

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, March 19, 1974

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MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, when we had the unexpected early adjournment at 5 o'clock or 5:30 as we called it, this afternoon, I was attempting to comment on some of the observations that were made just a little earlier by the Honourable the Member for St. James, and I was in the midst of saying, and agreeing with him really, that we do have to contend with the problem of escalating costs, particularly in large scale projection projects, not only here but all across our country and all over the free world, and that this problem is one that is likely to become even worse in the years ahead, fed partly by the inflationary effects of drastically increasing fossil fuel prices.

It is always easier to look back with the benefit of hindsight on decisions made in previous years and I suppose that one could question now whether or not it was a prudent decision to have taken the decision to proceed with a large scale hydro-electric development spanning a decade and more in northern latitudes where construction costs are higher. But I have repeatedly reasserted that all evidence to date, despite the escalation in costs, would indicate that it was a wise decision to proceed with the harnessing of the renewable energy of the Nelson, and this despite, as I say, the escalating costs.

There are those who cannot refrain from the temptation to accuse certain policy decisions as giving added impetus to escalating costs, but I was in the process of saying this afternoon, Mr. Chairman, that the phenomenon of cost escalation and revision of construction cost estimates has been taking place during most of my memory in this House and certainly from well into the 1960s.

Maybe the Member for St. James is not aware of the process by which cost estimates even on Kettle Rapids took place, starting away back in March of 1966 and continuing periodically every year to undergo estimate revision until the final cost of Kettle is in the order of 150 million - 145 million greater than was initially proposed. And that of course, takes into account the adding of two units to the power house, but only two units. Of the five cost revisions that were made, four of them were in the nature of revisions pure and simple, and one of them had to do with an expansion of the initial concept, and I don't suppose the world has changed for the better, in fact, it is probably changing for the worse in terms of cost escalation to be anticipated in the years ahead. And what will make the matter more difficult to contend with, Mr. Chairman, is that it would seem as though national energy policy in Canada is going to encourage proceeding simultaneously with four or five major energy development projects, each of them in the order of several billions of dollars, and I cannot see how, unless this is properly synchronized and timed, that this can avoid having a very adverse effect on the money market and therefore the cost of money and also an adverse effect in terms of competition for available industrial, or rather construction personnel.

The Member for St. James probably would want to look with profound interest and skepticism and with the benefit of hindsight, for example, with respect to the fact that only two years ago, two and a half years ago to be more precise, under provincial policy in Alberta and national energy policy, the National Energy Board, it was agreed to export, to sign long-term agreements - this is what my honourable friend was worrying out loud about, and I share the concern with him - nevertheless two and a half years ago a long-term export of six trillion cubic feet of natural gas was entered into, out of Canada into United States, and this at a price which I think already as of this date, is probably in the order of 40 to 50 percent below current prevailing prices.

But it's not only the price that is at issue, it is the very fact that at a time when we are told that western Canadian supplies of natural gas have a life duration such that by the end of this decade we will already be in a demand to supply deficit position, to stand by and witness the continuation of a contractual agreement in which six trillion cubic feet will be exported is something that must be very disturbing to us all. And because we are exporting on that scale, it merely moves ahead in time the need for large construction projects such as the McKenzie Valley Pipeline, and that in turn, to the extent that is brought forward, it moves ahead also the date of the Arctic Island Natural Gas Pipeline, and ideally speaking, it would be in the national interest it seems to me, to want to see a postponement of five to ten years in the time

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(MR. SCHREYER cont'd) scheduling of both the McKenzie and any future contemplated Arctic Island pipeline system. But I doubt very much that it can be postponed if we continue to export, and God forbid, to add additional export contracts for natural gas onto those which are already signed and which have to be honoured in my opinion. So all of the experience to date, and particularly the experience of the last six months in the world of energy, would certainly I think lead any prudent person to the conclusion that there is indeed every reason to be skeptical about long-range contracts for the export of energy, particularly if there are no provisions in it for periodic indexing or price adjustments. And on top of that all, there is all the more reason to be skeptical about any long-term exports of non-renewable energy.

Insofar as hydro-electric energy is concerned, the question of price in the longer term is one which has to be closely guarded and provision has to be made for periodic revision right within the terms of any proposed agreement; and in addition to that of course, there is need to relate Canada's needs in terms of energy, both non-renewable and renewable.

In the case of Manitoba Hydro I think that a pretty basic decision has to be made at some early future date as to whether we want to enter into an agreement that does guard against long-term commitments, that is based on a shorter term arrangement and is based on surplus capacity, which is of course, reserving one's position or hedging one's position very carefully. But if one does that, one cannot hope in all logic to negotiate the same kind of price as one could if one were prepared to step out and enter into a somewhat longer term of firmer supply. That's the nature of the decision that has to be made and the old English adage goes "You can't have your cake and eat it too". If you want to guard against over-commitment in the long term, in terms of firm guarantee of supply, then one can do that but at the expense of a somewhat reduced price and a somewhat reduced rate of return. All of these considerations, of course, are in process of careful analysis and evaluation and before the die is cast of course there is need to submit to the National Energy Board which has been created to protect the national interest, and I have no doubt but that is exactly what that agency intends to do.

Having made those points I believe I've covered the gist of what my honourable friend was referring to, the concerns he was voicing, and I believe that I can say that those very same concerns are very much in mind and the factors involved are under careful analysis.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, in the Capital Estimates I didn't catch the Minister of Finance's remarks prior to the supper hour but I understand that he didn't give a breakdown of the amount \$480 million for Hydro, and I wonder if at some point before we go on too far, if he would be able to indicate what the \$480 million is earmarked for.

With regard to the First Minister's statement - the debate is old of course, that there is only one major issue and that is whether or not the - I suppose there's more than one major issue but certainly the major issue is whether or not the people of Manitoba were not in some way misled somehow between the administration of the government and the administration of Hydro for a period of time when the important decisions were made on Manitoba Hydro.

Because, Mr. Speaker, we don't have to look at the long-term history of planning of the Nelson River to try and justify a case for the present situation, the circumstances are in. All we have to do is look at the last two years and look at the statements that were made before the Public Utilities Committee and the statements that were made by the First Minister with regards to the justifying costs on Lake Winnipeg control.

And I'll point to one of the documents that was tabled to the Public Utilities Committee, which was tabled by Mr. Cass-Beggs, who said that the control costs with regards to Lake Winnipeg would be of the order of \$50 million. And quizzed on it, he was asked how accurate are those figures, and he said 45 to 55 million. He said, because any estimate of that sort is accurate within five to ten percent, and giving him the benefit of the doubt, which he took himself at the time and is documented in the proceedings - 45 to 55 million. And the balance cost for the Jenpeg power station brought the total up, of the two, to of the order of \$110 million. And then, Mr. Speaker, a year ago in this House, when we suggested that these figures were out because the costs have increased by an approximate 70 percent from what we could determine, we were told we were making ridiculous and ludicrous statements.

A MEMBER: Schoolboy arithmetic.

MR. CRAIK: Well, that wasn't the schoolboy arithmetic stage, that was earlier, when Mr. Campbell was accused of schoolboy arithmetic.

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(MR. CRAIK cont'd)

We were accused last year in this Legislature by the First Minister, who then said that the 70 percent increase in costs were ludicrous and ridiculous. And so the people of Manitoba, by a statement by the First Minister who is in charge of the affairs of the province, lends a lot of weight of course to a position - and they of course, I would expect the majority thought: Well, the costs haven't really gone up that much. Then the First Minister said: "At the outside, given the outside, those costs might be \$185 million." He took the upper limit again - and that's 12 months ago, Mr. Speaker - and we're advised now, in the 12 months - within 12 months, less than that a bit - that the costs are 231. And God knows what they're going to end up at, because the project's not finished. And that's 12 months, Mr. Speaker. And the First Minister said: "But we've had a lot of inflation in the heavy construction industry," but the figures of inflation on heavy construction in no way give you that sort of an escalation. So if you write off an escalation due to inflation of 10 percent - 11 percent in the construction industry, which has been running higher this year - you're still left with an unexplained amount, a very large unexplained amount - 10 percent on the amount he indicated is \$18 million. Well, Mr. Speaker, there's a balance of 30 or 40 million dollars completely, at this point, unexplained. And the First Minister mounts the philosophical argument about how the universe is unfolding as it will, because the Nelson River had all these things built into it from the start, and somehow the people are supposed to now believe that there were no mistakes made in this project.

