

LEGISLATIVE ASSEMBLY OF MANITOBA
Friday, 18 July, 1980

Time 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports By Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question to the Minister of Agriculture: Can the Minister of Agriculture advise whether he has received three messages from the Citizens' Health Action Committee, and to date has not responded to any one of those letters or requests for a meeting?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I am not just sure whether it was three or not. I am prepared to communicate to that organization and discuss the issue with them that they are concerned about. I am not just sure of the numbers of communiques I have had, but I will check it out for them.

MR. PAWLEY: Mr. Speaker, then can the Minister advise whether he is prepared in his generosity to communicate and meet with that organization prior to, or post the passage of the bill which he has before the House, Bill No. 86, dealing with the Milk Prices Review Board?

MR. DOWNEY: Mr. Speaker, as the member is well aware of the fact, anyone that wants to speak to the bill will have the opportunity to do so in committee. If a meeting prior to that is necessary, I could see if I could arrange to meet with them, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, my question is to the Minister of Northern Affairs, the Minister responsible for developing programs in the interests of the people of the north. Can he advise whether he has undertaken any study within his department of the price impact that will be introduced to those in the remote communities in northern Manitoba by the passage of the Milk Prices Review bill that's before the Legislature?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. DOUG GOURLAY (Swan River): Yes, Mr. Speaker, we will be monitoring this very closely.

MR. PAWLEY: Mr. Speaker, further, in case the Honourable Minister didn't quite hear me correctly, I am not asking whether he is going to be monitoring, because that's this government's favourite word for everything they undertake to do, that they will monitor, my question to the Minister is, has there been any analysis or study as to the impact of the passage of this legislation that is presently before the House.

MR. GOURLAY: Mr. Speaker, this is an ongoing concern on many issues, not only the price of milk, that we look at on a continuing basis.

MR. PAWLEY: Mr. Speaker, since the release of the Stats Canada statistics this morning dealing with the consumer price index indicates that there was a 1.3 percent increase insofar as Winnipeg was concerned for the month of June, can the Minister of Consumer Affairs advise whether or not he is prepared on behalf of his government as a contribution towards attempting to restrain inflation in this province, is he prepared at this point to withdraw Bill No. 83?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, I doubt very much if the passage of Bill No. 83, one way or the other, is going to have a significant impact on inflation. There are other component costs that make up the increase in the consumer price index that would remain unchecked, and unless there is an effort to check them all it seems kind of pointless to try and just check one.

MR. PAWLEY: Mr. Speaker, then could the Minister of Agriculture, in view of the increase for the month of June of 1.3, Stats Canada, consumer price index, city of Winnipeg, is the Minister of Agriculture prepared to undertake his contribution to restraining the rate of inflation within the province of Manitoba by withdrawing his bill, which lifts the lid off the control on the price that retailers may charge pertaining to milk in this province?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, if the Honourable Leader of the Opposition would read the Milk Commission legislation that has been proposed, the commission do have in fact the right and the authority to control and keep a lid on the price of milk through the retailers, but, Mr. Speaker, it appears that he doesn't want the public to know the truth, and the truth is they do have as consumers the right to control the price of milk through the commission.

MR. PAWLEY: Mr. Speaker, what we do know is that this government will undertake no aggressive step in order to ensure that there is some lid placed on the price that would be charged by retailers in this province for milk.

The Minister of Agriculture re dealing with haying permits in Netley Marsh, can the Minister of Agriculture advise whether his government will be undertaking any steps in order to assist farmers to complete their haying operations within the Netley Marsh by the building of platoon bridges or other barges so that they can get to the lands that they have leased from the government?

MR. DOWNEY: Mr. Speaker, we are helping the farmers, particularly when it comes to the pricing of their products, and the Milk Control or Milk Review Commission is one of those mechanisms that we are helping the consumer and the farmer work together to pay for the farmers so the farmers can in fact help themselves.

The question on whether or not we are putting in bridges or some kind of mechanisms, Mr. Speaker, we have indicated that where necessary and we are able to do so, we are working with the farm community to do that. Now if it is a matter of bridges or culverts, I would do my best to see that that could be accommodated.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Speaker, my question is to the Minister of Health. In the event that Bill No. 86, The Milk Price Review Act was passed, and for some reason the cost of milk has increased, will the Minister guarantee that the hospitals' administrator and personal care homes will not be asked or allowed to reduce the consumption of milk because of this high cost, to stay within their budget? Will that guarantee be made to these people?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I think I can answer the honourable member by saying that the needs of residents and patients in hospitals and personal care homes will be met, and will be met up to the fullest requirements. Whatever adjustments we have to make will be budgetary adjustments. I'm not sure, perhaps, whether my colleague, the Honourable Minister of Agriculture, wanted to respond to another aspect of the question but I can give my assurance to the Honourable Member for St. Boniface that there will be no adjustments made, other than what is necessary in revising budgets upwards to accommodate any cost increase.

MR. DESJARDINS: To the Minister of Community Services, is the Minister ready to make the same guarantee, to make sure that all infants and babies will not be deprived of milk if there is an increase in milk.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Yes, Mr. Speaker.

MR. DESJARDINS: To the same Minister, the programs of Lunch and After School will not be reduced either, if there is an increase in cost?

MR. MINAKER: Mr. Speaker, as the honourable member is well aware, we have expanded the Noon and After School Program by close to 2 million, so I can't see that we would limit anything within that program.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Natural Resources. I wonder if the Minister can advise the House if he knows of any proposed changes in the marketing policies of the Freshwater Fish Marketing Corporation.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. BRIAN RANSOM (Souris-Killarney): No, Mr. Speaker, I don't at the moment, but there were some initiatives taken last December, when all of the jurisdictions involved in the Freshwater Corporation met in Ottawa to examine some of the options that might be available to improve the operation of the marketing corporation and to serve the fishermen better. At that time there was a technical committee established, which was to look at some of the options and assess the impacts, and report to the Ministers in order that the Ministers could then make some policy decisions. That committee was constituted last December and was supposed to have met and reported prior to March, in order that the Ministers could have met in March and made their decisions. Of course, the election intervened and delayed the political decision-making, but unfortunately that committee has not yet been able to bring in its report and hence we have not been able to address the question. I will certainly be urging the committee to complete their work as soon as possible and make their report.

MR. MCKENZIE: Mr. Speaker, I wonder if the Minister can advise the House as to the approximate date the Board of Directors of the Freshwater Fish Marketing Corporation held their last meeting and the approximate date of the next board meeting.

MR. RANSOM: It's my understanding, Mr. Speaker, that the Board of Directors of the corporation last met in April, I believe April 13th, and it is my understanding that they will not be meeting again until August 23rd. During this period of time, they have attempted to meet on at least two occasions and have not had a quorum present at those meetings, the reason for that being that the federal government has not appointed members to the board.

MR. MCGREGOR: Mr. Speaker, I wonder if the Minister could advise the House as to the reasons the board has not met and if, in fact, a corporate structure such as the Freshwater Fish Marketing Corporation can effectively deal with the interests of

the fishermen, holding meetings in April and then the next meeting in August.

MR. RANSOM: Mr. Speaker, that's a very good question. It's one that concerns me and I know that it concerns some of the directors who have been appointed. They feel, I believe, that it's obviously impossible for them to function properly as directors when the Board of Directors are, in fact, unable to meet and provide any direction to the corporation. A period of time from April to August seems to be rather an inordinate amount of time. I have written to the federal Minister, Mr. LeBlanc, asking, for one thing, for them to appoint the directors and for an explanation as to why they have not been appointed, because the corporation is vital to the interests of Manitoba fishermen, and it concerns me a great deal that a Crown corporation of that nature would be able to continue to function for months on end without having to make any reference to its Board of Directors, and in fact without the Board of Directors being able to hold a meeting and provide any direction, even though some of those appointed members feel that that's essential.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Speaker, my question is addressed to the Honourable Minister of Municipal Affairs, relative to the continuing situation in the LGD of Alexander. Can the Minister tell us if there have been resignations by Public Works employees and resignation of a member of the council?

MR. SPEAKER: The Honourable Minister.

MR. GOURLAY: Mr. Speaker, I'm not certain on the Public Works personnel; I can check that out. I understand, through members of my staff, that a recently elected council member has decided to resign from the LGD of Alexander.

MRS. WESTBURY: Mr. Speaker, will the Minister advise the House whether another investigation is being conducted, through his department or through the AG's department I can't ask the Attorney-General this morning if there is in fact another investigation into the actions of the reeve and councillors of the LGD?

MR. SPEAKER: The Honourable Minister.

MR. GOURLAY: Mr. Speaker, I can advise the House that some concerns have been brought to my attention and they have been referred to the Attorney-General's department.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Resources. I'd like to ask him, with respect to the Garrison Diversion Project, apparently a group of Chiefs from Manitoba toured the Garrison Diversion Project in this last week, and during that tour they received the distinct impression from the people they were discussing the project with, that the project was definitely going

ahead, that the authorities that were in charge of constructing the project intended to proceed to complete those aspects . . .

MR. SPEAKER: Order please. Order please. Has the honourable member a question?

MR. BOSTROM: Yes, I will come to it very quickly, Mr. Speaker. The authorities that are constructing the project informed them that they would be indeed constructing those aspects of the project that would detrimentally affect the waters of Manitoba and thereby the fishlife of Manitoba. I wonder if the Minister has any further information to provide to the House, in view of that information received by the Chiefs, and if he can provide any assurance to the Indian people of Manitoba, who would be detrimentally affected by the proceeding of the construction of the Garrison Diversion Project?

MR. SPEAKER: The Honourable Minister.

MR. RANSOM: Mr. Speaker, perhaps the honourable member is not aware of the extensive discussions that have taken place in the House over the past two or three weeks. Perhaps the member was not present during some of those discussions and so I won't go back over all the details that we have dealt with during that period of time, but I think that I can perhaps give the honourable member an explanation, in that the group from the Indian Brotherhood who went to tour the project were no doubt directly involved in travelling with and in speaking with that group of people in the United States who are most directly involved in the project and have the greatest interest in seeing that project go ahead. There is no doubt in my mind that is the sort of picture that they would paint of the project, that in fact it was going to go ahead.

Of course, those people are not the ones who determine whether or not the project goes ahead, that is determined by the Congress and by the executive level of government in the US, and we have the assurance from the executive level that no part of the project will be built that will have a detrimental effect upon Canada. The Senate, in passing its appropriation, used language such as has not been used before in terms of recognizing the interests of Canada. The 9.7 million that is to be spent is a very small amount of money relative to the total part of the project. We have recently receive assurance that it is to be spent primarily upon salaries and administration, and upon parts of the project which are not within the Hudson Bay Basin and are not intended to dump water into the Hudson Bay Basin.

