratic Party, we have opposed this tax rebate since its inception. We have opposed it on a matter of principle. As far as we are concerned, it is nothing more than less than a political gimmick, first of all I believe concocted by the Social Credit Government in the Province of British Columbia; and then I note we adopted it here in Manitoba, over the protests of my group; and now I note that the Grit government in Saskatchewan are doing likewise.

I was very interested, Madam Speaker, during the month of January to find that this matter had been given some consideration at the Manitoba Liberal Party Convention. I don't know whether it was because of the adoption of this rebate system in Saskatchewan by the Liberals or not, but the Liberals here in Manitoba apparently are satisfied now with this tax rebate system. If memory serves me correctly, when the tax was first suggested the Liberals joined with us in opposition to it, based on principle, but it does seem to me that now principle, insofar as this tax is concerned, has gone by the wayside as far as the Grits are concerned.

A news article dated January 24 in the Winnipeg Tribune dealing with the Liberal Convention had this to say, and I quote, "Face Facts on the School Rebates. T. C. Hillhouse, M. L. A. for Selkirk, and Mr. Campbell, however, said that while the rebates were a method of political gimmickers, the fact had to be faced that the rebate system was now in effect and the party should concentrate on having the rebates paid in a sensible way." This was following apparently, at the convention, a desire on the part of some delegates to have the Grits oppose the whole system of the school tax rebates, but --(Interjection)-- No. My honourable friend from Selkirk asked if I was there. I certainly was not. I don't think the day will dawn when I would find myself at a Grit Convention. However fortunately, Madam Speaker, the press does from time to time pay some slight attention to what the Grits are doing, and, as a result, I have the information from the media of the newspapers.

Now the point, Madam Speaker, is, it's admitted that it's a gimmick. As far as we are concerned in this group, we have fought against gimmicks all along the line. We have introduced -- (Interjection)-- That was no gimmick. We have introduced resolutions into this House, Madam Speaker, dealing with the question of consumer protection. As a matter of fact, my colleague from St. John's has one on the Order Paper now, and we, in the interests of the consumer, intend to point out to the members of this House the gimmickry that is existing in the retail trade today. You can hardly buy a package of soap without having to get a towel in the package along with the soap.

Now then, Madam Speaker, the same type of a device is being used by governments in the handling of public finance. What is happening is that this government, in concert with the

(MR. PAULLEY cont'd) other governments that I have mentioned, are over-taxing the taxpayer of this province in order to give them back a small portion of the amount of over-taxation.

I listened with a great deal of interest yesterday to the remarks of the Honourable Minister of Agriculture when he was saying that the tax rebate system was working out well for the farmer, that if a farmer had three-quarters of a section then his assessment was based on three individual quarters, so therefore he was entitled to receive three \$50 rebates, providing the school tax of course was high enough to warrant the rebate of \$50 in each instance. If my honourable friend is correct, then I suggest, Madam Speaker, this may be another reason why another look should be taken at the school rebate system that we have at the present time, because not only is it unfair because of the gimmickry aspect of it, a person who happens to have a single dwelling in the urban areas can not do this, and that urban dweller may have to pay three or four times the total amount in taxation than the farmer that was referred to by the Honourable Minister of Agriculture. So I would suggest, Madam Speaker, that here again is evidence of the unfairness of the method of taxation of the Conservative Government here in Manitoba. It's not equitable if this can be done.

Now, Madam Speaker, having said this, you would expect from me, I trust, an alternative method respecting taxation at the local level, because it has been asserted by the government that the reason for this tax rebate was to give back to the property taxpayers some relief from his local taxation problem. Incidentally, Madam Speaker, insofar as the educationalists in the Province of Manitoba - the school trustees and the teachers - they object most strenuously to this being called a school tax rebate because it bears no relationship to education at all, even though it is carried on the books as part of the over-all expenditure for education by the Honourable the Minister of Education. It's not so.

But, Madam Speaker, because we are desirous of relieving the tax burden on the taxpayer at the local level, I'm going to propose an amendment to the resolution as proposed by the Honourable Member for Carillon which I think is worthy of the consideration of this House; I think that it is worthy of the support of this House, because it will achieve, if adopted, real relief for the local taxpayer and will remove all aspects of gimmickry from the present school tax rebate system. It's a quite simple system I propose, Madam Speaker, which will give relief at the local level.

Therefore, Madam Speaker, I beg to move, seconded by the Honourable Member for Elmwood, that the resolution be amended by striking out all the words after the words "and" in the sixth line and substituting the following: Whereas notwithstanding the foregoing the present tax rebate system is an admission of over-taxation at the local level; Therefore be it resolved that the Government be urged to give consideration to the advisability of removing the present tax rebate system and instead therefore establishing a \$2,000 exemption on the assessed value of each self-contained residential unit and the Government reimbursing the municipalities with the equivalent payment by way of grants.