Well, Mr. Chairman, we're not asking for an explanation that goes back to 1966. That debate has all been settled, Mr. Speaker, and we can make statements and counter statements until the end of this Legislative session. Mr. Speaker, I can quote you the statements by the last person who had a real good grasp on the Nelson River Project, the late D.M. Stevens, who I can quote - that stood before the committee and he said: "Lake Winnipeg regulation is not a necessity at any time necessarily"--(Interjection)--Okay, we'll dig up the quote directly. We'll dig up another quote by a study made after this government came to power that said Lake Winnipeg regulation will not be an economically viable undertaking until at least the 1990s - and only then if, only then if, Mr. Chairman. So what the First Minister and Mr. Cass-Beggs have launched us into on the basis of a six-week hasty report - a six-week hasty report done by Mr. Cass-Beggs alone, because Mr. Durnin from Saskatchewan had the good sense to realize what was happening and bailed out - that one dime thin report done in six weeks by Mr. Cass-Beggs has never been deviated from one iota in spite of the \$10 million prior to his arrival and the many more millions of dollars after his departure on engineering studies. He set the stage. We got the evidence presented to us at committee stage to justify Lake Winnipeg regulation, and the government was able to buy three years of time to mull over what they should do on the Churchill River. And that period of indecision to make up their minds on the Churchill River and the ghastly mistake of Lake Winnipeg project now at \$231 million admitted, itself provides a front end load charge on our whole hydro system that in very significant amount dictate the rise in rates that we're now faced with - and, Mr. Chairman, also puts the government in the position when they're bargaining with the American interests, that they have no alternative or option that they would have had had they been able to deal with the smaller plants on the Churchill diversion to satisfy Manitoba's needs and been able to bargain for surplus power at their own time and at their own will.

Mr. Speaker, with the monumental costs of Lake Winnipeg, the only justifiable way to pay for them is to build the massively large plants on the Nelson River - and the only way you can do that is to sell the power to the Americans, and the Americans know it. And, Mr. Speaker, I'll be very surprised along with other people, that when the smoke all clears many years hence, that the only thing Manitoba will have gained out of any potential deal with the Americans is that they happened to have built the plants at a period when costs were lower than they're going to be in the future. That's the gamble that has to be made, has to be taken - because if the rates of costs, the rates of power generation now we're faced with on the Nelson project, to be competitive with what the Americans can produce will be a chore in itself and to produce power and sell it at 15 mills will be a major undertaking and will have to be done if the Americans are expected to buy firm power from Canada. So we're not going to make any significant profit, a profit that we could have made had we kept the front end load charges down, which we would have done had we stayed with the initial plans for the Churchill Diversion. And on top of all this, we add 14 feet of water to South Indian Lake and suggest to the people of

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(MR. CRAIK cont'd) Manitoba that we've made a sufficient environmental gain over the previous plan.

Well, Mr. Chairman, the First Minister in going back into the history of the Nelson River from 1966 is all well and good, except that, Mr. Chairman, it's well documented in the Public Utilities Committee hearings by what I consider to be probably the major authority on Nelson River power development, the late Don Stevens, who stated unequivocally that Lake Winnipeg regulation would not be a necessity, would not be a necessity. We'll dig up the quotation for the First Minister if he disbelieves it. So let's not say that what's happening now in the Nelson River is what was planned from the start: it isn't. We've added monumental costs because of the front end load charge that's involved in the Lake Winnipeg Development. In addition to that, we haven't boxed ourselves into a very good negotiating position for export sales of power and the responsibility for this lies with the First Minister and at least a former administration of Manitoba Hydro, and it's going to be a major job for the present administration to retain their integrity before this matter's entirely cleared up.

I would ask in conclusion, if we could get the breakdown from the Minister of Finance on the \$480 million; it's a most massive amount of money that's ever been requested, I'm sure by far, possibly twice as large almost as any figure in history of the province. It amounts to \$500 of borrowing authority for every man, woman and child in Manitoba. I have to add that it will be a great deal of trepidation that we support the motion to go for this, because of what we consider to be the waste of money so far; we're not however going to be caught voting against it. We never have voted in any way that would indicate that the Nelson project should be stopped or halted in spite of the criticism we may have had of it. We don't question for a moment that the development of renewable resources is the way to go; we do seriously question, and I say it with some trepidation, that we support this massive amount of borrowing in view of the expenditures that we feel that have been undertaken unnecessarily in the last two years in particular.

Mr. Chairman, I would ask then that the Minister of Finance could indicate out of the \$480 million what is dedicated to Lake Winnipeg, to the Churchill if he can, and can he indicate whether out of the \$480 million there's any moneys contained in here for future power sites and power lines in 1974-75 that will be for the supply of firm or so-called surplus power to the United States.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, I will give the Honourable Member for Riel the information with respect to the breakdown of the budget figures. Having done that, I will return to Square One on Nelson River Development starting - that's right, February 15th to be exact - and I want to put on the record a document here which indicates the extent to which price revisions or construction costs revisions were being made in the years, every year since the entry into the agreement with Canada for the development of the Nelson River. So let my honourable friend the Member for Riel not pretend so piously that cost estimate revisions were not the order of the day even back in 1966 and '67.--(Interjection)--Yes, every year my honourable friend says, and that is certainly correct. I think it certainly wouldn't hurt, if one is going to invoke the words and memory of the late Don Stevens, it wouldn't hurt to indicate to this House that I have it on the best authority in the current Chairman of Manitoba Hydro that it was always in the concept of the Nelson River development to proceed with Lake Winnipeg regulation before too long and certainly before the end of the decade of the 1970s. Let there be no question about that.

I would like to just ask my honourable friend to reflect on whether or not he wasn't in this House on the 15th of February, 1966 when the following statement was made by the then First Minister: "Madam Speaker, it is against the background of study that we began negotiations last August with the Federal Government to arrange a financing program that would more closely reflect the use of power development. At the outset, with high development costs and no return, the best way had to be sought to speed up the time when we reach the right side of the ledger. A proposed agreement in principle, which is being announced here and in at Ottawa simultaneously this afternoon - rather a historic day, the 15th of February, 1966 - provides as follows: Manitoba will build and pay for the generating plant," - that is Kettle Rapids - "the diversion structure on the Churchill and the regulating structure near Warrens Landing."

A MEMBER: Where's that?

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MR. SCHREYER: Well, Mr. Speaker, Warrens Landing to the best of my knowledge is at the outlet of Lake Winnipeg; it's a few miles removed from where the current regulation structure is being built, but it is a regulating structure - nevertheless on Lake Winnipeg. And it was right in the agreement --(Interjection)-- Why did you sign it if it wasn't -- well why did you sign that agreement with Ottawa? It was right in the agreement, stipulated, Section 4 of that agreement provides for Lake Winnipeg regulation - and your First Minister announced it in this House. Not only that, he went on to announce as follows: "This together will cost" - and get this - "the generating plant, the diversion on the Churchill and the regulating structure on Lake Winnipeg, these together will cost an estimated \$208 million."

Now having put that on the record, Mr. Speaker, I want to indicate, I want to indicate, Mr. Speaker, what happened thereafter. On the 16th of March, 1966, exactly 29 days later - correction 30 days later - the initial budget on Kettle generating station, 171 million. The same day the initial budget on Lake Winnipeg regulation, 28 million; Churchill River Diversion, 20 million. The 8th of November, 1966 budget revision - \$11 million added to Kettle generation for a total of 182 million. June 7, 1967, that's a period of 8 months, 9 months, a revision - \$40 million, so now it was 222 million on Kettle Rapids alone, Mr. Chairman, February 14, 1968, a further revision, but this one has to do with two additional power house structure units - units 11 and 12 - \$18 million, bringing it up to 240 million. July 10, 1968, revision, escalation, schedule recapture, bedrock fault condition - revision, \$49 million, bringing it up 289 million. December 10, 1969, revision - \$21 million - 310 million. And then since this administration has been in office, an additional revision on Kettle Rapids of \$13,017,000 bringing it to a total of 324 million. All the while, Lake Winnipeg regulation underwent revision as well. March 16, 1966 - 28 million; August 9, 1967, less than a year later revision to increase capacity and to update cost estimates - \$16,900,000, bringing it now to 44,900,000. Churchill River Diversion started out with an initial conceptual estimate of 20 million; August 9, 1967, a revision of 8,800,000 bringing it up to a total of 29 million. And so it goes. Revisions to date. There is no reason for anyone to piously pretend, Mr. Chairman, that revisions were not worked into the entire Nelson River Development right from the day it was announced, within 30 days after it was announced, as being something based on an estimate of 208 million had already escalated 30 days later to something considerably in excess of that, and within 12 months later to something that was in the order of 25 to 30 million dollars more. And a year later in 1968 additional revisions in the order of 20 and 30 million dollars.

