

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 p.m., Thursday, March 4, 1976

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Swan River.

ORAL QUESTIONS

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I wonder in the absence of the Minister of Corrections and Rehabilitation if I may put the question to the First Minister. Can the Minister confirm that in addition to the four people I mentioned yesterday, that the Medical Director of Alcohol Foundation has also handed in his resignation?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the Minister may be in the House very very shortly and perhaps would deal with that personally. I might just say as an opener to my honourable friend, the Member for Swan River, that the Executive Director of the Alcoholism Foundation is, I believe, a competent ex-officer of the Canadian Armed Services with the kind of background similar to my honourable friend, and who has management expertise I should think.

MR. BILTON: I thank the First Minister for those comments and certainly insofar as the gentleman is concerned but I am led to believe there is a problem and I'd like it inquired into.

I have a further question, Mr. Speaker, to the First Minister if he wouldn't mind accepting it. Will the Minister conduct an inquiry into the operations and the effectiveness of the Alcohol Foundation of Manitoba, with a possible report back to the House.

MR. SCHREYER: Mr. Speaker, the Honourable Member for Swan River will appreciate that it's only prudent to take that question as notice on behalf of my colleague. I would merely like to add that I am not aware of any series of events in recent months which would have tended to indicate that there was any significant problem. Of course the whole area of effort of alcoholism rehabilitation is one that is fraught with frustration from beginning to end.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Labour. I'd like to ask him whether in view of the comments of the Mayor of the City of Winnipeg he can advise the House whether he has had any indication from the Mayor or from the City of Winnipeg that its negotiators are going to be willing to accept the mediator's report. It's a sight unseen situation, Mr. Speaker, but in view of the Mayor's comments I'd appreciate a comment from the Minister.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Of course, Mr. Speaker, we all realize that this is anticipatory of what may happen. But in order to assure my honourable friend, I am not responsible for any remarks that His Worship the Mayor of Winnipeg makes at Council Meetings but I would join with him in expressing a hope as a result of the action taken by this Government, through its Minister of Labour, that we will soon have a resolution and resolving of the dispute between the City of Winnipeg and the transit workers.

MR. SHERMAN: A supplementary, Mr. Speaker. Has the Minister of Labour been in receipt of a message or an indication from the Mayor of the kind that the Mayor apparently made to City Council?

MR. PAULLEY: My answer to that is, "of course." I carry on conversations with His Worship, the Mayor of the City of Winnipeg, as I do indeed with the Honourable Member for Fort Garry. I'm sure that my honourable friend would not wish to disclose the contents of all of our discussions in this Assembly.

MR. SHERMAN: Well, Mr. Speaker, perhaps I'd better come directly to the

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(MR. SHERMAN cont'd) . . . . point. Has the Mayor of the City of Winnipeg indicated to the Minister of Labour that he thinks there's a good chance the strike will be over next week?

MR. PAULLEY: I would suggest, Mr. Speaker, that the Mayor of the City of Winnipeg and the Minister of Labour are each hopeful that the dispute will be ended before next week.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I rise on a matter of privilege. This morning on an open line show the Minister of Consumer and Corporate Affairs, in explanations that he was giving concerning the Rent Stabilization Bill, made the statement that he would consider that if members who owned rental property voted against his bill this would be considered conflict of interest on the member's part. Also he made another astounding statement, that if members who owned rental properties voted for the bill then that was quite all right.

Now I ask through the device of speaking on privilege whether the First Minister considers this as government policy and if not I would like to hear him deny it, if it is not government policy. As a matter of fact I think that the whole matter should be . . .

MR. SPEAKER: Order please. Let me inform the honourable member that the honourable member did indicate he was taking advantage by saying he wanted a matter of privilege. Now he has asked a question and he has proceeded to debate it as well. I would like to inform the honourable member that he didn't have a matter of privilege. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I strongly object to that statement. I consider it a matter of privilege when a Minister goes on the air publicly to decide whether or not certain members have conflict of interest. I consider that a matter of privilege.