MADAM SPEAKER presented the motion.

MR. HILLHOUSE: Madam Speaker, I wish to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

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

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

MR. WRIGHT: Madam Speaker, may I have leave of the House to have this matter stand please.

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

MR. VIELFAURE: Madam Speaker, after having heard me once, I am sure the members would't mind having this matter stand.

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Member for Souris-Lansdowne.

MR. McKELLAR: Madam Speaker, could I have the indulgence of the House to let this matter stand.

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

MR. HARRIS (Logan): I would beg the indulgence of the House to have this matter stand.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Member for Souris-Lansdowne. The Honourable the Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, at the outset may I wish you well in this coming session and may members on all sides of the House give due respect to your judgments and your position. Madam Speaker, I would also like to compliment the mover, the Member for Souris-Lansdowne, of the Throne Speech and also the member from Churchill for his very interesting comments that seem to have aroused so much interest in this House.

Madam Speaker, it gives me pleasure to identify myself with the constituency of Portage la Prairie which I have the honor to represent, and I was reminded today when the Member for St. James spoke so proudly of his Winter Carnival that is coming off very soon, I would like to take this opportunity to remind the members of the House that Portage la Prairie is now holding their second annual carnival on March 4th, 5th and 6th. There will be skidoo races and a Snow Queen crowned and there will be all the activities that go with a Snow Carnival which will take place on the shores of beautiful Crescent Lake in Portage la Prairie and on the Island Park.

Madam Speaker, I have spoken once before on one of the particular needs of Portage and that is that we would like to have that city and district, along with the rest of the province, to be declared a designated area. Other than that, our needs are not overly great and I don't think we should ask the province for more in the way of money and help and assistance than any other area of the province.

But I think there are a few needs that are still unfulfilled in certain centres across Manitoba, and I speak now of the need for more vocational schools, both the junior and the senior vocational school. I am sure the Minister of Education remembers a formal request from the Portage School Board backed by a resolution from the Portage Council asking for this type of assistance. I have here a letter from the School Board, November 1, 1965, asking the Portage Council to add their weight, by resolution, to request the Department of Education to entertain the thought of a vocational school for Portage la Prairie. In case the Honourable Minister has forgotten, I will send the letter over to him.

We have been promised one great bit of help by the Minister of Public Works two years ago and the citizens of Portage la Prairie are waiting with great interest this Session to see if the long-awaited and long-promised highway from Portage South to St. Claude is going to be announced this year. I am sure the Honourable Minister of Public Works has had this on his mind and we look to him with great hope when he speaks on his estimates. I need not say how valuable such a highway would be to the south central section of Manitoba. It would have great value in agriculture, in the lateral exchange of goods in that area; it would be helpful to tourism; it would be another direct route to link to the main highway at Langdon in North Dakota and it would further open up the recreational area of Lake Manitoba, bringing in more money and more activity from our neighbors of North Dakota and also in the Miami area.

Madam Speaker, I listened with great interest to the Honourable First Minister's spirited defence of - the question I suppose is the way of putting it - of where there might have been a teacher shortage or there may not have been a teacher shortage in Manitoba. After listening to the Honourable First Minister the other day deride our leader's approach to his Throne Speech, and then he actually got down to facts and figures, it seems that this Session there is great reliance placed on certain sources for facts and figures, and while we in this Party have tended to lean towards the DBS figures, the First Minister has leaned towards another source in one particular instance.

I would like to remind the House here of a set of figures that the Honourable the First Minister gave us a few days ago when he was telling we on this side in no uncertain terms that there was nothing really to be concerned about with regard to a teacher shortage in Manitoba, and I quote from his speech - Page 137. "Well, let me give you the facts. Of that 1, 474 teachers, 324 went to home duties." And a little further down -- well I'll read it all. "I suppose that's a nice way of saying they got married. That happens to charming young ladies and there are plenty of them in the teaching profession. Well, 117 retired, and they had an average of 37 years service. Fifty of them went to other schools in Manitoba, mainly Indian and Metis - I don't call that much of a loss; 72 left the teaching profession for other calls; 244 were unqualified, so they weren't much of a loss to us; 236 returned to the university to become better teachers. I suppose my honourable friend would approve of that. Two hundred and eighteen left to teach outside the Province of Manitoba, and there were another

(MR. JOHNSTON cont'd)200 or so that are unspecified. Yes, we lost 218 teachers outside the province."

Madam Speaker, I question these figures in a most serious manner. Just before the 2.30 opening of the House today I had occasion to speak to an official in the Teachers' Society and I asked him if these figures were essentially correct. I told him that I had a quotation -- or an article from the Teachers' Magazine and I asked him which of the two sets of figures were right, and he said that in his opinion the survey conducted by the Teachers' Society were the correct figures, and I would like to give members of this House the figures that the Teachers' Society came up with in their survey. Now I will be quoting extensively out of this so I hope the honourable members will bear with me.