So, Mr. Speaker, we could spend a great deal of time going over the assurances that we have, the ultimate one being the 1909 Boundary Waters Treaty, to protect the interests of Manitobans and Canadians.

So, I can assure the honourable member and I can assure the Indian Brotherhood that this government, and I am sure the Government of Canada, will be continuing to fight to protect the interests of all Manitobans and I am confident, Mr. Speaker, that we will be successful in that endeavour.

MR. BOSTROM: Mr. Speaker, I am sure all Manitobans are desirous of seeing the provincial and federal governments successful in this endeavour. However, Mr. Speaker, in view of the fact that the Indian Chiefs who toured the site, received the impression that certain aspects of the development were in fact already constructed, one being the fish screen device, which . . .

MR. SPEAKER: Order please. Has the honourable member a question?

MR. BOSTROM: Yes, Mr. Speaker. In view of the fact that the fish screening device, which has already been proven to be . . .

MR. SPEAKER: Order please. Has the honourable member a question?

MR. BOSTROM: Yes, I will ask my question, Mr. Speaker, if you will permit me. The fish screen device, which the Indians saw on site, is one aspect of the development which could be detrimental to the waters of Manitoba, and I would ask the Minister if he is not aware of the fact that this device is in operation, is being tested, and it is one aspect of the whole project which could be the most disastrous to the waters of Manitoba, since this device simply will not work in practice and will not protect the waters of Manitoba.

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: Mr. Speaker, I think if the honourable member took time to research his facts a little more, he might find that his understanding of the situation is incorrect. The fish screen to which he refers is one that is indeed being tested, but is being tested wholly within the Missouri Basin; it is not being tested between the Missouri and the Hudson Bay Basin. It is being undertaken by promoters and builders of the project in an effort to demonstrate to themselves and to Canadians that in fact a fish screen could be successful.

We have taken the position that there is no technical solution, there is no absolute guarantee that a fish screen could prevent forever the transfer of species from Missouri into the Hudson Bay drainage, and we have made that clear to them. They nevertheless are proceeding with their experiment wholly within the Missouri Basin, and if the fish screen should collapse tomorrow it won't result in the transfer of one organism into the Hudson Bay Drainage Basin.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to address a question to the Minister of Government Services again on the possible air conditioning of this building, and I would freely admit that I tried and failed in regard to our government. I would like to ask the Minister whether he has considered a program of phasing-in airconditioning into certain areas of the building, or doing it on a piecemeal basis, one floor at a time.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. HARRY ENNS (Lakeside): Mr. Speaker, when substantive changes are made to the environment of this building, I would be pleased to make those announcements. I can indicate to the honourable member that some substantive changes in the use of this building, as indicated by the First Minister's remarks a few days ago in this building, are being considered, and they, as any other government decision, will be announced in due course.

MR. DOERN: Mr. Speaker, I would also ask the Minister of Labour whether he would be prepared to examine, either himself or members of his department, the working conditions of employees in certain sections of this building. I am thinking in regard to airconditioning in some of the insufferable heat, particularly experienced by Hansard employees and people on the south side of the building. Would he be prepared to examine the working conditions in those areas?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, we are always interested in the wellbeing of the workingmen and women, not only here but outside. We'll certainly have a look at the insufferable working conditions that the member makes reference to. I don't know exactly where they are, but I'll have people take a look at this building and see just what the conditions are that he makes reference to.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Speaker. I'd like to direct a question to the Minister of Agriculture. In the communique that he circulated to the House following his return from the Agricultural Ministers' conference in Ottawa, it was indicated in the communique that the question of energy had been discussed, and I wonder if he might inform the House if the question of the production of the product gasohol, and more particularly the recent announcement of the established plant in my area, was discussed.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Speaker, the subject of agriculture and energy was a topic which was discussed in a proposal by the Ontario government to further discuss it in more detail and to see what agriculture could do to further develop energy conservation mechanisms for agriculture and to assure agriculture producers of a continued supply, and Mr. Speaker, I am pleased to report that the Agriculture Ministers from across Canada plan to come to Manitoba in October to observe the leadership that the Premier and his government have taken in the production of alcohol for purposes other than drinking, for actual use in gasoline; that in fact we plan to host them, and a tour of the Minnedosa area will be taken some time in October.

MR. BLAKE: A supplementary to the same Minister, Mr. Speaker, I wonder if he has had any requests to date from the Mohawk Oil people in connection with studies on special crops related to the production of gasohol?

MR. DOWNEY: Mr. Speaker, in one of the meetings that was held with the people from the Mohawk Oil Company, I assured them that we were doing a lot of work in the special crops' area to develop crops such as corn that will be used, potatoes and other crops that do lend themselves well to the production of alcohol, and that we will co-operate fully to further develop crops for farmers to grow that can be used in the production of alcohol for fuel.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I asked the Minister of Municipal Affairs a few days ago, some questions relating to a news service release wherein he spoke of grants being given to the municipalities, some 24 million. He undertook to investigate his statement and report back as to the nature of the statement, the justification for the word "grants".

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. GOURLAY: Mr. Speaker, I have a copy of the news release. As was announced to the general public, the municipalities share in the growth taxes of this year, some 24 million. On reviewing the release, I make reference to tax-sharing payments throughout most of the release, except in one case, I indicate that total grants are up some 15 percent. I would just like to indicate to the House that we collect these taxes on behalf of the municipalities, similarly that municipalities collect taxes for school divisions, and of course there is no intent that this money would not be paid out to the municipalities. However, the government does decide on the distribution formula as to what municipalities will receive, and although perhaps in this one instance where I make reference to grants, that may have been better said by referring to it as tax-sharing payments. However, I don't make any apologies for that.

MR. CHERNIACK: Mr. Speaker, not being able to demand that the Minister should apologize for the implication that the government is making grants when indeed it was carrying out its legislative responsibilities and paying to the municipalities what they are entitled to receive in growth taxes, would the Minister inform us what discussions he has had of a recent vintage with municipalities dealing with their opportunity to participate, to a greater extent, in the growth taxes which are beneficial to provincial revenues that have been denied up to now to the municipalities?

MR. GOURLAY: Mr. Speaker, I can point out to the House that I attended all of the June meetings of the Manitoba Union of Municipalities, and made reference to the municipal-provincial tax sharing, indicating that there was some change in the formula

used this year in the distribution of moneys to the various municipalities, villages, towns and cities. And as far as the questions and discussion resulting from those meetings, I had no complaints coming forward from those series of meetings.

MR. SPEAKER: The Honourable Member for St. Johns with a final supplementary.

MR. CHERNIACK: Mr. Speaker, in view of the fact that a Minister appears to have misunderstood my question, I might be more specific and ask whether there have been any discussions dealing with sharing with municipalities other growth taxes other than income taxation, and the examples, obvious ones, are liquor taxation, hotel accommodation taxation, sales taxation, and all the other forms of growth tax revenues which the province receives and which have been denied to the municipalities but could be made available by agreement with the province. These are the nature of taxes I have been referring to.

MR. GOURLAY: Mr. Speaker, from time to time the municipalities have raised this question at some of their meetings. Since I have become Minister of Municipal Affairs, that question has not surfaced.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. My question is to the Minister responsible for the Landlord and Tenant Act and the amendments to such. I would ask the Minister, after having had opportunity to sleep on the matter, and perhaps reflect upon his decision of last night, if the Minister is now prepared to open up those committee hearings once more to the public so that those persons who were not able to make representations last night because of the lateness of the hour, would have an opportunity to make their views, what I believe to be very significant and important views, known to the Minister, his government, and the members of the opposition who sit upon that committee?

MR. SPEAKER: The Honourable Minister.

MR. JORGENSON: Mr. Speaker, in my view, there were sufficient opportunities for everyone to appear before that committee. (Interjection) Well, 2:00 o'clock, my honourable friend says; 3:30 yesterday the committee adjourned because there was nobody there, and if my honourable friends had been the government, they would have concluded hearings at that point. I gave them a second opportunity to be back at 8:00 o'clock, and anybody that wanted to present briefs could have been there from 8:00 o'clock until the time the committee adjourned. We endeavoured to hear all of those that were there, and we did.

As far as I am concerned, Mr. Speaker, the hearings have been concluded. We will now proceed to clause-by-clause consideration of that bill when it is called next.

MR. COWAN: Mr. Speaker, notwithstanding what the Minister believes other governments might have done, I would ask him to clarify why it is that he, as

Minister responsible for an Act that will have so much impact on the public, refuses to hear the public, and in fact does impose closure upon the public in this regard. I would ask him what it is he is afraid to hear from those who have representations to make before that committee.

MR. JORGENSEN: Mr. Speaker, the Minister is not afraid to hear representations, but if people want to make representations, then they must appear before the committee at the time that the hearings are called. We have given them that opportunity (Interjection) my honourable friend says, 2:00 o'clock in the morning. That is not unusual during this year, last year, or the eight previous years before that; 2:00 o'clock in the morning is not an unusual practice, Mr. Speaker.

My honourable friends now try to create the impression that somebody has been denied the opportunity of making a presentation before that committee. No such opportunity has been denied. We had to adjourn at 3:30 yesterday afternoon because nobody was there to make a presentation.

MR. COWAN: Thank you, Mr. Speaker. I think what the Minister fails to understand, is that the people wishing to make representations are working people who are not available in the afternoon . . .

MR. SPEAKER: Order, order please. Has the honourable member a question?

MR. COWAN: Yes, does the Minister understand that the people who want to make representation before that committee are working people who cannot be here in the afternoon, and as in the instance of one person last night, who gave her brief after midnight, may have to be up as early as 5:00 o'clock in the morning, do wish to be heard. And in regard to that, is the Minister prepared now to announce that that committee will sit on Saturday so that working people and senior citizens may have an opportunity to come here and present briefs to the government to better inform the government as to the tremendously destructive impact that those rent controls are going to have on their very existence? Is he prepared to give them that opportunity to make their voices heard?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs. Order, order please. I would hope that all members would give the courtesy to those that have been recognized by the Chair. We hear constant interjections, interventions, which don't give any credence to the way this Assembly is being conducted. I hope that members will abide by the requests of the Chair, and do not constantly interject. The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSEN: Mr. Speaker, what is bothering my honourable friends opposite, is that they predicted there would be thousands of people before that committee. That did not materialize, and now they are attempting to go through another device to try to create the impression that there are a lot of people that have been denied the opportunity of being heard. They failed in one attempt. They tried a

phony bomb attempt last night and now they are trying another device. Mr. Speaker all of these devices they're attempting . . .