MR. SPEAKER: The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Well, Mr. Speaker, I think that the question in point is a point of order which will have to be raised at the time that any vote is taken. No individual member, although he may express a free opinion on a point of order - and I'm not suggesting that it was expressed or not, I take what my honourable friend says as being what he heard - but even if that were the case, the question as to whether a person voting is entitled to vote by virtue of a conflict of interest is provided for in our rules is a question of order to be taken up at the time. One member's opinion on it is not definitive and the Speaker would have to rule and ultimately the House would have to rule. So although the honourable member might be incensed with the remarks, and I'm not suggesting that his emotion is right or wrong, I'm not going to give my opinion on the question because I think it would be a point of order when the question arose.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I'd like to direct a question to the Minister of Consumer Affairs or the First Minister to verify whether or not this is not going to be a government measure and if in fact it is a government measure, can he indicate in the context of his statement how many people on the government side do own rental property.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, the issue that is before us is certainly one that I perhaps should not have commented on this morning during the open-line show. I would like to, however impossible it may be in practice to do so, I would like to withdraw the remarks I made. I had no intention of reflecting on any members of the Legislature by making the remarks that I did. I have read the rule book and I do know the, what I consider to be, the tradition, the customs and usage that govern conflicts of interest in the House.

I did point out to the host of this particular show that although I was making comment on it, that clearly it would be a matter of legal interpretation. I also pointed out to him that it had been my understanding that the practice and tradition here was that where the program was universal that members of the House did not normally refuse to vote. We have had examples of people voting in this Legislature before on issues in which they have had an economic interest and I don't think that if the program is universal

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(MR. TURNBULL cont'd) . . . . that really we are involved in a direct conflict of interest. But I would like, Sir, to the member who raised the matter of privilege to the members of the House, to apologize for those remarks and withdraw them.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Well, Mr. Speaker, I do now raise a point of privilege and presumably with the First Minister. Can he not indicate to his Cabinet Members, when they speak out that they in fact speak government policy and not individual policy. And would he take into consideration that we've been having to put up with this now for too long a time, these . . . statements being made by Cabinet Ministers.

MR. SPEAKER: Order please. Order please. We are still in the question period. Questions may be asked and questions may be answered.--(Interjection)--Order, please. Now let's settle down and conduct our business properly. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, notwithstanding your admonition that we're in the question period, a question of privilege can be raised at any time during the proceedings of this House. Since a question of privilege was raised in connection with a statement made by the Minister of Consumer and Corporate Affairs it seems to me that if there is a question of privilege you should at least hear it and decide whether or not it is indeed a question of privilege.

MR. SPEAKER: That is correct. But the Honourable Leader of the Opposition didn't mention any matter of privilege. He asked a question. The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose): Mr. Speaker, my question is for the Minister of Colleges and Universities Affairs. I have a couple of questions to ask him today.

In light of the question raised by the Member for Rock Lake about whether or not the majority of the Board of Governors of the University of Manitoba was appointed by the government I want to ask the Minister: is it correct that in 1968 The University of Manitoba Act was amended? The previous government insisted that a majority of the Board of Governors be appointed by the government.

Secondly, was that position taken so they could manipulate the Board of Governors or because they believe those who pay the bills should require accountability?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, the Honourable Member for Ste. Rose is quite correct. That amendment was written into The University of Manitoba Act in 1968 during the term of office of the Conservative Party. What prompted or motivated the then government of the day to so do I'm afraid, Mr. Speaker, I do not have that knowledge.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the First Minister. It rises out of the information supplied yesterday that the arbitrator in a wage dispute in Ontario declared that the order-in-council of the Government of Ontario in which the federal and provincial relationship was determined with respect to the Anti-Inflation Guidelines was unconstitutional. I wonder if he can indicate whether the government has received a legal opinion as to whether the actions by order-in-council with respect to the agreement with the Federal Government is constitutional or not.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't know how fine a point of it my honourable friend wishes to make but I would have to answer him by saying that yes, legal opinion was asked for and given that it was in order to proceed by order-in-council under Section 16 of the Statutes of Manitoba, Chapter 170 . . .