This is first of all the Editorial Page of the September-October, 1965 issue. The opening paragraph goes like this: "The results of a survey conducted last June by the Manitoba Teachers' Society are mute testimony that Manitoba is once again faced with a critical teacher shortage at both the elementary and secondary levels. The survey shows that the public school system lost over 1,500 teachers at the end of June, over 300 of whom were attracted to teaching positions in other provinces."

Another paragraph further down, and I quote, "What Manitoba needs now is not the apologists who attempt to explain away the present crisis by smothering the real causes in a fog of words, nor does it need the utterances of those who would pour oil on the troubled waters by arguing that this abnormal situation has persisted so long that it should be considered normal."

Now, Madam Speaker, I refer to a chart and it is the results of a survey that was conducted in two parts. There's one survey which was taken of newly graduated teachers from the schools and this was conducted on July 5, 1965. This is when the surveys were mailed out to the teachers - the new graduates. The other teachers who were in teaching positions, the questionnaires were mailed to them on May 27th, 1965, but, Madam Speaker, you can readily see that the results from this survey are fairly recent.

Then in Table 2, on Page 4 of the issue I hold, there is a chart and it's entitled "Teacher Losses by Destination", and it says here - and by the way, of the surveys mailed out, there were 84.7 percent of the practising teachers who replied. There were 15.3 percent who did not reply, so this survey is based on 84.7 percent. "Teacher Losses by Destination. (1) Teaching outside of Manitoba - 285." Madam Speaker, if this figure were projected to take in the other 15.3 percent, it would project to 336 teachers lost outside the province. But, however, let us just deal with the figure 285. The First Minister on page 137 of Hansard assures us that we lost 218 outside the province and I would like to know where he gets his figures and how accurate they are. I myself lean towards the survey conducted by the teachers. If this is a discrepancy, it's a discrepancy of about 33 percent roughly, which is quite a discrepancy. "Those who went to other occupations - 125 teachers; for further training - 300." I believe the First Minister mentioned a figure considerably less -- Yes, 236 went for further training to the universities. "Home duties - 282, plus getting married - 43," and I think we're in agreement there. I think he had the figure of 325 for the two. "Retiring - 89; and other losses - 182." Madam Speaker, I only quote this to show that this is what the teachers themselves think have happened within their profession in the past year.

Another interesting fact that may be made note of, that has been glossed over so far, is that the extraordinarily high turnover in staff in the one-room schools. I believe there are something around 900 one-room schools in the province and it was found by this survey that 55.8 percent were resigning for various reasons - some to move on, some to move out of the province, some to get to better schools. I repeat again, Table 2 provided the break-down of the teacher losses by destination. The 285 teachers, or the 336 on a projected basis, is the highest number ever lost to teach outside of Manitoba. The previous high was 180 in 1962-63; while in 1963-64 the loss was 172. Teachers returning to university to take further training numbered 300, or 354 on a projected basis. It might be pointed out that this is a type of drain, or loss if it could be called that although they come back to the profession, but it occurs every year, and the DBS figure for this type of retraining is from 21 to 31 percent annually. Of the 333 graduate teachers, which is the projected figure of the ones who have left the province, this figure represents 15.1 percent of all the graduate teachers employed for the year 1964-65. I think this is an alarming figure to consider.

I quote again, "The provincial teacher loss of 17.2 percent represents over 1,500 teachers on the basis of last year's force. Normal growth during the past few years due to

(MR. JOHNSTON cont'd)....expanding enrollments and the higher rate of student retention has meant an increase of over 300 teachers a year, almost equally divided between the elementary and secondary levels. The teacher training institutions cannot supply these 1,800 teachers. The survey of the graduates of these institutions indicated a supply of about 800 teachers for our schools. Where are the remaining 1,000 teachers to come from? At best, we can expect 150 teachers from other provinces or countries. The average supply from this source over the past four years has been 120." It seems to me the Honourable First Minister said that we were gaining 172 teachers from other sources outside of Manitoba. This is quite a discrepancy in itself. "Eighty partially trained teachers from the special 12-week course and about 300 teachers from other occupations and activities. This leaves a need for over 400 teachers not supplied by the usual sources. In all likelihood this means the use of over 400 permittees."

It goes on to say, and I ask honourable members to note this: "On the first of September at least 25 classrooms lack a teacher of any description." Madam Speaker, it's just around about that time the Honourable First Minister was a visitor in Portage and he was interviewed by the Press. He was asked a question pertaining to this question, and I quote from the Portage Daily Graphic of August 28 - two days before 25 classrooms that were without a teacher - "A question about current education policies and current shortage of qualified teachers now appearing on the school scene, Mr. Roblin assured that we are by no means complacent. We know there is lots to be done but we must keep within our tax base." I'd like to ask the Honourable First Minister where is his system of priorities here?