But, Mr. Chairman, I do not use that as a means of trying to engage in a game of retrospective backbiting. The decision to develop the Nelson, in my opinion, was the right decision, not only in terms of just this generation but it makes even more sense when looking at the world in the much longer perspective of history. And that's what's important about the Nelson River development.

But, Mr. Chairman, I must say that when the decision was made and it was postulated on certain key assumptions which were actually worked into the very words and guts of the agreement that was signed with Ottawa, well after that administration changed and a different administration came in in 1968, I believe it was, or the fall of 1967, they seemed to forget about their contractual obligations, they seemed to forget about what they had indicated and outlined in the House, tried to manipulate and jigger around the entire concept of the Nelson and that's when they got themselves into trouble.

Well, Mr. Chairman, it is patently clear that no one has got the right, in all honesty, to pretend that Nelson River development was not predicated in the first place, and is predicated now once again on an evenly balanced dependency on both Churchill River Diversion and Lake Winnipeg Regulation for the firming up of the required flow to justify the kind of investment that is being put in place in the 12 units of generating capacity at Kettle Rapids, at Long Spruce, and all the way down the line till the last of the major Nelson River plants is built.

Mr. Chairman, I don't suppose that there is anything that can be said that will persuade my honourable friends opposite, but let them be clear that they are not coming even close to persuading us that they had it in mind right at the outset not to have Lake Winnipeg Regulation as part and parcel of Nelson River development, because agreements, contracts, speeches in Hansard prove otherwise. And let them not pretend either that cost escalation is not almost a regular feature of any large-scale construction project involved with northern hydro-electric

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(MR. SCHREYER cont'd) . . . development, whether it be the Nelson or any of its related engineering works, or whether it be James Bay. And in the case of James Bay we hear of a hydro-electric development that is in the order of \$6 billion for a 8,000 megawatt capacity development, and one can only speculate as to whether or not that 8,000 megawatts of capacity will ever be developed at the currently suggested cost of \$6 billion. Particularly this is unlikely if we see in Canada at the same time in the next ten years simultaneously, the investing of five, six billion dollars on projects such as the Athabasca Tar Sands, the McKenzie Valley Pipe Line, and so on, competing for investment capital, competing for construction personnel.

I thought, Mr. Chairman, it would do my honourable friends well, it would help to give them a perspective on the kind of problems that are encountered in a dynamic world of constantly changing price and costs. It would do them well to be reminded of the cost revisions that I have outlined the 8th of November 1966, the 7th of June 1967, the 14th of February 1968, the 10th of July 1968, the 10th of December 1969. That last revision is one which took place five months after a change in government, but I believe that it must have been based on valid enough engineering reasons. Certainly it was not something which in any way involved policy decision. And so it goes.

Now, my honourable friend the Member for Riel asked for a breakout of the costs or the main components of the Capital Budget, and I can indicate to him as follows, that the figure of \$480 million involves a two-year requirement, the first year of which is authority and the amount that is likely to be raised, actually raised on the money markets, and that accounts for 247 million approximately. And the remainder of about 234 million is the 1975-76 requirement which is needed, not for raising of the money, but for authority to commit. And when one adds the two together, that is the figure that my honourable friend the Member for Riel had used.

Now, in turn, to give a component breakdown of that, generating stations account for 195 million this year and 172 million next year, made up of the Kettle Generating Station, Long Spruce, Churchill River Diversion, Lake Winnipeg Regulation, and a miscellaneous entry of \$1 million out of the total of 195 million.

If my honourable friend wishes further breakdown, of the 195 million under the general heading of generating station requirements, Kettle Rapids Generating Station has a further requirement this year of 12.8 million; Long Spruce of 70 million; Churchill River Diversion of 52 million; Lake Winnipeg Regulation of 58 million; and miscellaneous other 1.3 million. Then under transmission, I believe my honourable friend asked if any provision was made for a major interconnection and the answer to that is . . . Beg your pardon?

A MEMBER: He didn't ask?

MR. CHERNIACK: He did ask for it.

MR. SCHREYER: Yes, and the answer is that the amount that is being requested here in Capital Authority under transmission has to do with 4 million, 4.5 million for a line of transmission from Grand Rapids to Vermillion, and then the balance of 2.7 million is really a collection of a number of smaller scale transmission facilities.

Then there's a request of authority here for 21 million under the general heading of Stations and Terminals; Dorsay Station 7.5 million; Radisson 6.9 million; at Letellier \$12,000; then the rest is also general involving a collection of a number of terminal capital expenditures.

Under Distribution, I just give the general heading, distribution 19 million, communications and telecontrol; load frequency control \$3 million; transportation equipment 3.5 million; and other capital in the order of 3.4 million. Which brings that to a total for this current fiscal year coming, that is after the first of April, of 247 million.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, just momentarily, I didn't want to have a discussion of this with my Premier and take up the time of the House, I'd rather give the information direct. There is a slight disagreement in my figures which I would like to put on the record so that our figures will jibe, the Premier's and mine. The Premier has stated that the expected capital expenditure for this year is in the neighborhood of some 247 million. For my own purposes I am discounting some \$15 million as not having to be raised in the current year at the end of the program, so for my purpose I'm thinking in terms of some 234 million to be raised for this year's work. But on the other hand I'm also aware of a net refunding requirement of some 35 million that will come up in this year, so that in my calculation the borrowing

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(MR. CHERNIACK cont'd) . . . required for hydro for this coming year, actual borrowing it will be \$269 million. Now there's no real disagreement in our figures, there's only the apportionate of the requirement of actual fund raising in this year as compared with the authority required which indeed, as the Premier has stated, will be a matter of ensuring commitments in this year for the following year's work.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I thank the Minister of Finance for his statement on these figures and the figures given by the First Minister. I want before leaving this, though, to say in reply, in rebuttal to one of the points made by the First Minister, that unanswered yet lies the tremendous variation in the figures that have been given to us in the last two years. I say he keeps going back into the history to look at those figures. We want the answers on the other figures, primarily on Lake Winnipeg Regulation, because it's all right for him to say that hindsight -- accuse us of using pious hindsight, something like this, but let him be well aware that there has never been an issue, there has never been an issue, Mr. Chairman, where so much foresight was cast on an item, so much foresight was cast by so many people who had some knowledge of what was going on, and the strange part of it all is that even their worst statements were on the conservative side, on the small conservative side, Mr. Chairman. They were short. Their projections of overruns were short. They talked about, first of all, hundred million dollar overruns. And as a matter of fact, in the first letter - I believe it was the letter of resignation written by Mr. Campbell - he suggested that there would be a waste of \$50 million and then he puts in parenthesis: "and I predict it will greatly exceed that estimate." Well he's dead right, Mr. Chairman. We want the explanation of what happened in the last 12 months and in the last 24 months, where the escalation was 200 percent, or 100 percent, in the period of two years and an escalation of between 20 and 30 percent in the last 12 months alone.

Finally, I want to say that the suggestion here is that some jiggery-pokery went on in 1968. Well, Mr. Chairman, Mr. Chairman, that jiggery-pokery then was done by none other than the same person that we both alluded to as being a man of some stature with regards to power affairs. It was done by the late D.M. Stevens in a statement to the Public Utilities Committee . . .

A MEMBER: That's right.

MR. CRAIK: . . . Mr. Speaker, it was his statement. And in addition to that, to add to that so-called jiggery-pokery the First Minister refers to, it must have been a jiggery-pokery report that he had done in 1970, paid for after the government changed, that essentially said the same thing, that Lake Winnipeg Regulation would be valuable to the system if it came in at a cost not exceeding about \$15 million. Therefore ruled it out. And so the present government put it in at \$110 million they went for it, and now it's \$231 million. Those are the answers that we want, Mr. Chairman. Those are the kinds of answers we want. Not these, not the revisions that took place in 1966 and 1967. I think the other thing is, to be fair on this matter, 1966 was an early planning stage. This project started in the early 1960s. And I worked on the project myself during the mid-1960s and had some familiarization with the whole concept behind the whole thing, and the whole aims and objectives of it, so it isn't without some background that I'm at least familiar with it, and I know that in 1968 that much of what was being said was still conceptual and was being firmed up as time went on, and by 1968 the decision to forego Lake Winnipeg was a legitimate engineering decision, and it was at that time stated and in the reports done in 1970, reaffirmed after more years of engineering data and background, that that investment was not an investment particularly at that early stage of the game with the high capital costs - and I've said before what imposed a high front end charge on the whole project was not one that anyone was suggesting at that stage except Mr. Cass-Beggs when he arrived on the scene.