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister can indicate whether in the agreement it is understood that school teachers are to be included within the public service with respect to the Guidelines Agreement.

MR. SCHREYER: Mr. Speaker, I am not aware that anyone is attempting to cause procedural difficulty in this matter. I should have thought, Sir, that in terms of intent that the intent was well understood and has been understood since October last.

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(MR. SCHREYER cont'd) . . . . If there is difficulty of a legal nature in Ontario I don't accept it for a fact as yet, it is merely the opinion expressed by an individual.

Secondly, I am advised that in the case of the order-in-council passed by Lieutenant-Governor-in-Council of Ontario, that they passed it pursuant to no particular section of statute law whereas in our case it is pursuant to a particular authorizing section of statute law.

MR. SPIVAK: Well I wonder then if the First Minister can indicate whether the government received a legal opinion as to whether an Act which would provide for final and compulsory arbitration if negotiations were not completed, as in the case in The Public School Act, that where that decision was made that it could be overridden by an order-in-council, that the Legislative Act in fact could be overridden by an order-in-council.

MR. SCHREYER: Mr. Speaker, the last question is one which I would like to take as notice and certainly consult with my colleague the Minister of Labour, and other legal advice. I say other legal advice because my honourable colleague, the Minister of Labour, although he is not a graduate of law schools is somewhat learned in the law.

MR. SPEAKER: The Honourable Member for Gimli.

MR. JOHN C. GOTTFRIED (Gimli): Mr. Speaker, my question is to the Minister responsible for Autopac. In light of the report yesterday in the House that the automobile insurance industry in America lost about 2.3 billion dollars in 1975 causing the bankruptcy of 30 private insurance companies, how does the Minister explain the fact that Autopac made a profit during the past year while reportedly selling insurance at the lowest premiums on the North American Continent.

MR. SPEAKER: The Honourable Minister for Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker . . .

MR. SPEAKER: Order please. The Honourable Minister.

MR. URUSKI: It appears that my honourable friends across the way want to answer that question but in case--(Interjection)--They don't want to talk about it. I want to indicate to the Honourable Member from Gimli that running an automobile insurance scheme with administrative costs at less than one-half of what the private sector is able to produce can lower premiums by at least 15 percent and that's what we've been able to achieve.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): . . . the Minister for Consumer Affairs. Would the Minister in the House explain whether they're going to send out the rebate cheques. I mean most of the claims have been made on the high rent and I wondered what the government policy might be pertaining to how they're going to recover the moneys because of the fact that most of these claims have already been made and at the lower rate they would then have to refund money.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, it was mentioned that we could send the bailiff and perhaps that would be appropriate. But I assume, although the Member for Wolseley did not mention the Property Tax Credit Plan, that that is the plan under which the rebates are made that he is referring to. I would think, Mr. Speaker - and perhaps I shouldn't answer questions immediately when they're asked, but I will answer this - if rebates are made for 1975 under the Property Tax Credit Plan and the individual making the claim has not yet filed their income tax then the amount of rent that they have paid for 1975 should be calculated into their rebate. Those refunds that they have received though, if they haven't already filed their income tax return, those rebates they haven't received of course they shouldn't claim for.