Later on, and I quote again, "The Premier said his government is going to have to try and improve this situation. Until this year we were satisfied because we were training a lot of teachers, he said. We may be running into the reverse of that and, if so, we will have to do something about it, maybe increase the training facilities for teachers." Madam Speaker, what kind of forward-looking planning is this? What kind of planning is this going on in the Department of Education when the First Minister is going out in the province and pretty well saying everything is under control, but in case it isn't, we'll sort of look into it and we'll see what we can do. Here we have an alarming and a shocking case such as we have been talking about in the Throne Debate, about a teacher shortage, and we have the whitewash given to us by the First Minister.

Here's another interesting piece of information. During the years 1960 to 1963 the number of permittees required averaged about 80. The past two years saw an increase in that number to over 200, and present information seems to indicate a doubling of this number to at least 400 for the current year. To allow this situation to continue without some positive action to rectify it is to deny the children across the province an equal educational opportunity.

Madam Speaker, statistics are necessarily a bit dry and they're hard to digest perhaps, but it can only be brought out by the use of figures the serious situation that is facing us in Manitoba with respect to teachers for the coming years. The loss this year in teachers going outside is 46 percent higher than the average for the past three years and 43 percent higher than in 1963-64. So, Madam Speaker, we can see in this segment of the government's activities that they have not been looking ahead; they have not been planning, although they tell us they have been; but the facts and the figures speak for themselves and I suggest that the Minister of Education and the First Minister get together and see who has the figures and who has the answers and get on with the job.

MADAM SPEAKER: The Honourable Member for Logan.

MR. LEMUEL HARRIS (Logan): Madam Speaker, my congratulations. There were so many compliments made to you that I looked toward you and I see a garland of flowers. My sincere wishes go with you in this coming session in your guidance of this Legislature.

Now, Madam Speaker, the member for St. James made reference to his constituency. Well, we in the city never do because there's nothing that we can talk about, but after thinking things over I thought to myself, well, why not? For one thing, my constituency starts down on Higgins Avenue and runs along Main Street to Alexander, up one side of Alexander to Salter, and from Salter it runs right down through Balmoral to Ellice Avenue, and along Ellice Avenue up to Sherbrook, from Sherbrook up to Notre Dame, and from Notre Dame it runs up out to where Christie Biscuits is on Notre Dame; then it runs along that track, which I think they call the Soo Line, to Alexander there; and then runs into the CPR, up the track, and that is it. But in that area there is over 8,000 people; that is how congested it is.

But we have a very proud thing to talk about in this respect. We have voted CCF and

(MR. HARRIS cont'd) we have voted New Democratic all the way through. When I came into this country in 1927 there was a sitting member in our riding, J. S. Woodsworth, that grand old gentleman; and after that gentleman passed away we got another fine gentleman too, a worthy gentleman to take his place, Stanley Knowles. And our people have done well every time except that one time there when our friend Diefenbaker put on this big drive at that particular time. Well, we have got our man back, and he's gone back continually.

Now, I will turn to our friend from Wellington. He mentioned the other day in his tirade against Socialism -- now Madam Speaker, I say this, before I go much further, that I have been a Socialist since I was 14 because it was trusted upon me. Who? By the vested interests of that day. They had me go down a mine at 14 years of age for 35 cents a day. What a glorious figure! And how many of them young lads were killed? Many of them. But that does no matter at all. That was something that put the iron in your soul.

However, about the distinction of our party. There's only going to be two parties in here. What two parties are going to be in here? Are they going to be the Conservatives? Are they going to be the Liberals? Just take a look at these things and see. We were told that the Liberals were stealing our planks. They may be stealing our planks, but by gosh they're toothpicks when they get through with them, because whatever they turn out, whatever they plan, it's whittled down so much that it's useless. From one instance now, this Canada Pension Plan. I work in a plant and I figured, well, I pay to a pension towards my old age. I pay for that pension; I pay \$5.10 a week. So they bring in this plan and what do they do? They cut down my pension and take out this various monies. I pay \$3.40 a week into my private plan. So what are they doing to me? What are they doing to the people? Here you strive to do things for yourself and somebody's going to knock the feet out from under you.

Who are the Socialists? Are they the Liberals? Are they the Liberals? I often wonder, you know, when I see these things and I hear of these things. You know, Madam Speaker, both these parties -- I've heard it said before, a plague on them. I say they are schizophrenic, both of them; dual personalities. They don't know where they're going, they're like a herd of cattle - they go round and round. (Interjection) Yes, it is fine.