I think that in all fairness to the, you know, posterity of the people of Manitoba, we're saying what we think the facts of life were. The government bought time to see what they could do on the Churchill River. They bought essentially three years and we're paying through the nose for that time we bought which was an expensive Lake Winnipeg. So we'll leave it and let history prove, like Mr. Campbell says in his letter, there's a letter here, in his closing paragraph - and I think it has to be one that already we should read into the record for his benefit as a person who has usually been accredited sound judgment - in his last

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(MR. CRAIK cont'd): . . . paragraph says, "Time will tell whether I'm right or wrong. I confidently await time's verdict, but I shudder to think of the unnecessary financial burden which will be forced on hydro users in the meantime and for all timesto come. That, Mr. Speaker, isn't just hindsight, that's foresight. And a man laid his resignation on the line in order to say it.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Chairman, it's all very well to quote someone's letter of resignation but, Mr. Chairman, what is silent, what is silent in my honourable friend's remarks is the fact, is the fact that there were at least five other members of that same board who did not resign and who presumably would have resigned had the decision been the other way around. It's strange that my honourable friends opposite like to make reference to one member of the board, but they conveniently forget or omit making reference to the late W. J. Parker who was on that board for many years prior to this administration, and who continued on the board under this administration until his death. And he was one who signed, in conjunction with the majority, five-sixths of the board, a majority of five out of six, who signed a report to the effect of upholding the rightness of the decision to proceed that they had come to.

Now I must say to my honourable friend the Member for Riel, if it gives him any satisfaction, that I suppose as in most human affairs there is opportunity to lay blame or fault at someone's doorstep, and I suppose that that is something which I cannot escape any more than anyone else who is in a similar position in past years, and I would say to my honourable friend that if there is room for criticism it is probably with respect to having waited perhaps a year too long with respect to Churchill River Diversion. Perhaps two years too long. Perhaps that could have been speeded up. That much I will concede to my honourable friend although that, too, is very much involved, very complicated, very complex and debatable. But it may be that the verdict of history and the hindsight that will be available to those five, ten years from now will sustain my honourable friend's position in that respect and not ours, in respect to the possibility of having waited one or two years more than would have been optimum.

But having said that, I want to say in a way that would sound like a clarion call, that I do not for one split second accept the argumentation of my honourable friend that Lake Winnipeg regulation was postponable. No one that has advised us and who has been involved with this system for many years pretends to argue that Lake Winnipeg regulation would have been postponable beyond the end of this decade, the 1970s, not 1990 or some stupid nonsense like that, and on that score I will never concede to my honourable friend because it was very much an inherent part of the Nelson River decision in 1966, and it was never departed from so far as the head of systems planning of Hydro was concerned, nor was it departed from in the case of the late Don Stevens to the best of the information and advice that was given me. And so my honourable friend can table some document if he likes, and I can advise him that there is no question in the minds of those who have been advising us but that it was assumed all along that the optimum way to proceed would be to incorporate Lake Winnipeg regulation as part of the Nelson River development, and sooner rather than decades later.

Having said that, I want to say to my honourable friend that I wonder if he was unconcerned about cost escalations on the 8th of November, 1966, the 7th of June, 1967, and the 14th of February, 1968, and the 10th of July, 1968, because revisions of tens of millions of dollars were made in each of those cases and each time upward. And that was in a day, Mr. Chairman, when the over-all rate of inflation in our economy was admittedly not as bad as it is today. My honourable friend wants some reason why there has been cost escalation. Some of it has to do with the same phenomena that explains this, all these revisions that took place back in 1967-68, 1966-67-68. In addition to that, he uses the silly argument now that Lake Winnipeg regulation is \$230 million as opposed to 50 million. --(Interjection)-- You said 230. He obviously is aware that in Lake Winnipeg regulation there has been incorporated provision for 150 megawatt power plant which is of a size that is comparable to the largest power plant on the Winnipeg River, namely Seven Sisters, larger than that, and one which will be an engineering work that will actually be producing energy and revenue as a result. It's not simply a regulating structure pure and simple, as was initially conceived, and because a power plant has been incorporated into the design, into the construction, that certainly goes a long way towards explaining some of the magnitude of the change in the cost figures involved.

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(MR. SCHREYER cont'd) . . . Honourable friends should be fair, at least, in dealing with accusations about cost escalation, some of which I accept but not in the gross over-stated way that he is pretending, and I certainly do not accept that either in complete and majestic and glorious isolation from the fact that even in the 1960s they were revising pretty substantially even then.

MR. CRAIK: Mr. Chairman, on a point of order . . .

MR. CHAIRMAN: Point of order. The Honourable Member for Riel.

MR. CRAIK: . . . The Minister has said I stated that the cost went from 50 million to 231 million dollars. The \$50 million was attributed to the lake. The total cost at the time was of the order of \$110 million, and this was stated on March 13th, 1973, in a statement that was made in this House at the time that the First Minister said. I never at any time said that your figures went from \$50 million to \$231 million. --(Interjection)-- No it went from -- That was Lake Winnipeg, attributed to the lake regulation; the balance of the 110 to the control structure was the Jenpeg plant, the power structure in it. So, Mr. Chairman, to keep the record clear, there was no statement on my part that was intended to say that this government's figures on Lake Winnipeg, other than attributed to lake regulation, was \$50 million. The combined cost given by the government by Mr. Cass-Beggs in his presentation to the Standing Committee on Public Utilities, September 10th, 1971, when you added up his statement with the report that was tabled, the figures came out to of the order of \$110 million. So, Mr. Speaker, any statements we've made we'll back up with the figures. We just ask government to back up its statements that the people of Manitoba believed in the last two years when they were trying to justify control of Lake Winnipeg.

MR. CHAIRMAN: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Chairman, we're in Capital Supply today and I marvel at the patience of the members of the Progressive Conservative Party in earnestly seeking answers from the government, because, Mr. Chairman, that is a fatuous waste of time. And I commend the Honourable Member from Riel for his effort in trying to understand the government's handling of money, but, Mr. Chairman, any event of the last four years will have persuaded the most reasonable man or the most reasonable observer that to talk about accountability and the defining, identifying of cost and expense of this government, is a sheer waste of time. And so, Mr. Chairman, let it be very clear, we are asked to vote Supply, the Liberal Party will not vote Supply. We will not vote five cents to the incompetent mismanagement, bungling-ridden administration that is equivalent to a bunch of children playing in the sand when it comes to dollars.

MR. SCHREYER: Why don't you grow up? Why don't you grow up?

MR. ASPER: Mr. Chairman, Mr. Chairman, if the First Minister thinks that he can stand in this House and pour what he thinks is oil on troubled waters by explaining the costs rise if it's Hydro or something else, that's malarkey, Mr. Chairman, because nothing goes from one to four billion dollars in honest accounting, something that is totally a stranger to the government, honest accounting. --(Interjection)-- Yes, Mr. Chairman, if the government, if the government had been asked to supply tonight --(Interjection)-- Mr. Chairman, I wonder -- if there are members opposite who prefer to carry on their own debate, that's perfectly acceptable to me, but Mr. Chairman, by your own ruling . . .

MR. CHAIRMAN: ORDER!

MR. ASPER: Well, Mr. Chairman, the great spender of all times, the Minister of Mines and Natural Resources says, "Well, let's all leave." By all means let him leave, because his contribution both to government and to this House is at best, at best a charade and at worst a cover-up of bungling mismanagement, ineptitude, incompetence and the inability to discern between spending and squandering. Now, Mr. Chairman, Mr. Chairman, we can talk about Hydro, we can talk about Manitoba Telephone System, we can talk about -- yes we can talk about Autopac, we can talk about the Manitoba Development Corporation, any of the capital items shown. Mr. Chairman, without exception they portray a picture of the incapacity, the insensitivity to what taxpayers are about and what dollars are about. And, Mr. Chairman, nothing more graphic than the meeting of the Economic Affairs Committee this morning has ever occurred. Nothing more volcanic has ever occurred in the history of Manitoba, ever, with one exception - the CFI fiasco. Nothing has ever occurred to demonstrate that we should vote no to Supply, which is merely a formality, Mr. Chairman, and we

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(MR. ASPER cont'd) . . . will vote no because it may some day be interpreted that we acquiesced in the squandering and the inability of this government to handle money.

