

## LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 26 June, 1987.

Time — 10:00 a.m.

### OPENING PRAYER by Madam Speaker.

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MADAM SPEAKER:** The Honourable Minister of Education.

**HON. J. STORIE:** Madam Speaker, it's my privilege to table the 1986 Annual Report of the Teachers' Retirement Allowance Fund Board.

**MADAM SPEAKER:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Madam Speaker, on behalf of the Manitoba Hog Producers' Marketing Board, I'd like to present their Annual Report for the year 1986.

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** Yes, Madam Speaker, I beg leave to table the 1986 Annual Report of the Human Rights Commission.

**MADAM SPEAKER:** Notices of Motion . . . Introduction of Bills . . .

### INTRODUCTION OF GUESTS

**MADAM SPEAKER:** Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have 22 Grade 6 students from the Wellington School, under the direction of Mr. R. Scrapneck. The school is located in the constituency of the Honourable Member for Ellice.

On behalf of all the members, we welcome you to the Legislature this morning.

### ORAL QUESTIONS

#### MPIC - senior officials to appear before PUNR committees in the future

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker.

Yesterday, at the committee hearing on Public Utilities and Natural Resources, the NDP members of the committee voted not to allow senior staff members of MPIC to appear before the committee to answer questions either on the Auditor's Report, which they

had contributed to, or indeed, on their responsibilities in the corporation.

My question to the Premier is: Will he intervene to ensure that senior officials of MPIC will be able to testify before the Committee of Public Utilities and Natural Resources in future?

**MADAM SPEAKER:** May I remind the Honourable Leader of the Opposition that questions about the proceedings of a committee are not in order.

**MR. G. FILMON:** Madam Speaker, only my preamble was a reference to the proceedings of the committee.

My question is: Will this Premier, as head of this NDP Government, ensure that his NDP members will allow senior officials at the Committee on Public Utilities and Natural Resources to answer questions?

He's the head of government. We presume that he speaks on behalf of his caucus and that he has the authority to ask his caucus to ensure that we have an open meeting of MPIC hearings, and so I ask this First Minister if he will intervene to ensure that that happens.

**MADAM SPEAKER:** May I remind the honourable member of Beausheue, Citation 357.(hh), which says a question should not "seek information about proceedings in a Committee which has not yet made its report to the House," and in terms of rather than the contents of the committee but the proceedings in who is allowed and what decisions the committee makes to me are proceedings of the committee.

#### MPIC - policy that senior officials of Crown corporation no longer appear before committees

**MR. G. FILMON:** Madam Speaker, my question is to the Premier.

Is it now the policy of this NDP Government that senior officials of Crown corporations no longer be allowed to appear before committees of this Legislature to give information on their areas of knowledge and expertise of those Crown corporations?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, I don't know whether the Leader of the Opposition is suggesting that the traditional role of the committees be deviated from because it is the practice in the Legislature - I believe it has been for many many years, probably right to the very beginning of the committee process in the Manitoba Legislature and other Legislatures, too - that the reporting be done by the Chair or the general manager. I'm rather surprised that the Leader of the Opposition would be asking for a deviation from that.

Committee procedure is in the hands of the committee and is not subject to dictation by Minister, or Premier, or other members of this Legislature. The committee has a supreme authority and, in

consideration of that supreme authority, they consider past tradition and past precedent that has generally been followed throughout.

**A MEMBER:** That's what they do in Ottawa.

**MR. D. ORCHARD:** But we haven't done it here until MPIC and the cover-up.

**MADAM SPEAKER:** Order please.

**MR. G. FILMON:** Madam Speaker, in view of the fact that at previous meetings of the Committee on Public Utilities and Natural Resources, several senior staff members of Crown corporations appeared - in terms of Manitoba Hydro we have often had a half dozen members of the senior staff; in terms of the Telephone System the Premier will recall just last year that there were at least five senior staff members of that corporation that testified before the Committee on Public Utilities - Madam Speaker, in 1982 . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** . . . at the meetings of the Committee on Public Utilities and Natural Resources, both Mr. Dutton and Mr. Laufer, as senior staff members of MPIC, appeared.

In view of that, will the Premier indicate whether or not it is a new policy, on behalf of this NDP Government, that senior staff members are not allowed to speak before the Committee of Public Utilities and Natural Resources when we're considering the report of their Crown corporation?

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Madam Speaker, the Leader of the Opposition and his colleagues know full well that the proceedings before any Standing Committee of this Legislature are dealt with at the committee level. He is absolutely correct when he says in the past there have been a number of occasions when a number of senior officials addressed questions that were presented to them.

What he neglected to say, Madam Speaker, is that there have been a number of other occasions, probably more occasions than the converse, when the question was directed through the Chair to either the Minister, the Chairperson, or the most senior official at the committee, and that's exactly what happened at yesterday's committee.

Madam Speaker, I was not at yesterday's committee, but my understanding of what transpired there is that there were no questions that were not answered fully and completely, and that has been the practice of this government from the very start of those committee hearings, and through any committee hearings.

We believe those committee hearings are an opportunity for the Minister and for the senior staff, as delegated, to provide the types of answers which provide the information which is required by the public and by the Opposition, to fully understand the matters

that are before the committee. That was what was done yesterday, and I would challenge the Leader of the Opposition to stand and say that there are questions that were put that he did not receive an answer to yesterday. It may not have been an answer with which he was satisfied, but we have found that if the answers don't suit his particular purpose of the minute, or of that particular time, he's very hard to satisfy, Madam Speaker.

**MR. G. FILMON:** Madam Speaker, the first question virtually of the committee - Will Mr. Henry Dribnenky appear before the committee to answer questions on his affidavit that he lodged before the committee at its last sitting? - the answer was, by vote of all seven NDP members - "no, he'll be muzzled." That was the answer.

**MADAM SPEAKER:** Order please, order please.

**MR. G. FILMON:** And that wasn't a satisfactory answer, Madam Speaker.

**MADAM SPEAKER:** Does the honourable member have a question for today?

### **MPIC - senior officials to appear before PUNR committees in the future**

**MR. G. FILMON:** Madam Speaker, my question to the Premier: In view of the fact that all seven NDP members of the Committee on Public Utilities and Natural Resources turned down a request to have senior staff members of MPIC answer questions before the committee, will he now assure us that in the interests of open government, in the interests of ensuring that senior staff are not muzzled by his administration, that senior staff will be allowed, as they have been in the past, to appear before the Committee of Public Utilities and Natural Resources to answer the questions of all members of the committee?

**HON. H. PAWLEY:** Madam Speaker, the information that I had that during the proceedings that took place yesterday morning, in fact, all questions were posed. The officers that are referred to by the Leader of the Opposition were present during those committee hearings, and I understand that all questions that were posed by the honourable members across the way were dealt with in the appropriate way by either the chairman of the board or by the manager, Mr. Silver, who manages the corporation, who seeks advice, if advice is needed, from different officers of the corporation, which is not an unusual method.

**MR. G. FILMON:** Madam Speaker, I regret that the government does not want to have senior staff . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** . . . answering questions honestly and truthfully before the committee.

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**Will Crown Corporation Act prevent Cabinet and Premier from being kept in dark about losses**

**MR. G. FILMON:** Madam Speaker, I have a new question for the Premier.

Given that the Department of Crown Investments was set up to provide a greater liaison between the government and Crown corporations, a greater communication between Cabinet and its Crown corporations, more accountability between the Crown corporations and Cabinet; and given that we are being told that the Minister responsible for MPIC, the former Minister of Crown Investments and the former Deputy Minister of Crown Investments knew about a \$12.3 million loss at MPIC in 1984, which loss was not reported in the annual financial statements of '84 or '85, contrary to generally-accepted accounting principles, Madam Speaker . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** . . . and given that the Premier says that he wasn't informed of this massive loss . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** Yes, Madam Speaker.

**MADAM SPEAKER:** Please place it.

**MR. G. FILMON:** . . . would the new Crown Corporations Accountability Act prevent two senior Ministers and a Deputy Minister from conspiring to keep Cabinet and their Premier and the public in the dark about massive Crown corporation losses?

**HON. H. PAWLEY:** Madam Speaker, I reject any suggestion of any conspiracy and I find it's a sad indictment of this institution when honourable members across the way continue to use words that suggest dishonesty, cover-up, conspiracy on the part of honourable members in this Chamber.

Madam Speaker, what honourable members are doing is a kind of McCarthyism that we witnessed in the 1950's. It's a kind of witch hunt mentality that has dominated the thinking of honourable members over the last number of years.

Madam Speaker, Manitobans respect their institution, Manitobans respect their public servants, and Manitobans reject in the strongest possible way and with a great deal of sadness when honourable members bandy around statements that are untrue and lack any factual basis at all. That's what saddens me in this Legislature, that honourable members, rather than dealing with the real basic issues of the province, for the last year-and-one-half have bandied around untruths.

Is it any wonder honourable members find themselves in a situation they cannot be happy with at a mid-term in the Provincial Government of this province - unlike B.C. and Saskatchewan - is because of those kinds of tactics that Manitobans reject.

**MR. G. FILMON:** Madam Speaker, Manitobans are certainly very concerned about the cover-up of \$12.3 million in losses at MPIC.

Madam Speaker, my further question to the Premier is: Will he assure -(Interjection)- No, I can use cover-up; Jay just confirmed it.

Madam Speaker, my further question to the Premier is -(Interjection)- Yes, I can. I can say that you've misled many times, as long as I don't say it's deliberate. Ask the Speaker.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** When I'm through informing the Premier of his rights in this Chamber, Madam Speaker, I'll proceed with my question.

**Crown corporations annual financial statements - presented in accordance with accepted accounting principles**

**MR. G. FILMON:** Madam Speaker, will the Premier assure that all Crown corporations' annual financial statements will be presented in accordance with generally-accepted accounting principles in future, and not based on the creative accounting concocted for political purposes by one of his Ministers?

**MADAM SPEAKER:** The Honourable Minister responsible for MPIC.

**HON. J. BUCKLASCHUK:** Madam Speaker, the Leader of the Opposition would leave the impression that the latest 1986 report is not in keeping with generally . . .

**SOME HONOURABLE MEMBERS:** 1984 and '85.

**HON. J. BUCKLASCHUK:** You're talking about the future and I've indicated that the 1986 report accurately reflects the potential claims to the best of MPIC's knowledge at the time the report was written.

Madam Speaker, the Leader of the Opposition is terribly embarrassed this morning. Manitobans have been waiting for two days for this revelation which was to come; it never materialized.

Madam Speaker, the Leader of the Opposition, in his typical fashion, about two questions back had indicated that the Minister responsible for MPIC, the Minister of Crown Investments and the Deputy Minister were knowledgeable about the \$12 million in potential claims.

I think if the Leader of the Opposition reads Hansard, which is the official record of yesterday's proceedings, I believe he will find at no time did the Deputy Minister of Crown Investments indicate that he knew of the potential claims in October of 1984 which led to the 1984 report.

Madam Speaker, one final comment, and that is the allegation that somehow or other the losses were not shown in the 1984 report. It is very disturbing that when we are dealing with a complex issue that the member can't read a report. Very clearly, in the 1984 report, is an indication that there were \$26 million in claims, and included in that figure is a provision for \$12.3 million

of incurred losses in 1984. It is a pity that the Leader of the Opposition, who sees cover-up everywhere, can't read a simple financial statement.