You know, Madam Speaker, I have often spoken on subjects like education and automation. Yes, some may think that I am not very well qualified to do so. That is their opinion. I have my opinion too, and I voice it to anyone. There is technical knowledge in any book you need to pick up, and if you can't explain it, you can have somebody else explain it to you.

Now Madam Speaker, frankly, I admit I am not specialized. Knowledge is required. However, it doesn't take an expert to realize that problems exist. It doesn't take expert know-how to understand problems resulting from shortcomings in our educational system, and lack of planning in bringing in automation can result in lack of opportunity for some of our people. It is my concern that everyone in this province receive equal opportunity. I didn't have much chance for formal education myself, but I have done reasonably well for myself anyway. More luck than good management, I'll say that. More luck than good management. I've got ahead in this world, and I'll say I've been a lucky guy, I've been a lucky man, because you fellows, you had education. You went ahead and you did things, but I didn't. I came with a family here, Father and Mother and 12 kids, and I had to go out and work for them. So what chance did I have in this country? Nothing. But that's all right. I'm thinking now of the people in my constituency. They're all working people and I say they should have things that this country has, should have everything; but we as politicians sit around and sit around and do nothing. Now it's time we got up and did something, and I say now's the time to do that.

Our educational system; my friend across here from Portage la Prairie has given you some of the facts on that. I have some more for the Minister of Education if he wants them. Lack of education opportunity. There is a difference in education opportunities between people living in the farms and the people living in the cities. There is more money in the cities so the municipalities can give better schools and services, such as guidance counsel. There are more courses available to students in the city than in some rural areas. For instance, you can have university entrance here, general course, commercial course, and technical and vocational courses. All of these courses are not available to the rural areas. Students must do well in courses a school offers or drops out, but does not have a chance to change courses as a city student does.

Standards of teaching in the rural areas are not always as high as in the city. There is not enough money to compete with city salaries and salary ranges, and salaries can't be

(MR. HARRIS cont'd) made high enough to encourage teachers to leave the comforts and the entertainments of the city to live in the country. There are not the same aids to teaching such as laboratories, movie projectors, available to teachers in many country points as there are in the city.

There is a much higher turnover of teaching staff in the rural areas than in the city. The Manitoba Teachers' Society says that the turnover in some areas of rural Manitoba is as high as 55% per year, and this is no way to build a sound educational system. The teachers in many rural areas don't get the same leadership as city teachers. In many rural schools, districts are too small to have superintendents, and many rural schools, especially elementary schools, are too small to have a proper principal. Our capacity to train skilled workmen has not grown as quickly as our need for them, and, in addition, our teachers are leaving the province. A Manitoba Teachers' Society survey indicates 283 leave the province this year. A DBS survey of 1963-64 showed that 1,020 Manitoba teachers were teaching in the United States.

The difference in income also affects equality of opportunity for education in Manitoba. This can't continue if our educational system is to progress. The government can't go on forever saying things are better now than they were in '58. Sure, the government has made improvements, but not as many of them as were needed; not as fast as they were needed. I will say, Madam Speaker, that times are going fast now, and what was so in '58 that we were behind the times, we are doubly so today because our system is different. Our system calls for education. To go out on the street today, to sweep the streets, you need a Grade 12 education, because you can't go in an office, you can't go no place today to get employment unless you have the education, whether you use it or not.

So I say, Madam Speaker, I've covered this thing fairly well, I think, that our educational system -- I am not knocking the Minister, but I say, we have to go along. Wherever this money is going to come it has to come. That each and every one is hiding behind the door when it comes down to money. Everybody talks. I get up and talk, yes; we all talk; but when it comes down to money you look around and you say, "Well, I backed this thing." I say here is one thing that we should back - education for our young people. And if we don't do that then we will fall by the wayside. Thank you.

.....continued on next page

MADAM SPEAKER: The Honourable the Minister without Portfolio.

MR. A. W. HARRISON (Minister without Portfolio) (Rock Lake): Madam Speaker, at the outset of my remarks I should like to extend compliments to yourself in the conduct of this House and your position as Speaker and the director of the affairs of this Chamber. I might say that I have had, as you know, some experience in that position and I wish to compliment you on the manner in which you handle the affairs of this House. The business is conducted with efficiency and dispatch, and good humour prevails in the Chambers when the debates are in progress. Business is dispatched efficiently and good humour prevails throughout the Session. It is my wish - and certainly I believe most of the Members of this Chamber - that you may long remain in your present position and conduct the affairs of this Chamber in the very efficient manner that you have in the past.

The problem of elections of Speakers may well be resolved by the Opposition members of this House if they would take under advisement some of the arguments that they have made in this House, and when the next election rolls around, if they refrain from nominating in your constituency as they do in England that the position of a permanent Speaker in this House may be within reach.

