



Legislative Assembly Of Manitoba

DEBATES and PROCEEDINGS

Speaker

The Honourable A. W. Harrison



Vol. VII No. 41 2:30 p.m. Monday, March 26, 1962.

5th Session, 26th Legislature

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, March 26th, 1962.

Opening Prayer by Mr. Speaker.

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

The Honourable Member for Winnipeg Centre.

MR. JAMES COWAN, Q. C. (Winnipeg Centre) introduced Bill No. 57, An Act to validate By-law No. 4502, of The Rural Municipality of Fort Garry.

MR. NELSON SHOEMAKER (Gladstone), in the absence of the Honourable Member for St. Boniface, introduced Bill No. 96, An Act to amend The St. Boniface Charter, 1953.

HON. J. B. CARROLL (Minister of Labour) introduced Bill No. 102, An Act to amend The Labour Relations Act.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Mr. Speaker, I wonder if the Honourable the Minister of Labour could indicate when this bill, and also the bill that he is introducing next, will be printed and available for us.

MR. CARROLL: Mr. Speaker, we hope that the bills will be ready for second reading later this week.

MR. CARROLL introduced Bill No. 103, An Act to amend The Employment Standards Act and to repeal Part II of The Shops Regulation Act.

MR. SPEAKER: Committee of the Whole House.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, before you go to the Committee of the Whole House, the Order Paper indicates that we will have an introduction of a bill respecting Metro Corporation. Is that not going to be proceeded with today?

HON. DUFF ROBLIN (Premier) (Wolseley): Today, Mr. Speaker.

MR. SPEAKER: Committee of the Whole House.

MR. MOLGAT: Before we go into Committee, I might say that the Orders of the Day which I had given to me this morning seem to be different from this particular Orders of the Day. What is the

MR. ROBLIN: I might reply to that, Mr. Speaker, by saying that an amended set of Orders of the Day were distributed later on, the difference being that the third, the Committee stage of the Private Bills was shown in the wrong order in the first instance. They've now been removed to their correct order in the Orders of the Day.

MR. MOLGAT: The resolution on the Floodway, Mr. Chairman, that is now moved to the Committee of the Whole, was, in my own Orders of the Day this morning, was in the House after the Orders of the Day and not in Committee.

MR. ROBLIN: Not on the copy I got, Mr. Speaker. That was always under Committee of the Whole, but in the copy that was originally distributed, all the bills referred from the Private Bills Committee were included in Committee of the Whole ahead of this resolution. The Clerk of the House caught this error and amended the Order Paper accordingly.

MR. SPEAKER: Committee of the Whole House.

HON. GEORGE HUTTON (Minister of Agriculture and Conservation) (Rockwood-Iberville): Mr. Speaker, I move, seconded by the Honourable the Minister of Welfare, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the resolution standing in my name.

Mr. Speaker presented the motion.

MR. MOLGAT: Mr. Speaker, on a point here, it seems to me that it would be wise to have this incorporated in the Hansard. I don't know if I would insist that the Minister himself read this and you read it again, but somewhere along the line I think it should be in the Hansard.

MR. ROBLIN: It's very simple to do that, Mr. Speaker. Either you may read it or, if the House agrees, we may take it as read for Hansard and have the Hansard insert it. I'm easy

(Mr. Roblin, cont'd.) on this; either solution would be acceptable. I suggest that we take it as read and ask Hansard to incorporate it.

MR. SPEAKER: Agreed.

MR. MOLGAT: It's all right with me, Mr. Speaker, as long as it appears there.

MR. PAULLEY: Just one point I wish to raise, Mr. Speaker, and I've really no objection to consider this resolution in the Committee of the Whole House, but is this not contrary to our usual procedure, that the only resolutions that we deal with in Committee of the Whole House at this stage are those that are prefaced with a recommendation of His Honour because of an expenditure of money for which approval is being sought. There's no indication to me in this resolution of money being sought, particularly for this item.

MR. ROBLIN: I think, Mr. Speaker, the fact that it is in the Committee of the Whole item on the Order Paper indicates that it does involve money and will require a message from His Honour. I think, also, that that was indicated in the Votes and Proceedings by which notice was given of the resolution.

PROPOSED RESOLUTION - MR. HUTTON:

WHEREAS by authority of the Government of Canada the Red River Basin Investigation Authority was set up in 1950 to report on measures for the reduction of the flood hazard in the Greater Winnipeg area, and

WHEREAS this Authority prepared a comprehensive engineering report on the nature and causes of periodic flooding on the Red and Assiniboine Rivers, and

WHEREAS this same Authority has drawn up a wide range of possible flood control plans for these rivers, and

WHEREAS this report constitutes a sound and authoritative study of the problem, and

WHEREAS the Royal Commission on Flood Cost-Benefit was established by the Government of Manitoba in 1956 to determine whether the economic benefits of various flood control works designed to reduce or prevent flooding on the Red and Assiniboine River Basins would justify the cost of these projects, and

WHEREAS the Royal Commission established that it is as certain as the law of mathematical probability that the Red River Valley will experience a flood of 1950 severity or greater on the average once every 36 years and that the Assiniboine Valley in certain reaches will be flooded at much more frequent intervals, and

WHEREAS the Royal Commission on Flood Cost-Benefit found that the average annual cost for the next 50 years of flooding in the Red and Assiniboine River Basins with no growth in population and no increase in price levels would be \$14,000,000 or a total of \$700,000,000 based on this average, and

WHEREAS having considered such alternatives as channel improvement, dyking, the Perimeter Highway, the elimination of Lister's Rapids and enlarging the channel below Winnipeg, retention dams and reservoirs, flood plain zoning, flood insurance and the like, the Royal Commission on Flood Cost-Benefit recommended the Red River Floodway, the Russell Dam (Shellmouth) and the Portage Diversion as being the combination of flood protection measures that would provide the necessary level of protection for the lowest cost, and

WHEREAS the Royal Commission on Flood Cost-Benefit determined that no other combination of measures would provide as much protection for the dollars spent as these three particular measures and that they would return a benefit-cost ratio of 2.73 using an interest rate of 4% or a benefit-cost ratio of 2.30 using an interest rate of 5%, which are deemed to be extremely favourable ratios in such projects, and

WHEREAS the Royal Commission on Flood Cost-Benefit stated there would be no change in their recommendation regardless of which benefit-cost ratios were employed, and

WHEREAS since the studies have been completed it has been deemed advisable to extend the Red River Floodway upstream to include the village of St. Norbert as well as adjacent lands within the protected area, and also to relocate the Portage Diversion from the High Bluff Route to the Fort la Reine Route because of long term additional advantages in water supply and more positive protection to the City of Portage la Prairie, and

WHEREAS the benefit-cost ratio has been re-examined recognizing the increased costs incurred by these major revisions as well as the general effects of inflation on some aspects of construction costs, and the re-examination has shown that in spite of these additional cost

(Proposed Resolution, cont'd.) factors the benefits have increased at an even greater rate so that the benefit-cost ratio is now 2.83 as compared with the ratio of 2.73 estimated by the Royal Commission on Flood Cost-Benefit using a 4% interest rate, or 2.39 as compared with the ratio of 2.30 estimated by the Royal Commission using a 5% interest rate, and

WHEREAS this examination has shown further that, on the assumption that interest charges incurred during the period of construction are paid as an annual charge rather than capitalized in the initial cost of these structures as was assumed by the Royal Commission on Flood Cost-Benefit, the benefit-cost ratio is now 3.07 using a 4% interest rate, or 2.64 using a 5% interest rate, and

WHEREAS the Shellmouth Reservoir and the Portage Diversion, while providing the most positive and economical flood protection, also provide conservation of water to meet the estimated water supply needs for municipal, industrial, irrigation and other agricultural purposes in those areas which can be reasonably served from this source to the end of this century; and

WHEREAS the findings of the Red River Basin Investigation and the Royal Commission on Flood Cost-Benefit with respect to the Assiniboine River projects have been confirmed by review and further studies during 1960 by the PFRA and by Professor E. Kuiper, University of Manitoba, a consulting engineer, and

WHEREAS these studies established the magnitude of the water supply requirements to be served from the Assiniboine River and the adequacy of the proposed works to meet these needs, and

WHEREAS the Special Joint Federal-Provincial Committee (The Floodway Advisory Board) has been established to provide for the implementation of the recommendations of the Royal Commission on Flood Cost-Benefit with respect to the Red River Floodway, and

WHEREAS lengthy negotiations between the Province and the Dominion have been carried on with a view to determining an appropriate sharing of the cost of the implementation of the main recommendations of the said Royal Commission, and

WHEREAS an agreement has now been reached between the two governments approving implementation of these recommendations of the said Royal Commission and agreeing in principle to a sharing of the cost between the two governments with respect to the Red River Floodway, the Shellmouth Reservoir and the Portage Diversion, being part of the over-all Manitoba Water Conservation and Development programme, and

WHEREAS the two governments have agreed to share the cost of the Shellmouth Reservoir and the Portage Diversion on an approximate 50/50 basis, and

WHEREAS the governments have agreed to share the cost of the Red River Floodway on a basis of 58.2% federal and 41.8 provincial under present cost estimates, and

WHEREAS this division of costs in respect of the Red River Floodway is based on the following formula -

Excavation	-	75% federal and 25% provincial
All other costs	-	37 1/2% federal and 62 1/2% provincial, and

WHEREAS this constitutes a return to the Province of Manitoba of approximately \$6.00 in flood control benefits for every \$1.00 spent from the Consolidated Fund of the Province, and

WHEREAS those benefits arising from water conservation for water supply for municipal, industrial, agricultural including irrigation, recreational and wildlife purposes are substantial and additional to flood control benefits,

THEREFORE BE IT RESOLVED that this House approves the policy of the Government in proposing the construction of the Red River Floodway, the Shellmouth Reservoir and the Portage Diversion,

AND FURTHER that this House endorses the commencement of excavation of the Red River Floodway channel in the summer of 1962, and further endorses the commencement of field engineering studies for the Shellmouth Reservoir and the Portage Diversion in 1962.

Mr. Speaker put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole House with the Honourable Member for St. Matthews in the Chair.

MR. HUTTON: Mr. Chairman, His Honour the Lieutenant-Governor, having been informed of the subject matter of the proposed resolution, recommends it to the House.

MR. CHAIRMAN: I take it we're taking this as read. The Minister of Agriculture.

MR. HUTTON: Mr. Chairman, this, in my opinion, one of the most important matters to come before the Legislature at this session and, although it has been considered, it received a share of consideration at previous sessions. It was deemed advisable to have a thorough ventilating of the program of water control and conservation in the Province of Manitoba and, in particular, to give a thorough ventilating to the proposals for flood control and conservation on the Red and Assiniboine Rivers at this time when we are about to embark upon a major construction program this coming summer, from which there's no turning back.

In the resolution you will note that the Red and Assiniboine River projects are referred to as part of the over-all of the water conservation and development program in the Province of Manitoba, and I thought it would be useful to the members of the House if they could see, in a pictorial manner, the extent of the program of water conservation and control in Manitoba so that they could appreciate the comprehensive nature of the program and satisfy themselves that we are not only interested in the large projects with respect to the Red and Assiniboine but that we have a program that covers pretty well the whole Province of Manitoba, and so I had these maps prepared. The first one, I think, illustrates very graphically the extent of our water conservation program in Manitoba. If you will look at that map you will notice that these dots of various colours represent either existing reservoirs or proposed reservoirs in the province and for the province, and they extend from the easterly boundary to the west and, from the south, pretty well half way up the province. I think you want to keep this in mind and I hope that it leaves an impression upon you that we have a program that is fashioned to meet the needs of the total community.

Now the red dots there indicate the reservoirs that were constructed prior to 1958.

These reservoirs were constructed under the 1942 agreement with Ottawa which provided that the federal government, through PFRA, would construct reservoirs in the Province of Manitoba which the municipalities had requested by resolution and which were approved by the Province of Manitoba. The federal government, however, reserved the right to veto any project that they felt did not have a priority comparable to another. The red dots, as I say, indicate those reservoirs built in the period 1942 to 1958. The blue dots indicate the reservoirs constructed since 1958, and the green dots indicate the reservoirs which are under consideration -- proposed reservoirs. Some of them in fact are, as the Deloraine structure, now under construction. Included in those green dots is the proposed dam at Stephenfield for the service of Carman and district, which will get under construction this coming season.