Mr. Chairman, let me put this in perspective in capital terms. In the last two weeks in terms of Capital Supply, the utility, the use of the capital voted to this government, we have the following: We know that half a million dollars of capital that they willy-nilly expect this House in half billion dollar terms to vote, half a million has disappeared somewhere in the Department of Co-operative Development in the northern co-ops. We know that. No one dares deny it because no one dares to become a fool, a proven idiot. Anyone who denies that half a million dollars has disappeared, let him come forward, let him stand and let him go before any committee of this House that will examine it. That's the environment in which we examine Capital Supply. The Manitoba Development Corporation, Mr. Chairman? We have nothing before us except millions of dollars of squandered, wasted money, capital money. Northern roads? Capital money, buried in loss . . .

POINT OF ORDER

MR. GREEN: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Point of order.

MR. GREEN: I realize that the time is almost up but I gather that we are going through the Capital items, resolution by resolution, and the honourable member --(Interjection)-- Well I am . . .

MR. CHAIRMAN: ORDER PLEASE!

MR. GREEN: I am suggesting that we are moving resolution by resolution which will not of course - and I'm not attempting to suggest that there will not be a concurrence motion when the general capital item will be dealt with, but I do believe, Mr. Speaker, that we do deal with them resolution by resolution, and the speech that the honourable member is making can best be made as a general protest to Capital Supply which is on the . . .

MR. CHAIRMAN: Order please.

MR. GREEN: Mr. Chairman, I understood that we were speaking on the Hydro item. If I am wrong on that, I will withdraw my point of order.

MR. CHAIRMAN: We are on Manitoba Hydro in Schedule A.

MR. GREEN: Mr. Chairman, then I leave my point of order

MR. ASPER: Mr. Chairman, Schedule A, on the point of order, covers the works, and the First Minister stood in his place and spoke on the works, and the technique of the . . .

MR. CHAIRMAN: Order.

MR. ASPER: . . . House Leader in trying to cite . . .

MR. CHAIRMAN: ORDER PLEASE. ORDER! A point of privilege has been raised.

The Honourable First Minister.

MR. SCHREYER: Well . . .

MR. CHAIRMAN: ORDER! The hour being 9:00 o'clock -- the Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, Could I ask just in closing whether we might get the figures on the Hydro borrowing in four categories: Churchill, Nelson and Lake Winnipeg and the fourth, group all the other into a group? I know you read out a lot of the figures but could we ask if you could provide us with that information readily?

MR. ASPER: The point of order that's been raised by the House Leader is that we are not in this debate permitted to deal with the matters set out in Schedule A. Now, Mr. Chairman, all I'm calling for is . . .

MR. CHAIRMAN: Order please. I can't hear the honourable member with about ten other people interjecting.

MR. ASPER: Well then, Mr. Chairman . . .

MR. CHAIRMAN: ORDER.

MR. ASPER: . . . detect where it comes from.

MR. CHAIRMAN: ORDER PLEASE. I'm not calling you to order, I'm calling other members to order. I'm trying my best to hear what the honourable member is saying. Now if the honourable member wants me to maintain order when I am calling for order he will sit down until I get order. Order.

A MEMBER: What do you know about intellect?

POINT OF ORDER

MR. CHAIRMAN: ORDER.

A MEMBER: You're right. You're right.

MR. CHAIRMAN: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Chairman, there is a point of order before you that you must rule on. The point of order raised by the House Leader is that in this debate we are not permitted to deal in seriatim or in any order we see fit with the items set out in Schedule A. That's the effect of the order. Now, Mr. Chairman, what I set out to do was to deal with Schedule A in the aggregate, and the question before you is, if we are going seriatim, Manitoba Hydro, Manitoba Telephone System, Water Services, then that's an order that you can make - and we'll be bound by it. But, Mr. Chairman, my understanding of this debate and this resolution is we're debating Capital Supply, and Schedule A is an aggregate and we are entitled to touch on the concept of Capital Supply as set out in Schedule A. Now, Mr. Chairman, it makes no difference, just order and tell us what we should debate and we'll do it.

MR. CHAIRMAN: Order please. The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I understand the honourable member's chagrin at learning our procedure, but I think that members will agree that the procedure has been, and it's logical that it shall continue to be, line by line Schedule A, then line by line Schedule B -- (Interjection)-- Is that the member -- Mr. Chairman, is the Leader of the Liberal Party the one who just yelled a moment ago, "Keep order, Mr. Chairman". Line by line, as I said, Mr. Chairman, on the conclusion of committee, as I recall it, and we only did it a day or two ago, we go into concurrences, and the concurrence then is an over-all concurrence for the entire sum of money when the whole amount would be debated, Mr. Chairman, My leader, the Premier, debated only the question of Hydro Estimates, which is the line before us. Now it has been that way now for the several years that I've been responsible for leading Capital Supply that we go line by line, and when we come to the conclusion of the work, then on the concurrence everything of course can be debated. Now that's my recollection.

MR. CHAIRMAN: Order please. The Honourable Member for Lakeside.

MR. ENNS: If I may be permitted to add a word from the Official Opposition. We essentially concur with the procedure as stated by the Minister of Finance, I believe it holds for a more orderly debate and that that has in fact been the practice in the past.

MR. CHAIRMAN: A point of privilege has been raised. Order please. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, my point of privilege is that we are now debating upon the time of Private Members in this Chamber, and the debate on the point at issue should be resumed when we are back in Capital Supply and in committee in the next sitting of this House.

MR. CHAIRMAN: The point is well taken. The Chair will rule when this Committee next meets. Committee rise and report. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered certain resolutions, has directed me to report same and asks leave to sit again.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the report of the Committee be received. (Agreed)

PUBLIC BILLS - SECOND READING

MR. SPEAKER: The first item is Bill No. 23. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): May I have this matter stand? (Agreed)

PRIVATE MEMBERS' RESOLUTIONS - No. 15

MR. SPEAKER: Private members' resolutions. No. 15 - and this one falls into the same category as the one last night which is up for the third time, and we will I believe entertain it again with the acquiescence of the House - but it too until the procedure has been clarified in respect to this particular matter, is not setting a precedent if it goes forward. Is that agreed? (Agreed) Very well. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I move, seconded by the Member for St. Boniface.

WHEREAS the Federal Government has offered to establish and finance a new national park in Northern Manitoba, which would significantly improve the economy of the area through more tourism;

AND WHEREAS several spokesmen in Northern communities have endorsed and accepted the concept;

NOW THEREFORE BE IT RESOLVED that the government give immediate consideration to the advisability of accepting the Federal Government offer and taking all steps necessary to achieve the establishment of the new Northern national park, such park location to be chosen after consultation with the Northern communities.

MOTION presented.

MR. SPEAKER: The Honourable Member for Portage.

MR. G. JOHNSTON: Well, Mr. Speaker, over the last several years there has been much discussion in this Legislature and also some discussion in Ottawa about the desirability of establishing another Federal National Park in the Province of Manitoba. And I understand that the provincial authorities have had some reservations with respect to holding the mineral rights for a vast area, and rightly so; I can appreciate their concern in this regard. But I do think that at this point in time the provincial authorities will have discovered and explored and sized up the proposition whereby we may or may not be giving up mineral rights which may accrue to the people of the province. So after having said that I would say that after the time lapsed, that the provincial authorities will have examined whether or not the province is giving up some value by way of mineral rights. And this discussion has been ongoing for several years. So I say that the establishment of another national park in our province can do nothing but give good results to the province by way of tourism, by way of tourism nationally and internationally. So I would ask honourable members opposite and I would ask honourable members who have within their constituency - and I'm talking about the northern members now - the possibilities that our national park can accrue to the benefit of the people in the area and there can be a realization of profitable operation by way of having another national park in Manitoba.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Speaker, I would like to comment on the resolution as proposed by the Honourable Member from Portage la Prairie. I must commend the member for his interest in the north and the interest he has taken in proposing the resolution recommending a national park in the north. I think in some respects what he says is true, that a national park would have certain benefits to the province as a whole and that it may have certain benefits to the area in which it is established. I must admit that I am a bit surprised and I must say also that it seems a bit ironic, that a member from a southern constituency is the one who proposes a national park in northern Manitoba. I hope that it does not reflect a colonial attitude on the part of the Liberal Party that the south knows what is best for the north.