I listened with some interest this afternoon to the Premier on his discussion of the developments of the Churchill River in the production of hydro power. I had intended this afternoon to make some reference to this important development. The First Minister has covered the subject very ably and I'm sure that every member of this Legislature will support his viewpoint. I may have something to say at the end of my remarks in respect to power.

I should like at this time to say something about the Government of Manitoba and their invasion of the -- invasion is not the proper word, but of the Public Utility field. We have in Manitoba a very efficient telephone system, one that is working well and extending its coverage in every part of Manitoba. We also have the Hydro Electric Board and also the Hydro Electric Commission that supply power and light to Manitoba. It's not too long ago in my lifetime that I remember when we had oil lamps to light our homes. I don't remember the candle days; that's before I was born. But it is one of the developments in Manitoba that's very much appreciated by people of this province. They regard it as a step forward that the government of the day should make assurance that there will be plenty kilowatts of electric energy available in the future years that are ahead of us.

We also have now another progressive development which is a "first", I believe, for our government, and that is the Manitoba Crop Insurance Plan. It takes some of the risk out of producing field crops and it is appreciated by the farmers. I remember when I was somewhat younger than I am now, I lived in southern Manitoba as I do now, and in those dry years when the wind would blow from the south-west and the sands of Montana, and our crops would deteriorate very rapidly, burn up, and we would not have too much grain to sell when harvest came. That particular situation seems to have changed somewhat and they tell me that one of the factors in our crop pattern is the fact that a number of years ago the American took it upon themselves to plant a shelter belt on the east side of Montana and on North Dakota. Now the winds do not blow off those hot sands but are diverted up into the atmosphere where they cool off and we do have more rainfall now than we did twenty years ago, and our climate seems to have changed somewhat. We do produce good crops, not just now and then, but almost every year.

We might have a look at irrigation for a moment or two. Many of us know that the United States Commission are investigating the possibility of diverting the Missouri River into the Red and then on down to the area immediately east of Morden in what we term the Mennonite reserve. It's true that if this happens, we will have garden farming down in that particular area of Manitoba. While the farms are relatively small now they may decrease in numbers and we will have the prospect of producing garden vegetables which may be canned on the site and sold in the markets of the world.

Now I might have something to say about grain marketing. I was interested in the speech that was given the other day in this House by the Honourable Member for Rhineland, and I put my thoughts together not so much in answer to the speech that he made in this House but sort of a general review of the crop and sales picture in Manitoba. I might say that I have quite a wide experience in this respect.

My father came to Manitoba in 1878 and he settled in the Turtle Mountains which was then unorganized territory. He engaged in the saw milling and flour milling business, and he

(MR. A. W. HARRISON, cont'd) . . . did have a little old stone mill in which he ground the flour and sold it and exchanged it with the farmers of that day. He thought at that time that was the most ideal location to locate in Manitoba because of the fact that there was a trail which they called the Pom. . . Commission Trail which started at Emerson, south of Winnipeg, and went as far west as the Rocky Mountains. And in the other direction there was an old Indian Trail that ran from the Missouri River across to the Assiniboine River and the little Indian village of Wahkepah that he located at that time was at the junction of these two trails, and he envisioned a city of western Manitoba to be located on that site. But the railroads, they had different ideas, and they thought they'd stay down on the flat lands rather than to climb up the hills. So when the railroad went through he was stranded in the Turtle Mountains and he did move to the town of Killarney which was starting at that time, and he built the first grain elevator at that site.

The grain business in those days was much different than they were now. The person who operated the elevator furnished the mechanical means of handling the grain and storage but four or five buyers would buy into the same elevator and they would go out on the street and make bids and offers to the farmers for his grain. That's where the term "street grain" originated. So we have in our company today many of the old records that prevailed at that time. Sales were made from the elevator companies through brokers. They were loaded in cars of 660 bushels each and sold to brokers. I looked through some of the old records the other day, in 1882, and I found out that some of the grain was sold to a broker by the name of R. P. Roblin and shipped to mills in Quebec and in New York State. The grain was sold through other brokers, of course, and went to other destinations. Shipped in cars of 660 bushels and sold in that way. Later on, of course, the Grain Exchange was established and trading took place in the future markets as well as the cash markets.

We now are in an area where co-operative marketing is a factor in selling grain. I remember the First Great War where the Wheat Board first came into existence and food boards, and did assemble, buy, sell and direct the commerce of wheat in the First Great War. In Europe, of course, at that particular time there was quite a large production of cereal grains, and as the battlefields spread out in the wars the grain fields became battlefields and a very strong and urgent demand of grain was apparent in those years.