We have, during the past four years, constructed some 21 of these reservoirs, reaching up into the Porcupine Mountains, as you see, in the northwestern escarpment and down into southeastern Manitoba. In fact, our program of reservoir construction in 1961 hit a peak when there were eight structures built, many of them quite important to the areas that they served. There are, at the present time, three reservoirs under construction: one on the LaSalle River at Elie; another in the Whiteshell; and the third, as I mentioned before, on the Turtle Head Creek at Deloraine; so we are moving ahead with what we feel is quite a large program of reservoir construction. We are fortunate in respect of having had a very sympathetic consideration from the federal government in respect to our requests, and we certainly hope that this continues. Some of the reservoirs that have been applied for by Manitoba re, of course, the Stephenfield Dam, which has been announced will be built this coming year; the Conjuring Creek Dam at Russell; the Turtle River near Ste. Rose; the Shellmouth, of course, in which we will be contributing substantially ourselves; the Mossy River Dam to control Lake Dauphin; and the Crystal Creek Dam near Crystal City. We have also under consideration and in the process of getting approval, the dams at Elgin, supplementary water for Morden; the Joubert Creek, Elm Creek, and Graham Creek Dam in the Rural Municipality of Arthur; Jackson Creek Dam in the Rural Municipality of Arthur; the Kenton Dam near Kenton, Manitoba; LaSalle River Dam, Cromer Dam; Tobacco Creek Dam; Coulter Dam -- that's on the Antler -- a structure which is estimated to cost some \$1 1/2 million. Both the Cromer Dam and the Coulter Dam are extremely important to the Souris River Valley and we certainly hope we can get these projects going as soon as possible. We have the Plum Creek near Souris; we have, of course, the Pembina River, which I will refer to later; the Pleasant Valley Creek Dam in the Rural Municipality of Grandview; the Blind-Souris, which is another proposal to firm up

(Mr. Hutton, cont'd.) flows on the Souris; and so we have no lack of projects that we are interested in and investigating at the present time. Then there is a lake out there in South-western Manitoba which we feel has great potential. It is the one lake in that district, Oak Lake, and my department has been carrying out investigation this past summer on the potential of raising the minimum level on Oak Lake. It looks very promising and we hope to get this project under way, if not this year, in the coming year. We are moving ahead on it as quickly as possible.

Now this outlines, I think, a pretty comprehensive and ambitious program in providing water by means of reservoirs of various sizes across the Province of Manitoba for communities that want water, and I think we have made a great deal of progress in the last few years. I am quite proud of the work of the department since they were established in the Department of Agriculture as the Water Control and Conservation Branch and I think that we can anticipate that, as they dig in and get used to their new surroundings, that they'll be able to make greater progress.

I would appreciate it if the pages would lift the top maps, in order that I can outline another important aspect of our water control and conservation program. It is, of course, the program authorized by this Legislature in 1959 to establish a utility which could develop sources of water supply and transmission facilities to communities where this water could be merchandised to the community. I think we can say honestly that without this program many of these communities could never look forward to a water and sewage distributing system in their town. It would just be out of the question because they just don't have the financial base to finance the extent of capital projects that would be required to bring these necessary supplies.

You will see on that map that there are three red dots. They represent those communities, Gretna, Altona, and Hartney, where water is flowing through the mains to the citizens. The blue dots represent those communities which have accepted an offer from the Water Supply Board and where construction will be undertaken this summer. There is one more blue dot that should go on there and I am sure the Member for Rhineland will be interested in this, that I can inform him today that the offer of the Water Supply Board will be going to Winkler this week and we hope that they will act on it quickly enough so that we can solve this problem that they've been living with for so long. So there will be four projects under this program this year for certain and, depending upon how quickly the communities decide whether to accept our proposals or the offers of the Water Supply Board, it may be larger than that.

At the present time, it may be of interest to you to know that the following municipalities have applied to the Water Supply Board for assistance under this program; Montcalm, Plum Coulee, Winkler, Russell, North Norfolk, Thompson, The Pas -- even The Pas way up there in the north and sitting beside the Saskatchewan River, and they think that we can help them and I think that we can if they decide to go ahead -- Rosburn, Gilbert Plains, MacGregor, Birtle, Woodward, Kenton, Dufferin, Grey, Rosedale, Eden, Pipestone and Deloraine, of course, has accepted the offer. The following municipalities have received offers but have not yet accepted or rejected these offers, and here again, of course, I have to amend the information I have at hand because some of these proposals have been accepted. Holland has voted yes; Hamiota, Stonewall and Ste. Rose have received offers from the board; Erickson, Cartwright, Deloraine and Holland have accepted; and so I think that in the two years that the board has been operating -- the legislation was passed in August, 1959, and I think that the board has made great progress in 1960 and 1961. This covers two very important programs and programs that have real meaning for the people in this province.

There is another program that we introduced in 1959, one that the Member for Neepawa is extremely interested in, and that is The Water Conservation Districts Act. I hope to be bringing in some amendments to that legislation that will, I hope, be an encouragement to the municipalities that he is concerned with and we, provincially, are concerned with, to encourage them to enter upon this program. I might report to you that a proposal has been made to the municipalities of Rhineland, Stanley and Montcalm, and there is every indication that a watershed conservation district will be established in that area. There is another very important program that is under way and you have been --

MR. D. L. CAMPBELL (Lakeside): Mr. Chairman, before the Honourable Minister

(Mr. Campbell, cont'd.) leaves this particular program, could he tell us the position of the Village of MacGregor with regard to -- I noticed that he mentioned it in his remarks, but could he tell us just where their proposal stands now?

MR. HUTTON: MacGregor has not received an offer as yet, as I recall. This involves the taking over of some existing facilities in pipelines and the facilities of the railway, and it has entailed a great deal of negotiation. I couldn't answer the member as to the precise position of this appeal to the Water Board, but I'd be very happy to get the up-to-date information on the present standing and convey it to him at estimate time.

I think I should mention the proposal to develop the Pembina River, and if the page would be so kind again as to lift the map, it might be helpful, when I am talking about the Pembina River study, for the members to be able to follow it on the map. I don't know whether you can see those two long black spots on the bottom of the map, but they indicate the proposed Pembilere Dam and the proposed Pembina Dam in Manitoba. The Pembilere Dam, the structure itself would be located south of the border in North Dakota at Walhalla. The Pembina River Dam would be located a few miles southwest of Morden. Both are proposals. Upstream we have the Pembina River Lakes, and these are extremely valuable and of great interest to the people living in the Pembina Valley area as well as to an awful lot of people who visit that area during the summer months for recreation, etcetera. The Pembina River, because it is an international stream, falls under the jurisdiction of the International Joint Commission. As a result of negotiations through the International Joint Commission, the bodies respectively responsible, the two countries, together with the state and the Province of Manitoba, are undertaking a major study of the Pembina River basin. I am sure you will be interested to know that the Canadian cost, in which we share, runs to \$300,000 in the next two years, and when you add the monies that are being spent by our American friends in respect to investigation on this river, you can see that the study is of major importance. It is indeed important to the people in the southern half of the Pembina Triangle because it is this river that, for many decades to come, will be supplying them with their waters for various purposes. This is under way at the present time.

Now we come to the program for the Red and Assiniboine rivers, and I think that it is important -- because I can't cover all the studies that amount to volumes and volumes and volumes -- I think it is important, first of all, to look at the kind of study that was given to the Red and Assiniboine basins and the related watershed. The best indication I can give you, or one of the indications that I can give you of the comprehensive nature of the study that has been given to these water resources and their problem and potential, is the fact that the Province of Manitoba, together with the Government of Canada, has spent some three-quarters of a million dollars -- \$750,000 in studying these water resources. They have been the subject of a most comprehensive and detailed study. There was a study in the late '40's respecting Lake Manitoba and Lake Winnipeg and then, after the flood of 1950 when the people of Manitoba became conscious of the nature of the water resource that they had to deal with, the Red River basin study was set up. It was carried on by the federal government, the Departments of Agriculture and Northern Affairs, over the period 1950-53, and they carried out a most intensive engineering investigation. Then in 1956 the Royal Commission on Cost-Benefit was set up, and here again a most searching investigation was carried out by the best qualified people in North America. Now I don't say that the Commission in itself were the best qualified people in North America, but I think the government of the day did choose the best qualified people that they could find to carry out this investigation, and we do know that these men did not rely upon their own knowledge in coming to the conclusions they did. They consulted with the best qualified, the most knowledgeable people in North America.

Now I want to go back to the Red River Basin investigation. It was an engineering investigation and, in making their investigation they did not only consider the floodway, the Portage Diversion and the Shellmouth Reservoir, they considered all the alternatives that could be considered before they came to their conclusions. They put a cost figure on every one of these alternatives and determined the extent to which each one of these alternatives would solve the flood problem. They investigated upstream control by reservoirs, or control by storage of these flood waters. They investigated the alternative of creating a detention basin at Ste. Agathe. They investigated, amongst other things, a diversion of the eastern tributary.

(Mr. Hutton, cont'd.) They investigated channel improvements through Winnipeg. They investigated diking -- an insurance -- as alternative to be considered in protection of the people of Manitoba; and after they had finished their engineering investigation and determined the costs of all these projects and the type of protection that each one would give, the Royal Commission picked up this information and, with the assistance and advice, as I have said, of the best qualified people in North America, they examined it from an economic point of view.

They first of all determined the extent of the flood hazard, and it's common knowledge to everybody in this Chamber that, as a result of their investigation, they said that the risk of flooding in the Red River Valley was such that we could expect a flood of the 1950 magnitude or larger on the average once every 33 years -- or 36 years. They put it this way, that it is as sure as a mathematical probability that the Red River Valley will experience a flood on the average once every 36 years, so it is real. Then having determined, I think with evidence because we had -- just to review that situation just a bit, we've had four major floods on the Red River, three of them larger than the 1950 flood and all of them occurred since 1826 -- having determined the extent of the flood hazard, they then had to determine the level of protection that was necessary and practical, and the most economical means of achieving this protection. This was done by comparing the costs of the various alternatives to the benefit that would be derived from their implementation and, on the basis of such comparison, they found that if we were to build the Red River diversion, the Portage Diversion and a dam at Russell -- or now Shellmouth -- we would get the greatest measure of protection from flooding for the fewest dollars.

The Royal Commission, and I think this is where a great many people go wrong, there is a common weakness in considering this problem to associate all floods that we might experience with that which occurred in 1950, and of course if you want to settle for protection against a 1950 flood or if the government wanted to settle for protection against a 1950 flood, we would not be up here asking you to endorse the construction of the Red River diversion. The fact is that there is not a smitch of evidence around to indicate that any floods that we may have in the future won't be a great deal larger than the one in 1950, and to reiterate again, the commission established that it was good business -- it was necessary to protect ourselves against a flood of 169,000 cubic feet per second flow. They established that if we had tried to protect ourselves from floods larger than this, we would not get back a dollar for every dollar that we put into it, but up to 169,000 cubic feet per second and using the alternatives that they recommended, we would get back a return of \$2.73 for every dollar that was invested. Now this is an important point to remember in consideration of this matter.

Now the reason, and I know that this is a thing that bothers people about the Red River diversion, the reason why the Flood Commission recommended the diversion rather than upstream storage, was fairly simple. You just can't get protection from reservoirs in the Red River Valley. The nature of the valley, the topography, and the width of the flood basin preclude that kind of protection, and I would like to read from the Red River Basin Investigation with respect to this matter. "There are four basic means for preventing or reducing the flooding of alluvial plains, either alone or in combination. These basic means are as follows: (a) by increasing the carrying capacity of the river proper by channel improvement." First page -- you seemed to have read it the other night. I would expect you would -- (Interjection) -- Oh yes, I'll come to your quotations but I'll give them in context. "Confining the flood waters by dikes or levies or river walls; decreasing the flow of the river by temporarily holding back part of the flow in reservoirs or detention basins; decreasing the flow by diverting part of it by diversion channels or floodways. A basic purpose of a flood control study is to determine what measures or combination of measures would be most effective towards preventing or reducing a flood hazard. The purpose of this Appendix is to report on investigations into measures for the reduction of a flood hazard in the Greater Winnipeg area by decreasing the flow by temporarily holding back part of it in reservoirs and detention basins. Investigations were made on storage on the tributaries in the United States and Canada; storage on the Pembina River in Canada; storage on the Assiniboine River; a detention basin on the main stem of the Red River in Canada."