Now I don't know if I've made that clear or not, but what I'm saying is, Sir, that during 1975 both landlords and tenants should base their property tax rebates on the existing situation. That is if they have made a claim then they should attempt to fill out the form as it applies to what actually occurred during 1975. If a tenant receives a refund on rent in 1976 then he will have to deduct that amount of the refund in rent that

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(MR. TURNBULL cont'd) . . . . he's received from the rebate under the Property Tax Plan that he's filling out for the 1976 tax year. That's really rather involved, Mr. Speaker. I do hope I've made it clear to the member.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister responsible for the environment. Can the Minister confirm whether the United States Government through the agency of the U.S. Corps of Engineers is planning or presently undertaking major modifications on the Roseau River and whether that particular restructuring will have impacts upon the water flow of the Roseau River on the Canadian side and if there'll be any deleterious effects of various facilities on the Roseau River on this side of the border.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, there have over the last 30 years been modifications south of the border relative to the Roseau River which have had deleterious effects on the Province of Manitoba. This situation, and I don't know exactly when the change was made, has caused these kinds of things to be put before the International Joint Commission. There is a report now, a report prepared jointly by officials of this side of the border and on the other side of the border, which indicates that if certain steps are taken south of the border relative to the Roseau River there will be problems created in the Province of Manitoba. An attempt has been made to assess these problems; the preliminary assessment is \$3.1 million and the report recommends that Canada be given \$3.1 million by the United States if the program goes ahead. That report is now being considered by the International Joint Commission.

I might say to the honourable member that if this type of procedure was not followed then the United States' authorities could just proceed with their own flood control programs and we would have to get the effects without any compensation at all.

MR. AXWORTHY: I have a supplementary question, Mr. Speaker. Can the Minister confirm the fact that the United States Congress has authorized moneys for the reconstruction of facilities and channeling on the Roseau River south of the border but has not yet authorized any payment of moneys for any modifications that are required on the Canadian side.

MR. GREEN: Mr. Speaker, I can't authorize either of the suggestions but I'm satisfied that the International Joint Commission, on which the representatives of Canada and the United States sit, are the best available body to protect Canadian interests in this connection.

MR. AXWORTHY: A supplementary, Mr. Speaker. Considering that in cases such as this the IJC is only an advisory body, is the Minister prepared on behalf of the Province of Manitoba to make representations to the Department of External Affairs to inquire as to whether the United States Government is planning to pay Canadians or the Manitoba Government moneys for modifications to mitigate problems that will be experienced on this side of the river considering that those projects are now going ahead.

MR. GREEN: Mr. Speaker, I am not at all aware that the program is going ahead. The honourable member indicated a few moments ago that Congress has authorized the funds; I don't know that there has been any indication that the program is going ahead. I am satisfied that the manner in which we are proceeding protects people of the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. My question is directed to the Minister of Health and Social Development. Is the Minister aware that the Minister of Labour last night at a social function announced an increase in wages to chiropractors?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I am not my brother's keeper.

MR. BROWN: Can the Minister of Health then state how much of an increase the chiropractors will receive?

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MR. DESJARDINS: Well within the Guidelines, pretty well the same as the medical profession has been granted.

MR. JORGENSEN: Mr. Speaker, I'd like to direct my question to the Minister responsible for Autopac. It's related to the question that was asked by the Member for Gimli.

In light of the statement made by the Member for Gimli that 30 companies went bankrupt on automobile insurance I wonder if he can tell the House where all those huge profits that were talked about during the course of the Autopac debate in 1971 have gone to.

MR. URUSKI: Mr. Speaker, that's a very interesting question. The honourable member should know that none of the incomes or the investment income that the companies have ever show up in the records to the benefit of the motorists. The investment income that the companies gain are for the benefit of their shareholders.

MR. JORGENSEN: What the Honourable Minister is saying is that notwithstanding the . . .

MR. SPEAKER: Question.

MR. JORGENSEN: Well I am asking the question, Sir. Notwithstanding what was said in 1971, and to the best of the knowledge of honourable gentlemen opposite, the profits that they talked about were not as great as they tried to make out.

MR. SPEAKER: Question please.

MR. URUSKI: Mr. Speaker, what the honourable member didn't say or didn't ask was: I want to indicate to him that the investment income that the Manitoba Public Insurance Corporation gains, unlike the private sector, goes back to the benefit of the motorists. Last year that amount was in the neighbourhood of \$2.2 million.

MR. JORGENSEN: Could he also tell the House where the \$20 million deficit is being invested.