The Second Great War proved to be somewhat of a similar situation as far as grain production and grain marketing was concerned. The European farm became a battlefield and farm production in Europe declined. Again Canada and the overseas countries of the world were called upon to step into the gap and to increase their production and feed the hungry people of Europe. I might say, in the Second Great War I had some first hand knowledge of this situation, I was at that time Secretary of the Millers Association for Western Canada, and I was placed on a board by the Food and Wheat Board of that day to organize the production of flour for overseas markets. It was my job to see that every mill that could turn a wheel started up and ground flour. It was quite an undertaking to find personnel and equipment and repairs to establish these plants again. When peace came, of course the picture changed and production of grain again increased in Europe and increased in Canada. It is true that the population of the world is continually increasing. Every 10 and 1/2 years the population of the world doubles if we do not have war, pestilence or famine, so you can be assured from that picture that the position of the Canadian farmer is certainly an ideal one. He will be called upon to produce more and more grain to feed the hungry people of the world.

In the Second Great War the food boards were particularly successful and the farmers of those days received a very good price for their grain. They attributed some of their prosperities to the workings of food boards, and the demand after the war for organizations that would perform functions that were similar to the food boards became a desire of most of the farmers, and the Canadian Wheat Board came into existence soon after that day and took over the function that was formerly conducted by the emergency boards that had been employed during the war. We had, of course, the Wheat Pool too, which was originated around about that time, and their job became one of co-operative selling so that the farmer would receive a share of the profits in the handling of his grain and also would equalize somewhat the payments that he would receive.

Now that is somewhat a general picture of the past. We're not dealing so much with the past in this Legislature but we should be giving some thought to the future, and what about the future of the Manitoba farmer? It's certain that the population of the world will continue to rise for the foreseeable future. This will call for further production, more and more

(MR. A. W. HARRISON, cont'd) . . production of food stuffs in the foreseeable future. You might say that at the present time the movement of grain is quite satisfactory. Why is it satisfactory? Because there are people in the world today that need that grain as foodstuffs, and some organization is given to moving the grain from farms to those who require it. It's true that finances enter into the picture to a very large extent and millions of people who are reported to be starving in China and India and other countries are receiving food from the farms of Manitoba largely because efficient and right financial arrangements have been made. The United States of America, you know, is also interested in this plan and they do actually give away many millions of dollars worth of food to the starving people of the world.

Now what about the production in the future? If I were to make a forecast, I would say that the farms of Manitoba will continue to be prosperous, that we will have more farms in the future than we have today, that our farms will be smaller and more specialized, particularly in the southern part of Manitoba where the specialized farms will produce more dairy products for sale in the cities. More fluid milk, more butter, more eggs and more meat and poultry will be required. We may require more land use to meet these calls and to furnish the production that will be necessary in the future. The day will come when Manitoba may herself use most of the food that she will produce. I foresee a tremendous increase in the population of Manitoba, particularly in the southern areas. We have room for, in the area that I live in, ten or twenty times the number of people that we have today. Today we do not have any more people than we had twenty years ago, because of the factor that the farms of the areas are becoming larger and larger. I would think that in that general area we have almost reached the peak of the increase in farms in the area and specialized farming production of eggs, butter, meats and poultry will reduce farms in size and increase the number of people who will be on the land. That is my forecast for that general area.

It may be that when this takes place I may not be around, or possibly many of the members of the Legislature, but soon Manitoba will be a heavily populated area at some time in the future. We should direct somewhat of our policies towards the goal of tomorrow. We should realize that people require clothes; they require food and they require furniture; and we should be thinking about what we can do when this condition is a reality. It may take place quite gradually and it may not be spectacular.

We should have men of vision today to meet the needs of tomorrow. I was going to say something about the harnessing of the Nelson River. The Premier has given his remarks this afternoon which covers the situation very very thoroughly, and I'm sure that he is looking ahead as most of us are in this Legislature - I mean the Premier - when he is bringing to fruition and reality the potential electrical production of that great river in the north.

I believe that, in conclusion, that Manitoba has a great future. It will be not only the Keystone province in name, it will be the Keystone of Canada. We have wonderful people here. We have people from all over the world; they are mixing together nicely; and some hundred years from now we will have a Canadian people and a Manitoba people who will be one people. They will be inter-married, they will be in a position to call one another brothers and I believe that that is an ideal condition and one that all of us in this House should strive towards. We should, in the future, develop a Canadian people, a Canadian nationality, and there's room in a Canadian society for every nationality. It's true that we have good and bad in all nationalities, some bad Canadians, bad Englishmen, but by and large, people are usually good people. When we meld them together Canada will have a nation with resources, with people, with an educational system, with a governmental system that will be the envy of the rest of the world. I would hope that every member of the Legislature would strive to bring a condition of this kind to a reality.

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

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Mines and Natural Resources. The Honourable the Member for St. George:

MR. CAMPBELL: Madam Speaker, on a point of order, is it not a fact that the address has now been completed? Is it not then a fact that there's a motion to be made?