I must consider the basic assumptions by which this resolution comes about. He says first of all, in the first Whereas, that the Federal Government has offered to establish and finance a new national park. I think there is some dispute in this area as to how much the Federal Government is prepared to offer in terms of financing. He also says in the Whereas, that it would significantly improve the economy of the area through tourism. I would say that there would be some dispute in this assumption as well, on my part at least.

He also says in his resolution that several spokesmen in northern communities have endorsed and accepted the concept. Since I first read this resolution I have checked with many of the communities in my constituency; I've asked the honourable members of the other northern constituencies if they have in fact heard of any northern spokesmen who have endorsed and accepted the concept of this northern national park. I found much to - I guess not really to my surprise - that there weren't very many people if any in Northern Manitoba who have

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(MR. BOSTROM cont'd). . . endorsed and accepted this concept. I would ask the honourable member in fact to point out where and when he heard northern spokesmen asking for a northern national park.

I would like to consider each of these assumptions that he has made in detail. First of all, on the issue of spokesmen, who in the north has made a recommendation for a national park? I have a proposal which was made in 1968 for a Bloodvein National Park - and I live in the particular area which would be affected by this Bloodvein National Park, and I can say with certainty that at no time was the community that I live in or any of the communities on that side of the lake consulted about this proposal that was made. This particular proposal would establish a national park on the east side of Lake Winnipeg, it would take in one or two of the communities on the east side of Lake Winnipeg entirely. I assume and it makes-- in fact, the map which is provided in this proposal doesn't even point out, does not even indicate the location of the community which is inside the park. In other words, the southern people who have proposed this park did not take into consideration the people living in the area - and they certainly did not consult them as to where and whether or not they would like to have a national park. I've had certain individuals from Winnipeg and the southern area approach me in recent months proposing a national park on the east side of Lake Winnipeg. I must say that this group also did not consult the communities in the area. I have made a condition on my support of any national park proposal, that in fact the people who are proposing the park consult with the individual communities which would be directly affected by the establishment of such a park.

On the contrary to having spokesmen in my constituency who would be proposing a national park, I've had a number of groups come to me asking me to oppose a national park, if in fact it were to restrict any of the traditional activities of the people living in the remote communities and reserves in my constituency. In fact, in recent months an article came out in a local newspaper written by a southern person who was proposing a park on the east side. I received several phone calls immediately after this article was released; the one phone call in particular which I remember was from a local resident of one of the communities and he said, "Harvey, stop any national park from coming into this area." I think he was feeling probably a gut reaction to the whole proposal. His idea of a national park was one which would restrict the traditional activities of the area and, as he so aptly put it, it would provide employment only for conservation officers.

So that's the kind of gut reaction that you get from people in my constituency about a national park. They're afraid of the idea, they're afraid that some of their traditional livelihoods will be lost through the establishment of a national park. Some of them have been outside of Manitoba and have travelled to parks like Banff and so on; and they have seen these parks, and they don't really agree with all of the restrictions that are placed on people, the restriction in terms of traditional activities. I think that the right kind of national park in the right location, which wouldn't reflect or wouldn't restrict the traditional activities of the community would be acceptable. Fishermen's organizations, trappers' organizations have all contacted me in recent months saying that they don't in any way want to have their traditional activities infringed upon. The Manitoba Indian Brotherhood I think, has put themselves on record as opposing in general terms a national park on the east side of Lake Winnipeg in particular. I think their overriding concern is that there are resources to be harvested in that area - resources, the harvesting of which would bring employment to the people in that area. They see a park as infringing upon that harvesting of those resources and in fact curtailing and preventing the establishment of those jobs for the people living on that side of the lake.

The second assumption which he makes is that it would improve, as he puts it, significantly improve the area through tourism. I think it's a myth that this would benefit the area, and certainly it is a myth in certain circumstances. Increased tourism which only brings in the camper crowd, where they load all of their groceries in their car, they hook on their trailer behind their car and they drive into the national park; they bring all of their supplies with them, they come up for a fishing weekend, they bring nothing into the area in terms of participating in service industries. They even bring their own booze with them, they don't drink in the local pubs - so they really don't, they don't assist the area in terms of service industries or bring employment into the area. The service industries which would be established

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(MR. BOSTROM cont'd). . . in a national park may provide some employment for a few labourers or conservation officers, as one of my constituents so aptly put it. All of these jobs which would be provided in this way would be of a menial type, labour jobs, they wouldn't provide people with an opportunity to develop and own the resources.

One of the ways probably that you could say that a national park might benefit the area, is if the Federal Government were to throw in a road as part of the deal. It may enhance the area in the sense that it would provide access, access for the people. It would certainly assist those communities that are remote at the present time and that are cut off from the southern areas; they must be serviced as members in this Chamber certainly know, by winter roads, which aren't exactly the best way of servicing an area. Certainly an all-weather road would enhance an area in providing access for local residents.

There are many drawbacks however to a national park, and I'll mention some of the drawbacks that I think could be mentioned in this regard. Certainly if this national park scheme would be accepted as proposed in 1968 by the Federal Department of Indian Affairs, it would have meant probably the relocation of more than one traditional settlement on the east side of Lake Winnipeg - and I would say that the relocation of any settlement is completely unacceptable. The proposal as proposed here gives no guarantee that the traditional rights and practices of the people living in the area would be protected. All of these rights and practices that are presently being practised by people living in the area are very important. Trapping may not, for example, may not seem to be an important economic activity to some southern residents, but in fact it is a very significant economic activity to people living in the north; whether a person depends on it for his total or a supplement to his income, it is very important. And hunting as another example, is a significant opportunity income for families living in the north - and I'll give you an example. If you take the example of a northern family that is able to hunt and kill two moose per year, that would mean in dollar terms if they had to buy that meat in a Hudson's Bay Store located in Little Grand Rapids or Norway House or wherever it may be, that would mean in opportunity income terms an amount equal to about \$2,000.00. So even the traditional practice of hunting is very important to remote communities which traditionally have a rather low average income. And certainly the commercial fishing activities are a significant part of the income in most of the communities which I represent. In fact the commercial fishing income is probably the major portion of the income of most of the residents in Rupertsland, in the northern areas. And wild rice harvesting is another traditional activity which is important to the people living in the remote communities. All of these things are important and they should not be restricted. The location of a national park should not be placed so that it would restrict these traditional activities of northern residents.

I notice, Mr. Speaker, my time is almost up, so I will proceed quickly to wrap up my comments.

I believe that if there is going to be a national park established in any area, before it is established there should be a rational and intelligent appraisal of the area to determine an optimum development scheme whereby all the alternative uses of the resources of the area can be evaluated - so that the communities can have an input and be able to say that this area here is one which we want to get into for development; we would like to have the opportunity of developing this area, we don't want a national park there. If you put a national park over here, it'll wipe out our trapping; if you put one over there, it'll prevent us from being able to participate in commercial fishing. These are the things that - the reasons why the communities should be consulted before there is a national park.

If all the alternative uses of the area are appraised, I am not objecting to a national park in a sense that if it's placed in the right area where it's not infringing on these rights, then I can agree with it - but a national park, only if it will enhance the area in terms of optimum return to the residents. We're not so concerned in the north about whether or not it brings in tourist dollars to Winnipeg; we're concerned about whether or not it brings in more dollars to the area. People in the north are suffering from unemployment as it is and we wouldn't want to have a national park which would create more unemployment. I would support a national park if it will provide more opportunities to local residents, not less. And I would support a national park if it will provide more benefits for the area residents than other alternative developments would offer.

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(MR. BOSTROM cont'd). . .

With these words, Mr. Speaker, I would propose an amendment to the resolution as proposed by the Member for Portage, and the amendment would read as follows:

To amend all the words after "Federal" in the first sentence - I'm sorry. I would move seconded by the Honourable Member for Churchill, that we would amend all the words after "Federal" in the first sentence by reading "and provincial governments" - I perhaps should read the - okay, "and provincial governments have been and still are engaged in discussing plans for the development of a national park on the northeastern boundary of our province;

"THEREFORE BE IT RESOLVED that the Provincial Government continue the negotiations with the Federal Government with regard to the establishment of a northern national park, taking into consideration all the alternative uses of the resources of the area and;

"BE IT FURTHER RESOLVED that the location of such a park be chosen after consultation with the communities of the region directly affected by the establishment of such a national park."

MOTION presented.

MR. SPEAKER: The Honourable Members have a copy - and each Party? The Honourable House Leader.