MR. SPEAKER: Order, order please. The Honourable Member for Kildonan.

MR. PETER FOX: I have no knowledge of what the Honourable Minister is speaking of, but if he is inferring that this side had anything to do with a bomb, I would ask that he retract, because there is no such a thing as inferring that the opposition created some kind of a bomb threat. I think that is totally unparliamentary, Mr. Speaker, and I ask the Minister to retract.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSEN: Mr. Speaker, the bomb threat that I was speaking of was the way that my honourable friends bombed out on their attempt to try and generate some . . .

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. DESJARDINS: Thank you. Mr. Speaker, the committee has not started its work on the bill yet, clause by clause. I am asking the House leader, should people come in earlier the next time this is called and wish to make representations, will they be allowed the courtesy to make these representations the same as has been done in every committee that I remember, as long as we haven't started to look at the bill itself? Will these people be allowed to make representations?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSEN: Mr. Speaker, I feel that every opportunity has been provided. As a matter of fact I extended that courtesy to 8:00 o'clock last night to enable those who were not able to be there in the afternoon, and we sat until everyone that was there and I might add that contrary to what my honourable friends are saying, those people who appeared late were appreciative of the courtesy of the committee to sit that late to hear them, so that they had that opportunity.

Mr. Speaker, they've been given the opportunity. The next time the committee meets it will be to consider the clause by clause amendments to the bill.

MR. DESJARDINS: Mr. Speaker, the Minister is back on the previous question. I have asked a simple question, not commenting on what happened yesterday, I am only asking if there are people that should appear tonight tonight or whenever the committee is called; this afternoon, if that's the case will they be allowed the same courtesy as I believe has been allowed anybody at any time in the 22 years that I've been here, that as long as the bill is not started that these people are allowed to make representations. I can say that on Bill No. 31, just last week or the week before, that was exactly the case and these people were permitted to make their

representations. I understand that the committee is responsible. Will that courtesy be shown them? I think it should be known, to make sure that if they come in they will have a chance to be heard.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, on a point of order, affecting what I consider to be the prerogatives of the House, is it not the case, and will it still not be the case, that the committee will decide on the procedures and that the House leader cannot say that the committee will or will not permit representations to be made? Is it not still the rule of the Legislative Assembly and of its committees that the members of the committee will decide on the procedures and it will be open to the committee to hear people if and when they desire to hear them.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: My honourable friend is perfectly right, and that's the decision that was made by the committee last night. Now if the committee wants to change that decision, that is something that will have to be determined, but that decision was made last night and I was reflecting the decision of the committee.

MR. SPEAKER: The Honourable Member for St. Johns on a point of order.

MR. SAUL CHERNIACK: Mr. Speaker, I want to wait until the emissary from Detroit finishes his comments.

Mr. Speaker, having been attending to government business for the last few days, day and night, and knowing that the Minister was attending an American convention, I would like to ask that I be permitted to present my point of order.

MR. SPEAKER: Order, order please. One of the fundamentals in this Chamber is that members themselves conduct their affairs in an orderly manner. The member knows full well that it's very unparliamentary to refer to the absence or presence of any member in this Chamber. The Honourable Member for St. Johns on a point of order.

MR. CHERNIACK: On a point of order, and on the matter you just raised, you have just, Mr. Speaker, admonished all members not to interrupt people who had been recognized by you. It was the First Minister who interrupted me as I rose on a point of order, and I felt entitled to respond to him in the manner in which he conducts himself. And the Minister for Economic Affairs is no better, Mr. Speaker.

Mr. Speaker, the point of order . . .

MR. SPEAKER: Order, order please. There can only be one speaker at a time in this Chamber. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, on a point of order. Last night at about a quarter to eight when I arrived at the building, I found that members of the public were denied admission to the building, and I was

informed, I don't know how reliably, that it was because of some apprehension that there was a bomb planted somewhere within the building. I don't know how many people left, how many people stayed. I know that about at that time, ten to eight or so apparently, people were then permitted to enter into the building.

I believe that I distinctly heard the Minister for Consumer Affairs imply that it was the opposition in its efforts to block the rental bill instigated a phony bomb threat. Now that is the impression as I heard it, Mr. Speaker, nothing to do with bombing out in their efforts, and I want to ask, Mr. Speaker, that if your recollection is, as was mine, that the Minister for Consumer Affairs withdraw the statement and the allegation he made, and apologize for what he said or definitely wait until he can produce evidence and do so as to the allegation he made.

MR. SPEAKER: Order please. Order please. I believe the Honourable Minister gave an explanation which seemed to be acceptable to the person that raised the point.

The Honourable Member for St. Johns on a point of order.

MR. CHERNIACK: Mr. Speaker, I am not referring to what another member heard or complained about, I am referring to what I heard, what I reject and resent, and I have not heard a response which satisfies me. And, Mr. Speaker, I am wondering whether you heard any response at all which can satisfy even you, Mr. Speaker, you having heard, as I did, the allegation made by the Minister.

MR. SPEAKER: Order please. I was not the least bit alarmed, either by the bomb threat or by any words issued by any member in this Chamber. I, therefore, say there is no point of order as raised by the Honourable Member for St. Johns.

Order please. The time for Question Period having expired . . .

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I want to make a change on Municipal Affairs. I want to substitute the Honourable Member for Elmwood in place of the Honourable Member for St. George.

MR. SPEAKER: Are those changes agreeable? (Agreed) The Honourable Member for Fort Rouge.

MRS. WESTBURY: Yes, a point of privilege, Mr. Speaker, I understand this has to be done at the first possible moment. The Hansard of Tuesday, 15th of July, page 5687, I made reference to training and how to give intramuscular and intravenous injections. I am quoted as referring to intramuscular and intravenous "injections". Could that correction be made please "injections" for "injections"?

MR. SPEAKER: That correction will be duly noted. The Honourable Government House.

MR. JORGENSON: Mr. Speaker, this morning the House will be meeting throughout the morning; this

afternoon the Committee on Private Bills will be continuing its deliberations on those bills that have been referred to that committee, and in Room 254, the Committee on Municipal Affairs will be meeting to hear representations on the bills that have been referred to that committee; and tonight as well, both Committees.

Mr. Speaker, will you call Bill No. 113, then Bill No. 86, and then 107.

MR. SPEAKER: 113, 86 and then 107.

SECOND READING BILL 113 THE MANITOBA ENERGY COUNCIL ACT

HON. DONALD W. CRAIK (Riel) presented Bill No. 113, The Manitoba Energy Council Act, for second reading.

MOTION presented.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, The Energy Council Act is one part of two parts of the energy bills that are to be dealt with by the House. The Energy Council Act changes the role of the former Energy Council to the extent that it will become the citizen advisory group to the government dealing mainly with conservation.

In days past the Energy Council was not formed by an Act, but was rather formed by an Order-in-Council and it was . . .

MR. SPEAKER: Order please. Order please. The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Speaker, my point of order is I am having great difficulty in hearing the Minister from the background noise in the Chamber.

MR. SPEAKER: I fully concur with the Member for St. Vital. I would hope that all members that want to carry on private conversations do so some other place than in the Chamber.

The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, thank you for your assistance, the members opposite. To give you the overall explanation of the energy bills, there are really two parts. The Energy Council will deal with the conservation aspects of the energy picture, and The Energy Authority Act, which will be distributed to the House this morning, will deal with the supply aspect of the energy picture.

The conservation aspect is one that has become increasingly important. It is one that the Energy Council previously dealt with to a certain extent, but the main difference is that the supply aspect is regarded as generally being one that requires direct government involvement, and the conservation aspect is one that can be strengthened by having a greater citizen involvement.

As a result, the Council will be charged with the responsibility of advising the Ministers, upon request or at their own initiative, on measures that they feel would be in the public interest with regard to, primarily with conservation, renewable resource

development, and aspects such as that, research and development. It is made more important by the fact that we have entered into the federal-provincial energy agreement, which will provide funds for demonstration work and for undertakings that will significantly enhance the opportunities to bring about greater conservation development in the province of Manitoba. The Energy Agreement, which runs over a period of a minimum of four years and possibly could be extended into a fifth, will provide some 16 million over that period of time, that can be directed into projects that can lead to enhancement of conservation efforts in the province of Manitoba. So we will look to the Energy Council for their direction, although I would indicate that under these joint federal-provincial agreements there is always a joint federal-provincial directorship on the final decision-making on the project. We would look to the Energy Council significantly for assistance in these overall matters of directing efforts within the province.

One of the largest, of course, is the matter of information dissemination, and moves have already been made within the Department of Energy and Mines to establish an information centre. We would again expect the Council to have a very heavy involvement in advising as to what directions ought to be taken by that information centre in getting information out to the general public of Manitoba. We will, on the Council, be looking towards the individuals who probably have a cross-section background in total on the council, but a background in individual areas where they would bring some degree of expertise into the council and provide some geographical representation and sector representation on the council. Council have membership of, as the bill provides for, not less than five. There will be an advisory council that will assist the main council which will really be an attempt to bring in wider cross-section of opinion, recognizing that the numbers of people that are now involved in this energy field are legion in number and it's important to try and involve as many as possible at this stage.

There has been some good work done up to date by groups like the Solar Energy Society, the Biomass Energy group and so on, who have started in Manitoba and have provided a national focal point for activities in these areas. We would hope, of course, to involve them in these matters as well.

So with those comments, Mr. Speaker, I recommend Bill 113 to the House.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. I just have one or two questions of the Minister, if I may. The Minister did refer to making recommendations known to the public. Will all the recommendations of the council be available to the public, will they be publishing an annual report, and is provision for hiring of staff and expenses, is that already included in the budget that was presented this spring?

MR. SPEAKER: Are you ready for the question? The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I believe that the Member for Fort Rouge was asking the Minister a question, she hadn't spoken in the debate yet. That's the way I picture it.

MR. SPEAKER: The Honourable Minister.

MR. CRAIK: Mr. Speaker, if it's a question of clarification, I can deal with it, but if that was the member's (Interjection) oh, okay. With regard to an annual report, Mr. Speaker, and the staff and so on, the council will be provided with an executive secretary who will be a staff person in the Department of Energy and Mines. It is not foreseen that the council will have a staff, I mean, they will be an advisory council with a staff person, executive secretary supplied. It's not foreseen establishment of a separate operation through this council.