Now the Honourable Member for Carillon the other night made a quotation from this Page 2 in the Appendix on Flood Storage of the Red River Basin Investigation. "Control by an

(Mr. Hutton, cont'd.) adequate system of detention reservoirs provides the most widespread benefits of any method of flood protection," -- and this is a true statement -- "therefore reservoirs are worthy of consideration where adequate reservoir capacity can be obtained; land or property values within the reservoir area are not excessive in proportion to the prospective benefits; sites are available at places where a substantial portion of the drainage area can be controlled," -- this is very important -- "and suitable foundation conditions exist. This section on storage in relation to the flood hazard in Greater Winnipeg reviews the topography of the Red and the Assiniboine River Basins and the probability of realizing a substantial reduction in the flood hazard in Greater Winnipeg by flood storage. Proposed reservoirs studied in connection with the present investigation and their effects on flood stages in the Winnipeg area are treated in subsequent sections. Generally, it is concluded that reservoir storage on the tributaries would not have appreciable effects in Greater Winnipeg for floods of the magnitude of the 1950 flood or greater. Several million acre feet of storage, properly distributed throughout the basin, would be required to reduce such flood flows in Winnipeg to the carrying capacity of the river channel. The topography of the basin precludes the possibility of reservoirs of this capacity on the tributaries. This is also the opinion expressed by the International Souris-Red Rivers Engineering Board with reference to the tributaries in the United States in its report to the International Joint Commission dated 15th of November, 1950.

"Reservoir protection for the main stem is very difficult because of the tremendous volume of water involved. For the 1950 flood it is estimated that additional storage capacity of at least 3 1/2 million acre feet would have been required to prevent flooding at Emerson. Potential reservoir sites of the capacity needed are probably non-existent. Some additional storage on tributaries may be feasible, however, and this we are doing, because the Pembina River is one of the main tributaries of the Red. Where reservoirs have been built or are being considered on the tributaries in the United States, they are generally approved on the basis of water conservation benefits and flood control benefits immediately downstream" -- immediately downstream. "Effective flood control in the Greater Winnipeg area may be realized, however, by utilizing and increasing the natural valley storage along the main stem of the Red River in Canada. Such a reservoir would control almost the entire Red River drainage area, exclusive of the Assiniboine basin, and would have a large capacity. However, the area along the river is highly developed and might make such a project undesirable. This government has taken the stand that such a project" -- and here they are referring to the Ste. Agathe detention basin -- "is absolutely unacceptable in a democratic country.

"The topography of the Red River drainage basin may be divided into two major sites; the broad flat plain extending east and west from the river and the rougher upland region situated above the level of the former Lake Agassiz. The plain of the Red River basin was once the bottom of the glacial Lake Agassiz and has a gentle slope east and west of the river of two to three feet per mile. Of the drainage area of 44,000 square miles at Winnipeg, about 60% was once occupied by Lake Agassiz. The largest remnants of Lake Agassiz in the United States section of the basins, the Red Lakes, are on the extreme eastern side of the basin and control only a very small portion of the drainage basin. The drainage basin is about 200 miles across its east-west axis and is about 300 miles long."

Then further down here; "Most of the tributaries originate in the upland areas surrounding the valley. These tributaries increase in slope as they pass through the beach ridges, then have very flat gradients across the lacustrine plain to the junction with the Red River. The channel capacities and cross-sectional dimensions of the tributary streams vary widely and, in fact, some of the streams almost lose their identity in crossing the plains. However, the water courses through the beach ridges are well defined and generally possess a fairly deep valley."

This is important too, and I think should be on the record. "The upland areas above the beach ridges are generally very flat. On the west side of the basin the upland area is poorly drained and only a small proportion of this area contributes to the flood run-off. On the east side, the land which is above the level of Lake Agassiz, is dotted with lakes, for instance the Detroit Lakes area. These lakes already provide a high degree of regulation to the run-off draining into it, but the area that is most effective in producing high run-off lies below the beach ridges and comprises about 80% of the total effective area in the basin. This area,

(Mr. Hutton, cont'd.) which was formerly the bottom of Lake Agassiz, is generally not adaptable to reservoir sites on the tributaries. However, there is a generally uniform drop from the upland regions to the plain of the old lake bed and it is in this region, where the tributaries have deeper valleys and the land is not too intensively developed, that suitable reservoir sites might be located. Several reservoirs of small capacity, principally for the purpose of water conservation, have been built by the Corps of Engineers, United States Army, on the tributaries in the beach ridges.

"Storage in the 1950 flood. With the objective of complete protection of Greater Winnipeg by reservoirs or detention basins, storage in the valley was examined for a flood similar to that of 1950. The total flow past Winnipeg, above the official flood stage during this flood, was about 3.2 million acre feet. At the peak of the flood there were about 700,000 acre feet of water in channel and valley storage between Emerson and Winnipeg alone. It has been calculated that this valley storage had the effect of reducing the peak stage at Winnipeg by approximately 2 1/2 feet. For the 1950 flood, Plate 2 shows the storage required to reduce the maximum flood rate to various flows at Winnipeg. Thus it is seen that to reduce the flow of the Red River at the Redwood Bridge to 80,000 second feet, which would allow about one foot of freeboard on the dikes constructed by the Greater Winnipeg Diking Board in 1951, about 600,000 acre feet of storage would have to be provided in addition to the storage existing in the valley between Emerson and Winnipeg at the peak of the flood. This calculation has been based on the assumption that the necessary storage would be obtained by artificial control of the flow between Emerson and Winnipeg. If it were desired to reduce the 1950 flow at Winnipeg by the same amount with the system of reservoirs on the tributaries, a combined capacity of at least two million acre feet would be required, part of which would be necessary to compensate for the loss in valley storage." Then of course is the question of the location of these reservoirs and the fact where maybe 700,000 or 600,000 would do immediately upstream, from there you want to protect, when you spread them out over the whole valley, you need many times that 600,000. This is a very important quotation from this engineering study: "Also, owing to the type of the topography of the basin, any reservoirs that might be built would generally be situated in the vicinity of the beach ridges and, therefore, would leave about 80% of the effective area uncontrolled, the area from which the floods at Winnipeg originate."

Now I'd like to turn to Page 71 which deals with the study in the US and the report that I quoted earlier. "Most of the present storage in the Red River basin in the United States was available during the 1950 flood, but its effect on the flow at the International Boundary is considered to have been negligible."

The following quotations are taken from the report of the International Souris-Red Rivers Engineering Board to the International Joint Commission with respect of the Red River of the north dated November 15th, 1950. I'll just -- without giving you the whole load -- I'll just give you the last sentence. "It is obvious that the effect at the International Boundary of the authorized reservoirs and channel improvements during the 1950 flood would have been negligible." I can put that in a little different way by telling you this, that to get the same protection from reservoirs as the Greater Winnipeg is getting from the floodway, would require 2,000 reservoirs the size of Morden, or 200 reservoirs the size of Rivers. Rivers cost a million dollars, so the bill for 200 like Rivers would cost \$200 million. To build 2,000 the size of Morden would cost approximately \$700 million.

Now there's another very important fact when we are considering the means of getting flood protection. If it were not for the flood control benefits, we wouldn't undertake this program at all. In fact, if it were not for the flood control benefits from the Shellmouth Reservoir, we wouldn't even undertake that project, no matter how much each one of us as members in this House would like to endorse it, because the Shellmouth Reservoir will not stand on water conservation benefits. It can only stand on the flood control benefits. The Shellmouth Reservoir shows a benefit-cost ratio of six to one on flood control benefits. The Portage Diversion shows a benefit-cost ratio of nine to one on its own for flood control benefits. The fact that we can't get these projects unless it were for the justification of the savings to the people in Manitoba in the future through protection from costly floods, is not something that is peculiar to our way of looking at things in Manitoba. At one time the Missouri River in the US was a muddy, dirty stream. I had occasion to visit it this winter and it has the most crystal

(Mr. Hutton, cont'd.) clear beautiful water you ever wished to see. They are proposing to irrigate a great deal of country as a result of the development of the Missouri and the recreation people are extremely happy about it; the wildlife people are extremely happy about it; but if it were not for flood control benefits, hydro electric benefits and navigational benefits, the Missouri would still be running wild because the Conservation aspect of that program would not justify the hundreds and hundreds of millions of dollars that have gone into the taming of the Missouri. The hydro electric benefits are so high on the control of the Missouri that they will pay back about seven-eighths of the cost; and the flood control benefits are extremely high and the navigation benefits are extremely high.

Here in Manitoba we have the same case in miniature with respect to the Red and the Assiniboine. It is the flood control benefits that justify doing anything with these rivers, and so, therefore, we must consider the most economic methods of getting that flood control. Fortunately for those who live along the Assiniboine and who can be served from the Assiniboine, and the area is very large, in the case of taming the Assiniboine we can combine storage, conservation, and flood control and storage. In the case of the Red River we are not so fortunate. We cannot find the practical means of combining these two goals, or uses of flood control and conservation, and so we must accept, I believe, the recommendation of the Royal Commission on the basis of these extensive studies, that this is the project that should be proceeded with.

Now there has been a -- I'm not going to deal with all the alternatives and why they were rejected in respect to the Red River -- but I would like to say something about the Assiniboine. I don't think I have to say much about the Shellmouth Reservoir. I think everybody here must endorse that, all except maybe those people who represent the folks up at Shellmouth who are going to have to make some sacrifice for the rest of Manitoba, and I can't blame members who represent these people if they don't quite share the enthusiasm that the rest of us might have who come from the lower reaches of the Assiniboine, because there is no doubt about it, that the major benefits from the Shellmouth Reservoir are going to accrue to the people downstream.

We come to the question of the Holland Reservoir versus the Portage Diversion. I'm sure that all the members have availed themselves of Dr. Cooper's study in which he, I think, very lucidly set out the arguments, the irrefutable arguments for construction of the Portage Diversion rather than the Holland Reservoir. Simply, they are these. The Shellmouth Reservoir will give us all the water that we need until at least 2,000 -- the year 2,000. To build the Holland Reservoir at this stage could only give us flood control. It can't serve any area that the Shellmouth Reservoir does not serve and, if you were building it as a flood protection project, it means that you are prepared to spend 50% more to get the flood protection that you can get through the Portage Diversion. The case for the Portage Diversion is even stronger than this, that ultimately it is surer protection than the Holland Reservoir. The Portage Diversion has within itself water conservation characteristics, and I think that you would be interested in hearing some of the very useful figures with respect to using the Portage Diversion to route waters through Lake Manitoba in years of low levels on the lake. I was quite amazed myself when I read them. As you all know, as much as 40% of the total annual flow of the Assiniboine passes Portage during a 30-day period in the spring, and during another 30-day period in the year, as little as one percent of the total annual flow. And so by building the Portage Diversion we not only have very sure protection against flooding on the lower Assiniboine and added protection for Greater Winnipeg, but we also have a means of, first of all, firming up Lake Manitoba in years when inflow is inadequate and of utilizing our spring flows on the Assiniboine to firm up flows on the Assiniboine later in the season. In the year 1915 the peak flow at Portage was the lowest in 50 years' records. It amounted to 1,685 c. f. s. The volume that could have been diverted to Lake Manitoba would have been 64,000 acre feet. It would have only put six one-hundredths of a foot on Lake Manitoba, but it would have stored 64,000 acre feet. Well that is about three times the storage, the effective storage of the Rivers' Reservoir, and that is the lowest recorded flow of the Assiniboine in 50 years.