MR. URUSKI: Mr. Speaker, the \$20 million deficit is being invested in the same way as the private sector does it.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I have a question for the Minister of Urban Affairs. Could the Minister inform the House why the Emergency Measures Organization in Manitoba or in Winnipeg have not set up a system to help people with emergencies during the bus strike the same as some private operators have done?

HON. SAUL A. MILLER (Minister of Urban Affairs) (Seven Oaks): Mr. Speaker, I don't view the EMO in that role at all. I deplore the fact that there's a strike certainly, but I can't see that the EMO has a role to play in this matter.

MR. F. JOHNSTON: Mr. Speaker, the Minister says they don't have this role to play. I would ask him if the word "emergency measures" does not mean that if somebody has to get to a hospital and can't take a bus that the emergency measures should be available to do so.

MR. MILLER: Mr. Speaker, I believe there's an ambulance program operating in Winnipeg and if someone is faced with that kind of emergency I'm sure they can get an ambulance to take them to a hospital.

MR. F. JOHNSTON: Mr. Speaker, would the Minister consider the emergency measures "strike breaking" if they did so?

MR. MILLER: Mr. Speaker, that's the member's phrase not mine. I wouldn't put any label on it at all. I just don't see the Emergency Measures Organization operating in this area at this time.

MR. SPEAKER: The Honourable Minister for Corrections.

HON. J. R. (Bud) BOYCE (Minister responsible for Corrections and Rehabilitation) (Winnipeg Centre): Mr. Speaker, yesterday the member for Swan River asked me a question relative to the resignation of some staff at the Alcoholism Foundation. I would report to the member and the House that four people while at a very important level, were at a relatively junior level. The extent of one nurse and three counsellors did tender their resignations and they were accepted by the Foundation Board.

MR. SPEAKER: The Honourable Leader of the Opposition.

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MR. CRAIK: Mr. Speaker, I direct a question to the Minister of Consumer Affairs. It's in regard to his answer to the Member for Wolseley regarding the rebate. I wonder if the Minister could clarify the answer in view of the fact that the Ministry of Finance spokesman today had in the paper an explanation of the way the rebate would be handled. I'm not sure what the Minister's answer was but I am quite sure that it wasn't the same as the explanation given by the spokesman for the Minister of Finance in today's paper. There was indication there that the rebate would in fact be delayed.

MR. SPEAKER: Question.

MR. CRAIK: I wonder if the Minister could indicate then, Mr. Speaker - the question directly is: would he take this under consideration in view of the importance and issue a clarification on how the rebate would be handled.

MR. TURNBULL: Mr. Speaker, there is no doubt that this matter is involved, technical, complex, and I should have taken the first question as notice and I will do so now.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, my question is to the Minister of Corrections and Rehabilitation. I thank him for his answer today. I take it that I can wait for the answer to the second question or is that under study?

MR. SPEAKER: The Honourable Minister for Corrections and Rehabilitation.

MR. BOYCE: Yes, Mr. Chairman, I apologize to the House for being late for Prayers. There's probably nobody in the House that needs it more than myself. The First Minister advised me that he had taken a couple of questions for notice and I'll respond.

MR. BILTON: If I may, Mr. Speaker, could I remind the Minister I asked two questions yesterday. One he has answered; the second one I don't take it that he has answered as yet.

HANSARD CORRECTION

MR. SPEAKER: The Honourable Minister for Urban Affairs.

MR. MILLER: Mr. Speaker, there's an error in Hansard I feel I should correct on Page 513 in reply to a question. The printing in Hansard is incorrect. I used the word "mains" rather than "means". It's quite a difference in meaning and I think it should be corrected.

A MEMBER: Take the marbles out of your mouth.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Consumer Affairs. In view of the many questions and interpretations arising from the Rent Stabilization Bill and in view of the public discussion he himself has generated, can we expect the Minister to introduce the bill in this House today in a very short period of time so that members of this House may be able to answer questions on it.