And with regard to an annual report, I'll have to check the bill. I don't recall the bill suggesting that, but we'll look after that by the time we get through it.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I think that the remarks that I was going to make on this question are probably best exemplified by what the Minister has recently said. He said, with regard to an annual report, I'm going to have to look at the bill. Before the bill, Mr. Speaker, it would not have been a problem, and I am merely concerned as to why we have a piece of legislation to do what can be done much better without legislation, because once you enact a bill, then people, to know what they can do, to know how appointments are to be made, to examine terms of reference, have to look to a bill, and they can try to define what the committee has to do by virtue of a bill.

If the Member for Fort Rouge had asked the question, without the bill, will we have a report from the Energy Council, the Minister would say yes, or no. Now he says, I'll look at the bill, which is, Mr. Speaker, what I always said about freedom of information. Now that there is nothing in the bill that says they have to have a report, there is no report necessary. If we didn't have this Act and we said that there is an Energy Council, or an Energy Advisory Board, and we would like to get a report for them, we would challenge the Minister to have him submit a report, and if he didn't then we would be able to say that the Energy Council is either useless, or make whatever other kind of comments we want about it. But now our only comment is that there is nothing in the bill requiring a report.

Mr. Speaker, I, especially this session, although it wouldn't be my criticism solely at this session, I am concerned with why Ministers feel that in order to do anything, they need legislation. It seems to me that there is no difficulty in the Minister getting up in the estimates and saying that I am providing for, in my estimates, an Advisory Council on Energy. The Advisory Council will be appointed by me of respected citizens, I am going to provide for salaries, or I am going to provide for an honorarium, and they are going to have, Mr. Speaker, within their terms of reference, to do all things that are necessary with

respect to advising the Minister and obtaining advice for the Minister with respect to energy. And they are going to have available to them such funds as I can get passed through the estimates for the Energy Council on the basis of making reasonable propositions to the House.

Mr. Speaker, there is no difficulty in doing that. As a matter of fact, the legislation that we are now enacting, if one will look at it, does that in the worst possible form. At the end of most of the regulations it says that the Minister shall have power to regulate, as follows, as follows, as follows, and then it says, "and to do all things that are necessary consistent with the objectives of the legislation."

Now, if the legislation was not there, and there is nothing to prohibit it and there was nothing, I believe that there has been an energy advisory council, whatever name you want to call it, in existence for the past five years the Minister doesn't like it, he says it's not doing a job get them to do a job. (Interjection) Oh] The Minister has not said that they're not doing a job. Good. If he says that they are doing a good job, and that it is a useful vehicle, may I ask, is there an Act, maybe I'm wrong, is there an Act setting up the Energy Council that we now have? No, Mr. Speaker. I am told here by the Member for Brandon East, no. And I don't know of one, and if there is one, it shouldn't be. So it really doesn't matter. And in a session such as this when we are dealing with legislation which has carried us through to July, what is it, the 18th now? and will no doubt carry us through to July 23rd or 24th, why are we dealing with another bill, which is of no consequence?

I say to the Minister, he has a good idea. Go ahead and do it. There is no necessity to have this Act. And once you have the Act, Mr. Speaker, you get the kind of question and the kind of answer . . . suddenly, our minds are directed to what the legislation said. The Member for Fort Rouge asked a perfectly reasonable question: Will we get an annual report? What was the answer I think it's a good idea, or I think it's a bad idea? No. The answer is, we'll have to look to the legislation.

Mr. Speaker, I was really gratified the other day because somebody from the east in the industrial relations field, steeped heavily in the trade union movement, said that the reason that we have strikes in Canada is because of the legislation; that the situation in Great Britain is that, yes, they may have more strikes, but less man hours lost because they are very short, and there is no legislation. But in Canada, we say, when can we strike? We look at the legislation and we say, you strike after this point. So what has become humane becomes obligatory, and what happens is that people wait, the company builds up its forces until the strike date, the union builds up its forces to the strike date and, when it comes, there is a strike. Whereas in England, when there is dissatisfaction, it has to be resolved quickly. And I say, Mr. Speaker, I don't want the Minister to look at the legislation. I want him to say, during estimate time, that he has this program; it's going to involve these people; it is going to do this work, and it will do it in such a way as I will have to justify when I stand before 56 members of Parliament, at

the next session, and I will argue it out. Because, Mr. Speaker, I believe that this bill is totally unnecessary, and philosophically, in my mind, harmful rather than beneficial.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Burrows, debate be adjourned.

MOTION presented and carried.

SECOND READING ADJOURNED DEBATES

BILL NO. 86

THE MILK PRICES REVIEW ACT

MR. SPEAKER: Bill 86, standing in the name of the Honourable Member for Ste. Rose.

The Honourable Member for Ste. Rose.

The Member for Lac du Bonnet on a point of order.

MR. SAMUEL USKIW: Mr. Chairman, the House Leader and the government, essentially, has been largely absent over the last number of days; in fact, over a week. (Interjection) Important? Yes, on government business, I don't detract from that, but, Mr. Speaker, you would think on this legislation that at least we would have the Minister in the Chamber. The Minister has been away for all of this week, to date. We want to debate this in his presence. We would prefer not to proceed with a bill, such as the elimination of the controlling of milk prices, without the Minister being in his Chair.

MR. SPEAKER: Order please. I find it rather strange that the honourable member would raise that as a point of order. I find nothing in the rules which indicate that a member has to be in the Chamber when another member is speaking.

The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM: Thank you, Mr. Speaker. It certainly doesn't speak well for the Minister when we are debating a very important bill that will have a profound impact on producers and consumers in this province, on a very fundamental commodity, and the fact the Minister doesn't see fit to be in his seat to hear the debate . . .

MR. SPEAKER: Order, order please. The Honourable Member for Minnedosa on a point of order.

MR. BLAKE: Yes, my point of order is I think it is rather strange that the Minister is being criticized for not being here. The bill was just called. He will be in the House as quickly as he can get here. I just think that it's not proper for them to harangue the Minister for not being here.

MR. SPEAKER: The Honourable Minister does not have a point of order.

The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Speaker, we would much prefer to have the Minister here to hear the comments from the opposition and members of this Assembly on this particular bill, because it certainly is going to have, as I said, a profound impact on a fundamental food product that all our citizens require and that we were all concerned about the pricing of it. I spoke a few minutes on it when last the Bill came up, Mr. Speaker, and I was saying that we have never, on this side . . . Well, I see the Minister coming in now and I am pleased that he is coming back.

Mr. Speaker, we on this side have never argued and we have always supported that the producers of this country, whether it be dairymen or whether it be grain producers or whether it be beef producers, should be adequately paid for their work and their production, to reflect the costs and to provide a sufficient return on investment and labour. We have never argued that. In fact, we have spoken on many, many occasions that this should happen.

Unfortunately, Mr. Speaker, the system under which farm production and farm produce is sold, it is not always conducive that this should happen, that the proper returns should accrue to the producers. The free market system, as we have experienced in the past, is a very jungle type sort of marketing system that is easily manipulated and, as well, is very difficult to provide the returns that producers sometimes require. In particular, at this particular time when costs have gone up so high.

But, Mr. Speaker, the problems have not really been enunciated by the Minister in his presentation. They say there are a lot of problems in his comments, here is what he says: We have developed a plan that we believe will help resolve many of the problems that have plagued the dairy industry, Mr. Speaker. But the problems are not enunciated. The Minister has failed to tell us where the problem areas are. So, in this sense, the Minister has failed to tell the Legislative Assembly where the problems are and whether or not these problems could not have been resolved within the present Act.

We, on this side, believe that those problem areas could have been addressed and could have been resolved in the present Act without going to what I think is nothing more than a charade, Mr. Speaker. This bill is only a charade because it doesn't do anything. It does not, in our opinion, resolve the problems that the Minister speaks of, and we don't know what the problems are. There has been a number of speakers on the government side who have stood up and said there are problems, but we haven't heard one particular problem defined. So they have failed to tell the public and to tell the opposition and to tell the House what the problems are.

If the problem is the formula, well, let us hear that it is the formula; let somebody tell us that it is the formula. Let us apply ourselves to that particular problem. Let us look at the formula and let us rectify where the deficiencies are, and let us put it in the Act, Mr. Speaker. We believe, Mr. Speaker, if it is clearly enunciated what the formula is and where the problem areas are, in the present Act, if it is enunciated and shown in full view of the public so that they can analyse it and look at it, we believe that the consumers, if they can see, and it is proven that there is a deficiency in the formula, I am sure

that most consumers do not want the producers to subsidize another. And I am sure that if it was in the open, above-board and shown clearly where the problems are and if the formula has to be adjusted, I am sure that most consumers will accept that. But it's hidden, Mr. Speaker, we don't know where the formula is. I am sure, Mr. Speaker, that probably the difference is that there are maybe two formulas now, one that the producers come up with based on their costs of productions, and then another formula. We have that formula now, but apparently it is not working, and it seems to me that we should be able to make it work, Mr. Speaker. So I am suggesting to the Minister that rather than come up with a charade, a new bill, house dressing, window dressing, or whatever you want to call it, to create an illusion that something is being done, we are going to address ourselves to our problem that has plagued the industry according to the Minister.

What I am saying, Mr. Speaker, we are replacing the bill with another bill which is very similar in nature and will not address itself to the real problems.

Mr. Speaker, what I see happening is that the cost of milk will creep up very slowly, one cent a litre, small increases here and there, this is what will, in my opinion, be happening, and there is no protection for the consumer under this kind of a situation. The producers will still be controlled under a formula, and they will still be the target for any price increases. What the processors and the retailers will say when there are any complaints, well, I'm sorry, it's those bad dairymen, we have had to give them more money, we have been ordered by the commission to pay the producers more money. So it's those big bad dairymen who are the cause of the high prices of milk. It's not our fault, we are the good guys, we are the good fellows; it's not our fault. They will say it was the producers who will be the clay pigeons, Mr. Speaker, where the consumers and others, the processors, will be taking pot shots at the dairymen again. So as far as they are concerned there is no difference under this act than there was under the other act. Mr. Speaker, we feel that under that formula, it should be open to review, it should be shown in the bill what actually the formula is, how the costs are arrived at, so that everyone knows.