In 1929, the spring flow was 4,030 feet per second, and if you had diverted that, it would give you 296,000 acre feet of water on Lake Manitoba and it would have raised the lake by about three inches. In 1931, there was a flow on the Assiniboine, and these were dry years, of 1,920 cubic feet per second. Remember the average mean spring flow is 10,000 cubic feet

(Mr. Hutton, cont'd.) per second. This 1,920 would have given us 76,000 acre feet of storage on Lake Manitoba and would only have put seven one-hundredths of a foot on that lake. In 1944, a flow of 2,620 c. f. s. would have given us 171,000 acre feet of storage on Lake Manitoba, and given us 16 one-hundredths of a foot. In 1920, with a flow of 9,720 feet per second, we could have gotten 862,000 acre feet of water into Lake Manitoba and raised it by about three-quarters of a foot. I'm talking about dry years, when we want that water; when we don't want it to run away; when we'd like to keep it in the up-stream areas.

This year, with Lake Manitoba standing at 811-1/2, we could get something approaching a million acre feet out of the Assiniboine if we took all but 400 c. f. s. We're expecting a flow of 11 to 12,000 acre feet. The lake is low and if we were to divert that, it would amount to something in the neighbourhood of a million acre feet. We couldn't even hold it all at this stage. We want to run some of that through the Fairford River works to get to happy level on Lake Manitoba -- around 812 or a little better. So the Portage Diversion has great merit conservation-wise, and when you add that to the fact that we can get sure protection from the Portage Diversion for approximately two-thirds the money, I think you have to go along with the recommendation of the engineers and the economists in this respect. You will note--

MR. PAULLEY: Mr. Chairman, on a point of order, I hesitate to interrupt my honourable friend but I am wondering whether or not this whole discussion has been in order. It appears to me, as I have perused Beuchesne and also our own orders, that the resolution before us is not a proper resolution in the first place; and, in the second place, as I read the rules and orders, the Minister has gone beyond the purpose of this type of introduction of a resolution in Committee of the Whole House; and I would ask you, Mr. Chairman, if you would take this matter under consideration. I've looked back over the Orders of the Day on all of the resolutions that have been presented to the House calling for an expenditure on the public treasury and as a charge on the Province of Manitoba. They have been rather explicit and the purpose of the Committee of the Whole House is to consider of the expenditure and not the details of the expenditure to be made to the degree that is being done at this time. I think the proper time to do that is when we have before us a resolution calling for an expenditure. The only resolution that we have before us, Mr. Chairman, is a resolution substantiating the government in its past activities. They have no proposition before us actually for an expenditure of money of any particular degree.

I would refer you, Sir, to the Fourth Edition of Beuchesne, Page 216. Dealing with Section 250 which starts on Page 215, you will note on the top of Page 16, Clause 3 of this particular rule states: "The object of the resolution recommended by the Crown is to give the House a first opportunity to discuss the advisability of making a certain expenditure. The details of the project at measure are not then disclosed and debate is confined to the resolution, which should not be lengthy, although care must be taken that the terms used are sufficiently wide to cover the whole of the bill which will be subsequently introduced. No amendment affecting the purposes for which the grant is recommended by the Crown can be allowed."

I suggest, Mr. Chairman, that because of this, the whole matter of the resolution before us and the whole subject matter of the -- or at least the extent to which my honourable friend has explained, as interesting as it is, prejudices the position of us on this side of the House for this type of a resolution. Again I say, Mr. Chairman, it is with regret that I interrupt my honourable friend but I draw this to your attention for your consideration.

MR. ROBLIN: Mr. Chairman, my honourable friend has raised an interesting point of order here and I'd like to make a comment upon it. First of all, I should say that the other day when we had before us a resolution on trade, the point was raised by the Honourable the Leader of the Opposition as to whether it should not be preceded by a message from His Honour. It seemed to me a debatable point with arguments on both sides, but in order to settle any doubts that might arise we undertook -- I think I made a statement following that -- we undertook to lean over backwards as it were on this question of Committee of the Whole stage and message from His Honour in respect of future resolutions. That's what we have done in this case. We have taken advice from those knowledgeable in this matter and they say, to avoid any doubts, that perhaps we ought to deal with it in this way, so that explains why it is being brought in by means of a resolution.

Now there is another advantage to that procedure and I commend this point of view to the

(Mr. Roblin, cont'd.) members of the Committee, and that is that this is a very complicated matter with many different aspects to it. It seemed to us that if we placed before the Committee at this stage a pretty full explanation of the points at issue, then it would enable members on the other side, who have been thinking about this for some time I know, to ask any question they have to elucidate the matter further. This opportunity, of course, would not be so readily available in the formal debate on the resolution that will come afterwards. Our thought was that it would be advantageous for us to give the fullest possible explanation now so that we could have an exchange of views in the informal atmosphere of the Committee afterwards on what is admittedly a difficult and technical subject, and then proceed with the resolution afterwards, the members then having had about as much information as we can give them in respect to the matter.

So I acknowledge the application — I acknowledge the reference that my honourable friend makes here. There is a point in what he says but what we were trying to do, and I hope this meets with the wishes of the Committee, what we are trying to do is to give the fullest possible amount of information to allow a cross-examination of the Minister which would enable members to discuss the matter freely and then, on the basis of having disclosed all the information that we could, we would then proceed with the resolution stage. This, of course, is slightly different from a Bill. If a Bill were going through, then I would say that the Honourable Leader of the NDP's argument was one that we would have to consider seriously because in connection with a bill there are other opportunities for this Committee type of discussion. This is not the case with a resolution, so it seemed to us that it would be wise to place the facts before the Committee in this way and for these reasons.

MR. PAULLEY: Mr. Chairman, I appreciate the remarks of the Honourable the Leader of the House, but to me there's a very important matter other than the one that my honourable friend has touched on, and that is in this resolution, if we are going to abide by precedents and by the rules and regulations, we on this side will not be permitted an amendment to the resolution that is before us. I agree with him that we should have a thorough discussion on the whole proposition but this is somewhat different, Mr. Chairman. I suggest and ask for your consideration of this point because at the resolution part, the active part of the resolution, in particular in connection with the matter now under discussion before us, asks us in this Committee to endorse the past actions and future actions of the government. I suggest to you, Sir, that in accordance with the citation that I have read out, that we are precluded to do that in the Committee of the Whole House. Now if the Leader of the House and you, Mr. Chairman, particularly, will take under consideration the deletion of the active clauses within the resolution that is before us and just have the discussion without the necessary commitment of the Committee to the substance of the resolution, then I would have no objection to it. I might say that it's taken me a little while to study through Beauchesne. This is the first time in my opinion that this type of a resolution of this nature, that is not apparently according to my honourable friend the Leader of the House going to be followed up with a bill -- (Interjection) -- by a resolution -- well here then is our situation. Apparently we can't amend this resolution. I think that was a ruling in the House a few days ago on a similar matter, that we were precluded from amendment. Technically then, and in accordance with the rules as I read them, we would be in a position then of having to endorse the resolution part of the proposition before us without any recourse, and I suggest, Mr. Chairman, that this is most unfair to the Opposition.

MR. ROBLIN: Mr. Chairman, I don't really think that's so. It's perfectly true that members opposite will have to decide whether they want to support the resolution or not when the Chairman of the Committee asks that we deal with the resolution. On the other hand, we are in the Committee stage of it, but that does not preclude members of the Opposition from amending the resolution itself when it is presented to the House after the Speaker resumes his Chair. There will be ample opportunity for any amendment that members wish to introduce at that time.

MR. PAULLEY: Mr. Chairman, I agree with that. I agree with my honourable friend, but what position would we then be in the Opposition. It's true, as my honourable friend says, that when we get into the House with this very resolution that we can amend it, but I think he would have to agree with me it's equally true that insofar as the report of the proceedings of this Committee that we're dealing with, which is also of course recorded in Hansard and

(Mr. Paulley, cont'd.) observed by the Press, that we have no alternative but to go along with it and that's the very point that I am making. It would put us in a ridiculous position.

MR. ROBLIN: Of course, Mr. Chairman, we face the same problem every time we're in Committee of the Whole. We've had resolutions referred through the Committee of the Whole before and we faced the same problem. I think it is open to members to express their reservations with respect to the Committee of the Whole stage to their hearts' content, and even vote against the further progress of the resolution through the Committee of the Whole, if that is their view. If, on the other hand, they don't wish to take that point of view, I think it is perfectly open to them to express their reservations as my honourable friend no doubt would like to do and say that at the regular debate in the House that those reservations will be crystallized in the form of an amendment, if honourable members would like to take that course. So I think that there's no intent here, and I hope this is clearly understood, there's no intent here of trying to embarrass or bind members of the Committee by discussing this matter at such length at the present time. I think we would all be perfectly willing to accept reservations that members might have if they simply rise in their place and express those reservations, because we know that the final disposition of the matter awaits the debate in the House at which time amendments, etcetera, would be fully in order. I would hope that no one would think that their position is prejudiced because of the circumstance that we happen to be in Committee of the Whole because, as I say, we face the same general principle of what to do with resolutions at any time we get a matter in the Committee of the Whole as we're doing now.

MR. PAULLEY: Well, Mr. Chairman, I just want to point out one thing further in connection with this. I don't agree with my honourable friend. As I have stated, we're going to have to adopt this resolution in this Committee. We're precluded from making amendments to it -- (Interjection) -- Yes, according to my interpretation. It may be wrong, and that's why I ask the Chairman to consider my interpretation of Subsection 3 of 250 which starts on Page 215 in Beauchesne. Also, I would suggest to my honourable friend that there's no indication in the resolution stage of the active part of the resolution before us that indicates that there will be a bill forthcoming. Now as my honourable friend has indicated to this House on numerous occasions, we have full opportunity of discussing matters of this particular nature in the freedom of full debate in the Committee of Supply, and I question, Mr. Chairman, in all due deference to the Honourable the Minister of Agriculture, whether the procedure of this Committee of the Whole is proper at this time.

MR. EDMOND PREFONTAINE (Carillon): Mr. Chairman, I for one agree wholly with the Honourable the Leader of the New Democratic Party. I'm not one who ordinarily reads all the rules, but I've been in this House a long time and whenever I've seen the resolutions introduced through a message it was in preparation of moving first reading of a bill. Never have we, to my knowledge, been asked at any time, as part and parcel of a resolution presented through a message from His Honour, to approve of past policies, or to disapprove, or any resolve part in it, any active part in it. To me this is the first time that such a procedure has been employed by the government. The First Minister says that there'll be no bill, so I just cannot understand why there has been a message from His Honour to do what is normally meant -- introducing first reading of a bill. This surpasses me. Now certainly I cannot for one accept this resolution at all, at any stage, at any time. I don't see why -- could we adjourn the debate in this Committee of the Whole to give us time to prepare amendments? Can we bring amendments here? I don't think so. It's never been done. Should we approve it here and then disapprove it when the Speaker is in his Chair? It would be a farce it seems to me. We're put in an impossible situation. I think that the Honourable the Leader of the New Democratic Party is absolutely right. He's been right all the time. The objections of my leader, at first, were proper. I don't think this bill, this motion should have come this way. It was not supposed to come this way according to the Orders of the Day that were tabled in our caucus room this forenoon. Just the same as the resolution moved by the Honourable the Minister of Industry and Commerce, this means the approving of a principle. I think this is a wrong procedure and I think that the Chairman should be asked to declare all these discussions, in a sense, are out of order, or at least that the two operative parts should be withdrawn before we could deal with this.

MR. ROBLIN: Mr. Chairman, I would just like to raise the point again that any vote,

(Mr. Roblin, cont'd.) resolution, address or bill introduced into the House for the appropriation of any part of the public revenue, etcetera, etcetera, has to be preceded by a message from His Honour -- (Interjection) -- That's in Section 50 of the Rules of the House, and I think members will see also if they refer to The Treasury Act, which covers this point as well, that resolutions respecting the expenditure of public funds must also be preceded by a message or have some words in -- in the case of members opposite they can use the words, "give consideration to the advisability of." But just as we know that private members cannot introduce resolutions to the House without those words, "give consideration to the advisability of", so it is that the government can't introduce a resolution respecting money without a message from His Honour.