### Steps to ensure terror-free shopping

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

Order please, order please. Order please!

The Honourable Member for St. Norbert has the floor. The Honourable Member for St. Norbert with a question.

**MR. G. MERCIER:** Thank you, Madam Speaker. I have a question for the Attorney-General.

I would ask the Attorney-General, in his capacity as the Chief Law Enforcement Officer of this province, Madam Speaker, as to what steps he intends to take in order to assure that residents of Manitoba have the right to choose where they wish to shop without being terrorized?

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** The former Attorney-General knows full well the distinction between the position of an Attorney-General charged with making sure that when charges are laid, that Crown Prosecutors prosecute, that there are courts ready, willing and able to judge whether or not anyone is guilty of an offence, and the role of the various police departments which are responsible for attempting to keep the peace and for making arrests and laying charges when circumstances warrant.

As I said, in response to an earlier question on this same matter, Madam Speaker, the Winnipeg Police Department, which has jurisdiction in terms of what has been happening on the picket lines within this city, apparently are doing their duty, apparently are there, apparently are making arrests, apparently are recommending charges. I have no reason to doubt that if the reports of the police so indicate charges will be laid and will be prosecuted.

That is what the Attorney-General does. The Attorney-General does not run the Winnipeg Police Department. The member is making cheap, political capital on an unfortunate situation which it is our hope that in the future will not occur when there are better and more civilized ways of dealing with labour disputes.

**MR. G. MERCIER:** Madam Speaker, the Attorney-General has a Law Enforcement Division and is responsible for the activities of police operations in this province. He has chosen in the past to send in police officers when he has found it convenient, Madam Speaker.

Madam Speaker, I ask the Attorney-General whether he accepts or rejects, as a matter of policy, the statement of one of their intimate labour friends, Mr. Christophe, that we're here to turn the public back, particularly when customers have been terrified and abused as they have attempted to shop at SuperValu.

**HON. R. PENNER:** Madam Speaker, the former Attorney-General has said that I have chosen to send in the police on other occasions. First of all, the police

are in attendance in the situations giving rise to the question, so that even if, in fact, I had power to send in the police, which I don't, it wouldn't be necessary, because the police are there.

Secondly, there isn't an instance, in my recollection, where I, as the Attorney-General, have had the power or purported to exercise the power to send in the police. That is not the way in which an Attorney-General functions here or in any other province.

An Attorney-General can, as a matter of policy, request the police where in fact - I think of the wife abuse situation - the police are not fulfilling their duty, draw to their attention what their duty is with respect to the Criminal Code and things of that kind, but the Attorney-General does not send in the police.

Secondly, and I repeat, the police are there. There is no function that I have to fulfill at this moment with respect to what is happening on the picket line. Charges have been laid, and if those charges are followed up, and that will be for the Crown Attorneys in assessing the evidence to decide, then I will have fulfilled my function.

**MR. G. MERCIER:** Madam Speaker, the Attorney-General must bear the final and ultimate responsibility for the maintenance of law and order in this province. I ask him, Madam Speaker, how can he accept that the mother of a young baby has to put her head down and charge through the line, covering the head of her screaming baby . . .

**MADAM SPEAKER:** Order please, order please.

**MR. G. MERCIER:** . . . hounded by another one of their labour friends . . .

**MADAM SPEAKER:** Order please. Order, order please.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** As the honourable member knows, reading extracts from newspapers and asking an opinion is not in order.

The Honourable Member for St. Norbert.

**MR. G. MERCIER:** You could only wish, Madam Speaker.

Madam Speaker, I ask the Attorney-General how he can accept the fact that the mother of a young baby had to put her head down and charge through a picket line, with her baby screaming in terror, hounded by another one of their intimate labour friends, Leslie Spillett?

**HON. R. PENNER:** Madam Speaker, I'm not called upon to accept or reject anything. But I do know that it would be terribly wrong for an Attorney-General, past or present, to interfere in the normal process of the law.

This former Attorney-General is in this House doing something which is impermissible, even by a member of the Opposition, and that is making a judgment as to the facts of a case which must ultimately come before the courts. That is terribly wrong and illustrates why -(Interjection)- Yes, indeed, no Attorney-General in recent times has protected the public better than I have . . .

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**SOME HONOURABLE MEMBERS:** Oh, oh!

**HON. R. PENNER:** . . . with respect to the Law Enforcement Review Agency, with respect to crime prevention, with respect to justice to victims of crime, and I've done so by absolutely refusing - listen to this - absolutely refusing political interference in the administration of justice.

If that former Attorney-General believes that the way

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

**HON. R. PENNER:** If that former Attorney-General believes that the way to function is political interference in the administration of justice, then he once again demonstrates why he should never again be the Attorney-General of this province.

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Just on the subject, Madam Speaker, of political interference, I have a question for the First Minister.

Last evening, there was a disgusting display at the SuperValu store at Kenaston and Grant in the City of Winnipeg, attended by the Honourable Member for Kildonan, who was there promoting instability in industrial relations, revelling in and encouraging gangster-style violence, Madam Speaker . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** . . . and revelling in name-calling and uncivilized behaviour.

**MADAM SPEAKER:** May I remind the honourable member that he is not to make personal charges.

**A MEMBER:** But it's true, Madam Speaker.

**MADAM SPEAKER:** Order please.

The Honourable Member for Kildonan on a point of order.

**MR. M. DOLIN:** The Honourable Member for Brandon West knows very well the Rules of the House do not allow the attribution of motives. The fact is I would ask the member to withdraw and apologize for attributing motives which I think are unparliamentary, unprofessional, unprovoked, and untrue.

**MADAM SPEAKER:** May I remind the Honourable Member for Brandon West of Beausheue, Citation 357 (q), which is, a question should not "contain or imply charges of a personal character."

Could the Honourable Member for Brandon West please withdraw those charges that he made about the Honourable Member for Kildonan in that all members of this House are honourable members?

**MR. J. McCRAE:** Madam Speaker, my question had been to the First Minister and it related to the attendance by the Honourable Member for Kildonan at a disgusting display of violence last night.

Any imputation of improper or unparliamentary behaviour I will withdraw, but that does not take away from the fact, Madam Speaker, that that honourable member was there where people, like the people referred to by the Honourable Member for St. Norbert, were abused.

My question, Madam Speaker, has to do with members of the New Democratic . . .

**MADAM SPEAKER:** Order please.

The Honourable Member for Kildonan.

**MR. M. DOLIN:** Madam Speaker, I do not find that acceptable one bit. The fact is the honourable member attributed motives to me which are untrue. I want a withdrawal and I want an apology, Madam Speaker. I find his comments totally unacceptable.

**MADAM SPEAKER:** The Honourable Member for Brandon West, would he please clarify that his withdrawal of those statements were unequivocal?

**MR. J. McCRAE:** There is no further need for clarification, Madam Speaker. I withdrew any unparliamentary language.

**MR. D. ORCHARD:** That's right. What more do you want?

**MR. M. DOLIN:** Madam Speaker, on the point of order.

**MADAM SPEAKER:** I have recognized the Honourable Member for Kildonan. I'm waiting.

**MR. M. DOLIN:** Thank you, Madam Speaker.

The member said he withdrew unparliamentary language. He attributed motives to me which I find not only unparliamentary, but insulting and untrue.

I ask the member to withdraw unequivocally all his comments about myself.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

The Honourable Member for Pembina on the point of order.

**MR. D. ORCHARD:** Madam Speaker, on the same point of order.

My colleague, the Honourable Member for Brandon West, withdrew the unparliamentary language at your request, Madam Speaker; nothing more need proceed. It is not the Member for Brandon West's problem that the Member for Kildonan was on the picket line supporting the unions and that the demonstration was violent. That's not our fault that he was there; that's his.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please. Order, order please.

The question before the House is not a dispute over the facts about who was where, when. The question before the House is an imputation of motives and charges of a personal nature.

I would appreciate if the Honourable Member for Brandon West would clarify, to the satisfaction of the House, that he has withdrawn those charges of a personal character.

**MR. J. McCRAE:** Madam Speaker, on the same point.

When the Minister of Labour has repeatedly accused me of interfering in labour-management relations, Your Honour never did rise to call that Minister to order, Madam Speaker, and a moment ago . . .

**MADAM SPEAKER:** Order please, order please.

Is the honourable member reflecting on the Chair?

**MR. J. McCRAE:** Madam Speaker, if there's any reflection, the only point I make is that honourable members on this side of the House have been treated in a different way in the past than the Honourable Member for Kildonan is being treated now.

**MADAM SPEAKER:** Order please.

Would the Honourable Member for Brandon West please withdraw immediately any imputation that there's any favouritism by the Chair in this House.

**MR. J. McCRAE:** Madam Speaker, pursuant to parliamentary rules, I withdraw any such imputation.

**MADAM SPEAKER:** Thank you.

Now on the question of order before the House, would the Honourable Member for Brandon West please clarify, for the satisfaction of the House, in no uncertain terms, that he has withdrawn any of the personal charges that he made?

**MR. J. McCRAE:** Madam Speaker, I have unequivocally withdrawn any unparliamentary language. No further withdrawal is required.

**MADAM SPEAKER:** Thank you.

Now would you like to place your question?

**MR. J. McCRAE:** Thank you, Madam Speaker.

Madam Speaker, the question was directed to the First Minister about members of his party taking sides in labour disputes.

I will ask the First Minister how many other NDP MLA's and other government staff attended the shocking display of government irresponsibility last night?

**MADAM SPEAKER:** May I remind the honourable member that that question is not within the jurisdiction of the First Minister.

The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, I would have thought that honourable members opposite would be anxious to let their union friends know that they were there supporting them and taking sides in a labour dispute in attempting to destabilize industrial relations in this

province. But if honourable members opposite now want to hide their heads in shame, that's fine with me, Madam Speaker.

**MADAM SPEAKER:** Does the honourable member want to place a question?

**MR. J. McCRAE:** Does the First Minister condone violent demonstrations attended by NDP MLA's?

**MADAM SPEAKER:** Order please.

That question seeks an opinion.

The Honourable Member for Brandon West, with a question.

### **Demonstrations - does government condone violence**

**MR. J. McCRAE:** Madam Speaker, is it the policy of this government to condone violent demonstrations attended by NDP MLA's to deny shoppers the right to shop where they please?

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please. Order, order please. The Honourable Government House Leader.

**HON. J. COWAN:** On a point of order, Madam Speaker.

It seems that members opposite are the ones who are revelling in the violence that takes place. It's members on this side who believe that sort of violence is not necessary in the type of province in which we live today, where these disputes should be able to be settled in a more reasonable fashion, Madam Speaker.

As for the specific question, Madam Speaker, let them not try to indirectly cast aspersions; let them not try to infer or imply that members on this side attended any event for the purpose other than being there as a citizen of this province . . .

**MADAM SPEAKER:** Can the honourable member please state his point of order.

**HON. J. COWAN:** . . . and their activities, as a citizen of this province, are not subject to question in this particular House.

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** I'm glad the First Minister didn't hear the question. Either that, or the cat's got his tongue.

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** I remind the First Minister that the promotion of instability has been used in other jurisdictions, too.

I ask him: Is it the policy of this government to condone violent demonstrations attended by NDP MLA's to deny shoppers the right to shop where they please? That was the question.