Now we know there are some problem areas. The cost of dairy cows has fluctuated wildly, and it could have been that maybe cows that were 7, 800, Mr. Speaker, suddenly go up to 1,500, and so on. Yes, there are changes from time to time that take place and should be reviewed. I don't argue that point. But what is the problem that can't be addressed now? Why can't we address that problem now? There is a formula. We accept that, and if the board is not responding to the formula that is in place, the Minister has an alternative. The Minister has the alternative to tell the board, well, you're not operating in the proper way, so goodbye and we'll get another board that will respond to the formula, if the formula is there. And that is why it is so important to have that formula in place, so that the public can review the formula, that it is not being abused and that the dairymen also are not being abused under the formula. I think it would be an advantage to have that in.

There are other sections in the bill which Section 13 and I don't want to refer to a particular section, I just want to in generality say that they referred to the overhead costs of fluid milk and other products. That's a quite wide-ranging word, Mr. Speaker. Other products means maybe products that are not dairy, and, you know, it doesn't refer to dairy. But I also want to say that this bill will cover all by-products from dairy production, and that's a whole host of other products, Mr. Speaker, that could be yogurt and whey and all these other by-products; different forms of milk, milk that has been processed, powdered milk, and there's another (Interjection) buttermilk, that's the one I was trying to remember; I don't use it very often, Mr. Speaker. There will be a lot of other products that will come under review.

Mr. Speaker, what we see here, is that when a consumer or a consumer group feels that they are dissatisfied with an increase in the pricing, they will have to go cap in hand. They are the ones who will have to go cap in hand to the commission and say, we do not like this kind of a formula. So, it's a switch. Where the producer may have had to come cap in hand from time to time because the board was not functioning properly or the formula was not properly laid out, it is now the consumers who will have to come cap in hand, Mr. Speaker, to the commission, and the price increase will already be in effect. And they will not have access to the information, Mr. Speaker, because the formula is hidden. It is not open to review. It is very difficult to find out what the formula is. I don't know what the formula is now, Mr. Speaker. I have no idea what the formula is that is being used now, and I am sure that it will be still more difficult to determine what the formula is after this bill comes into effect.

It will be the consumers of this province who will have to come on bended knees to try and plead for their cause and their case. They will have to come cap in hand, Mr. Speaker. What will happen is, from time to time when it is opportune, the price will be increasing, and Mr. Speaker, there will be some short-term advantages to the consumer, because some great big shopping centre with all kinds of methods of writing-off their costs will suddenly put on a sale on milk, a loss leader, Mr. Speaker, for a weekend in order to increase the traffic into the store. There are large purchasers, Mr. Speaker. Some of these big shopping centres will buy all kinds of milk, and there are probably some discounts and so on that will put them in a preferential position, but the small storekeeper, Mr. Speaker, who does not have the traffic and the trade will not be able to put on these loss leader sales on milk, Mr. Speaker. What I believe, is the small businessman, the small storekeeper, will be also at the mercy of the larger corporations. It wouldn't be impossible for Loblaws or Dominion or Safeways to put on a loss leader on milk from time to time, whereas a small storekeeper would not be able to do that and he would be suffering.

But I say that this would only be short term, Mr. Speaker, particularly in the north, particularly in the rural areas, Mr. Speaker, where we don't have the same kind of competition that you see in the larger centres, Mr. Speaker. You know, we have that disadvantage living in the rural areas. We don't find the same kind of competition that you see in the city,

so I see some problems here for the small store grocer that would not be able to suffer a loss leading on milk for any extended length of time.

So the mechanism to examine prices, Mr. Speaker, would only be after the fact, so again, the consumer would be the one that would . . . And of course the conduct of an enquiry, Mr. Speaker, the Member for Fort Rouge has mentioned this, that the commission shall conduct enquiries, but only if they feel that it deems that an enquiry should be necessary. They don't have to do it, Mr. Speaker. If they deem it's necessary, they could say, if somebody complains, the price of milk is five cents a litre more up here than it is in Winnipeg, how come? Well, the commission would say, well, that's a complaint all right, but we don't feel that we should hold an enquiry, we don't get very many complaints and we don't think it's necessary to call a complaint just for the one complaint that we have received. And besides, you live in a remote area and the costs are higher and all this, for transportation, so there has to be a price differential. So there would go your complaint by the board, Mr. Speaker. There would be no hearing.

So it's not going to be a satisfactory bill. We feel that any changes that are required could have been done in the present Act, it's nothing but a charade. The producers are going to be still the scapegoats for the criticism that will be levelled; a small storekeeper will be subject to more severe competition by the large chain stores; the consumer will have no protection, he'll have to be the one on bended knees and come, cap in hand, and say, we're paying too much for milk. We think that the present bill could have been amended by including the cost of production formula for the farm prices right in the bill, and by changing the format of the hearings, the hearings, we could have changed the format whereby changes in the formula would be subject to hearings.

We think that if it was in the open they could change the format so that hearings could be held in regard to the formula, but still protecting the consumers, and you know, Mr. Speaker, there is not going to be a maximum price anymore. It's going to be very difficult to control the prices at the processor level and at the retail level. That is where the action is going to be taking place. You know, once in a while when it's opportune, the commission will roll back prices and become heroes. I suspect maybe that's what's going to happen, Mr. Speaker. Prices are going to take a big jump as soon as the new bill comes in, it's going to jump five cents a litre, and all of a sudden the commission is going to come in and say, oh, that's too much, we're going to roll this back to three cents a litre. That's what's going to happen, the government is trying to come out as heroes with this kind of a situation.

Changes, Mr. Speaker. We think the changes that we have suggested would enable the producers to receive a fair return on the production of their milk which we all agree they should receive, and consumers would not be placed under the mercy of the wholesale and retail trade, because that's where all the action is going to be taken, because the bottom end of the line, at the farm gate, that is going to be tightly controlled and the producers will still have no say as far as what they receive for their

production. And the consumers, we believe, would not be placed, if they accept the suggestions we have recommended, would not be placed under the mercy of the wholesale and retail trade with little protection against unwarranted milk increases.

So the government, Mr. Speaker, we suggest, have not responded to the consumers and the legitimate request for subsidies, it has been suggested by other members there should be subsidies. As I say, the producer should not have to carry the high costs of milk on some people who cannot afford to pay the price that is demanded, and it's not the producer's fault if some people do not have sufficient income to provide themselves with an adequate supply of milk for school children, pregnant women and infants of low income areas.

But Mr. Speaker, we still say that the farmers, the processors, will be the scapegoats and they have been the scapegoats in the past for any increase, they have been blamed for any price increases and they will still be blamed in the future. They will still be blamed for any increases in the price of milk.

Again, in closing, Mr. Speaker, I want to say that if it is clearly shown that everybody can see, the consumer, what the formula is, how these costs are arrived at for the farmers, it will be more acceptable to the consuming public. So I would urge the government to take our suggestions unto consideration and not proceed with this bill. They do not have to proceed with it, it's nothing but a sham, it's nothing but a charade that they are undergoing. If you look through the bill, Mr. Speaker, you can see the word "monitor" in several sections of the bill. They are going to monitor this, they're going to do this, it's going to be monitoring that, you know, we criticized the Minister on the drought program when we were suggesting in April that we should be addressing ourselves to a serious drought program, they said they were reviewing, they were monitoring. I accused the Minister of being a reviewing Minister, a monitoring Minister, and again we see those very very favorite words of this government that they are going to monitor. They are always monitoring, but never doing much, Mr. Speaker. Never doing much.

Thank you.

MR. DEPUTY SPEAKER, Abe Kovnats (Radisson): Are you ready for the question?

The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Thank you, Mr. Speaker. I'm rising, not pretending to be any expert on this bill, or the industry, but I'm rising as an urban member to sort of take a little bit of the sting out of the opposition's fantasies and accusations which, I submit, are based on the assurance from the Agriculture Minister that the formula will be fair, is one which I have to stand up because I will be expressing some concerns with regard to the consumers, the urban dweller, the working mother, the school children and all the others that I represent as an urban MLA.

I would like to assure the Member for Ste. Rose that I, too, share some of his concerns but wouldn't have the nerve to stand up and vote against this bill. To say it's a sham, a charade, and many of the other political opportunist type of statements that he makes, hoping to instill some fear into the general

public that to me lack the same type of credibility as the Member for Burrows who talked such nonsense the other day.

On Page 3, Section 3(5), I wanted to take the opportunity to say that I have been made aware that the milk industry, on a small basis, is a sort of seven day a week, two times a day type of operation, and in order for them to build, in order for us to ensure supply, we've got to keep some sort of incentive there. I have no quarrel with that. However, apparently according to the crying towel in Manitoba, that it takes six months to get an increase versus the cost of things that arrive all of a sudden suddenly, in the increased costs of machinery, the increased costs of feed and other type of items, that inflation moves along about 8 or 9 percent and they don't have a chance to put that increase into effect so they always seem to be behind.

I wanted to assure the Member for Ste. Rose that there appears to be two appeal mechanisms, the Commission and the Natural Products Marketing Council. And if you take the record of this Agricultural Minister as a man of his word, that the formula is going to sort of envision the cost of production, and this is the one that I'm concerned at, a reasonable profit, and it will be passed along, either in a reduction in the price of milk or in an increase in the cost of milk.

Now, I would envision, as a city member where I am sitting from, that milk will, in the short term, increase in price. But I came back from McAllen, Texas and milk was 59 cents a quart down there, and I said, there's something wrong because it seemed to me that to me, as a city man, the cows looked the same to me and the feed looked the same to me. But they put efficiencies into the industry apparently and I agree there's probably some extra costs, as the Member for Lac du Bonnet said, we get a little snow up here, but I would like to say that we have to get production, we have to maximize production or we're never going to be able to give my people a break in the price.

So if we can get production up, I can see the day when not just Safeway and some of the big purchasing giants will have loss leaders in milk, but we will see competition in the marketplace. But because I am seeking competition in the marketplace, I am also becoming a little urban-wise. And I, for some reason or other, suggest, and I'm going to have to be businesslike, I'm going to have to suggest a maximum price formula at the retail level. Now, I feel we need that in order to be able to ensure that there is an adequate supply of milk for the consuming public. Because if you don't have a maximum during this period that you're trying to increase production, you're trying to encourage people to go into the dairy industry, you're going to have the big boys and I would like to maybe ask the Minister sometime, what guarantee have we got that there's going to be an adequate supply. What happens if these American giants that operate in Manitoba, like Safeway, buy up all the milk? Is there any type of procedure that prevents them from cornering the market, I don't know, I'm a city member. I would have liked to have asked these questions in caucus, but of course, as you know, I sit as an independent on the third floor.