MR. GREEN: Mr. Speaker, on a point of order. I note that the amendment reads "amend all the words after 'Federal' in the first sentence by reading " - and then. . .

MR. SPEAKER: Well, I am interpreting that - in the WHEREAS, that's where it starts. Am I correct?

MR. GREEN: Yes, and that what the amendment wishes to do is to delete everything after the word 'federal' and substituting the words that he has used in the amendment.

MR. SPEAKER: That's what I assumed. The Honourable Member for Swan River. Order, please. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: On a very brief point of privilege. My point of privilege is that I owe an apology to the Member for Rupertsland, because informally he had approached me before 9 o'clock asking me if I would move the resolution, and I said I would not. And I would like to apologize to the member because of the sequence of events in our party, that I found that I should move the resolution. I wish to apologize to the Member for Rupertsland.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Chairman, I feel compelled to say just a few words. I've had a brief look at the amendment. . . The Honourable Member for Rupertsland - I appreciated everything he had to say, and certainly I was just as concerned about some of the things that he pointed out, they were quite true. But at the same time I question why he should have said that he was surprised that this proposed resolution should come from a southern member. I feel that we're all Manitobans and we all have opinions - and this is the place to put them on paper, and it was done so. But you know I have found, Mr. Speaker, in my short sojourn in Canada that the people in southern Manitoba, many hundreds of thousands of them have never been beyond Neepawa - and that is insofar as northern Manitoba is concerned. The national park in northern Manitoba, to me anyway, is a necessity - and it should be considered as was suggested by this resolution, and certainly by this amendment.

I look at it a little differently to the honourable member. First of all, let me say that those that are occupied in trapping, or make their living by trapping and fishing, should at all times be protected and assisted. But I would remind the honourable member that for several years now I have risen in this House and brought to the attention of the Minister of Mines and Natural Resources the slaughter of our wildlife, and I believe on one occasion I went on to point out the spot where that national park should be. And I was thinking of Pelican Lake, where the pelicans gather every year from all over the North American continent - and it's a tremendous sight, and the area is good. I feel, Mr. Speaker, the hunting seasons that we have and the slaughter that is going on amongst our wildlife, that they should have an area where they can go and be protected and rest a while from what is going on. As I've suggested many times, I feel that the area immediately north of Swan River is good deer and moose country, and it bothers me tremendously, particularly during the trophy season to see a 500 lb. animal with the horns simply taken away and the rest of the animal allowed to rot in the bush. This I've seen on scores of occasions and I think it should be arrested. And I believe if a real sincere check was made of our wildlife throughout Manitoba, during the last ten years the depletion

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(MR. BILTON cont'd). . . of the wildlife and what there is left, that we would have cause for concern. And I see this national park as a haven for these animals and the preservation of such wildlife for generations yet unborn.

The Honourable Member for Rupertsland spoke as to what his constituents are saying that they don't want a national park east of the lakes. If that is their feeling, that's the way it should be. But I would remind him that west of the lake there is hundreds of thousands upon thousands of acres of wild country, there is yet much of it not been trodden by man, and there's no reason in the world in my opinion that an area should not be taken care of there and a national park created.

He talks of the tourist, and he says it's a myth. Well, on the western side of the lake and through the area in which I live, I would say to him that many many thousands of Americans come up into our country - and they do spend their money in our country and they do buy the game licenses, and they do enjoy themselves. And if only the people in southern Manitoba, particularly in the City of Winnipeg, would take advantage of that country and see the thousands of lakes and see the wooded areas and the wildlife as such, it would be good for them too. And I believe a national park in northern Manitoba, Mr. Speaker, would be of some interest to the people of southern Manitoba. They would come north, and they would see the ruggedness of it and enjoy it. It's there for all to enjoy that this effect of a national park in northern Manitoba would do much to open it up and attract our people into the north. During my political career it's been my privilege to go to many parliamentary conferences across Canada and I've always enjoyed seeing the national parks that other provinces have, elaborate in their makeup, well kept and something for all the people of those particular provinces to enjoy. And it's high time, Mr. Speaker, that we had one in this province - and certainly in northern Manitoba. After all, the resolution is just simply asking for the advisability - and the amendment to a large degree supports that the consideration that has been given should be continued, keeping in mind that at all times as this progresses the people's opinion, living in the country, must be asked for and their support must be given. So, Mr. Speaker, with those few remarks I have no hesitation in suggesting to you, Sir, that the party of which I am a part will support the amendment as submitted to the House.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. I wish to take the opportunity of the House to say a few words on this resolution and, Mr. Speaker, I could not agree more with what the last speaker had just said to the House a few minutes ago. But, Mr. Speaker, I do wish to bring to the attention of the member that just spoke a little while, from Rupertsland, I just wonder if he's aware that tourism has the potential to be one of the fastest growing industries in Manitoba, in the Province of Manitoba. Because he must realize that the people are traveling more, people are looking more for recreation facilities - and in view of what's happened as far as the gas shortage is concerned in the States, across the line, this can be one of the largest and the fastest growing industries that we have in Canada. I'm sure that the Member for Rupertsland does not appreciate it and does not realize that tourism is the second largest industry in Canada, next to Agriculture - in Canada. I'm sure he doesn't appreciate it.

But Mr. Speaker, I'm glad that the member's on record saying that he doesn't like to have a park, a national park in his constituency. But I would like to hear . . . well, Mr. Speaker, the member spent 15 minutes saying that he doesn't want it in his constituency - and then he said at the last 10 words, he said: Well, it should be communicated with the local people.

MR. SPEAKER: The Honourable Member for Rupertsland have a point of order?

MR. BOSTROM: Yes, Mr. Speaker, I did not say that I did not want a national park in my constituency. I said that I did not want a national park which would infringe on the traditional rights and activities of the communities in my constituency. In fact the resolution that I moved would prove to the honourable member that I am in favour of a national park. --(Interjection)--

MR. SPEAKER: Order. Order. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I'm not prepared to listen to the member's speech. He made his speech already in the House. The member must be aware, must realize that the Federal Government has made a proposition to the Province of Manitoba, and said: Look, we'll pay for the park. You declare what area you want the park established. Now the member spent 15 minutes, said: I don't want it in my area. That's what he said, --(Interjection)-- unless it's on conditions that I will accept. --(Interjection)-- Well, that's fine. So his conditions are

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(MR. PATRICK cont'd). . . not acceptable. What I want, Mr. Speaker, what I want the Member for Rupertsland, the Member from Churchill, the Member from Thompson, The Pas and Flin Flon to get up in this House and say: "We don't want a national park in our constituencies." That's what I want him to say. Then we'll know where the members in northern Manitoba stand. Because I did have an opportunity to talk to many people from northern Manitoba; in Churchill, in The Pas, in Thompson - and as far as I'm concerned the people are interested in having a national park in their area. They are interested. I'm sure there have to be deals and considerations made, but what I've concluded, and it is my interpretation and I'm inclined to believe what the member has said, that he's not interested in a park in his constituency. --(Interjection)-- Well that's fine. Yes he did. He spent 15 minutes saying, "I don't want a park in my area." Well that's fine. Mr. Speaker, in Canada today your national parks and the national park concept have a key role in consideration of recreation in this province, or recreation in any province in Canada. The member doesn't believe in that. Well that's fine. You know, he doesn't believe in that. I feel it's long overdue that we should preserve much of our wildlife area, much of our areas, and I know the Member for Rupertsland. has a hangup on east of Lake Winnipeg, and if he would look in the Estimates, on last year's Estimates on Tourism and Recreation, I made a speech in this House last year and the year before, and I said that the Provincial Government should give consideration to establishing a provincial park on the east side of Lake Winnipeg. That's what I said. And you know, it was interesting for me to listen because the Member for Rupertsland, when he moved the Speech or seconded the Speech from the Throne, he said the same thing; he said the same thing. So I found it very interesting and, you know, --(Interjection)-- I agree. But somehow, somehow, Mr. Speaker, the members from Northern Manitoba do not appreciate and they feel they don't want a park. It is my understanding and my clear understanding that the Federal Government has indicated, the Minister of Indian Affairs has indicated --(Interjection)-- No, no I don't. No, Sir. Well I wish the Member from . . .

MR. SPEAKER: Order please. Order.