**MADAM SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Madam Speaker, I think that everyone in Manitoba, everyone in Canada, is concerned that there ought to be ways in which disputes involving labour relations can be settled in an amicable fashion.

Madam Speaker, I note with real difficulty the refusal of a federal Labour Minister to appoint a mediator where that has been requested by the parties.

I want, Madam Speaker, to make it clear that the parties to the dispute that is ongoing in the City of Winnipeg know that the Department of Labour is ready, willing and very eager, as we always are, to facilitate the parties in an endeavour to resolve their dispute rather than have the confrontation that we have ongoing at this time.

**MR. J. McCRAE:** Madam Speaker, my question is directed to the First Minister, as it has been all along.

Is it the policy of this government to condone the staging of violent demonstrations attended by New Democratic MLA's to encourage gangster-style violence in an attempt to build support . . .

**MADAM SPEAKER:** Order please.

The honourable member is certainly imputing motives. A charge like "gangster-style" tactics by MLA's is certainly unparliamentary in terms of a charge of a personal character.

Would the Honourable Member for Brandon West please clarify, then.

**MR. J. McCRAE:** Yes, Madam Speaker, I didn't say that. I said they encourage gangster-style violence to promote a bill that is unworthy of the title. They are out there supporting that kind of behaviour, Madam Speaker, to build support for that legislation . . .

**MADAM SPEAKER:** Order please.

"Gangster-style" tactics is certainly another term for "illegal behaviour."

Would the honourable member please withdraw any accusations that MLA's are encouraging illegal behaviour?

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** Order please.

The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, I have nothing to withdraw. I said nothing about the Member for Kildonan engaging in gangster-style violence, Madam Speaker.

**MADAM SPEAKER:** My recollection of the Honourable Member for Brandon West's remarks were not that they referred to a particular member, but that they referred to members in general.

Would the honourable member please withdraw any imputation that honourable members were inciting that kind of behaviour?

**MR. J. McCRAE:** Madam Speaker, as I understand it, some 12 charges were laid as a result of that disgusting display last night, and there's nothing to withdraw.

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Madam Speaker, perhaps I can be somewhat helpful in this regard as quite often, on Friday mornings, the House requires a bit of assistance to make its way through the question period.

Madam Speaker, the member suggests that he has said nothing for which he has need to withdraw. Perhaps it might be appropriate for Hansard to be reviewed, when it is available, and at that time, if there is a statement that is required to be withdrawn, I'm certain that the honourable member will make that withdrawal at that time.

Madam Speaker, in respect to the specific question on the point, he knows, or he should know, that under Citation 357.(dd), he should not ask questions that "deal with matters not officially connected with the Government or Parliament, or which are of a private nature."

His question is really threefold, Madam Speaker. He has asked a question in respect to policy, which I believe would be in order. He has asked a question in respect to affairs of a private nature, Madam Speaker, which is not in order. He has asked a question in such a way as it has been interpreted to impute motives.

Perhaps, if he would care to rephrase his question so as to make it a question requesting a statement on policy from the First Minister, we can work our way through this temporary impasse.

I would suggest that the other matter be taken under review after Hansard has had an opportunity to be reviewed by yourself and the members opposite, as well as this side.

**MADAM SPEAKER:** The Honourable Member for Brandon West on the point of order.

**MR. J. McCRAE:** Madam Speaker, to the same point, you can read Hansard all you like; there's nothing to withdraw.

The Government House Leader has referred to Citation 357.(dd) of Beausheue. I would ask you now, as I have in the past, also to read Citation 357.(2), which more or less wipes out all of the subsections of Citation 357.

Madam Speaker, there is absolutely nothing to withdraw. You can read Hansard all you want, there won't be any withdrawal any further.

**MADAM SPEAKER:** On the specific issue of unparliamentary language, I will take the Honourable Government House Leader's advice and check the words carefully. Certainly, if unparliamentary language has been used, as in every instance in the past, I will request a withdrawal. If the honourable member has not used unparliamentary language, then of course that's a different matter.

In the meantime, questions will be placed in this Chamber only if they are in order.

If the honourable member would care to rephrase his question so that it does meet the Beausheue Citations that we use daily in question period, I will allow that to be in order.

The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, my question is for the First Minister. It might be helpful if he'd answer the questions.

Is it the policy of this government to condone the staging of violent demonstrations attended by New Democratic members to attempt to build support . . .

**MADAM SPEAKER:** Order please.

I have ruled that particular question out of order. It's the same or substantially the same.

**MR. J. McCRAE:** Madam Speaker, on a point of order. I have never yet completed this question. How do you know?

**MADAM SPEAKER:** On the point of order, the honourable member is asking about a situation that is not within the jurisdiction of the government.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MADAM SPEAKER:** The Honourable Opposition House Leader.

**MR. G. MERCIER:** Madam Speaker, a point of order. The question of the Member for Brandon West relates to labour relations, relates to the law enforcement system, relates to the policy of this government with respect to staff attending such demonstrations; and I suggest to you, Madam Speaker, it's completely in order.

**MADAM SPEAKER:** I've ruled twice that questions of an MLA's behaviour that are of a private nature, their whereabouts of a private nature, are not within the jurisdiction of the government.

If the Honourable Member for Brandon West would like to rephrase his question to make sure that it is within the jurisdiction, then that will be in order.

The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, to the First Minister. Is it the policy of this government to condone the staging of violent demonstrations attended by New Democratic MLA's in an attempt to build support for bad legislation opposed by employers and vast segments of the union movement? Is that the style this government intends, in the future, to promote and to condone in order to get its way?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, I find that the honourable member is clearly wishing to create unnecessary problems in what is a serious situation; and that is an attempt between labour and management to resolve a dispute.

Madam Speaker, in that process, we recognize the importance of both labour and management using what tools are available to them, including the right to picket, the right to other provisions under The Labour Act. We do not, of course, recognize the right of either management or labour to act in an unlawful way. We do not condone unlawful acts, Madam Speaker.

What I do regret on the part of honourable members across the way, as I mentioned a few moments ago,

is this constant pattern of witch hunt, this constant pattern of mudslinging that takes place in this Legislature by some honourable members across the way who are more interested in not dealing with facts, in not dealing with reality and not discussing the issues that confront Manitobans, but are more interested in mudslinging and dealing with McCarthyite tactics.

I think Manitobans are saddened by the unfortunate display that day by day takes place on the part of honourable members across the way.

### **Dr. Grant Reid - has contract been signed**

**MADAM SPEAKER:** Order please.

The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is to the Minister of Community Services.

On May 27, one month ago, the Minister of Community Services announced the suspension of Tim Maloney as the executive director of Northwest Child and Family Services Agency, and his replacement, on an interim basis, by Ken Maskiw, while at the same time appointing Dr. Grant Reid to review the agency's procedures.

Can the Minister tell the House if Dr. Grant Reid has indeed at this moment signed a contract with the department and have the parameters of this study been set?

**MADAM SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Yes, Madam Speaker, and he has been active for about 10 days reviewing the background material and will be moving into work within the agency very shortly.

### **Northwest Child and Family Services - reason for suspension of Exec. Dir.**

**MRS. S. CARSTAIRS:** Can the Minister explain to the House why she suspended the executive director when just the day before the board had enunciated a large number of review principles of their own which would have in fact brought new administrative modes to the department? Why did she feel it necessary to take a further step before giving an appropriate time for the agency to solve their own problems?

**HON. M. SMITH:** Madam Speaker, there was a meeting with the agency representatives the day before and the identification of some of the problems was done and an exploration of a cooperative process for resolving those problems.

Madam Speaker, information about a subsequent death arrived at the department the following morning, and the situation seemed to us to be so serious that we felt stronger action was required.

### **Reid Report - will report meet deadline**

**MRS. S. CARSTAIRS:** A final supplementary to the same Minister, Madam Speaker.



Will the report of Dr. Reid indeed be ready by the August-end deadline and will Mr. Maskiw be remaining in his position throughout that time?

**HON. M. SMITH:** Madam Speaker, in working with the board, we have assured them that there will be a recommendation with regard to the problems associated with his suspension by the end of August. The report itself will take longer to compile, but the question of the executive director will be resolved in the time frame as originally promised.

### **Manitoba Youth Job Centres - not offering jobs at Westfair and Canada Post**

**MADAM SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Madam Speaker. My question is to the Minister of Economic Security.

Madam Speaker, I believe the Minister has under his responsibility the Manitoba Youth Job Centres and a number of them are co-located in the City of Winnipeg where the Federal Government as well as the Provincial Government pays for the student employment officers who will offer jobs to unemployed students for the summer work.

Can the Minister of Employment Service indicate whether he has directed the Manitoba employed students to not offer any Westfair or Canada Post job postings to unemployed students in the Province of Manitoba?

**MADAM SPEAKER:** The Honourable Minister of Employment Services and Economic Security.

**HON. L. EVANS:** Madam Speaker, I'll take the question as notice.

**SOME HONOURABLE MEMBERS:** Oh, oh!

### **Employment of university students by Westfair or Canada Post - breaking of what law**

**MR. D. ORCHARD:** Madam Speaker, as the Minister is taking that question as notice of his direction to the students that he employees in his department to find jobs for unemployed university students, would the Minister also take as notice, I presume, the simple question of what provincial law any student, any university student unemployed, would be breaking should they take on a job at Westfair or at Canada Post in order to pay for inordinately high university costs foisted on him by five years of NDP mismanagement?

**HON. L. EVANS:** Madam Speaker, that question is filled with innuendo and is very presumptuous.

### **P.R. 306, Hwy 15 and P.R. 213 - assurance of necessary repairs**

**MADAM SPEAKER:** The Honourable Member for Springfield.

**MR. G. ROCH:** Thank you, Madam Speaker. My question is to the Minister of Highways and Transportation.

Madam Speaker, Provincial Road 306 in Springfield is in terrible shape. The foxtails aren't being cut, the road's not being maintained, especially the part between Hazelridge and No. 15. For that matter, Highway 15 going to Elma is in terrible shape, too, as well as Provincial 213, which is the Hazelridge Road, which desperately needs to be sprayed with dust control.

It seems that since one certain Andy Anstett was defeated out there, this government is purposely neglecting Springfield.

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. ROCH:** Yes, Madam Speaker.

Will the Minister immediately see to it that Provincial Road 306, Highway 15 and Provincial Road 213, as well as many other roads in Manitoba for that matter, rural Manitoba, Madam Speaker, get the required repairs and maintenance and dust control where and when necessary, because Highways staff have told me that they are being cut back in their maintenance programs?

**MADAM SPEAKER:** Order please.

The Honourable Minister of Highways and Transportation.

**HON. J. PLOHMAN:** Well, Madam Speaker, it's not my fault that we have an ineffective Member for Springfield in this House.

Madam Speaker, we have carried out the . . .

**MADAM SPEAKER:** Order please, order please.

The Honourable Member for Springfield.

**MR. G. ROCH:** Madam Speaker, I'm a member of the Opposition, and it's not my fault that we have an ineffective Minister of Highways with no clout in Cabinet.

**MADAM SPEAKER:** Order please, order please.

The honourable member does not have a point of order.

The Honourable Minister of Highways and Transportation.

**HON. J. PLOHMAN:** Madam Speaker, again it's unfortunate that the member has not been able to carry his constituents' concerns forward in an effective way.