MR. EVANS: I thank my honourable friend for calling this to my attention. I move, seconded by the Honourable the Minister of Mines and Natural Resources, that the Address to His Honour the Lieutenant-Governor be engrossed and presented to His Honour by such members of this House as are of the Executive Council and the Mover and the Seconder of the Address.

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

MR. EVANS: Madam Speaker, I beg to move, seconded by the Honourable the Minister of Health, that this House will at its next sitting resolve itself into a committee to consider of the supply to be granted to Her Majesty.

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

MR. EVANS: Madam Speaker, I move, seconded by the Honourable the Minister of Welfare, that this House will at its next sitting resolve itself into a committee to consider of ways and means for raising of the supply to be granted to Her Majesty.

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

MR. EVANS: Madam Speaker, if you will now call the next order of business.

MADAM SPEAKER: The adjourned debate on the proposed motion of the Honourable the Minister of Mines and Natural Resources. The Honourable the Member for St. George.

MR. R. O. LISSAMAN (Brandon): Madam Speaker, in the absence of the Honourable Member for St. George, I wonder if the House would allow the matter to stand.

MADAM SPEAKER: The proposed resolution standing in the name of the Honourable the Provincial Secretary.

MR. EVANS: In the absence of the Minister, could this Order, and the next Order also standing in his name, be allowed to stand?

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

MR. LISSAMAN: Madam Speaker, I beg to move, seconded by the Honourable Member for Morris, that this House doth concur in the report of the Standing Committee of the House on Municipal Affairs, received by this House on Tuesday, February 8th, 1966.

MADAM SPEAKER presented the motion.

MR. LISSAMAN: Madam Speaker, as Chairman of that Committee, I suppose I should say a word or two in giving my reasons why the report should be concurred in. For the benefit of those members who are not on the committee, as they are aware, the committee met several times during the summer and meetings were held at points outside of the City of Winnipeg. I would like to say in passing that I think this is an excellent vehicle of government, because I think particularly city members will agree that in hearing the local people at various points brought both the people closer to the legislators and certainly the legislators closer to the people, and I think there was a better understanding of what was being attempted on both parties' parts.

Hearings were held, as I mentioned, in Winnipeg, at which time we heard 17 representations. In the City Hall at Brandon, 23 representations were heard by a committee, and in the Swan River Hotel, 3. Of all the representations to committee, about 60 percent of them were rural in origin. In addition to the submissions that I have mentioned at these various points, there were about 19 written submissions to the committee of the House. In all, 36 were rural, 16 urban, 9 personal and 8 others, including the Manitoba Urban Association.

As members will recall, Bill 20 concerned itself with the term of office of municipal officials and the matter of simultaneous elections. Bill 118, concerning itself with the possible reorganizations of the municipalities, was discussed at great length, and I think in this connection members might refer to Page 6 of the report under the paragraph heading "Representation of Bill 118." About halfway down I read: "Almost without exception those making representations felt that it was difficult to deal intelligently with the provisions of Bill 118 until a concrete plan showing the manner in which municipal boundaries would be changed was made available for public scrutiny." This in general is the report on this particular Bill of the committee, that the Bill be withdrawn and that a study with a view to eventually mapping the province out, not being binding upon any one, but simply set forward as a map that the various municipal members might look at and then use as a commencement for discussions on reorganization. So there's nothing mandatory on the municipalities nor nothing binding, and I would urge that the report of the committee, which the committee approved of in the great majority - there were certainly some minor objections to various points as usually occurs - but there was very great general agreement on the report as submitted to the House.

MADAM SPEAKER: Are you ready for the question?

MR. SHOEMAKER: Madam Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that the debate be adjourned.

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

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 7. The Honourable the Member for Hamiota.

MR. B. P. STRICKLAND (Hamiota) have this matter stand.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 25. The Honourable the Member for LaVerendrye.

MR. VIELFAURE: I beg leave of the House to have this matter stand please, Madam Speaker.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 31. The Honourable the Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Madam Speaker, I ask the indulgence of the House to have the matter stand.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 10. The Honourable the Member for St. Boniface.

MR. SHOEMAKER: Madam Speaker, in the absence of the Honourable Member for St. Boniface, I wonder if the House would allow this matter to stand.

MADAM SPEAKER: The adjourned debate on the second reading of Bill No. 19. The Honourable the Member for Lakeside.

MR. CAMPBELL: Madam Speaker, I believe it would be the unanimous wish of the honourable members of the House that they would ask me the indulgence to let this matter stand.

MADAM SPEAKER: The second reading of Bill No. 13. The Honourable

MR. EVANS: In the absence of the Minister, may this be allowed to stand. Madam Speaker, this brings us to the end of the Order Paper and I beg to move, seconded by the Honourable the Minister of Health, that the House do now adjourn.

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