MR. PATRICK: Mr. Speaker, I have invited the Member for Churchill to speak on a resolution for a higher minimum wage in Northern Manitoba; I am inviting him now to speak, I am not inviting him to speak, you know, for establishing of a northern national park in Manitoba, and nobody has forced, the Federal Government has not said the park has to be on the east side of Lake Winnipeg, or it has to be in The Pas or Flin Flon or Thompson area, or in the northern triangle area. That's not what the Federal Government said. The Federal Government said, "We will pay for the park. You determine the location." That's what the Federal Minister has said, that's what the Honourable Minister Jean Chretien has said in the House of Commons; he has stated this in Manitoba. He said, "You determine the location of the park," but I find now that the Member from Flin Flon, from The Pas, from Thompson, from Churchill, from Rupertsland, they don't want the national park in their constituencies. And the Member for Flin Flon, definitely his points were well taken - or Swan River - he made some good points and he was right, Mr. Speaker. Who wouldn't want a national park?

We're talking about three-day working week, we're talking about, you know, less working hours, 30 work-hour week, and here I find that five members from Northern Manitoba they say, "We don't want a park in Northern Manitoba." That's fine. I just want it on the record for them to state they don't want a park, a national park in Northern Manitoba. Because really, that's what the Member for Rupertsland has stated to this House. And then, you know, he ended up at the last minute, saying, "Well, the local people have to be concerned." But, Mr. Speaker, what did the Federal Government or the federal Minister say? He said, "We're not going to determine the location. You determine the location." He said to the Provincial Government, "You determine the location where you want a provincial park." So then the Member for Rupertsland should check with his front benches and say, "Look, it's up to you to determine the location where the park should be, and don't lay the blame on the Federal Government." But that's what the member said. Somehow--you know, the member doesn't realize that in British Columbia the highest revenue that comes to that province comes from tourism - the highest revenue - and it's in the billions of dollars.

Now I think Manitoba is in a very fortunate position, Mr. Speaker. With the gas shortage in the United States this year, I think we can capitalize on the tourist interest and the tourism in this province. But not with the attitude that the members and the backbenchers have. They

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(MR. PATRICK cont'd). . . don't want tourism. They say; stay back; stay home, you know; we don't want you. --(Interjection)-- Well, I can't accept that, I can't accept that, Mr. Speaker because really I believe that people can find recreation amidst the responsibility of government, and more and more so now that the governments are, you know, providing outdoor suitable recreational activities through park systems, through national parks, and I think, Mr. Speaker, one of the greatest assets to this province--and that's fine. If the Member for Rupertsland doesn't want it, I almost guarantee that the Member for Flin Flon would accept a national park in his constituency - I'm sure he would. I'm sure he would want it. And this is what the government has said. "You determine the location"--(Interjection)--Well, the Federal Government will pay the cost of developing the park but it's up to the Provincial Government to determine the location, Mr. Speaker, where the park should be developed. And the Minister of Mines and Natural Resources, I'm surprised--now he's you know, from his desk indicated that he doesn't believe in a park system. Well I hope that you would join, I hope. . .

MR. SPEAKER: Order please. I am allowing a lot of latitude and including a lot of noise and everything else, but I would hope that when members debate they will not attribute things to people who are sitting down, who are not participating and who have not participated in the debate to date. I do think it's the gentlemanly thing to do. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I'm sure that you agree, I'm sure that you would agree and you would accept that proper development of tourism in this province would create 30,000 jobs, 30,000 jobs in a couple of years, but the Member for Rupertsland he doesn't want any jobs in this province, he doesn't want any jobs in this province. The Member from Swan River wants jobs in this province, that's what he said in his remarks, but no, not the Member for Rupertsland. So I'm really concerned, Mr. Speaker, where, in what way--has the member got a question?

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: . . . rise on a point of privilege because my deskmate the Minister of Finance says that the member said that I indicated that I don't believe in a parks system, and I would hate the record to show that he said that, and I somehow accepted that statement in the same way as the Member for Rupertsland didn't say the things attributed to him by the Member for Assiniboia. I made no such indication. I know it helps him to debate when he has that kind of statement in front of him but I'm sorry, I don't wish to help him.

MR. PATRICK: Mr. Speaker, perhaps the Minister of Finance and the Honourable Minister of Mines and Natural Resources can get up and support the resolution. That's what they should do. And then we'll know, because what I--and I hope. . .

MR. SHERMAN: Would the member permit a question?

MR. PATRICK: Yes.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Would the member not concede, Mr. Speaker, that perhaps the Member for Rupertsland has a point in regarding with wariness, worry and suspicion any measure that is proposed in advance by the Federal Government in office today?

MR. PATRICK: Mr. Speaker, I agree, any offer by the Federal Government, by any Federal Government that's been so generous in saying, "Look we'll pay the cost of a park," should be examined - I agree with the Member for Fort Garry. But the problem is, Mr. Speaker that offer has been made five years ago and this government's been sitting on their rear ends and did nothing about it. And now I am inclined to believe and convinced that the members from Northern Manitoba don't want a national park in their area. They don't want it. Except the Member for Swan River, and I would hope then under those circumstances, Mr. Speaker, that the park would go somewhere closer to the area where the Member for Swan River represents. But really, Mr. Speaker, the greatest job potential and the greatest job creation in this province that we can expect in this province can come from the development, proper development of tourist industries. It has been proven in British Columbia, it is proven in the other provinces, in the Maritimes, it's been proven in Alberta, but somehow the Member from Rupertsland says, "Stay away from my constituency; I don't want no part of you." Well I just can't comprehend his attitude and his understanding. Really I can't. Really it is the stone age thinking, because really, Mr. Speaker, if you can preserve a wilderness, if you can preserve a park, an area, that if the government wants to change in 25 years or 50 years wants to

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(MR. PATRICK cont'd). . . change that park, they have the opportunity to do it as long as the park is there, as long as it's developed.

But that's not the attitude of the members of the government backbenchers, and really I'd be most happy to listen to the member, to listen --(Interjection)-- No, but that's -- Mr. Speaker, the members from the government's back benches say it's not true, but I've listened to one member for 15 or 18 minutes and he said, "Look, we don't want no part of it," and then ended up in two sentences, says, "if it's on our conditions." Well what are your conditions? Specify them. Tell us what your condition is and say to the Federal Government, "Look, we don't want no part of you." And I know what the Member from Rupertsland will say, you know. If we can't utilize trapping in that part we don't want the park. If we can't have roads in that park, we don't want it. If we can't do any mining in that park, we don't want it. This is true. This is probably what the restrictions from the Federal Government is in developing a park system. This is true. But all in all I'm sure the members must realize and appreciate the number and the dollars that one of our national parks bring to this province must be phenomenal, it must be in probably thousands and millions of dollars, because I understand it's probably, I'm told, the second park in highest number of tourists that visit that park and what an opportunity! What an opportunity! I don't think that opportunity was there five years ago but today, with the problems they have in the States, the opportunity is-- we've never had this opportunity before. And something the Minister of Mines and Natural Resources doesn't appreciate, that he can create 30,000 jobs in the tourist industry. But that's not what he's interested, he's interested to create one job with his secretary probably doing half an hour's job a day, and he wants to give that industry a million and a quarter, a million and a half. That's his way of creating jobs. Because that's his track record. You know--No, I take it back, Mr. Speaker, really, I take it back, because I have more respect for the Minister of Mines and Natural Resources. In fact I think he's a fairly able guy, a fairly able Minister, but the man, the Minister that got him in that position, and really that got him in that position, is the Minister of Industry and Commerce - that's right. It's unfortunate he's not in the House, but it's the Minister of Industry and Commerce that got him in that position, in a very unfortunate position. In fact, I understand from reliable sources that he made a point on one of the loans that he insisted if that industry or that company doesn't get a loan he's going to resign and, you know, this is what happened. That's the information I got. So perhaps I have not been fair, I have not been fair to the Minister of Mines and Natural Resources.

But, Mr. Speaker, I really do want to get back to the tourism and recreation.--(Interjection)--The point is, Mr. Speaker, that the Canadian people or the Canadian tourist spent over somewhere in the neighborhood of 3 to 4 million dollars outside this province, and it's time that we start getting some of these tourists, Canadian tourists, to spend more money in Canada, and the only way you can get them is . . .

MR. SPEAKER: The honourable member's time is up, I'm sorry. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I must say that . . .

MR. SPEAKER: Order please. The Honourable House Leader.

MR. GREEN: If the honourable member wants to speak for the last minute, we'll all agree that the resolution stays in his name for when it comes up next time.

MR. SHERMAN: That would be most acceptable. As long as I can remember what it was I was going to say.

MR. GREEN: If you've got an especially good one-liner, go ahead.

MR. SPEAKER: Order please. The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. (Wednesday)