I want to say, Madam Speaker, that we have endeavoured to undertake projects in the area in the southwestern, northwestern and southeastern areas, all areas of this province in a fair way, fair distribution, much fairer than we had when the Member for Pembina was Minister of Highways, and the members of the Conservative Government before in terms of the distribution of work across this province.

We've endeavoured to meet the requirements throughout the province in an even-handed way, Madam Speaker. However, we are not meeting all of those priorities. We recognize that.

**MADAM SPEAKER:** The Honourable Member for Pembina on a point of order.

**MR. D. ORCHARD:** Madam Speaker, the point of order, the present Highways Minister has indicated a basic unfairness in the way Highways programs were designated under my jurisdiction.

Madam Speaker, the Minister of Highways . . .

**MADAM SPEAKER:** What is the honourable member's point of order?

**MR. D. ORCHARD:** My point of order, Madam Speaker, is that as Minister of Highways, I didn't pave the road to my cottage in my constituency, like this Minister has done.

**MADAM SPEAKER:** Order please.

The Honourable Minister of Highways and Transportation on the point of order.

**HON. J. PLOHMAN:** Madam Speaker, the Member for Pembina can tell that to the people in the area of Meadow Portage, Waterhen and Skownan and the areas which were neglected for years under Conservative administrations and who finally have the kinds of roads that they deserve in that area.

**MADAM SPEAKER:** Order please, order please.

A dispute over the facts, as the honourable member well knows, is not a point of order.

### **MTS - Springfield constituents require service**

**MR. G. ROCH:** Madam Speaker, the Minister certainly finds funds for unnecessary road construction on Highway 44 in an NDP riding.

Madam Speaker, I have a new question to the Minister responsible for MTS.

Madam Speaker, there are constituents of mine who desperately need telephone service and have been without it for far too long now. I realize we've discussed it before and we were supposed to discuss it again, but these discussions have not come about so far.

I'm just wondering - will the Minister immediately order MTS to provide the service they require and are entitled to, especially in case an emergency situation arises?

**MADAM SPEAKER:** The Honourable Minister responsible for MTS.

**HON. G. DOER:** Madam Speaker, there's no question that we have a lot of work ahead of us in terms of the Manitoba Telephone System in terms of the plant.

Madam Speaker, it's interesting to look at not only do we have the lowest rates in Canada in terms of the Telephone System, but we are spending an unprecedented amount of money in capital expenditures this year, \$165 million in capital expenditures in the Telephone System, to provide some of the needed improvements in the telecommunications infrastructure.

Madam Speaker, through 1977-1981, there was a massive decrease in capital spending that has left that Telephone System almost close to a banana republic. We are putting money back into the Telephone System; we are keeping the rates lowest, and there are needs

in his constituency and many other constituencies across this province that must be met with the massive spending and capital expenditure to get our Telephone System up to scratch in the 1990's.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. G. ROCH:** Have I been recognized, Madam Speaker?

**MADAM SPEAKER:** I'll recognize the honourable member when there's order in the House.

### **MTS - FX service increase**

**MADAM SPEAKER:** The Honourable Member for Springfield.

**MR. G. ROCH:** Madam Speaker, I have a further question to the Minister responsible for the Telephone System.

I take it from his answer that it was a "yes," that these constituents will be getting telephone service in the near future; and I'm glad to see that he wants to clean up the act, the mess the previous Minister left the Telephone System in.

Madam Speaker, it's been said - this is a new question - that the Telephone System, the hike was only 11 percent, but people on FX service have had increases before you add on the tax of \$30.00. They're saying it's for mileage.

In one particular case - and there's more than one - it's only three miles. That's a 20 percent increase just for mileage alone. Madam Speaker, would the Minister review the rates charged to FX customers to ensure that they too are being charged fair prices, the same as all other Manitobans?

**HON. G. DOER:** Madam Speaker, just let the record show that under the former Minister of Telephones, the Member for St. James, again the spending in capital expenditures for the two years was very, very high - extremely high - in both constant dollars and real dollars compared to any other Minister across the way between '77 and '81, and those are the facts.

In terms of the inter-toll rates, Madam Speaker, the inter-toll rates of Manitoba are the lowest in Canada. They are 40 percent below the neighbouring Conservative-run Province of Saskatchewan in terms of rural services. There's no question that the tariffs are established by the PUB, and there were some adjustments made in a number of the categories in terms of the enhanced services of the telephone services versus the primary services of the Telephone System.

Madam Speaker, if you were to have a telephone in Conservative Edmonton, it would cost you \$13.50 compared to \$10.75 on an enhanced basis in NDP Winnipeg.

**MADAM SPEAKER:** Order please.

The time for Oral Questions has expired.

## ORDERS OF THE DAY HOUSE BUSINESS

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Thank you, Madam Speaker.

On a matter of House business, I would ask the Government House Leader: In view of the fact that July 1 is a holiday in the middle of next week and members of the House will be returning to their constituencies for July 1 celebrations, is it the intention of the government to adjourn the House next Tuesday until the following Monday, or to sit on Thursday and Friday after the July 1 holiday?

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** The Opposition House Leader times his question very appropriately. After a Friday sitting, we would do almost anything to avoid Friday sittings.

However, Madam Speaker, we are involved in some discussions right now with Opposition members, and I'd like to conclude those discussions before making a final statement; but I can indicate that there has been some expression of interest in taking those two days off on the parts of members of both sides of this House who do have to travel back to their constituencies and do have to participate in events.

For that reason, I would be prepared, hopefully, by the end of today, after some further discussions with the Opposition House Leader, to announce whether or not we will be sitting on those particular days so people can start to make the arrangements that would be required for them to meet with groups in their constituencies over that three-day period or five-day period if they thought they would be able to do so.

## INTRODUCTION OF GUESTS

**MADAM SPEAKER:** Before moving to Orders of the Day, may I direct the attention of honourable members to the Gallery where we have 17 students from Grades 5 to 8 from the Osterwick School, under the direction of Mr. Peter Fehr. The school is located in the constituency of the Honourable Member for Pembina.

On behalf of all the members, we welcome you to the Legislature this morning.

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Yes, Madam Speaker, would you please call the bills appearing on the Order Paper, under the heading Debate on Second Readings, starting with Bill No. 14 on page 3 and continuing through, if time permits, to Bill No. 70, inclusive, on page 7, in the order in which they appear on those pages of the Order Paper.

## ADJOURNED DEBATE ON SECOND READING BILL NO. 14 - THE MILK PRICES REVIEW ACT

**MADAM SPEAKER:** Debate on Second Reading, on the proposed motion of the Honourable Minister of

Agriculture, standing in the name of the Honourable Member for St. Norbert.

**MR. G. MERCIER:** Madam Speaker, I adjourned this bill for my colleague, the Member for Pembina.

**MADAM SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Madam Speaker.

Madam Speaker, my comments will be relatively brief on Bill 14 and will primarily be dealing with the Minister's opening remarks in terms of the reasons for Bill No. 14 and what this Minister is attempting to claim as benefits from minimum price legislation on milk in the Province of Manitoba.

Madam Speaker, there are a number of issues that I want to take odds with on statements by the Minister of Agriculture on Bill 14. I suppose the first one has to be the whole idea of the consumption of milk going up in the Province of Manitoba over the last several years.

Madam Speaker, I noted, when the Minister introduced the bill, on pages 30-31 of Hansard, he indicated that he was going to table the per-capita milk consumption of fluid milk in Manitoba between '81 and '86 and we have not received a copy of that.

Madam Speaker, in terms of the consumption, he indicates that it fell and then it came back up. But, Madam Speaker, I think there's a number of factors in influencing the consumption of milk. It's not simply a piece of legislation. As a matter of fact, if anything, the consumption of milk under NDP legislation dropped dramatically and the Minister's chart just handed to me shows that.

In 1981, the last year we were in government, where there was no minimum price on the price of milk, the consumption was 100.6 litres per capita. By 1985, under five years of NDP Government with this Minister as the Minister of Agriculture, the consumption dropped to 96.7. This chart shows a dramatic drop in the consumption of milk as a result of an NDP Government and an NDP Minister, and now it's shot back up to 100.3, still not up to what it was in 1981, the last year that we were government.

So, Madam Speaker, the first claim of the Minister's is an incorrect claim, a false claim. But, more importantly, Madam Speaker, I would suggest to you the reason for the increase in milk from an NDP low in 1985 to almost back to where it is when we last left government is the advertising that has been done by the Manitoba Milk Producers through a compulsory checkoff that the milk producers must pay to fund the very excellent advertising program that's on television and radio right now.

The milk ads - "Milk, yeah" - where you've got very, very good ads - I presume they're emulating Mr. T in his very, very tough outwardly appearing character on the television ads; and this young person who never would drink milk because that's not in, that's not macho, Mr. T comes along drinking milk and crunches up the milk carton and throws it away, and the kid decides, hey, this milk is a good thing, because he wants to emulate Mr. T.

Great ads! That's what has put the consumption of milk back up. That has nothing to do with this Minister

of Agriculture or any piece of legislation he's put forward. It has everything to do with the Milk Producers' Marketing Board funding as producers, as farmer producers, that money for advertising.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

Mr. Deputy Speaker, what offended me in the Minister's opening remarks is he somehow said that because he has a minimum price on milk right now, that the retailers, because they are not involved in price wars, have more profits from retailing milk, leaving the impression that the retail profits in the sale of milk were contributing to the advertising campaign. Mr. Deputy Speaker, that's the impression the Minister tried to leave. It is not a correct and true impression. It is a little bit of misinformation that the Minister of Agriculture is putting out.

Mr. Deputy Speaker, the same kind of misinformation that this Minister of Agriculture put out in 1982 when he, by legislation in this House, removed the Manitoba Cattle Producers' Association. He, by legislation with vindictiveness removed that. And what were they doing, Mr. Deputy Speaker, the Cattle Producers' Association in Manitoba, up until their untimely removal by this Minister? Their checkoff by producers was funding the best advertising program this province had ever seen on consumption of beef.

Those ads, and you might recall them, Mr. Deputy Speaker - "Beef sounds good" - you could hear on the radio the sizzling of a nice steak on a barbecue. It made your mouth water. And consumption of beef went up with those ads - those ads funded by the checkoff of beef producers in the Province of Manitoba as provided for in the Cattle Producers' Association legislation. But that Minister cancelled it, we lost the beef funding into advertising and beef consumption has dropped off since.

So let this Minister not try to take credit for increased milk consumption because of his legislation. It's the producers in this province that have caused the money to be made available for good advertising. Good advertising that is selling milk as a good food product to the youth, to myself, people of my age group, the seniors, to all Manitobans. This legislation has nothing to do with it and will not promote the consumption of milk one iota. If anything, it will remove milk consumption from Manitobans.

The Minister makes the assumption that by putting in this floor price as he's doing - this minimum price on milk - that somehow he's going to guarantee that the low-income milk consumers in the core area of Winnipeg will benefit because they'll have milk price stability, and that these very same low-income core area residents who don't have the money to go to the SuperValu or Safeway stores in the outskirts of Winnipeg, wherein they might have a fire sale, a loss leader sale on milk on a Saturday to attract customers to shop there, this Minister maintains that the poor in the core area will not be able to get to those stores in the suburban areas and take advantage of the low price of milk.