Now it's true that we don't have very many of this kind, but that is the interpretation of the rules as it has been given to us by the authorities that we rely on in this field. I think there is no question but that using the Committee stage in a message from His Honour is something that is in order in connection with the expenditure of public funds of this nature. In fact the Honourable the Leader of the Opposition raised the same point, as I mentioned previously, with respect to the common market resolution. At that time it seemed to us that it did not require a message but we had to agree that the point was debatable, so in order to prevent any doubts about the matter in future, we refer all these to our advisers and this is the advice that we get.

Now this is the point that I'm trying to make, and I hope that the Committee will consider this. We're not taking this measure and the Minister is not making this speech in an endeavour to embarrass members opposite who may not agree with what he says. The purpose of his address is to give all the facts that he can about this, because we know how difficult it is and to permit members opposite to cross-examine him.

When the question of the vote comes, we are faced with the same situation that confronts us at any time that we have a vote in Committee of the Whole, namely, members have to say whether they're for or against it. Even though they may have reservations about it, that is the situation we find ourselves when a resolution respecting a bill comes in, or anything else along that line. It appears to be true that no amendment can be introduced which would affect the purpose for which the grant is recommended. Amendments that don't trench on that aspect of the matter are apparently allowed but not ones that affect the grant.

Now what I want to do is to find the way that is fair here. We are not seeking to take unfair advantage of members of the Committee, and that is the point I want to make. We have the choice of letting the Minister continue his statement here to give you the facts. I, myself, feel that if there is a strong feeling on the other side that this is being unfair in any way, that then we should dispense with that and we should have whatever discussion comes next on the part of members opposite and dispose of the matter; and then you go back into the resolution stage in the House as a Whole, with the Speaker in the Chair, and the Minister will continue his speech at that point. But I want to stress this point, that we're not seeking any advantage here, nor to embarrass members opposite. As far as I'm concerned, I think if there is a strong feeling on the part of the Leader of the Opposition and on the part of the Leader of the New Democratic Party that they are being placed in an embarrassing position here, well let's stop talking about it now and proceed to the next stage, which is any questions or points that may be raised by other members of the House. Then we have our vote and if it carries, and the government will try to see that it does, then we go back to the stage with the Speaker in the Chair and the Minister will then introduce his resolution and continue his speech.

Now, as I say, I don't want to be thought of being unfair about this thing. We brought it in this way because we thought we'd get the facts on the table this way and permit across-the-table discussion which wouldn't be available at a later stage in the proceedings, but I'm in the hands of the Committee and if the two honourable gentlemen who lead the parties opposite think that this is unfair or that we're not doing the right thing by them, well then we'll ask the Minister to continue what he has to say when the resolution itself is introduced at the next stage.

MR. PAULLEY: Mr. Chairman, the point that I wish to raise, and I agree with my honourable friend that our own Rule 50 found upon Page 24 does indicate that any vote or resolution calling for public funds must be preceded by a resolution, but the point that I'm raising, and my main point, Mr. Chairman, is the fact that after the consideration -- and I agree with

(Mr. Paulley, cont'd.) the Honourable the First Minister that we should have full and open discussion on this particular question before the House -- but I again want to point out though, Mr. Chairman, for your consideration, the resolution itself does not state that we're dealing with the question of providing the government with monies to do something. Because here is the words actually in the resolution: "Therefore be it resolved that this House approves the policy of the government in proposing the construction of the Red River Floodway, the Shellmouth Reservoir and the Portage Diversion, and endorses the commencement of excavation of the Red River Floodway." Now I suggest to you, Mr. Chairman, that this is a different type of a resolution than we normally deal with here. If the government had a "therefore in the opinion of this House that the government should be provided with sums of money to do this", but the indication here, Mr. Chairman, is not the question of expenditures of money. We've already approved them, I think in principle, in the past. The point that's before us here this afternoon, in this resolution, is that the government by this resolution is asking this Committee to endorse the policy of the government in respect of these things. As the Honourable the First Minister of the House has indicated to us in his last remarks, he agrees that at this stage there can be no amendment. Now that is why I raised this question as to whether or not the proceeding in this Committee is correct.

MR. ROBLIN: Mr. Chairman, all I can say is that the wording of the resolution has been very carefully gone over by the Legislative Counsel and the Clerk of the House and all those others that we rely on to see whether our wording is in order. There was no objection taken at any time so I have to assume that it is, and I think it is. I appreciate the point that my honourable friend makes, but I think as far as the Committee stage is concerned, if he simply says that he reserves his decision on the question until he has a chance to speak on the resolution when the Speaker is in the Chair, that the House will understand his position and I think the public will as well. As I say, there's no desire to embarrass him or any other honourable gentlemen about this matter at the present time.

MR. CHAIRMAN: make it clear that we did accept the message from His Honour and that had to do with the expenditure of money; and then the Minister made his speech in which he outlined the seriousness of the situation and in order for us to be in a position to justify the expenditure of the money that was being asked for in the message from His Honour. I feel it was necessary that we should have a full and complete and even comprehensive outline of the situation so that all sides of the House would be better informed as to what their reactions would be and the questions they would like to ask in the discussion that follows it. I think it's quite in order inasmuch as we've accepted it as something which, in claiming the expenditure of money as the last therefore says, it endorses the commencement of the excavation and so on and so forth, which means, of course, this expenditure. In view of the tremendous seriousness of this present situation, we're bringing it to a head now apparently and the Minister is making, what I think has to be in the light of everything and the comprehensive nature of the resolution, his complete outline. I expect that the Minister is just curtailing it as much as he can. I think that we should allow him the opportunity to complete his message and then there will be the fullest opportunity for the members to discuss it as they have on other resolutions that have been before us and which entailed government expenditures.

MR. PAULLEY: I just reiterate, if I may, that the question before the House is not an expenditure of money but endorsing the policy of the government. That to me, Mr. Chairman, is the basis on which you should have this matter under consideration. I agree -- I agree that we should have a full discussion on this matter but I just raised you a question. I'd like to hear from my friends in the Official Opposition further on this as to the point that I have raised. I think I'm substantially correct that we're not dealing with an expenditure of money, we're dealing with a policy.

MR. DAVID ORLIKOW (St. John's): Mr. Chairman.

MR. CHAIRMAN: the Minister should be allowed to complete his statement.

MR. ORLIKOW: Well, Mr. Chairman, I would like to say something on -- not on the -- well, I'd like to say something on the matter which the First Minister raised and that is -- not so much about the rules, because I think we are proceeding wrongly under the rules, but I think that we're beginning a procedure which I think has dangerous implications for the future. Now I don't think that the members of this group will be embarrassed by voting for this

(Mr. Orlikow, cont'd.) particular resolution in principle, although we may have some slight reservations which can be spelled out later, but I think that the general procedure of discussing a matter in committee first, before we discuss it in a formal way, is all wrong, because I could think of many matters on which we in this group will disagree with the government.

Now here we have it in committee. We had the resolution before today, but we're hearing the detailed explanation for the first time. We can't amend it; we can't adjourn the debate to give consideration to a detailed revision which we might want to do. The First Minister can say that "yes, we can agree to it in principle -- and the reservations". That's true as far as this House is concerned, but I've been in this business of politics long enough to know what happens when the House finishes its sittings and what the politicians can say out in the hustings. And out on the hustings they'll have the Votes and Proceedings, and out in the hustings they'll be able to say that members, and I'm not talking about this particular resolution -- I don't think it concerns our group very much, I don't think we're too far apart with the government on it -- but out on the hustings people can say that this group or that group, or this member or that member voted for such and such a resolution in principle and later on changed his mind, etcetera, etcetera, etcetera. I can't see what advantage -- the First Minister says he wants to be fair to all the members of the House. I can't see what fairer way there can be than the procedure we've always followed, which is to bring in a resolution in the regular manner. I'm not really concerned whether the Minister makes a short explanation right away or a long one or does it later, but members on this side of the House can adjourn the debate; can move an amendment; can do anything they want. Here we're being asked to discuss this matter today. The Minister has got all his experts available; they've helped him to prepare his statement -- if they haven't written the whole speech for him. He's got it all. We're hearing it for the first time. We can't adjourn the debate; we can't amend it; and we're being asked to speak on it. If you want to talk about fairness, Mr. Chairman -- I'm not saying this was done deliberately, but I can't think of an unfairer way to do it than what we're doing today. I say it today because it's not unfair to me. I have no reservations about voting for this resolution, with possibly slight amendments or reservations. It's not unfair to me at all so I can say it today, that, in general, you couldn't have found a way which is less fair to the members of the Opposition than what you've done.

MR. CHAIRMAN: before us now is the case with regard to all resolutions that come before the House of this nature, of money expenditures, and it's a matter of explanation. My ruling is that the Minister should be allowed to continue his speech.

MR. CAMPBELL: Mr. Chairman, I'm sure you will know that I was on my feet a couple of times before you gave your ruling, and it's the point of order that I would like to speak on. I think there's no question that we're all agreed that resolutions involving expenditure, and certainly this involves expenditure indirectly even though it doesn't state in the body of the resolution an expenditure, it still involves it indirectly, that those resolutions must be introduced by way of message from His Honour the Lieutenant-Governor. I think we're all agreed on that and I certainly feel that that is the position. I'm not arguing the case of unfairness or embarrassment or anything of that kind. As far as I'm concerned, and I'm sure as far as our group is concerned, we're perfectly willing to deal with this question at any time -- I'm not worried about that -- but I still think this procedure is wrong; I still think it's out of order because the method by which the resolution should be introduced is just our traditional one of saying that: "Resolved that it is expedient to authorize the expenditure of a sum of money for the purposes of these things that are detailed here." The rule, I think, is quite clear and certainly our procedure is clear as well. We have always taken the position and Beauchesne, in the citation that the Honourable the Leader of the New Democratic Party read, reiterates the same thing, that the details are not to be discussed in this committee stage.

I know that when I had the pleasure of sitting on the other side of the House I frequently called that to the attention of members who persisted in discussing the details, and I know that on some occasions the present Leader of the House has called to our attention the fact that some members on this side were discussing details, because Beauchesne is clear on it. The object of the resolution recommended by the Crown is to give the House a first opportunity to discuss the advisability of making a certain expenditure. I think that's the key point, simply

(Mr. Campbell, cont'd.) that at the resolution stage, because private members of the House cannot bring in resolutions involving expenditure, they must have a message from His Honour. Only the government of the day can get the message from His Honour, that that's the traditional system. But at that time it is certainly unusual and, I think, against the rules to combine under the heading of a resolution recommended by the Crown for expenditure that this House approves the policies of the government in proposing the construction, etcetera, and then further that the House endorses the commencement of excavation of the Red River Floodway. These are not the expressions for the recommendation re expenditure. Then Beauchesne continues from those words that I read: "Details of the projected measure are not then disclosed and debate is confined to the resolution which should not be lengthy" -- well this one's a bit lengthy -- "although care must be taken that the terms used are sufficiently wide to cover the whole of the bill which will be subsequently introduced." Now I understand that it's not a bill, it's a resolution that's coming here; and, quite frankly, if it's a resolution, if this is to be followed by a resolution, then I don't see any unfairness about it or any embarrassment -- we can have our say on it. Then further, that -- "the details aren't disclosed, no amendment affecting the purpose for which the grant is recommended by the Crown can be allowed" -- and so on.

Well, now we've gone this far with the discussion and I have no objection if it continues when the point of order came up -- I must say that I think it is breaking a precedent; I don't think that it's within the rules; but on the understanding that we're going to have a resolution, I have no objection, and I think my Leader has none, to seeing the discussion continue at this stage. But let it be clear that on the resolution, when it's introduced, we will be expressing our opinions then. In the meantime, I certainly do make some reservations here. I'm not prepared to endorse all of these things that are suggested here and I'm not prepared to endorse the policy in blanket terms; I don't think we should have to. I'd like it to be understood that in agreeing to the resolution when the committee is about to rise, that I'm certainly not agreeing to it in every particular.