But I would like to say that I am also concerned about the children in schools, and I may offer the suggestion to the producers, or for that matter maybe some giant in the wholesale industry, that we may have to go to special cartons supplied by the producers for the school children, because I think that, like education, the development of our bodies and health is very, very important and if there is no protection of supply, I would like to see some sort of guarantee that the schools are given specially designed and marked cartons that are available for the school divisions throughout Manitoba, and this could be monitored to make sure people weren't using little Johnny to go out and buy 25 of these specially marked cartons, to avoid the retail price in the stores. But I do feel that, from where I sit, the children in the schools need some protection of the rise in the price of milk.

So if we say, and we quote the Member for Ste. Rose, "The farmers and producers want a fair return for their work." I agree with that position, but I do not agree with his ridiculous statement that the consumers will not be protected. I would like him to prove that to me again, because under Section 3(5), it says the commission to monitor prices, and I am reading from the bill: "The commission shall monitor the prices of fluid milk charged by distributors and retailers and where the commission deems those prices to be unreasonable, the commission may by order establish schedules of maximum prices and minimum prices or both at which fluid milk may be sold to the consumers."

If you go on to how it is done, then the Application to the commission to examine prices, and I would also share the concern, does that mean it is going to be very hard for the commission to roll back the prices because if the prices are in effect before the consumer . . . In other words, there should be some sort of lead-time information from the industry to indicate that next month the price of milk is going up 5 cents a quart, so that the consumers could apply to the commission before the price goes into effect, because I see some of the particular concerns as to how we will roll this back once the retailer is educated to the price of it. Because I see, with a great alarm, chocolate milk at the Seven-Eleven stores, 82 cents, 80 cents, and I remember you seeing it on sale for 55 cents not too long ago.

So I look forward to the day when there is some form of production back in this industry because, as a consumer, I want to be able to enjoy the competitive market. And I say, just like we look for gasoline, I know a lot of people go to Higgins and Main in a very dangerous part of the city because there is a gas station there that has some of the lowest prices in Winnipeg, and I know many people that travel that far. I would hazard a guess that many consumers will go where the bargains are when the production is up and the producers are again enjoying the opportunity to be able to have some money left over for some luxuries. Then I would submit that that free marketplace as I envision two or three years down the road, or maybe it will take longer to get the herds up to that type of production, but I envision that type of competition. So I say that during the period that we are talking about, that we have to have some sort of maximum retail control. So I say the application to the commission to

examine under prices under Section 3(7), "Any person who is dissatisfied with the price of fluid milk in any give locality, or in the province generally, may apply to the commission in writing (a) to review the maximum price or minimum price so fixed by it under subsection (5); or (b) to fix maximum prices or minimum prices, or both, under that subsection.

So I would like to indicate that this bill appears to offer the type of incentive to get efficiencies back in the industry. No doubt those poor producers and those people that don't operate very well and have a dirty operation and don't have the pride in the particular industry that they're in, will fall by the wayside, there is no doubt about it. But I think with the type of indicated support that this government, which I sometimes think is very enthusiastic in the rural area, this type of support . . . And I don't think there has been any government in this province for a long time that has shown that kind of support to the farm community. I think that they will see that efficiencies are returned to the industry. We will have all our technical people from the universities. We will have people going around the industry encouraging, because of the new formulas, because of the new bill, because of the type of support indicated by this government and at least on the horizon, with the division amongst members opposite fighting amongst themselves, at least possibly another six to eight years in power, that I would see that we would have the type of plank to offer to the industry that would encourage this increased production.

So we know some people are going to fail, but in the long run . . . Because I look forward to the phenomena that happens every winter when all our retired people that have saved and have a little extra money go down to the Texas area, and because they are able to grow two crops a year, they go around and get all their vegetables for next to nothing. They get all their canned fruit juices, the dented tins from the cannery, for 25 cents a tin. They seem to have a study, despite their wealth, in being able to live on a minimum amount of a food budget, and part of that seems to be the continual advertising by the different shopping centres, putting milk as a particular product that they are prepared to take a smaller profit on.

Contrary to the belief of some of the members on this side that a maximum price at the retail level will be the price right across the board, I think if you allow the extra production to happen, that certain retailers will begin to put milk at a price that is different from their shopping centre or their adjoining store to the extent, I'm hoping, that the consuming public will enjoy a benefit from this bill.

So I see nowhere where the consumer does not have protection. I see in the long range and I say the long run or the long range I see where the consumer of this province is finally going to get the type of free marketplace benefits that residents of the United States enjoy. That's what I see. In the meantime, I am equally concerned about the supply of milk, and I am equally concerned about the size of some of the big four or big three of the huge supermarket chains who may, through pressure of volume, corner the supply.

So with those few words and a desire to want to ensure that school children get an adequate supply of milk, and taking the word from the Minister of

Agriculture that there will be monitoring to ensure that the price to the wholesale and retail people is one that is, in a sense, controlled by the government and encourages production, and those benefits will be passed on to the people that I represent in the downtown urban riding.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Thank you, Mr. Speaker. I notice that the Minister wishes to preclude further debate or at least hopefully would like to close the debate as soon as possible. I suppose that is part of the feeling of a good number of assembly members at this time of the year, Mr. Speaker. (Interjection) Yes, myself included. But that doesn't mean, Mr. Speaker, that we are going to let this one go by without considerable debate and without considerable public involvement. This is too important an issue to just slip through at the last moment of the session, Mr. Speaker, and I think that we would be irresponsible if we wanted to do that; indeed, if we attempted to do so.

First of all, Mr. Speaker, I would like to point out to members opposite, and especially to the Member for Emerson, that there are no straw men on this side, Mr. Speaker. I say that because of the contribution of the Member for Emerson on this particular bill the first day that it was debated, where he tried to give a speech without knowing the position of this side and presuming to attack the position of this side without having heard it. Mr. Speaker, there are no straw men on this side because I think we're all angels on this issue.

I say that, Mr. Speaker, in the knowledge that over many, many decades in Manitoba, and the Member for Burrows illustrated most fully the other day the fact that every kind of government in Manitoba over 50 years has been preoccupied with the question of how best to handle the question of proper returns to producers and reasonable respect of the interest of consumers. That was very much illustrated in the history of the Milk Control Board and how it came into being, and how it operated over 50 years. That illustration was provided most fully by the Member for Burrows, something perhaps that many people in this Assembly today have not been familiar with, why it was that the Milk Control Board was set up originally and why it is that we continue with it, and so on, up until this point in time.

Strangely enough, most people were never aware of this, I suppose, that the Control Board originated for the very purpose of denying price wars in the marketing of milk at the retail level. That was the main purpose of it, and it was interpreted at that time that if those price wars were to continue that it would have the inevitable effect of putting people out of production and therefore we would have shortages of milk supply. That was the argument that was used at that time.

Mr. Speaker, I think everyone recognizes that milk is an essential commodity. I don't believe that there is anyone in our society that wouldn't agree with that statement. I also believe, Mr. Speaker, that there isn't anyone that would want to deny the producers of milk a reasonable standard of living, a reasonable

opportunity to sustain themselves competitively with the rest of society, to be somewhere in the average strata of society in terms of income, standards, and so on. I don't believe anyone would want to argue otherwise and so the question is, how do we serve both ends? How do we protect the interests of the producer and how do we protect the interests of the consumer?

Mr. Speaker, first of all, let's recognize that with respect to dairy production or milk production, that I think if every Manitoban understood the nature of that industry, they would probably conclude that that group of people should be the highest paid group in our society. There's one point that I want to make in that connection, and that is that it's not only a seven-day-a-week job at least two times a day in terms of milking your dairy cows, Mr. Speaker, it's 365 days a year. But you know, the insult comes on leap year, you have got one more day to work. That is the nature of the industry, and so it is very difficult for average dairy producers to take a holiday for a week or two, or three, as most people like to do. Most urban workers think that it's part of their work package. It's a right under law.

I think society has to respect that because there is a group of people that are dedicated to that industry, probably to the same extent as a couple who get married, Mr. Speaker. Next to your wife the cows come right behind, second in importance, if you're a dairyman. (Interjection) Well, I think that's the only way one can put it, Mr. Speaker. But quite frankly, in the practical application of your degree of attention to either, I believe the cows will come ahead of the wife. This is really what it comes down to, in terms of regularity of milking the cows and feeding the cows, and making sure that they are cared for in the best way that they can be cared for in the sense that if you don't do that, you will suffer income losses, production losses. A cow is a very sensitive animal, Mr. Speaker. Any variation of its schedule will bring a sudden decrease in production. As a matter of fact, if you change your hired man, if you get a different hired man for one or two days, the cows know it and they will cut their production if the attention isn't quite the same as they are accustomed to and so on and many people don't understand these things. So it is important that we maintain consistency of care and attention with respect to the animals, or we find that we lose production and through loss of production we lose income and everyone has to suffer for that.

So we recognize, Mr. Speaker, that the dairyman has to be fully respected for his contribution to society, for his effort in trying to supply a basic food commodity, something which we cannot do without, Mr. Speaker, and something which is very important to the upbringing of all families in this province.

But, Mr. Speaker, having said, I don't believe that anyone would also want to put the argument that you give any particular group a blank cheque either, because that is the ultimate folly if you want to give in too much to that first temptation, to acknowledge their contribution; but you must have some means of saying, yes, we have to compensate properly, but at the same time we cannot provide any group with a monopolistic position to the extent that it becomes an exploitive situation. I believe the Milk Control Board system has provided that kind of service over

the years, 50 years, some 50-odd years well first the Utility Board and then the Milk Control Board some 50-odd years since that was established.

Now I think it is fair to say that from time to time the producers have had reason to complain about the procedure of price adjustment, about perhaps the attitudes of members of Milk Control Boards from time to time. In their eyes, I suppose, they felt that maybe they had a stronger case to be made than what was recognized by the Milk Control Board and so on, and that is to be expected, Mr. Speaker. I don't believe that one can fault either side, because in the process of negotiations, of presenting a case, and in trying to be reasonably analytical you are going to have some difference of view, some difference of opinion as between the two sides.