No. 1, that argument is specious, it's silly, and it is against the principles of private enterprise and free enterprise which this country was built on. But that doesn't deter a socialist from bringing in tinkering laws.

Mr. Deputy Speaker, what even makes his argument more phoney is the very fact that Cantor's, the food store which this legislation is being brought in to prevent Cantor's from selling milk below some artificially set price by the Milk Board - Cantor's, where is it located? It's located in the core area. Who is it serving? Those very poor core area people that the Minister tried to defend so weakly in his introductory remarks.

This is the "Anti-Cantor's Food Market Bill" because Cantor's are the ones that were lowering the price of milk in the core area of Winnipeg for those needy families and children in the core area of Winnipeg. And what is this Minister of Agriculture in the sharing, caring New Democrats doing? Preventing Cantor's from providing cheap milk to needy Manitobans in the core area of Winnipeg. That's what he's doing.

Mr. Deputy Speaker, let us further analyze this Minister's silly argument about the fact that milk sold below a minimum price by major, multinational food store chains like Safeway and SuperValu is somehow going to undermine the consumption of milk in the Province of Manitoba.

No. 1, Mr. Deputy Speaker, this is retail pricing we're talking about, not wholesale pricing. So this bill has nothing to do with whether Westfair Foods, a SuperValu store at Grant, or Safeway in the St. Vital Shopping Centre, it has nothing to do with them offering milk as a loss leader on the retail level because they have to pay the same wholesale price as Cantor's downtown, as Kaufmann's on Broadway. They have to pay the same wholesale price.

If Safeway or SuperValu decide that they're going to put milk on as a loss leader, who benefits? Well, the customers buying the milk benefit. Who loses the money if they sell it at below their cost? It is the Safeway stores that offer it, it is the SuperValu stores that offer it. And how do they make up for it? They don't operate at a loss. They make up for it by selling those customers other products in which the profits are higher. It is an in-store decision because every store is going to operate at a profit, and if they sell milk - if they give milk away - they make it up elsewhere in the store.

So what we could have here is a circumstance where SuperValu or Safeway could say: As a loss leader on a Saturday morning, we're going to have the price of milk at 25 cents a litre; and they're going to do it as a loss leader to get customers into their store to buy other grocery products in which they will make a profit, and this Minister and his caring, sharing New Democrats are going to say: No, you can't do that. We're going to deny that to every low-income family of Manitoba who would go there and only buy the milk at 25 cents a litre and nothing else. We're going to deny that.

Furthermore, this legislation would prevent someone from putting on a promotion and giving milk away to encourage people to drink milk. This legislation prevents that. What kind of a democracy are we living in where government legislation is going to come in to prevent freedom of choice in the marketplace, freedom of choice of a retailer to decide whether that retailer, he or she, wants to lose money selling milk? Mr. Deputy Speaker, who in the world would want to have legislation preventing that freedom in the market?

That freedom in the market provides the kind of economic activity that provides funds to educate the students who are in the gallery, to provide health care

for the senior citizens and others of this province. That free enterprise system built this country and this Minister is moving in with his New Democratic philosophy and saying free enterprise is dead. We shall not have any promotions on milk, any lowered price on milk. It shall be the price that we dictate, nothing more, nothing less.

Now, Mr. Deputy Speaker, that is against every principle that this country was built on. Mr. Deputy Speaker, I realize that when I speak against this bill, against a minimum price on milk, that I'm offering words in contrast to what the independent grocers wish to see. They want a minimum price of milk. Now, Mr. Deputy Speaker, I appreciate their standpoint, but I'm not here representing any side in this dispute. I'm here representing the consumer of Manitoba who, with this bill and this legislation given by this caring and sharing group of New Democrats, is going to deny any Manitoban the ability, the economic freedom, to buy milk at a discounted price.

Mr. Deputy Speaker, that's what we're doing in this bill. This is an anti-consumer bill. This is a bill against every Manitoban, young, old, family or otherwise; this is a bill to prevent them the right to choose where they buy their milk at the lowest price possible. This is anti-consumer legislation.- (Interjection)-

Mr. Deputy Speaker, the Minister from his seat says tell us about the price of coke. Well, I happen to know that I was in a Family Fare store in the south end of Winnipeg on Pembina Highway about a month ago where they had litre bottles of coke on for 50 cents each, I think it was, and I believe that's about half the price of a litre of milk, but that's a promotion, that's a loss leader in retailing. It encouraged people to come to the Family Fare stores to buy other products, and anybody who happens to prefer to drink coke took advantage of it. And is there anything wrong with that? Is there anything perverse about that? Is there anything wrong about consumers going in and buying something at a price in which the retailer loses money and does not profit?

I mean, you people constantly rail against multinational profits. You say profit is evil. You say profit is terrible; we shouldn't have profit. But yet you are guaranteeing profit to the retailers of milk and you are denying those retailers of milk the ability, the right they have to sell milk at a loss and lose profit, and lose money. I mean I can't understand, you people are funny, you never approach things consistently. You're here, you're there, you're never on the side of the consumers. When are you going to be on the side of the consumers?

This is anti-consumer legislation. You're denying - and I'll say it once more for the edification of the Minister of Agriculture who does not understand the legislation he's brought to this House - this is anti-consumer legislation. This is a bill against Cantor's Food Market, Cantor's Food Market which has provided milk at a tremendous discount to the poor citizens, presumably in the core area of Winnipeg, this bill is designed to prevent them from doing that.

This bill is designed as an anti-consumer bill. This bill is designed to assure that the poor people in the core area of Winnipeg will not be able to save money buying milk at Cantor's. That is what this bill is going to do. This is anti-consumer. This is an attack on the poor people of this province.

This is legislation to assure that poor people pay through the nose to buy milk and can never take advantage of loss leaders. This bill will deny access of the poor people in the core area of Winnipeg to milk at a price discount by Cantor's, anti-consumer legislation, brought in by a government that claims they care about the people of Manitoba.

This bill is offensive to the ordinary Manitobans that the Premier and this government say they represent and it should be withdrawn, Mr. Deputy Speaker.

**MR. DEPUTY SPEAKER:** The Member for Thompson.

**MR. S. ASHTON:** Thank you, Mr. Deputy Speaker.

I had not intended to participate in the debate on this particular bill, but after listening to that diatribe from the Member for Pembina, a speech which I thought was in keeping with the usual standard of debate that he sets in this House, which unfortunately is just as full of rhetoric and just as lacking in facts, I felt the urge to participate, so that's why I'm placing my views on the record.

Perhaps, Mr. Deputy Speaker, I approach it from a slightly different approach than the Member for Pembina, who I think showed no grasp of the issue, no understanding of this particular legislation, no understanding of the concept of regulation. Maybe that's why I'm standing here. Perhaps it's because of my background as an economist, looking at situations where similar regulations have been in place, on comparing them to other situations, that I'm urged to participate in this debate, perhaps it's that.

Perhaps it's really that I'm most offended by the Member for Pembina's suggestion that this legislation will not help the poor in this province. Well, Mr. Deputy Speaker, we have the lowest milk prices in the country, second lowest, pardon me, the second-lowest milk prices in the country. We don't have the highest or the second highest or the third highest, we have the second lowest.

If one looks at the situation in comparing the statistics, I think one can see that the system that we've established in this province, which does have regulation of both ceiling and floor prices for milk, has worked to the benefit of consumers. In particular, Mr. Deputy Speaker, if the Member for Pembina had any understanding of the retail situation in the core area, he would have not made those ridiculous statements about this item affecting the poor.

The fact is, in the core area, there is not the competition that exists in other areas. It has been documented, for example, Mr. Deputy Speaker, that such major chain stores as Safeway have higher prices in the core area than they do in other areas, because the people in the core area do not have the same ability to travel to other areas of the city to take advantage of bargains. So knowing that they have a captive market, they tend to float their prices higher. It's only in the suburbs where you tend to find some more mobility, and I would suggest to you it's probably the same in the rural areas when you look at it. The rural areas are in much the same sort of situation, much of a captive market.

So to suggest that this particular legislation hurts the poor in the core area of Winnipeg is absolutely

ridiculous. They're in a situation of a basically non-competitive situation. What would happen if retailers were allowed to use milk as a loss leader in their overall retail wars? It would be a short-term benefit for the consumers, but it would only expand the problems facing people in areas where there is not the competition. Because what it would do is tend to suck more business into these large stores in the suburban areas and would tend to wipe out competition, and would then tend to increase the monopoly control that some retailers have, and it's virtually monopoly in some areas. It would increase the control they would have and that would be at the expense of the existing merchants, the small businesses which members opposite talk so much about, but, obviously, when push comes to shove, have so little concern about.

Because look at the position of the small retailers in regard to the regulation of milk prices. Where do they stand? They stand fully in support of what this government has done.

So what we are doing is we're looking at the long-term perspective. By not having a floor price, certainly there may be some short-term benefit. But the situation, if you look at the competitive market and the impact that would have, is that it would hurt the existing small businesses.

In terms of the overall consumption and production, there is an interest for consumers in maintaining that floor price because it maintains - it does not hinder as was suggested by some Conservatives - the demand for milk and the supply.

One of the greatest difficulties in the agricultural area in any commodity has always been because of cyclical prices. Now, we have marketing boards to prevent that. What has happened? And it can be documented economically. What tends to happen is when the price of a commodity drops on a temporary basis, producers cut back on supply. Eventually, because of the interaction of the market forces supply and demand, what happens is the supply decreases from the producers, there is an increase in price and in fact overall, there can be a net problem for consumers.

I must forgive myself while I start slipping into some of this economic talk, Mr. Deputy Speaker. I suppose it comes as second nature. But it's common sense. One does not have to be an economist to realize that a short-term benefit, if it reduces competition and if it reduces supply, it's going to hurt consumers, and I would suggest producers as well.

So, Mr. Deputy Speaker, I want to put it on the record that the Member for Pembina and other Tories who have spoken and, yes, the Liberal member, who I can't quite figure out on this one. I thought that she, at least, would have some sense on the Opposition side and would have tried to look at this objectively. I know she tries on some issues: to do that. But they're aligned, all of them, against the system that makes economic sense for the producers, for the consumers, - (Interjection)- Yes, for the Member for Pembina - for the poor. The whole industry and the consumers benefit.

So, where is this rhetoric coming from? I suggest it's the same thing that we see on so many issues. You know, the Member for Pembina talking about the poor in the core area. My God, Mr. Deputy Speaker, I expect some good acts from members and whatnot, but I don't think my stomach can take the Member for Pembina talking about the poor in the core area.

Let's recognize what we see here. This government has brought in a system that makes economic sense, makes sense for the consumer, the producers, and we're seeing political point scoring on behalf of people opposite. I think deep down even the Member for Pembina realizes that what we're doing makes economic sense. It's sad that their political considerations have gotten in the way of them supporting what has been such a good system and supporting this legislation which continues in working on a system that has given us the second-lowest price of milk in this country, that has given stability for retailers and producers.

It's a good system, Mr. Deputy Speaker. This bill strengthens it and we should all support it.

**MR. DEPUTY SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Mr. Deputy Speaker.

What we're dealing with here with this legislation is one further example of the lack of process in this administration of our province. We saw a Labour bill introduced just a couple of weeks ago right in the middle of a major strike in this society in our province with one purpose and one purpose alone and therefore to give the strikers in that particular instance an opt-out provision because the government was afraid that management was going to go on.