MR. ROBLIN: Mr. Chairman, if I could speak to the point of order raised by the honourable gentleman who's just taken his seat. I think he has suggested a very practical resolution of our problem here and that is that we should continue to hear this explanation that's been before the committee and then perhaps the committee could rise and we could proceed with the regular way. But I would like to say this to the Committee, that I naturally am seriously disturbed if it should be considered that the way the resolution has been brought in is improper in any way. I can only say that it was looked at by ourselves and our advisors and thought to be proper. But I think that I should undertake to the committee to have the matter reviewed and if we can find in the particular point of order that was raised a lesson that we may use on future occasions for future resolutions, because we don't get many resolutions of this sort, that we could then take the matter into consideration. Now perhaps that might meet the wishes of the committee. We hear the Minister -- if anyone else wants to speak, naturally they can, but that we not consider this a precedent -- we can have a look very carefully with our experts and see whether on future occasions of this sort a different procedure should be devised. I don't know of any myself but I think it should obviously be looked into because it's causing some concern on the other side of the House. So perhaps if that was agreeable we can proceed along those lines.

MR. PAULLEY: Mr. Chairman, I might say that I would agree to the proposition proposed by, first of all by the Honourable Member for Lakeside -- first of all, Mr. Chairman, by yourself, endorsed by the Honourable Leader -- or the Member for Lakeside and the Leader of the House. I would just like to make this suggestion to him. He indicates that this will not be taken as establishing a precedent of a resolution of this type and I appreciate that very, very much. I do suggest to him that when he is having consultations with his experts in this, that at this stage of the resolution calling for expenditures of money, that the committee not be asked to endorse policy. Expenditures, okay -- but because the use of the word "policy" in a resolution of this nature can be quite broad -- because when we're dealing with the question of the policy of the government respecting the floodway we bring into our deliberations and our thoughts on this particular thing many points of the policy of the government which we, or I personally, have many disagreements with, insofar as the financial aspect of it is concerned

(Mr. Paulley, cont'd.) as indicated by my honourable friend, the Member for St. John's. Basic principle we may not be too far out financially, but in general over-all policy I am sure as the Honourable the First Minister knows, I have some disagreements with the Honourable the Minister of Agriculture insofar as the policy that the government has pursued in respect of the Red River Floodway. So I accept, Mr. Chairman, the suggestion that we continue the deliberations, that this not be considered as a precedent and the matter will be under review.

MR. MOLGAT: Mr. Chairman, insofar as our group is concerned I think this procedure would suit us all right. I had not intended to stop the Minister during his comments; I intended at the end of his comments to raise this point on our behalf. We were advised of this resolution on Friday in the Votes and Proceedings. There was no indication then that it would appear today in Committee of the Whole. When we got the Orders of the Day this morning they specifically read, and I've got my original copy, they specifically read that this is simply a proposed resolution, not under Committee of the Whole. -- (Interjection) -- No, No --

MR. ROBLIN: I consulted with the Clerk -- he advises me --

MR. MOLGAT: I'm quite prepared to lay my copy on the table, that is not what it says.

MR. ROBLIN: Well, let me have a look at it --

MR. MOLGAT: It simply is a proposed resolution in the normal fashion and we didn't come in the House this afternoon expecting to find this situation. However, I was going to let the Minister finish his statement and make the suggestion to the House that we simply let it sit in Committee at this stage and the Committee rise, so that we can consider this and prepare some of our questions. We certainly would not be prepared to make an undertaking of general policy at this time, but would be prepared to ask some questions and presumably the First Minister would give us the same leeway as he has accorded his own Minister.

..... Continued on next page

MR. HUTTON: Mr. Chairman before carrying on I would like to assure members opposite that I was trying my best, and I think I was doing a pretty good job of being a politico--a politico. I was not endeavouring to trap anyone. I'm trying to give you all the information and hoping that you will make up your mind on the other side to go along with this, and I think I would like to just make this remark in respect of the resolution that I am not asking the Honourable Leader of the New Democratic Party to endorse our policy with respect to the purchase if he doesn't want to. It says "the policy in proposing" which I think qualifies it.

Now I was talking about the Portage Diversion and the conservation aspect of that proposal. I don't know if your eyes are good enough to see the maps from there but there are other conservation aspects of the Portage work besides making it possible to divert waters in years of low levels on the lake and low levels on the Assiniboine and making use of Lake Manitoba as a reservoir, and I would appreciate it if the Honourable Minister of Welfare would point out the gravity channel that can be constructed from the Portage Diversion structure on a line south-east through Sperling and coming in to the Morris River, or as has been stated in the study of the Pembina River Triangle water requirements, taking it as far south as St. James. Now I expect that you are aware that south-central Manitoba and especially the area east of that canal is a problem area insofar as ground water supplies are concerned. In much of that country there just isn't any acceptable supply of water from the ground and so in this respect the diversion structure itself will act as a major part of a conservation program to bring water to this water-short area. I would like him also to point out the hose pumping station at Wassewa and the channel again from there in to the Boyne River, and I would like to emphasize that regardless of whether you have a Holland Dam or not, that Wassewa pumping station and channel is required to get water in to that area of the Pembina Triangle. As I said earlier the Stephenfield Dam is being built and the Minister might point out the Stephenfield Dam--right there--and this will meet the requirements of the Carman district for some years until the water used for irrigation and industrial supply and so forth builds up. At such time as the water supplies in the Stephenfield Reservoir are no longer sufficient to serve that area, then the pumping station and canals can be constructed, but out of waters from the Assiniboine whether they came from Shellmouth or whether they could come from the Holland Reservoir and the Holland Reservoir let me say again, does nothing at this stage that isn't already accomplished by the Shellmouth Dam. The increased cost of carrying the \$6 million and the lack of benefits from the Holland Dam would cost \$66 million by the year 2000 unless we can get benefits from it in addition to its flood control benefit, and it is on this basis that it has been rejected. We get all its advantages from the Shellmouth; we get more flood protection from the Portage Diversion, and in addition to that flood protection we get very attractive conservation benefits from the Portage Diversion, and I would like you to look at the map, too, and see that in the over-all program combining the Pembina River and the Assiniboine projects a fairly comprehensive provision has been made for the supply of water to the whole south central area of Manitoba, and it couldn't be improved upon by the construction of the Holland Reservoir.

Now I know that you're interested in the financial aspects of the proposal, and I propose to deal with them now. I am going to in this case use a prepared statement, and I hope that the Honourable Member for St. John's will forgive me. When I get into high finance I need to write it down. In the early part of 1959 the Province of Manitoba proposed to the federal government a 75/25 percent cost-sharing formula for the Red River floodway. The federal government responded by suggesting that the Canada Water Conservation Assistance Act formula of 37-1/2% federal and 62-1/2% provincial should apply. Negotiations to reach an agreed conclusion took place over the next two years or so; an agreement in principle was reached in late 1961. The agreement in principle provides that the federal government will pay 37-1/2% of the total cost of the floodway including right-of-way and engineering except those performed by crown employees. This percentage figure is that provided for under the Canada Water Conservation Assistance Act. However, due to the international aspects of the Red River and also because of the magnitude made necessary since no alternative equivalent flood control measures other than the floodway are available on the Red River, the federal government will pay 37-1/2% of excavation costs. Excavation not only constitutes the largest single item in the project but also represents by itself well over half the present estimated cost. Thus on this major aspect of the floodway the federal share aggregates the 75% originally requested by Manitoba.

(Mr. Hutton, cont'd.)

The application of this formula to the floodway cost is as follows: Excavation; estimated at \$35,387,000, the federal share 75% or \$26,540,250. Other costs \$28,722,000, federal share 37-1/2% or \$10,770,750. The total cost estimate \$64,109,000 and the federal share being 58.2% of the total cost or \$37,311,000. Other costs include right-of-way and engineering other than services performed by crown employees which have been excluded from many federal-provincial cost-sharing projects. That is the principle of the agreement on the Red River floodway.

I now refer to the major works on the Assiniboine River; the Portage Diversion and the Shellmouth Reservoir. Here Canada has agreed to increase the federal share from 37-1/2% originally contemplated to the 50/50 formula under PFRA. The reasoning behind this is that while it is true that very large flood control benefits are attributed to these works there are also very substantial benefits of other types, such as improved water supply, irrigation, wild life and recreational possibilities, which qualify these works under PFRA. The estimated cost-sharing on these two projects is as follows: The Portage Diversion which is \$11-1/2 million, the federal share 50% or \$5,750,000; the Shellmouth Dam \$7,545,000, federal share 50% or \$3,772,500; the total cost of the works estimated \$19,045,000 and the federal share 50% or \$9,522,500. Perhaps it should also be recorded here that in respect of the Seine River Diversion, which was begun before 1958, no federal cost sharing was arranged. The Fairford River control structure on the other hand was shared 50/50 between Canada and Manitoba. It is worth pointing out that although the negotiations took over two years to reach agreement in principle, the work has not held up. We have thus gained two years extra protection which might well have been lost had we not had the determination to proceed. No one can say for sure, but it may well be that this time gained may turn out to be providential.

The benefit cost studies have followed the technique of capitalizing in the cost of the structure the interest charges incurred from the time the construction began until the work is put into use. A different procedure is in fact followed in practice. In practice the interest is not capitalized in this way but is paid annually. This means that the works actually have a higher benefit cost calculation than when following the original formula of the Royal Commission. This new ratio is 3.07% at 4% interest, or 2.64% at 5% interest. It is worth pointing out that the benefit cost ratio is good for 50 years at which time the capital costs are completely amortized. This means from year '50 onwards the only cost charged against the works are the costs of maintenance, which are estimated to be \$358,000. Benefit cost value of the work then becomes very great indeed at that time, and I think that I would like to give you in addition to the benefit cost ratios the total figures by which they are arrived.

Calculating the costs of interest at 4% and taking for granted that the interest incurred during construction will be paid off and will not be capitalized, the average annual cost will be \$4,228,779. The average annual benefit will be \$12,983,700. This is a pretty substantial increase in benefits. It should be pointed out, too, that this increase in the benefit cost ratio has taken place in spite of rather major revisions in the original plan. The floodway was relocated to give protection to St. Norbert. This cost was in the neighbourhood of three million. The location of the proposed Portage Diversion was moved from High Bluff to the Fort la Reine route at a cost of some two million. But in spite of these upward revisions in the cost, we see a substantial increase in the benefit cost ratio, so that if the program was justified when the Royal Commission made its recommendations in 1958, it is even more justified on the basis of the returns to investment today.

I want to thank you for your great patience in listening to me. This is a tremendously important matter. I honestly hope, Mr. Chairman, that in further debate in the House that we can debate this at maybe a little higher level than we debate some matters, because everybody in Manitoba has a stake in this, and it's true that the experts are on our side; it's true that they can help us with our arguments; but I think that the experts are also on your side. You have the same information available to you that we have, and I'd appreciate the opportunity to give you any more information that I have neglected to give you that you might want.

MR. MOLGAT: I presume that it would be in order to proceed now and ask some questions. I don't think we by any means will have all the questions that we want to ask ready now though--we would like to have a chance to study the Minister's statement. Some of the material that he brought in today, particularly the first portion of his comments, were beyond the

(Mr. Molgat, cont'd.) field of what we have been discussing so far. That is, the other projects. On the immediate basis starting with the last points made by the Minister--he refers to a 4% interest rate as being discussed in this. Is this the rate of interest with which the government expects to be able to borrow for these projects?

MR. HUTTON: We don't know. We also have given you the cost within the resolution. I think we gave you the figures at 5% as well which show an increase in--these originally at 5% gave a cost benefit ratio of 2.30, or a favourable benefit cost ratio of 2.30, and if you calculate it on the basis of the present benefit and at 5% interest rate you get an increase to 2.39.

MR. MOLGAT: Mr. Chairman, these figures are based on amortizing over what period of time?

MR. HUTTON: Fifty years.

MR. MOLGAT: Does the government intend then to raise the money for this by issuing debentures of that term?

MR. ROBLIN: It's unlikely that we will, Mr. Chairman. We'll probably be issuing them over the usual term, which is 20 or 25 years. The rate of interest I think--as far as one can be dogmatic about these things--I think the rate of interest at 5% is certainly ample, because part of the money will be raised by the federal government which attracts a lower rate of interest than that, and about 40-odd 41% of it by us, and we may have to pay from 5 to 5-1/2--right now it's about 5-1/4 I would suggest--or if we use savings bonds money it would be about 5-3/4; but it seems that 5% is not an unreasonable figure to strike even under today's circumstances.