Now, Mr. Speaker, I had that experience as Minister in charge of this Department for several years, and I believe that there isn't, as I recall it, another sector of the agricultural industry that I spent as much time on as I did on the dairy industry, Mr. Speaker, because of the fact that we had the interests of both the consumers on the one hand and the producers on the other, and somehow you had to walk that tightrope in order to make sure that both sides are adequately protected, and because of the nature of the industry itself, Mr. Speaker. In Manitoba the dairy industry, up until five or six years ago, was split into two parts, where a dairyman that shipped his milk to Modern Dairies Fluid Plant would receive one price for milk; if he shipped his milk to Modern Dairies Industrial Plant he received a substantially lower price for his milk, and so we had a situation for all time, up until five or six years ago, where two farmers side by side, one supplying the industrial milk market, one supplying the fluid milk market, were receiving huge difference or prices that varied as much as 50 percent.

Mr. Speaker, that had to be adjusted and the way in which that was adjusted, of course, was through combining all of the milk into one sort of area of marketing, and that was through what we call pooling, pooling of all milk, so that milk is milk no matter what its end use is and every farmer received the same price for his milk. It is the same standard, quality and so on.

So that was a decision that was made and it was a decision that was not made easily, Mr. Speaker, because the two sides were really not that close together. The people that were largely fluid shippers were not necessarily happy with the idea of pooling, because they recognized that they had the cream of the market and wanted to retain it for themselves. But, Mr. Speaker, I think the writing was on the wall and whether it happened five or six years ago or in the next decade is neither here nor there, it had to happen if we were to make sense out of the dairy industry in Manitoba. I don't regret having played a very major part in making it happen, Mr. Speaker. I would do it again, because it is the only sensible way to run the dairy industry; as one unit, not as two difference parcels, packages, two different prices, two sets of producers, one with a high standard of living and one with a low. That did not make any sense to me, Mr. Speaker.

We recognized at that time too that we had to up the value of industrial milk in order to soften the blow of integration and in recognition also of the

fact, Mr. Speaker, that industrial milk was priced far too low in any event, even below the competitive price of cheese imported from other jurisdictions, Mr. Speaker. There was no logic in that. So all those adjustments were made, and, Mr. Speaker, I think I have to admit to the fact that during that period of adjustment it was the Department of Agriculture, myself and a few of my officials, that were leading the parade in pushing the new producer board, we were actually pushing them to set their industrial milk prices at a higher level, because we recognized that those products were underpriced, as compared with what they were in other provinces of Canada and in the United States.

So, Mr. Speaker, gradually the adjustments were made and we now find ourselves where we have one milk system that has improved quite dramatically over what it was for many many decades in this province.

But, Mr. Speaker, one of the important components, as I alluded to earlier, is, of course, the fact that in this system there was no blank cheque to anyone. There were checks and balances and the consumers were protected in the knowledge that the Milk Control Board in the Act was required to establish prices based on costs of production on the producer's side; based on the cost of processing on the wholesaler's side; based on the cost of retailing on the retailer's side and so on. The Milk Control Board had to take all of those things into account in establishing a retail price for milk, for fluid milk.

From time to time, of course, we had well, in fact, every year there were hearings with respect to milk price adjustment and there were briefs presented by all the vested interest groups, producers on one side, the wholesalers, the retailers, the consumers and so on, and I suppose if you are going to have a regulated commodity, I suppose this is the only way it can be done, Mr. Speaker.

Now, Mr. Speaker, the Minister in introducing this legislation had not given us one idea of why this legislation is necessary, because a system that was in place, that system had been working for a long long time, a great deal of experience built up over all those years, and that if there was a problem, as has been alluded to by members opposite and which I recognize, Mr. Speaker, that sometimes there was too much of a lag time between adjustments. Mr. Speaker, the Minister had the option of simply broadening the terms of reference of the existing legislation, and instructing the Milk Control Board to take cognizance of the fact that things are volatile in these days and these times and that they have to be quicker with respect to their adjustment process. That is all that was necessary.

Now, Mr. Speaker, my understanding is that the Milk Control Board had recommended to this Minister that he do that, that they recognized that the economic conditions were so volatile, that the interest rates were bobbing up and down all over the place, that there was no stability in terms of cost of production, and that some mechanism should be put in place in order to give an earlier response to these changes in cost of production. They recommended to this Minister to set up a formula so that the formula would be relatively automatic, rather than having a whole series of public hearings to make those adjustments that would now have to be made

on a more frequent basis because of the economic conditions.

I don't know why the Minister chose not to follow that recommendation, Mr. Speaker. I don't know why the Minister chose to scrap the system that has worked for 50 years in favour of something that has not yet been tried, Mr. Speaker, excepting for one observation and that is, Mr. Speaker, that the government's philosophy is to deregulate everything if they can, to get back into the free market system, that is what they are really doing with respect to a whole host of things. I suppose with respect to other things it wouldn't bother me too much, but with respect to milk I am not so sure that that is a proper course of action. It has not worked in the past and that is the very reason for which the existing system was set up is because it has not worked. We had booms and busts in the milk industry prior to the establishment of the Milk Control Board, prior to the establishment of milk as a utility under the Utility Board in 1932; we had period where there was no milk available on the shelf and we had periods where there was too much milk and couldn't be marketed, Mr. Speaker.

So why this Minister wants to go back to that system, which has been described historically as the jungle system, I don't know. I can't understand that, Mr. Speaker, given the fact that there is so much knowledge and history on which to rely on that has been put together over all these years.

Now, Mr. Speaker, what is the Minister doing? He is continuing to regulate the producer price, that isn't changing, albeit by formula on cost of production which he could have done under the old system, that he is not changing, but he is completely deregulating the wholesale and retail pricing mechanism. And so, Mr. Speaker, we have the probability of consumers paying different prices for milk in different parts of Winnipeg, different parts of Brandon, and different parts of every community. There will be no sort of uniform milk price with a tolerance for transportation, but that if you have a one-store town you will have the price that that store establishes; or in the city of Winnipeg you may have loss leaders sales of milk by some chain, which will result in a substantial difference in milk price between that store and perhaps the corner grocery store. So you'll have all sorts of variations in the milk price after this legislation takes its effect, Mr. Speaker.

I don't know that it is reasonable to subject Manitoba consumers to that kind of thing, Mr. Speaker. Is it right that a person that happens to be handy to a supermarket that uses milk as a loss leader to have that benefit, and one that is not so close to have to make up the difference. It may be sold by the same company, Mr. Speaker; it may be made up somewhere else, and you will have transfers of subsidization or cross-subsidization from one consumer group, in one part of the province, in favour of another consumer group where competition is a bit keener. That is really what we are looking at, Mr. Speaker. The law of the jungle is really what we are talking about here.

Now, Mr. Speaker, there are many ways through which government can try to maintain a necessary commodity at a reasonable price to the consuming public. I suppose if wanted to go into the extremes, one could get involved I suppose in holding down

costs of production at certain levels with public intervention. That would be a much greater intervention than what we have been accustomed to under the system of the Milk Control Board.

One of the things that has to be recognized, Mr. Speaker, is that because a commodity is controlled, and which will continue to be controlled as far as the production is concerned in this case, that there is always need for extreme vigilance to make sure, Mr. Speaker, that the commodity that is controlled doesn't acquire artificial values, because those artificial values obviously will be passed on to the consuming public. I don't think, Mr. Speaker, that it's reasonable and fair to suggest to the consumers of Manitoba that we are going to relax the regulations to such a point that we'll revert back to a system which we abandoned, in large measure at least, where production rights develop a value over a period of time; where the Member for Emerson alluded in his speech, Mr. Speaker, to the fact that I believe he realized something like 600 per cow for his production rights when he sold out. If I am incorrect, he can correct me, Mr. Speaker, but I believe he mentioned that figure. Here is an individual that sold out his dairy farm, the Member for Emerson, who seems to believe that the consumers of Manitoba owed him 600 per cow for the right to produce milk, but the right which the province of Manitoba gave to him, Mr. Speaker, for nothing.

Mr. Speaker, the Member for Emerson says, how many years ago was that. That is irrelevant, Mr. Speaker, how many years ago that took place. The fact is the province of Manitoba, by virtue of regulating the number of producers in the industry, and by virtue of regulating the amount of production per producer, is indeed giving the producers a monopoly position. That monopoly should never be sold, Mr. Speaker, because to the extent that you acquire values on the rights of production, there is no other way that milk prices can go but up, and therefore we build into the system artificial costs of production and they perpetuate themselves, Mr. Speaker. Certainly we can live with that kind of a system if the government is going to be the regulator of the system, to by government law say to the consumers of Manitoba that we are going to enshrine production rights, and that will mean forever and a day that you will multiply your costs of production each time that the consumers of Manitoba will have to make adjustment for, is an absurdity, Mr. Speaker. Any regulated industry, but in particular with respect to milk, has to be regulated in such a way that that cannot take place.

Mr. Speaker, the Member for Emerson will probably say, if I didn't get the production rights value for a cow, I would have received it on my land because if the person has to buy my farm in order to get the production rights, I will simply increase the value of my land ten times. And that, Mr. Speaker, has occurred in Canada, in many areas and with respect to many commodities. It is something that should not be tolerated by society.

In British Columbia and Ontario we have the worst examples of production rights and their value. They even have an exchange system in Ontario, marketing quota values or quotas, quotas which are given to the producers by the right of the province of

Ontario.(Interjection) That's right, traded on the stock exchange, Mr. Speaker. Mr. Speaker, in British Columbia if you want to get into the egg business you have to be a millionaire first, because you have to pay about 2 or 3 thousand per case of eggs for quota rights, for the right to produce eggs. And this is where regulated commodities fall down, Mr. Speaker, fall down from the concepts on which basis they were introduced, Mr. Speaker; the concept of the interest of the producer and the interest of the consumer in food production.

Mr. Speaker, I recall in, I believe it was in the early 1970's, 1972, 1973, I believe dairy cows in Manitoba were selling at about 1,500.00. Most of that value was quota rights. Now why the hell do we want anybody to pay someone a huge capital gain through the price of a bottle of milk on the shelf, Mr. Speaker?(Interjection) I hope it's much less. I don't know what it is, quite frankly. I would hope it was, I don't know what it is.(Interjection) Well that may be, Mr. Speaker. I have not checked the price of dairy cattle recently, but what I am saying to members opposite is that they are completely irresponsible in the administration of this industry if they condone and allow and perpetuate artificial values to be re-established and to grow and to perpetuate themselves so that there is no other way but the fact that producers will have to pay more and more consumers rather, more and more for their dairy products on the shelf, only because of the capital gains that accrue out of quota values and the rights of production values.