Now we have another example. We have a case of a grocery store which has launched a legal challenge against this administration and a piece of their legislation. That has not yet been heard by the courts, and yet, once again, this government feels it has to run to the rescue to protect themselves and provide new legislation. This was one of the most specious statements, Mr. Deputy Speaker, of this Session, when the Minister of Agriculture tried to explain why maintaining a minimum price for milk in Manitoba is good for people to have to pay a minimum price.

In fact, he is so sure that paying higher prices than is necessary is so good that he will increase the penalties on anyone who sells it for less. Perhaps the Minister would accept a suggestion of mine. Perhaps he should put a warning label on all of the milk cartons that henceforth will be distributed in Manitoba and that warning label - like on cigarettes - could possibly read, "Caution, you may be paying less than the legislated price."

The Minister's position on milk prices defies rational understanding. Who is he really seeking to control and to benefit by his meddling in the marketplace of Manitoba? It is certainly not a control of larger grocery chains who produce, distribute and retail their own milk. They can be overjoyed to have a legislated minimum price because it maximizes their profits. Every time a SuperValu or a Safeway sells milk, they make more profit on the minimum price than any other retailer in this province.

Of course they like minimum prices of milk. They don't have to be concerned about the lower prices/higher volume issues of commerce because their higher profits are protected by government and a minimum price certainly does not especially benefit the small neighbourhood grocer. If that small neighbourhood

grocer is trying to draw customers into the store, then that grocer may well want to offer, as did Joe Cantor, a reduced price for milk.

The independent grocers of course say they don't like the disappearance of the minimum price. Of course, they don't like it to disappear. They have a guaranteed price and they know they're not in a competitive situation, and they will come and lobby us and say well, it's the high cost of coolers; we have to store this milk. Well, they also have to store butter and they have to store eggs and they have to store cheese and meats and they have to store soft drinks. If you go into any local community store, you will see lots of coolers for Coca Cola and no-name Cola and every other thing they sell, all of which they sell at a competitive price. But they can't afford the coolers in a competitive milk price.

Well, Mr. Deputy Speaker, I'm sorry, I can't protect the independent grocers on this particular item, but if this government was genuinely concerned about protecting independent grocers, they'd put in a tougher Sunday closing law and they haven't done that in this Legislative Session.

A minimum price certainly does not benefit the consumer who is never given the option to buy milk as a loss leader at a sale. The consumer is certainly not benefited by this particular legislation.

Of the three groups, it is only the large grocery chains who clearly receive a cash benefit from legislating a minimum price of milk. You know, in this new NDP version of a New Jerusalem, a land flowing with milk and honey, we have added this particular Minister's parameters as long as it's between a minimum and a maximum price.

This tampering with milk prices hurts most of all those who need it the most. Poor families, poor children, for whom milk is vital, it's an important nutritional need for their growth; for the elderly, with their need for calcium, these are the people who are most disadvantaged, Mr. Deputy Speaker, by a minimum price for milk.

The Minister knows that he has the community's full support for maintaining a maximum price on milk, but his argument in defence of a minimum price is simple sophistry and he does not have the community's support for that.

The Minister argues that milk price wars in urban areas are unfair to remote areas and for those people living in rural communities in Manitoba. What the Minister chooses not to reveal is that there is no protection at all for the consumers who live in Northern Manitoba. He knows full well that maximum price controls do not operate north of Swan River, that controls stop at Mafeking. In Northern areas, consumers pay as much as \$2.25 or more for two litres of 2 percent milk, far above the maximum price of milk in this province. And it is one other example of this government's failure to address the Native issue in Manitoba, because if any children are deprived of calcium in our society, it is our Native children, above all, who are deprived of that.

And we have the Minister of Health who is paying dentists, quite frankly, to go up into the Northern reservations and to remove teeth from children at two and three years of age because they have been denied the calcium requirement to maintain healthy bones and teeth.

The Minister stated that there will be an administrative cost saving as a result of Bill 14. Instead of using this money to prosecute responsible merchants who choose to sell milk at lower prices, why doesn't the Minister use this money to subsidize milk transportation costs to Northern Manitoba? Then he might come closer to providing a steady supply of fluid milk to Manitobans at fair prices. Let the milk of human kindness, Mr. Minister, flow to the North at the same maximum price level.

Mr. Deputy Speaker, the present situation provides no financial relief for rural and Northern areas, nor does the urban consumer benefit since an otherwise competitive marketplace is close to them. We do understand, on this side of the House, that competition is a fearful word to this government. In particular, this Minister seemed not to understand what competition really meant when he stated, "We have in fact created a scenario in which all players can compete on an equal footing."

In fact, Mr. Deputy Speaker, there is no equal footing for northern consumers and there is no equal footing for retailers. The only winner under this legislation is the large retail chain store operator whose profit margins are bolstered by this legislation, by the Minister, who is a member of a government that says it stands up for the people.

One must wonder, Mr. Deputy Speaker, why this government has chosen milk, and only milk, as a subject to minimum price control. Perhaps the Minister does not understand the importance of milk to the children of Manitoba. No other food or essential is subject to the same control. In fact, even milk by-products, which are equally beneficial for our young people, the profits may range up to 30 percent, but he makes no attempt to try and control those. While marketing boards exist for many other food products such as eggs and poultry and pork, nowhere else, except for milk, is an arbitrary minimum price imposed by government.

This Minister has not provided any reasonable, logical or justifiable explanation for his tampering with milk prices. He may delude himself that it helps the consumer, but those of us who speak to the consumers know that indeed it does not.

The Minister attributes an increased consumption of fluid milk to his imposition of minimum prices. Any increase is much more likely to be a result, as the Member for Pembina said, of a vigorous advertising program promoting milk.

If you believe, Mr. Minister, that in reducing the price of milk to a minimum, that more people drink it, I would suggest to you that even more people will drink it if you allow it go even lower.

**HON. B. URUSKI:** Mr. Deputy Speaker, will you permit a question?

**MRS. S. CARSTAIRS:** At the end of the speech.

Any increase of milk consumption in our present society, in addition to a vigorous advertising campaign, is probably directly attributable to the understanding in our society that milk has now become a need for us at all ages of our life; not just as children, but particularly for members of my sex to prevent them from contracting osteoporosis. Everyone in our society

must be encouraged to drink milk and large quantities of it, and that encouragement is not there when the government legislates a minimum price.

The Minister's skill in sophistry is surely apparent when he noted that those who have sought to circumvent the controls or to outright defy them stand in the smallest minorities. Is he telling us that he actually expects the retailers to complain about being forced to accept higher profits? But just in case there might be other socially-minded retailers who want to give more milk and give it away at lower prices, the Minister is increasing the penalties for doing so.

So zealous is this Minister in his desire to the consumer that he makes it against the law for a retailer to donate milk not to a needy family, an emergency food program, a day care centre or a transient shelter without fear or penalty. It is a callous, high-handed and cynical action by this Minister and a hypocritical stance of the NDP.

Some months ago, I stated that at a time when Manitobans face higher costs to Autopac, utilities, phone, and taxes, it is necessary and unfair for the NDP Government to deny milk consumers any possible savings. I reaffirm that statement and I urge the Minister to withdraw a minimum milk price, the penalty and the restriction against charitable donations of milk. The milk of human kindness should flow not only to the north, but throughout Manitoba.

**MR. DEPUTY SPEAKER:** The Honourable Minister of Agriculture.

**HON. B. URUSKI:** Mr. Deputy Speaker, would the Member for Fort Rouge permit a question?

**A MEMBER:** River Heights.

**HON. B. URUSKI:** I mean River Heights. I'm sorry.

The member, in her remarks, indicated that advertising would be one of the major factors in increasing the consumption of milk.

Can the member confirm that the advertising that we now see on television promoting milk, which I agree with, is there right across the country and not just in Manitoba?

**MRS. S. CARSTAIRS:** I don't know whether the milk advertising is outside the province, Mr. Minister, because I've been so busy attending the Sessions of the Legislature, I haven't been out of the province for some time.

**HON. B. URUSKI:** Mr. Deputy Speaker, I want to tell my honourable friend that those ads are national in scope and they are paid for nationally.

Secondly, can the honourable member tell me why the consumption of milk is dropping in Ontario with no price controls and the same kind of advertising we have in Manitoba?

**MRS. S. CARSTAIRS:** Well, I'm not responsible for the amount of dollars being spent but I would suggest that there are a great many more consumers in Manitoba, and perhaps the market reach of that advertising is not as broad since many of them watch American, unfortunately, and not Canadian channels.

**MR. DEPUTY SPEAKER:** The Member for Emerson.

**MR. A. DRIEDGER:** Mr. Deputy Speaker, I move, seconded by the Member for Ste. Rose, that the debate be adjourned.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** Order please.

Debate on Second Reading, on the proposed motion of the Honourable Attorney-General, Bill No. 25, The Discriminatory Business Practices Act.

**MR. G. MERCIER:** Stand.

## **BILL NO. 26 - THE ENVIRONMENT ACT**

**MR. DEPUTY SPEAKER:** On the proposed motion of the Honourable Minister of Environment, Bill No. 26, The Environment Act.

The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Thank you, Mr. Deputy Speaker.

I would like to just make a few comments on the proposed bill, The Environment Act.

There was an article in the paper just recently, Winnipeg Free Press - which, of course, the members don't want to pay any attention to on the opposite side of the House - on June 24, and it says, "Ecology act falls short." I felt that some of the comments in this article are well worth putting into the record.

It was by John Barker, special to the Free Press, and it starts off by saying, "As Manitoba's new environment act undergoes debate on second reading in the legislature, there is concern among environmentalists as to whether the legislation offers meaningful change from its predecessor, The Clean Environment Act.

"When news of a proposed new environment act surfaced last spring, environment groups in the province were delighted at the prospect of the Department of Environment and Workplace Safety and Health developing enlightened and progressive legislation. However, the subsequent release of a discussion bill in the fall of 1986 and a series of public information meetings have left many people wondering just how serious the government is in its desire for meaningful institutional change.

"Critics of Bill 26 - The Environment Act - claim that the new legislation has been watered down from the discussion bill. Dr. Diane Malley, past chairman of the Manitoba Environmental Council, an advisory body to the minister, emphatically states that there is no question the legislation is much weaker than the draft and she adds that it is because of pressure from other departments."

Now, Mr. Deputy Speaker, that is an amazing statement. To think that with a government, with a Minister who is pushing for an Environment Act to protect our environment - the air, the water - that departments within this government would be actively lobbying the Minister and the bureaucrats to water the legislation down, I find it not hard to believe because I know that everyone wants to protect their own territory. But I would think that when the government sponsors a bill, it would be with the help of the different



departments - not having the departments coming in and trying to undermine the Minister's original intent - but, obviously, this is what has happened with this bill.

It went on to say, "This sentiment was expressed in a recent conversation with a senior official of the Department of Natural Resources when he stated that his department lobbied vigorously for exclusion from the act.

"The new act is essentially a regulatory process for licensing new developments in the province."

It goes on further to say, "The licensing process contains two major flaws, however. The actions to be followed in considering a proposal for a new development are subject to the review of either the director of the department or the minister and are discretionary. There are also a number of exemption clauses in the act. These would allow a development by another government department to be excluded from the environmental impact assessment process."