MR. MOLGAT: The cost insofar as the province is concerned at this stage is running--I think the last issue was a 20 million telephone issue, was it not? And it was over five. Have there been other borrowings of that long-term nature?

MR. ROBLIN: Well, Mr. Speaker, it depends what type of borrowing you refer to because we do have lower rates of borrowing than that. I think, though, that I would like to be conservative about it and would suggest that a 5% is--we shouldn't go any lower than a 5%, 4%, spread because our 40-odd percent of it would have to be raised on our credit which, let us say, is about 5-1/4 or 5.35 at the present. The federal government will be borrowing at something like a point spread, let us say, below us, so the average figure would work out something less than five or thereabouts.

MR. MOLGAT: As far as the province itself is concerned, we have to analyze here the costs to the province and this would have to be, insofar as Manitoba is concerned, at above a five percent level.

MR. ROBLIN: Well I don't think that's the case, Mr. Chairman, because we'll be analyzing the over-all cost of this thing. Even if it were the case one can't give any undertaking as to what our interest rate would be because it depends on the market. The market today has been getting more and more favourable. It's down to, I would guess, about 5-1/4 today. It may go lower but one can't tell. However, on the whole project I think that the five percent figure represents a reasonable maximum.

MR. HUTTON: Mr. Chairman, I'd like to correct an answer that I gave to the Honourable Leader of the Opposition. He asked me for a comparable figure at 5% to the 3.07, and the comparable figure to the benefit cost ratio of 3.07 which is calculated on the basis of 4% interest would be 2.64 because the 3.07 is arrived at on a formula in which you do not capitalize interest. The 2.30, 2.39 comparison is on the basis where you capitalize your interest during construction period.

MR. MOLGAT: Insofar as the estimated costs of construction, Mr. Chairman, the Minister gave us the Shellmouth as being roughly \$7.5 million and the Portage being \$11.5 million. How recent have those cost estimates been?

MR. HUTTON: About 1960--1961. In fact they were just recent.

MR. MOLGAT: Cost estimates then can be considered to be accurate. Do they include everything? For example, the case of the Portage. There's a problem there with railway location; a number of bridges are concerned. Are these included in that cost?

MR. HUTTON: Yes, in fact, we're hoping that we can effect some savings in constructing this by combining railway crossings.

MR. MOLGAT: The case of the Portage Diversion again. The drainage in that area at present is mainly an east-west drainage until it gets into the main creeks and then flows

(Mr. Molgat, cont'd.) northerly into the lake, but the local development drainage is mainly on an east-west basis.

MR. HUTTON: This diversion was run across these drainage--

MR. MOLGAT: What proposal then has this been included in to take care of the local drainage and take this up to the lake?

MR. HUTTON: Consideration is given to these--I'll think you'll appreciate that there are always contingencies added to the costs of any of these projects. I'd like to say here--and I'm glad that the Honourable Leader of the Opposition raised this point--that for one thing, in our field engineering work that will be done this summer, we are combining an ecological and biological study of Lake Manitoba and these problems of local drainage, of accommodating the community in which the projects are going to be undertaken, will certainly be given very careful consideration in the engineering staging. Now in all fairness I think I should say that the exact location of the Portage Diversion is not finalized at all. The Honourable Member for Lakeside will be aware, I'm sure, that the City of Portage has some interest in this, and I think he knows too that we set up a committee that could work with our engineers, so that all those considerations of a local nature can be investigated and accommodated, if possible, in the plans. We feel in the department that it's going to take us two years to get ready for construction. This is the kind of planning that is required. If you rush into these things you're going to hurt people needlessly. I think you have to confess that wherever these projects are undertaken somebody does get hurt to some extent, but we try to minimize that and I think you can minimize it if you are careful, do a lot of planning, try to incorporate these matters of local importance with your engineering design and so forth, and location, and often times you get a better job as well as pleasing those who have to live with it.

MR. MORRIS A. GRAY (Inkster): Can I ask three short questions? This may apply to the Provincial Treasurer as well. Number 1 is: how long would it take to complete the project? Number 2 is the entire amount of the project. I mean, are the funds necessary now for the entire amount of the project? What I have in mind is this, that whether you could borrow the money now before you start on the project or you could borrow the money either two or three years later and save that interest. And the third question is: how many men will be employed when you commence the project?

MR. ROBLIN: As to the first two, Mr. Chairman, I imagine it will take about five years to complete the full project. It may even take longer. From the present stage there have been about two years of study and engineering development going on, and we expect it will take another five years to complete, but that's the best estimate we can give at the moment.

With respect to the money, we get the authorization from the Legislature to borrow it in advance by some three, four, five million dollars a year, depending on what stage we're at, but we don't borrow it until we need it. In fact we often don't borrow until after we need it, financing on other reserves or resources available to us and then going to when we judge the money market to be most advantageous so that there's no risk of unused money on which we pay interest lying around.

MR. HUTTON: Mr. Chairman, it would be difficult for me to estimate the impact of these works on the employment. I think that the Honourable Member for Inkster will realize that these are very large undertakings. The excavation on the floodway is 100 million yards. It's true that it's done by big equipment but it's going to take a lot of equipment to complete this project within five years. We are very interested in having as much local participation in the construction work of these projects as possible, and during the past year we have maintained a very close liaison with the Road Builders Association in Manitoba in order that they would--within, of course, the reservations, the limitations of a government to see that local contractors get work and you'll recognize that there are limitations to how far we can go. We have tried to be as helpful as we can. Last summer when we dug a test pit on the Red River Diversion we went to the Road Builders and we said, "We want you to choose the men or the companies who should undertake this work. We will pay for the equipment on an hourly basis--on a rental basis. In that manner you, the local contractors, can gain experience in this type of excavation; you can try out your equipment; you can gain knowledge of the conditions under which you will have to work." This should be of assistance to them when it comes to bidding on the contracts as they are let. We are going as far as we can go, co-operating in every way, hoping

(Mr. Hutton, cont'd.) that the contractors are local people, are able to bid with equal advantage with any outsiders, and hoping that these undertakings will be reflected in the community in terms of increased employment, that Manitoba people will even gain from the expenditure of the funds without having to wait for the benefits of the protection that these works will give. I can't go farther than that. I can hope along with you that major benefit is felt by the local community through the construction of these works.

MR. ROBLIN: Perhaps I had better add to the explanation my honourable friend has given to make it clear to the committee that we're not departing from the principle of the lowest tender, in case there was any misunderstanding on that point. What we are trying to do is to make sure that our people in Manitoba have a fair opportunity to bid on this great undertaking and have an opportunity to inform themselves of the problems involved, which I think is quite proper for us to do, but we are not departing from the principle of the lowest tender when the bids are actually put out for consideration.

MR. PREFONTAINE: Mr. Chairman, while we are on plans for future flood protection and water conservation, I would like to take the advantage of this opportunity to bring to the attention of the Minister of the House two important matters concerning immediate protection against the flood that has been announced. There are two matters in which I believe that the Minister is asleep at the switch at the present time. Now I was reading last week with respect to the possibility of protecting us with storage reservoirs and I was impressed by the fact that these reservoirs, although they have been by the Minister today, would have quite an effect in protecting us against a flood, and in order that a reservoir could help to protect us it would have to be empty in order that it could be filled up after the crest has passed on the river. Now I can quote now from the Manning Report with respect to the dikes or dams on the tributaries, and it says this: "The diversion dams would be operated in the following way. In the winter the dams would be open and the entire flow would be passed." Now with respect to the Pembina Dam and Reservoir there's much more said in this report. "Joint use of the reservoir for flood control and water conservation purposes is feasible because floods on the Red River in Canada occur only during the spring run-off period. The reservoir would need to be emptied for flood control purposes only in the spring and only when the flood forecast indicated some risk of flooding was present." That's page 21 of the Manning Report.

Now this seems to me very simple. Anyone can understand that if we want to use a reservoir to help in protecting us against a flood we should empty it. Now I was thinking of the St. Malo Reservoir going home on Friday night and I visited the reservoir on Sunday. I saw that it was full; the water was spilling over the spillway and I asked myself, "What use is the Government of Manitoba making of this reservoir at the present time?" And I can very well see that the government does not want to use it because maybe the time has passed where it should have been emptied, and I say that it should be emptied right now, tonight or tomorrow morning. The gates should be opened to let some of the water flow right away to the river before the crest comes from down south. I think the Minister has been asleep at the switch or someone has been asleep at the switch, because this is quite a reservoir, as the Minister well knows, also the Minister of Mines and Natural Resources. I don't know how many acre feet but to a layman there's quite an amount of water which if the reservoir was empty and then closed when the flood comes from the south, it would keep quite a bit of water down in the Red River in the reservoir, that would not reach Winnipeg at the same time as the crest, and this reservoir is just 50 miles from the City of Winnipeg. It would have quite an effect. The experts who wrote the Red River Basin Investigation Report said that the reservoir has an indirect influence on flood protection in relation to its distance, and it plays down the importance of the Shellmouth or Russell Reservoir because it is 530 river miles from Winnipeg. It's too far away to have much effect in Winnipeg; but a reservoir only 50 miles away, when the only thing to do is just to open the gates and let the water go in order to be able to use it, it seems to me that it should be done. The experts might say, "Well it will have very little effect," but every little effect means something. I think we should take advantage of it. It might take a week or two now to empty this reservoir in order that we can use it, until we realize--those who know and those who forecast the flood can forecast, predict the time when the flood crest will come from the south, and then it will be easy to stop the flow in the Red River at St. Malo, and it would relieve, to a certain extent anyway, the water situation downstream.

(Mr. Prefontaine, cont'd.)

There's also what astounded me yesterday when I saw that the Red River and the Assiniboine River had been used by some municipalities as a dumping ground. It's a terrific amount of dirt that we can see now on the Red River and on the Assiniboine River. If some of the newspaper men would go and take a picture of the dump there, from the Main Street south bridge, from the Assiniboine Bridge looking to the east you would see a big bulge there in the river--dirt. It's a mixture of snow, gravel and dirt. This will do nothing to help us against the flood. Same thing at the Norwood bridge looking south on the east side. I walked over it this morning. The bulge landed some 50 feet in the Red River--dirt of all kinds. Of course there's lots of snow in it, but this snow will not melt quick because it is too dirty; it's full of gravel and full of dirt. This should not have been permitted at the present time, at any time. We know that our Red River is full of filth. Why should we allow this to go on, and maybe it will go on for a few days yet? I think it should have been stopped before but it should be stopped now. We should not allow any municipality--I understand it's the same in St. James with respect to the Assiniboine River, using the river to dump snow and gravel and dirt. That's not fair; it's not right; it delays the water and we should speed it up. We want the water to go through here. And it adds to pollution, this dirt, this gravel that is taken from the streets, from I don't know where and dumped in the rivers. It should not have been allowed to carry on. Now I do not want to touch too many problems at this time. I will later challenge many, many of the statements made, but I wanted to bring these two points today because I would like to see immediate action to stop this dumping if any is going to go on, because it's still frozen. They can still back up on that ice and mud and gravel and dump some more in the river, and as far as the St. Malo Reservoir is concerned it might be time yet--I don't know. The weather was very nice today; the water is starting to come in the ditches, and I don't know if it's not too late, but I feel that it should be opened up and that we should get some water away from there before we start getting water from the south. And it's quite sure that if this was open we can have this water through Winnipeg before the water from the south comes up. I think there has been negligence there, and I think this should be done right now. Other points I'll bring later.

MR. HUTTON: Mr. Chairman, the last time I saw St. Malo was last fall and the reservoir was getting low. I would want to check with my engineers to make sure that if we empty it that the people out there are going to have--- that it'll fill up again.--(interjection)--Well, nobody can be absolutely sure about that but the situation that we have--

MR. PREFONTAINE: You should know already.