If that is the route we are going, Mr. Speaker, then the only sensible thing is to go back to the free market system completely and allow anyone to produce milk, Mr. Speaker, if that is the direction that this Minister wants to go, and I would hope that he would tell me that it is not when he closes debate. But if this is the direction he wants to go, then, Mr. Speaker, we have to free up the industry from one end to the other. He should not deny me the right to set up 100-cow dairy herd, or 500 or 1,000, if I am willing to put forward the investment capitol, and if I'm willing to commit myself to that kind of an operation, Mr. Speaker, in competition with my fellow dairymen. That is really the alternative, Mr. Speaker.

I don't believe that it is ethical, fair, or whatever term you want to use, to enshrine production rights and values on the one hand, and keep new producers out of business by a law on the other hand. I don't care whether they build those rights in the value of the cow, or in the value of the land; they can't do it on the value of equipment, Mr. Speaker, because equipment is available everywhere. It is a nonregulated commodity. But with respect to the well even the cows, the fact is it is difficult to buy dairy cows because there isn't anyone in the business of just standing by being ready to supply you with a brand new herd, tested and proven.

So all of these things acquire unreasonable values unless there is a system in place that has proper checks and balances, and I suppose in the extreme, if society thought that milk was so important, there could even be a mechanism where land values could be zero for dairy production. That is a tool open to society although it is not something that has been used or even thought of I suppose, but it depends on the extent of the importance that you attach to the

question of the supply of milk and the price that you would want your consuming public to pay.

Mr. Speaker, to the extent that this Minister wants to go the direction of control on the producer and no control on the retailer, and to the extent that he allows these artificial values to creep in, we will develop a situation before very long where consumers in Manitoba, depending on their income, will have to curtail people on low incomes will have to curtail their consumption of milk. Mr. Speaker, if that takes place that is going to be a disaster to many families in Manitoba who are now in a difficult position of trying to meet their weekly grocery requirements.

We have an extreme situation here. We have the probability of uncontrolled escalating milk prices and we have a government which by law, not by law but by its inaction, is not prepared to recognize the inflationary pressures of our time and is not prepared to make minimum wage adjustments for those people who are employed in minimum wage industries. That is the very category of people that are going to be in deep trouble with respect to maintaining their supplies of needed dairy products should the prices of these products get out of hand. It is the children who are going to pay the price, because this government believes that they should deregulate the pricing mechanism at the wholesale and retail level.

Mr. Speaker, a number of members opposite have addressed this bill and not one of them has really given us a crystal clear illustration of what is currently wrong. They have alluded to small problems from time to time, or that have occurred from time to time. They have talked about the fact that there is no producer on the Milk Control Board. That was alluded to by three or four speakers on the other side.

Let's recognize the mechanism, Mr. Speaker. Thank you, Mr. Speaker. Let's recognize the mechanism. When we pool the milk, we set up a producer's Milk Marketing Board who has the responsibility of establishing prices of milk for the industrial trade; the cheese milk, the ice-cream milk and so on. That is their responsibility and they have full rein on how they do that, Mr. Speaker. When it came to fluid milk, which is regulated by the Milk Control Board, the producers of Manitoba said to me, we have no milk producers on the Milk Control Board. Mr. Speaker, my answer to them was, you don't need any. You have a producers' marketing board which is 100 percent producers who will be making submissions on your behalf as producers to the Milk Control Board. You have a vested interest, you now must bargain your position with the Milk Control Board; that I could establish a battery of speakers of the Assembly to be on the Milk Control Board, or lawyers or school teachers. They will merely adjudicate on the evidence that has been presented to them and therefore you don't need a producer on the milk control board because you are the body that is going to do the negotiating, you will make the case for the producer. You are now organized group; you have power; you will make your case as best you can; you will employ a legal counsel if you must; you will make the strongest case that anyone can make to the Milk Control Board to plead the case for the producers.

So, Mr. Speaker, I said you don't really need anyone there, but I am going to be flexible, if you want someone there name him. I will put one on. Mr. Speaker, we did. We put on a gentleman that was a producer and the interesting part about that was when that occurred we found that we had arguments between the producers who wanted something and this producer on the board who said well no your position isn't quite right, I know that Mr. Speaker, it was on their recommendation. I don't fault him for that. You always want to ask for more than you expect to get. That is the bargaining process. The Milk Control Board's operation is to make sure that they act responsibly in the interests of both sides. This is really what it is, Mr. Speaker, and so that is what they were doing.

Now, Mr. Speaker, one member opposite, I believe it was the Minister of Highways, said that we, to date, had achieved food policy. Well, that is true largely in terms of Canada, in terms of agriculture as a whole, but Mr. Speaker, with respect to the dairy industry, the dairy industry is the healthiest sector in agriculture in Canada, always has been, and I predict always will be, because of the nature of the industry and because society has recognized its importance and because largely it has been regulated across Canada. Oh yes. What other sector? We had the beef producers marching on the Legislature twice during my term of office, Mr. Speaker, asking for subsidies from the government because the bottom fell out of the market. Mr. Speaker, that doesn't happen in the dairy industry. The dairy industry asked the Milk Control Board for a hearing to recognize the recent increases in the cost of production, and by law, the Milk Control Board is obligated to call a hearing; it cannot ignore that request.(Interjection) Yes. And when they hold that hearing, adjustments are made to reflect the latest cost of production. Well, the Member for Emerson says, six months later. Mr. Speaker, we dealt with that. I agree that the process has been slow. But Mr. Speaker, the Milk Control Board has made recommendations to the Minister of Agriculture on how to speed it up within the existing system, without throwing away the protection of the consuming public.

And so, Mr. Speaker, I have no problem in supporting the position that there ought to be a quicker system for responding to the changes in the cost of production that occur, but Mr. Speaker, we don't have to scrap the system, we simply amend it. We give the existing authority greater flexibility in order that they can respond in a much shorter period of time. But members opposite should also recognize that all of us in society in the last 12, 18 months, have had to suffer because of the volatile interest rates, and that's mainly what the issue is, Mr. Speaker, the fact that we moved from around 9 or 10 percent money to 17 percent money. That was a very dramatic escalation in interest rates and interest charge, Mr. Speaker, but Mr. Speaker, we all have suffered from that.

MR. SPEAKER: Order please. The honourable member's time has expired.

The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, thank you. I assume that the Minister was intending to close the debate, but I wanted to speak on this bill, Mr. Speaker. I approach this matter from my own perspective, which is an urban member, and a person who represents consumers, and I have to say that I am concerned about this legislation and I urge the government to withdraw the bill, because I believe that the bill is not in the best interests of the public and it certainly is not in the best interests of the consumer.

Mr. Speaker, I want to make a prediction.(Interjection) Well, I listened to the debate, like my honourable friend, and I believe that the arguments put forward by the Member for St. George and the Member for Ste. Rose and the Member for Lac du Bonnet are correct, that the main beneficiaries of this change in legislation will not be the producers, and it will not be the consumers, but that it will, in fact, be the processors and the retailers and I am mainly concerned with the fact that retail prices are bound to rise. I predict, Mr. Speaker, without hesitation, that the price of milk can only rise.

We will undoubtedly find that some of the big stores will use loss leaders, and that we will find advertisements about milk for two to five cents less than it presently is, on the basis that consumers can then go to those stores and buy a whole bunch of groceries, 30 to 50 worth and get a couple of quarts of milk, or six or eight quarts of milk and save two to five cents per quart. But you know, Mr. Speaker, that may prove to be inconvenient. When people have to pick up a couple of quarts of milk, they don't always go to the big supermarket, they don't always take their cars, or walk, or take the bus down to the big Safeway stores or the other chains, Dominion and so on, they often go to a corner store, which is often a small operation, sometimes what's called a Mom and Pop store or all of these 7-11 stores and Mac stores and so on, these convenience stores, and I think that there is no question that those stores, in particular, will raise their prices. If you look at their products, what do they have in those stores? I'm not the world's best shopper when it comes to knowing how to figure out the per unit cost of a product, but I can tell you that I know from experience that those stores, their prices are exorbitant in relation to the larger supermarkets. And about the only thing you can buy there that's worth buying, that's worth your while to go in for, is milk.(Interjection) I certainly intend to draw my speech to their attention, and I'm sure that you will. And I will draw your remarks to the attention of all the consumer organizations in Manitoba, some 37 or 38 that have gone on record as being concerned about what the Minister wants to do. Because I know, Mr Speaker, that the Minister has wanted, for some time, to abolish the Milk Control Board. And now he gets his opportunity and he has seized it. And it is only variety of circumstances that has led to him to act at this time, but he has had little or no sympathy for the Milk Control Board. And he has no sympathy for the consumer.

You know, we have a man in this Chamber, I wish he was here because I will address some remarks to him when he returns, a man who supposedly represents the consumer interests in Manitoba, and on every count, Mr. Speaker, he has struck out. No

matter what consumer problem is drawn to the attention of the Minister of Consumer Affairs, he has failed the consumers of this province. I am saying to the government, if the Minister of Agriculture won't listen and some of the rural members won't listen, I'm then speaking to the other members of Cabinet, the Minister of Cultural Affairs, and to the Minister of Finance, and to the urban members. I am saying to them, when the people go to buy their necessities, you know, milk and bread are the classic necessities, classic, and the Tories are going to give the people of Manitoba higher priced milk, that is going to be their legacy, higher rents and higher milk prices.

MR. SPEAKER: Order please. The hour being 12:30, when this subject next comes up the honourable member will have 34 minutes.

COMMITTEE CHANGES

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Speaker. I have a further change for the Committee on Municipal Affairs. We wish to substitute the Honourable Member for Point Douglas in place of the Honourable Member for Wellington.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Thank you, Mr. Speaker. I have some changes on Municipal Affairs also, Mr. Anderson for Mr. Driedger; Mr. Enns for Mr. Mercier; and Mr. Wilson for Mr. Domino.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, in the absence of the House Leader, I think the advice to the House was that the committees would be sitting this afternoon and this evening. I don't think there was instruction or advice with regard to tomorrow.

Mr. Speaker, I wonder if I could have clarification from you as to whether the House Leader advised the House on tomorrow's activities.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. FOX: Yes, Mr. Speaker. The House Leader of the government indicated that he felt there would be enough work for the committees tomorrow as well. That's the last I heard from him and I had hoped that he would make that announcement, but he hasn't.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I think it was subject to confirmation, and in the House Leader's absence, I think we would have to indicate at this time that the House would sit again tomorrow morning.

So Mr. Speaker, without that confirmation, I would indicate at this point that the House then would sit tomorrow morning.

Friday, 18 July, 1980

MR. SPEAKER: The hour being 12:30, the House is adjourned and stands adjourned until 10 o'clock tomorrow morning (Saturday).