Now, Mr. Deputy Speaker, that makes no sense at all. If there is a process in place, there should be hearings. It doesn't make any sense to automatically be able to exclude an environmental impact study just because another department and a close friend possibly of the Minister said, let's not have a hearing on this. I want to get this particular development through, and I sure don't want to go through the hassle of public hearings. With this government - and we know how open it is by the kind of legislation it brings in - of course they do not want public hearings. It goes against the very grain.

The article went on to say: "In developing new legislation the government recognized a serious weakness in the opportunity for public input to the process. It appears that it has done little to correct this situation. None of the three classes of development requires a public hearing.

"Diane Malley suggests that at least one class of development (megaprojects) should have mandatory public hearings."

I find it almost impossible to understand a government where the members put up such an outcry about megaprojects that had been proposed by the former Tory Government about hearings, and yet this Minister could bypass a hearing on megaprojects. It is almost unbelievable that would be in the act, that any government would not be forced to hold public hearings on megaprojects, projects that are going to possibly affect our environment.

I find especially from this government when we remember how the Member for Churchill - I can't think what his - the Minister for - what is Cowan? - Co-op Development, yes - when he was the critic for the Environment, if you had a little bush fire, he was bringing scientists in from the States. They had public meetings in Opposition. They created such an outcry on every little environmental thing that happened in Manitoba, but since they became government, of course, we've never heard from that Minister on the environment because now that they're in government you certainly -(Interjection)- isn't that correct. The Minister of Health says "How times change and what a difference a day makes." That's correct.-(Interjection)- That's right.

The Member for Pembina does bring up the point about the asbestos in the water pipes and that is true.

If the Minister of Co-op Development had been in Opposition at the time, he would have asked for them to be torn up. He would have had people marching on our government. They would be marching down to the Legislature, they would be showing people. He would be dragging people out, showing how they're dying from lead or asbestos, whatever, poisoning, and it would have just been a massive outcry.

Yet this Minister is bringing in legislation that they can subvert public hearings on anything from the look of it. I find that simply incredible from a government that -(Interjection)- well, the Minister said I should read the bill beforehand. Now I have read the bill. But I am also going from some of the suggestions that come forward through this article and from other people that there is discretion. The Minister can say, I'm sorry, we won't hold public hearings on this particular issue. The article went on to say, at the end of it, it says it's an act whose equitable implementation will depend heavily on the good will of the Minister and on the close scrutiny of the environmental community.-(Interjection)- Now, yes, I'm basing that particular fact on this article, Mr. Deputy Speaker, but I believe that this will prove to be true.

If someone has a friend in court and is a friend to the Minister, or the bureaucrats from other departments have issues that they prefer to just zoom ahead and let's not take time to have hearings, this is what can happen.

Now if the Minister in his closing statements will deny that, to say there will be public hearings on megaprojects, on all the things that will affect our environment certainly, then he can show us in the act where that particular part is and we won't have to worry about that issue. Then he can go ahead and no one will worry about it.

Mr. Deputy Speaker, I just want to briefly mention about the recycling programs and that it was said that Manitoba and Newfoundland are the only provinces in Canada which have no legislation requiring refillable or returnable beverage containers. Now I understand that is in the regulations and the Minister feels that this is working well. I don't feel it is myself, when I look around. Just even looking around the community as you're passing by parks or fields, you see that people are still throwing out cans and that the type of -(Interjection)- oh, the Minister says he agrees with me.

So we'll look forward to something on that. I think it's only right that we try and educate people to recycle certain things. Even myself, it's hard to get in the habit of not throwing away cans and putting them into the environment. So it's a matter of educating.

The article went on to say: "The question of an environmental right - that is, the public's right to a clean and healthy environment - is only partially addressed in the new environment act."

It goes on to say: "Unfortunately, the ability to defend this right in the courts . . . "- and that is that the act offers a Statement of Intent which says that the purpose of the act is to ensure that the environment is maintained in such a manner as to sustain a high quality of life for this and future generations. They don't have the ability to defend this right in the court. It hasn't been provided for in the legislation. Such a right would permit any citizen to maintain an action in the courts for the purpose of protection of the environment.

(Madam Speaker in the Chair.)

It would serve to make the government and bureaucracy more accountable for their actions. I think anything that helps to make the government more accountable certainly is a good move.

The article went on to say that, on the whole, the government appears to have ignored most of the substantive improvements suggested to it in its public consultation process. Now, Madam Speaker, I believe that this article, which is written by someone who obviously felt that the people in the community who are most vitally interested in the environment really expected a lot from this legislation and obviously they have fallen short.

But the main reason that I really wanted to speak on the bill was to pursue the issue that was brought forward by the Member for Charleswood - Shoal Lake. As the Minister well knows, this has been an area that I've been interested in since I came into the Legislature. When he was Minister of the Environment, I was the one who questioned him on what was happening in Shoal Lake.

This government has consistently dragged its feet on Shoal Lake. When the City of Winnipeg - and I brought out my old file on Shoal Lake that I had dealt with before - in November 1982 sent out a brochure about "Winnipeg's Water Supply Needs Protection," they had to spend money to put out a brochure to the citizens of Winnipeg to try and put pressure on this government to go along with them.

Now we understand that there are needs. The Indian band has needs, and there is no doubt about that. But this Minister and this government are responsible to the citizens of Manitoba and to the citizens of Winnipeg. The suggestion by our leader that we have an exchange of land is a good one, and it's a sensible suggestion.-(Interjection)- The Minister says it can't be done without federal involvement.

Well then, involve them, by all means. It doesn't matter if the Federal Government is a PC or a Liberal - NDP, heaven forbid - it doesn't make any difference. What we want to know is that this Minister or his bureaucrats are actively dealing with the Federal Government, with the City of Winnipeg for the citizens of Winnipeg. Our water supply is too important.

I was reading the brief that the City of Winnipeg did for the inquiry on federal water policy. The city submitted a brief and in that brief it said that any federal policy must recognize the importance of a water supply such as Shoal Lake to a city such as Winnipeg. We have a population of 600,000 people.

In 1913, the city approved \$13 - I guess that must be billion - no it's \$13.5 million was approved by council. In 1913 that was a lot of money to spend and it was by a popular vote of the ratepayers because at that time they had money by-laws and you just didn't spend money willy-nilly without the population voting on it. I must say that today the citizens of Winnipeg would like that same process to apply, and I am afraid I am beginning to agree. I would like to be voting on the way governments spend money also, if I was a citizen. I would like to see money by-laws come back, because that, at least, would keep politicians honest.

In 1939, Shoal Lake water was chosen for the Royal Tour from over 100 samples of drinking water. We have

such good water supply and yet we've had a government that really has not done a good job in negotiating. This government owes it to the people of Winnipeg, to the citizens of Winnipeg and to the citizens of Manitoba to actively pursue the protection of our Shoal Lake water supply, because Madam Speaker, I say to you that if anything should happen to our water supply because of lack of action by this government, believe me, all of a sudden the NDP seats would not be looking so safe in the City of Winnipeg. This is something that our citizens take for granted, but let it be taken away, and that would be the end of this government.

I would like to go back to 1983, when our leader spoke on a resolution, The Unpolluted Water Source for Winnipeg, it was his resolution in Private Members'. The resolution stated:

"WHEREAS Shoal Lake is the only developed source for the essential service of water supply for the residents of the City of Winnipeg; and

"WHEREAS development on Shoal Lake could increase the risk to Winnipeg's water supply and might result in water quality that is unsatisfactory without full treatment prior to use at a large increase of cost; and

"WHEREAS there is currently under consideration a proposed 350 lot cottage development on the shores of Shoal Lake;

"THEREFORE BE IT RESOLVED that the Government of the Province of Manitoba protect the right of the people of Winnipeg to an unpolluted water source, without unnecessary cost to the taxpayers of Manitoba."

That resolution was May, 1983 - this is June 1987 - and we still have not resolved the problem of the Indian band and our water supply.

Now we have the additional threat, and I understand it was back a little further, of a mining development. So it's time that this government actively started working with the Province of Ontario, with the Government of Canada, and get some sort of resolution.

The Indian band solution should really be at the foremost and it's a solution that I think can be done without too much cost and to the satisfaction of everyone concerned. We have lakes in this province that would be wonderful for an Indian band to take a trade with; and if there had to be some money involved to help them get settled, certainly, and we would expect the three levels of government to be a part of it.

But if the government will not pursue actively a possible solution instead of looking at - well, we can't do anything but we won't build a road. The Native community at Shoal Lake, the Shoal Lake Indian Band is dissatisfied - and so they should be - this has been going on for years. And there is no resolution and I think it's because of this government's inaction, more than any other, because if they had actively pursued a legitimate answer to this problem, that the water supply would have been taken care of.

I would suggest, and I agree with the Member for Charleswood that we have an amendment and that he will be proposing an amendment that the Shoal Lake, our water supply, be protected and that it be specifically in the act. And I would hope that when the Minister answers us at the closing of Second Reading, that he will take that into consideration specifically, not just say that it's covered because they talk about water and air, but that Shoal Lake is a specific part of the act; not just putting it in the act, but that we see an

active pursual by this government, and possibly the Government House Leader could take the lead role because he was the activist when they were in Opposition.

Certainly, not taking anything away from the Minister of Environment, but my gosh, I don't think I ever saw anything like the Member for Churchill when he was actively involved in environmental issues. So if we would put his energy and the Minister's resources together, we might get something done about Shoal Lake. Mind you, I don't think I'll hold my breath, but I plan to keep an eye on this government's behaviour with Shoal Lake, and hopefully we can come to some resolution before the term of this government ends, because to carry on for two terms and not to have had any solution or even any suggestion that the government is doing anything about it is a shame.

And I think it's time maybe we aroused the citizens of Winnipeg to take another look at the City of Winnipeg water supply and the inaction of this government because that's the only way you can get something done, if you get people aroused and they start pushing from their constituencies.

Madam Speaker, I will pay close attention to, hopefully, some of the amendments that the Minister will bring in and that hopefully he will support the amendment that the Member for Charleswood is intending to bring in on his new environment Bill No. 26.

Thank you.

**MADAM SPEAKER:** The Honourable Member for Virden.

**MR. G. FINDLAY:** Thank you, Madam Speaker.

I move, seconded by the Member for Ste. Rose, that debate be adjourned.

**MOTION presented and carried.**

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of the Environment, Bill No. 28, standing in the name of the Honourable Member for Emerson.

**MR. A. DRIEDGER:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable Minister of Community Services, Bill No. 35, standing in the name of the Honourable Member for Assiniboia.

**MR. R. NORDMAN:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable Attorney-General, Bill No. 38, standing in the name of the Honourable Member for Fort Garry.

**MR. C. BIRT:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable Minister of Health, Bill No. 40, standing in the name of the Honourable Member for Pembina.

**MR. D. ORCHARD:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable Minister of Labour, Bill No. 42, standing in the name of the Honourable Member for St. Norbert.

**MR. G. MERCIER:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable Attorney-General, Bill No. 46, standing in the name of the Honourable Member for St. Norbert.

**MR. G. MERCIER:** Stand.

**MADAM SPEAKER:** On the proposed motion of the Honourable Attorney-General, Bill No. 47, standing in the name of the Honourable Member for Assiniboia.

**MR. R. NORDMAN:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable the Attorney-General, Bill No. 48, standing in the name of the Honourable Member for Fort Garry.