MR. HUTTON: The situation--well the situation depends upon the type of spring that we get. It's pretty hard to tell. It was pretty dry out there last year. It was pretty dry last fall. If the spring hangs on and we get a sudden burst of warm weather then what you say can well happen. But if it goes gradually and we were to dump all the water out of the reservoir I am afraid that the Honourable Member for Carillon would be back here next year telling us that it was negligence on our part and that we robbed the people. St. Malo is not built for flood protection; St. Malo was built as a water conservation project.

MR. PREFONTAINE: it can be used as a flood protection.

MR. HUTTON: Well--(interjection)--I'm not so sure about that. I want to explain, Mr. Chairman, to the honourable member about these reservoirs that are used for dual purposes. When he talks about using a reservoir for flood control it isn't quite as simple as he has stated. It is true that in a large reservoir, in a large reservoir you can assign a pool in the bottom for conservation. You can assign a certain amount of water halfway up for dual purposes, and then you assign the very top of the reservoir for flood protection. But to say that we should go out and empty St. Malo Reservoir dry, unless I had some pretty well-considered advice on this matter, I'm not prepared to go along with the honourable member because the St. Malo Reservoir was not built for flood protection. It was built to meet the needs of that community with respect to water for the summer months and beyond that, and I am not prepared to admit that there has been any negligence at all, but I'll be happy to speak to the engineers with respect to St. Malo to see if any water should be let out, but I am afraid that the little bit of water that St. Malo holds would have very little impact upon flooding downstream. I think that the total capacity of that reservoir is something less than 3,000 acre feet. Now we're talking about--when we talk about the Red River floodway we're talking about handling 60,000 cubic feet per second.

(Mr. Hutton, cont'd.) One cubic feet per second will--every 24 hours will fill--will put two acre feet in a reservoir. That means that to get the equivalent of protection from reservoirs that you have in the floodway around Winnipeg, you would need 120,000 acre feet every 24 hours some place to put it. Now it's true that the Royal Commission said that we should investigate reservoirs, but they never said that we should use them as an alternative to the floodway. They didn't say that, Mr. Chairman. I'd like to point out how hopeless it is in the Red River Valley to try and use reservoirs. The Pembina River is the largest tributary and offers the most useful area for constructing reservoirs. If you had blocked off the Pembina River in 1950 you would have reduced the flood stage at Winnipeg by three inches. By three inches. So if the Pembina River brought under complete control will only reduce the flood stage by three inches, doesn't this point up the futility of trying to solve the flood problem in Greater Winnipeg by the use of reservoirs? There's just no place to build them. Now I'm not really that far apart from my honourable friend on the construction of reservoirs. We believe in them--today you saw a map all the reservoirs that we have planned. We build them for water conservation purposes and they're needed and we're going to build them, but we can't fool ourselves into trying to use them to solve the flood problem.

MR. ELMAN GUTTORMSON (St. George): Mr. Chairman, several of the people in the area over the proposed route of the federal floodway have expressed concern over the possibility that the water tables will be affected because of the floodway. I've been told--the Minister can correct me if I'm wrong--some wells have been affected from as far away as a mile by test holes last summer. Could the Minister elaborate on this?

MR. HUTTON: I doubt very much because of the nature of the soils that we're working in at the test hole if there was any effect on local water supply. It is however a matter of major consideration that when you cut through, not that area, but as you get north towards Birds Hill and your excavation is running from 50 to 70 feet that you may affect an aquifer. However we have two geologists working on this problem. I haven't got an up-to-date report on it. The last I discussed it the evidence was rather inconclusive as to whether it would have any major effect or not, but this is a matter that we are concerned with and studying very carefully with a view, first of all, to what the possible effects may be and what we are going to do about it if the fact takes place.

MR. PREFONTAINE: The Minister put words in my mouth that I did not use at all. He tried to have me saying that I was relying on storage reservoirs to check floods in Winnipeg. Apparently just St. Malo Dam would be sufficient to protect Winnipeg. I never hinted that, never mentioned anything of the kind. I say that it would help. All these projects would help, and now that we have available something that might help, however little, it should be used, and I believe that the Minister should possibly have informed himself a week, two weeks, three weeks ago with respect to whether it would be possible to drain or to lower the level of the water in the St. Malo Reservoir in order to be able to use a part of it at least for flood protection. He hasn't mentioned anything about the dumping of snow and gravel and dirt in the rivers. I wonder if he would have--at least I would suggest to him that this should be stopped.

MR. E. R. SCHREYER (Brokenhead): Mr. Chairman, I have three questions for the Minister. Firstly, I wonder if he could tell us if by the time we get to estimates he will have an idea as to where the crossings, the dry land crossings or bridges will be built; and secondly, you mentioned the figure of \$64-odd million for the total cost of the floodway, and just to clear up this matter of total cost, does that include acquisition of land, excavation, and does it also include cost of capitalizing it?

MR. J. M. FROESE (Rhineland): Mr. Chairman, one further question in connection with the same thing is the--on the excavation part we are getting 75/25 percent deal. Now how much of the total cost is going for excavation and how much is going for other costs? Could we have that?

MR. J. M. HAWRYLUK (Burrows): Looking at that map there gives us a pretty good idea as to the colossal project of this Red River floodway. Can the Minister tell us, as to the--I suppose there's a five-year plan involved here, but what are the projects; what steps are being taken as regarding the floodway? Which are the initial steps--naturally there's the excavation but after that what are the initial steps that are taken to complete this floodway as to the beginning and to the end of your project?

MR. HUTTON: Let's see now. The Honourable Member for Rhineland asked me how the costs of the excavation compared with other costs. The cost of excavation of the floodway is estimated at \$35,387,000. All other costs are estimated at \$28,722,000. The Honourable Member for Brokenhead asked me whether the costs of capitalizing, or amortization I would imagine he was--no, these are not; the costs of amortization are not included in the \$64 million but they are included in the annual cost to the province over the 50 year period.

The Honourable Member for Burrows asked me about the staging of the work. We expect the excavation to begin the end of July or the first part of August, and we are expecting some of the major structures to be undertaken before the end of the fiscal year, this coming winter. The bridges are built in the dry, of course, and we are hoping that they get started on the footings for these bridges. And this also applies to the outlet structure. We're hoping that they can get that under way this winter, this coming winter. The reason, of course, for staging it in this manner, we want our crossings to be built before we excavate and the excavation will be scheduled in such a way that it'll take place with the least inconvenience to the people. That is, before we excavate in an area that affects the traffic, we'll try and have the bridge complete.

There was another question asked with respect to the location of these crossings, and I can tell the Honourable Member for Brokenhead that these are available from the Engineering Office. I'm sure that Mr. Mensforth, the engineer in charge would probably give him the map indicating the crossings. The municipalities have all been informed of the locations.

MR. PAULLEY: Mr. Chairman, I notice the Minister mentioned and the resolution itself mentioned the fact that excavation will commence this year. The Minister anticipates around the end of July or beginning of August. I noted an article the other day to the effect that studies are going on at the University of Manitoba in respect of the outlets and also the diversion itself. Now if I recall correctly, this was also done and there was a model, if I remember correctly, of the whole of the floodway at the last Red River Exhibition, I believe it was, or it was on display someplace. Now, then I would like to ask the Minister this: where does he intend going from here? If the matter is still under study and they're making models to figure out the slopes of the banks and the construction of the outlet at this stage, I would like to know from him whether or not that, after this has all been done at the university, whether or not this has to be forwarded to the federal authorities for their approval. And I would like to hear from the Minister, has any portion of the floodway that he anticipates commencement in excavations this year been finally approved as to its full construction by the federal authorities, because it seems to me if we're only making studies and tests, model projects at the present time, that we're not in a position to commence the floodway and I'm wondering whether or not this will delay the anticipated commencement of the Minister.

MR. HUTTON: Well, Mr. Chairman, I want to assure the Honourable Leader of the New Democratic Party that this is all under control. We set up a Floodway Advisory Board, oh, what is it, a year and a half ago, or a year ago? A year and a half ago. And on this Advisory Board are representatives of the federal government, both the Department of Northern Affairs and the Department of Agriculture. The reason for establishing this board was so that we could have concurrence of the federal departments concerned as we went along, and approval. So all the plans have been subjected to the departments concerned for scrutiny. As a matter of fact, all the questions of engineering and so forth are dealt with jointly on the board. The model that the Honourable Leader of the NDP is referring to that was on display at the Red River Exhibition is not a working model. I don't know what you call them when they're not working models. The model at the university is a working model and it is used to check the calculations and the decisions that they have arrived at. They want to make sure that this thing works practically the way the theory and the formulas that they go by would indicate. And this has been out at the university for some time now. So I imagine that they have been taking into consideration the tests that they've been running. I can only reiterate what they tell me, that in respect of final decisions as to design they are going to be ready to go.

Now the Honourable Leader of the NDP raised this question: is there anything that we might have to refer to the federal government on? And I expect that there may be matters respecting tendering and so forth that will have to be approved by them. But here again we have the advantage that we have representatives on the board and any decisions that are arrived at here are arrived at with the assistance and concurrence of their representatives. So it makes

(Mr. Hutton, cont'd.) the job that much easier.

MR. CAMPBELL: Mr. Chairman, I wanted to ask the Minister--I hope to get this in before the 5:30 time--about the interesting projects that he mentioned taking off from near Portage la Prairie, one to the south-east and one to the south-west, one envisaging, I think, a pumping station at Rathwell and another a canal or diversion running down south-east. Has the Minister estimates as to the cost of those particular projects, and what amounts of water they would deliver to those areas?

MR. FROESE: Mr. Chairman, could I have a further question? What amounts, if any, will be contributed by the City of Winnipeg toward the cost of operation of this floodway in any given year? After all, they're one of the--well, they're the chief benefitters of the plan. Wouldn't they be asked to contribute a portion of the cost?

MR. HUTTON: On the question of the canal and the pumping station: it's very difficult to make an estimate at this time of what these projects will cost, because it all hinges on the demand that will develop in the future. As I pointed out, Stephenfield Dam will be constructed at a cost something in the neighbourhood of \$800,000 this coming year and it's going to serve the needs of that area for some time. Now, I'd like to put it this way: should a large block of farmers become interested in irrigation in that area as a result of increased interest generated by the Stephenfield Reservoir, and they approached the government and wanted to have water supplies to serve a large block, then this would bear on the size of a pumping station and canal that you would put in to Stephenfield Reservoir. If, however, this demand did not materialize, then it would be difficult to justify a tremendous project to give great volumes of water down there if nobody wanted it. Now this question of response for irrigation is a very real consideration. I am told that where they are building this huge reservoir out at Saskatchewan, south Saskatchewan, that there is some farmer resistance to irrigated farming, and they are in the position there where they must implement irrigation in order to justify the cost of the project. Now I don't think that we want to shove irrigation down anyone's throat. We do know, however, that in south-central Manitoba there is quite an interest in irrigation because in the nature of the crops that are grown--there is so much specialized farming--and in this case we anticipate that there will be a developed interest in irrigation but I couldn't say at the present time what the cost would be or what volume these projects would have.

The same will go to some extent to the canal, but there's the beautiful part--and I say it's the beautiful part of this scheme--it's simply this: that nothing that we are doing today prejudices in any way the future development of our water resources. We simply have to wait and see where the demand is going to materialize. As a matter of fact we could make a grave mistake today by putting in a very expensive water conservation project in a given area because of the demand for the water might materialize upstream. And I didn't mention this earlier, but one of the alternatives to putting water in the Assiniboine over the Holland Reservoir is through a diversion by way of the Qu'Appelle Valley, and you can see it on the map up there just south of the Shellmouth Reservoir. Now it means that if you brought your water in by that means 40 years from now when the need develops, you could serve the whole Assiniboine valley from the point of that diversion, whereas if we were to build the Holland Reservoir you wouldn't have that water available upstream. It might be that Brandon for instance might--nobody knows but they might develop a tremendous need for water there in the future, and to build a reservoir downstream it just doesn't make sense at this time, until you know where your demand is going to materialize.

MR. PREFONTAINE: Mr. Chairman, got no answer. Maybe I'll supplement it by an invitation and invite the Minister to come with me tonight on these two bridges to look at the dirt being dumped in the two rivers. Maybe he can then give me an answer tonight.

MR. CHAIRMAN: I call it 5:30 and leave the Chair until 8:00 this evening.