**MR. C. BIRT:** Stand.

**MADAM SPEAKER:** Stand.

On the proposed motion of the Honourable Minister of Labour, Bill No. 49, standing in the name of the Honourable Member for Fort Garry.

**MR. C. BIRT:** Stand.

**MADAM SPEAKER:** Stand.

## **BILL NO. 51 - STATUTE LAW AMENDMENT (TAXATION) ACT, 1987**

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of Finance, Bill No. 51.

The Honourable Member for Morris has 22 minutes remaining.

**MR. C. MANNES:** Thank you very much, Madam Speaker.

I hope to be able to complete my remarks in the time remaining.

Madam Speaker, the other day when I first made comment on Bill 51, I indicated to the government opposite how successful our Budget meetings had been and how happy we were that we did conduct them in the fashion we were. Madam Speaker, one item came evident during that time. We had a letter that did come forward from a professional, and I'd like to read it into the record because I think it bears repeating.

It says and I quote for the next period of time, Madam Speaker: "It's 8 a.m. March 17, 1987, and I'm driving my 12-year-old daughter to school. The news is on the radio and she's obviously listening. What is a deficit, she asks. I tell her that it is a situation which is created when a person or a company or a government spends more money than they have. But how can they do that,

she asks? Well, I said, the only way to be able to do it is to borrow the money from someone.

"But if you borrow, don't you have to pay the money back? I paused a bit and said, yes. If your mom and I had to borrow because we spent more than we earned or if our firm did the same, sooner or later the person that loaned the money would want it back. If we couldn't earn more money, then the only way to pay this person back would be for us to figure out some way to spend less money for some of the things that we buy so that some cash would be left over. I tried to explain to her that if we didn't spend less than we made, sooner or later we would be bankrupt. Oh that's what that means, she added.

"She then wanted to know why this didn't happen to the government. I suggested to her that it could. It would just take longer because they're much bigger than her mom and I. I also told her that, if the government didn't feel like spending less money, all they had to do was charge higher taxes and there wasn't much we could do about it at the present time.

"Fortunately we were at the school by this time as I could see she was confused by my comments and I wasn't about to straighten out that very quickly. Can you imagine her trying to understand that, even though they do reduce spending and they raise the taxes, the government still has a deficit every year or, alternatively, that deficits for all the good things the government is doing for us today will have to be paid some day by all the people her age. If my daughter was confused, so was I. I was also mad and, no doubt, more cynical than usual."

Madam Speaker, that's what the 1987 Budget meant to a number of people. Madam Speaker, I'm not going to make specific comments on the taxes that have been brought forward at this time. I'll save them to Committee of the Whole. Nevertheless, I'd like to review them very, very quickly, and I refer to the Budget Address and to this appendix section, that being (d), Madam Speaker, and just quickly want to review some of them.

No. 1, Madam Speaker, the Minister of Finance that night indicated that the corporation capital tax, a surcharge of 0.2 of 1 percent was going to be applied against paid-up capital on those corporations being \$10 million or greater in size. Madam Speaker, one would say, well, what does that mean in relative terms to other provinces?

Isn't it interesting when one, if one wants to compare that to other jurisdictions, Madam Speaker, we find out very quickly that Manitoba is only one of a few provinces that has an exemption of the size, first of all, under a million dollars? Yet, Saskatchewan, for instance, a neighbouring province competing for as many of the small firms and industries that we are, has a basic deduction of \$10 million under that capital corporation tax. We, in Manitoba, are going to do something beyond that now. Beyond the \$10 million threshold, there's now going to be a surtax.

Madam Speaker, again the government of this province is sort of serving notice on all businesses that they are fair game in spite of the fact you can see, by way of corporate income tax, that our at-one-time thriving small business industry is not so thriving anymore.

Madam Speaker, within this area also, the government increased the application of this tax to the trust and

loan corporation. To corporations, that rate now has been increased from 0.9 percent to a full 3 percent, Madam Speaker, having us far ahead of most provinces in Canada, although Saskatchewan, I know, has adjusted theirs also.

Madam Speaker, I know that Federal and Provincial Governments are beginning to realize the money and lending institutions are going to have to contribute a larger portion. I don't think there's major debate on that issue but Madam Speaker, what we have here in this province, which enjoys to some degree of an industry within the institutions, within the financial institutions, becoming smaller every day, I think it's incumbent upon this government, when it's levying these taxes, that it is not being the leader in the rate of increase because, Madam Speaker, to do that is just to serve notice to that part of our industry and that part of our economy that, quite frankly, you're here, you're captive and we're going to get you.

So, Madam Speaker, I think that, as we've said on other occasions, taxation with respect to financial institutions, they certainly going to have to pay their fair share, but let's not have them carrying an unfair load relative to other provinces within the nation.

The second tax, Madam Speaker, of course, that is itemized in the Budget is the retail sales tax. There isn't too much to be said here. The sales tax increase is in effect. I honestly believe that most Manitobans accept the tax increase generally - that's from the 6 percent to the 7 percent - although some of the new areas, particularly within the energy conservation area, that have been attacked by this Minister of Finance call into question the consistency with which one Minister brings forward programs calling for major energy conservation, only to have people who want to direct resources into that area to conserve have those costs further taxed by the Minister of Finance.

Madam Speaker, moving on, we very quickly come to, of course, the personal income tax changes and they fall basically into one area; that's the net flat tax. I would pose a question to the Minister of Finance at this time.

I'm wondering if he's contemplating indicating to all the civil servants of this province, to whom he directs or the government directs a remuneration in the form of a pay cheque every two weeks, whether he will be including in the first envelope of pay, in the month of July, an indication as to why their take-home pay will be dropping.

I'm curious as to whether the Minister of Finance will have the courage to tell the employees of the province why it is there will be such a major reduction in their take-home pay in the month of July. Hopefully, he'll have that courage to do so, because if he doesn't, I will, Madam Speaker. I'll be glad to tell any one of them who may wish to give me a call and inquire as to why it is that they're working harder and yet they seem to be receiving less.

**A MEMBER:** Well, they give out ads on everything else.

**MR. C. MANNES:** That's right. My colleague reminds me there are ads on every other initiative of this government and we would expect them to be totally consistent and honest in that area and do the same thing.

So, Madam Speaker, moving onto, of course, the payroll tax that's been increased from 1.5 percent to 2.25 percent, again, when one wants to look in this tax area, we're one of only now a small number of provinces that have it. We have that a very high level increased by some 50 percent, again doing nothing, Madam Speaker, other than to either drive business away, or, as importantly, to cause them - when they're making their corporate plans for the years forward - not to reinvest in this province. I dare say, Madam Speaker, that is being reflected in many of the Conference Board statistics, many of the forecasts as to where the economy is headed. If I have time today, I will move into those.

The other areas of taxation, Madam Speaker, the motive fuel tax, we'll ask questions specific to those during Committee of the Whole, but I'd like to touch this one final one, that being the land transfer tax. If one looks at Bill 51, they will be able to quickly determine that upwards of one-half of the material in the bill, the content of the bill, is directed towards the land transfer tax. Madam Speaker, it seems that because the tax is so new and because land, in some form, is embodied in so many of the statutes of the province, that there has to be some very significant changes associated with this type of taxation. It's just not the simple classification, four or five classes of evaluation against which are applied varying rates of land transfer tax.

Madam Speaker, I still, to this time, have not received a proper explanation as to why the Budget says, in boldface title, "A temporary exemption to farm land." The former Minister of Finance tried to respond to my question. I believe that this Minister, somewhere else, has attempted to reply to that, but quite frankly at this point in time I have not received a proper explanation as to why the word "temporary" was emblazoned in that type of bold print in the fashion that it was. Madam Speaker, hopefully the Minister will tell us when he sums up debate on Bill 51.

What does it all mean, Madam Speaker, all of these tax references? Well, as we've said on many occasions, in combination, they are forecast to bring forward an additional \$369 million, a full \$100 million more, and is the case in Saskatchewan where we're told things are in such horrible shape.

Let's put that again into perspective: An additional \$100 million being taken out of the economy in the way of taxation by the Budget of 1987. It begs the question, however, what impact will this level of personal income, disposable income, removal from the economy, have on the economy, Madam Speaker?

Is it coincidence with the Conference Board of Canada, after looking at the magnitude by which taxes were going to be levied, increases in taxes were going to be levied within this province? Was it any coincidence that all of a sudden they brought forward a major revision as to where the economy in this province was going, as measured by certain key economic indicators?

You may ask, Madam Speaker, like what? Well, the Conference Board, in its latest detailed analysis had to say this about the Province of Manitoba within the area of the economy. The economy once was to grow, Madam Speaker, in this province at 3.5 percent in this year. Do you know what it is now, Madam Speaker? It's down to 2.4 percent; and for 1988, 2 percent.

Madam Speaker, other indicators, and in some respects I hate getting involved in the statistical game because it really proves nothing. But I think it proves something when you see major forecasting institutions like either the Royal Bank, which the government has used to their advantage on several occasions, or the Conference Board, I think which is considered to be relatively objective in this, when you begin to realize that housing starts in 1987 in this province are now forecast to be down 10.8 percent.

Housing starts in 1988, next year, Madam Speaker, to be down an additional 2.8 percent. The unemployment rate - no, let's go into the labour force area - job creation, only increasing 1.9 percent this year; next year, 2 percent - far, far below the national average.

Madam Speaker . . .

**HON. E. KOSTYRA:** The unemployment rate is below the national average, too.

**MR. C. MANNES:** Okay, the Minister of Finance says the unemployment rate.

Madam Speaker, there's another symptom at work here. Maybe we should do a detailed analysis and see how many of the people who are now considered employed do have 10- and 12-hour-a-week jobs, indeed, as some members opposite would complain as they ask us to become involved, or they themselves have become involved in the Westfair dispute. Madam Speaker, it would be interesting to do that analysis meaningfully to see the profile of employment in this province, to see really if the 7.5 percent unemployment rate has any at all merit in the context of being considered vis-a-vis other provincial statistics.

Madam Speaker, there's some reason that the economy of this province is grinding to a halt, a noticeable halt. There's some reason why the young professionals, indeed people who are mobile, who are now making decisions daily to leave this province. There are some reasons why, Madam Speaker - and we haven't made an issue of this - that there is now a net outflow of people out of this province.

We haven't made an issue of it, Madam Speaker, but there's been a major turnaround, and of course the reason is that the public dollars, the amount of money this government has used to support the economy in this province over the last five years, they are gradually coming to a halt. And the reason they're coming to a halt is because they're being directed into interest payments, Madam Speaker. The more money this government is raising, the more of it is going into interest, the less of it is being able to support an economy which is beginning to grind to a halt. So we know where it's at, Madam Speaker.

Our projections - and I'll have to use the remaining time another day - I'd just like to spend the last five minutes that I have at another day on our projections which show the dire circumstances of this government and really the lack of manoeuvrability that they have in this area of trying to balance the needs, the very real needs of the Minister of Health, and indeed other Ministers, with an economy that's failing, that just will not at this point be able to produce the required revenues in support of those services.

**Friday, 26 June, 1987**

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**MADAM SPEAKER:** Order please.

When this matter is again before the House, the honourable member will have five minutes remaining.

The hour being 12:30 p.m., the House is now adjourned and stands adjourned until 1:30 p.m., Monday next.