MR. TURNBULL: Mr. Speaker, that is perhaps an anticipation of the Order Paper. I note the bill is on for today for second reading and I do expect to have the opportunity of introducing it formally.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, in that connection the Minister of Agriculture is not available tonight so I had intended to proceed to go into Committee until 4:30 and then to have Committee rise, come back into the House for the Private Members' Hour. And for bills this evening at eight o'clock. The Minister will be introducing his legislation then tomorrow.

## ORDERS OF THE DAY

(MR. GREEN cont'd)

I move, Mr. Speaker, seconded by the . . .

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I'm not sure that I understood the Minister correctly. Did he say that the House would adjourn at 4:30 or 5:30 and then go into Private Members' Hour tonight?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: I'm sorry. I'll repeat it. I said that the Committee would rise at 4:30 in which case we would be in the House. We wouldn't interrupt our activities as has been our usual style. We would rise, come back into the House at 4:30 and stay in the House until closing, until ten o'clock. Private Members' Hour at 4:30 to 5:30 and bills starting at eight o'clock tonight.

Mr. Speaker, I move, seconded by the Minister of Agriculture that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - DEPARTMENT OF AGRICULTURE

MR. CHAIRMAN: I would refer honourable members to page 7 of the Estimates Book. When the House, or the committee rose yesterday, we were on 14(b)(1), The Marketing Branch: Salaries--pass. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, there is one issue that I would like to gain from the Minister some indication of what the government's position is. It deals, I think, with a vital part of the marketing procedure, and that is the transportation of grain to the St. Lawrence Seaway. As we know there have been several reports, one very recently by Federal Government task forces that have recommended the increase of user fees or charges on the St. Lawrence Seaway, and . . . --(Interjection)--

MR. CHAIRMAN: Order, please. The Honourable Minister of Labour.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Yesterday, I believe it was discussed under the Manitoba Marketing Board. It really comes under the purview of the Department of Industry, as I understand it.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, speaking on that point of order, I would suggest that first we're not on Marketing Boards, we're on Marketing Branch, which is the --(Interjection)--No it's not the same thing; we were told yesterday it was a different thing, so I think the Minister stands corrected. But more importantly, the Marketing Branch deals with the kind of programs and advice and representations that should be put forward to improve or help the marketing of grain, and it would seem to me that the question of the transportation and shipping of grain is an important aspect of agriculture.

MR. CHAIRMAN: The Honourable Minister, on a point of order.

MR. USKIW: On a point of order. The Ministry of Industry has that particular area of responsibility and if we're going to discuss it under agriculture then it cannot be discussed under industry. I can't understand how the Member for Fort Rouge would think that he could discuss that kind of thing in these Estimates.

MR. CHAIRMAN: Order, please. The Minister responsible for transportation on the treasury bench is the Honourable Minister of Industry and Commerce, and I think that if there are matters dealing with transportation that they should be raised under his estimates. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, if I may speak on the point of order. Again the Minister has made the serious error, which he does too often, in anticipating what's going to be said. The fact of the matter is that I was going to raise the issue of what the Minister of Agriculture is intending to do in terms of the marketing process in this province related to the potential problems experienced by the Seaway, and if the Minister was prepared to wait out that kind of concern as opposed to anticipating it, we might be able to find out what he intends to do to help the people in the agricultural community,

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(MR. AXWORTHY cont'd) . . . . particularly the farming community, in light of the proposed increases in shipping rates of the St. Lawrence Seaway.

MR. USKIW: Mr. Chairman, the Member for Fort Rouge ought to put that very question to the Minister of Industry when his estimates are before the House. Any direction that this government takes will be taken through that Ministry.

MR. AXWORTHY: Well, Mr. Chairman, I can then only conclude by it, and I won't though speak to the point of order, I can only conclude from the Minister's remarks that this matter is of no interest to the Minister of Agriculture or his department, and that it is . . . Perhaps we can then ask him the question that first, that it is very surprising that someone who is supposed to be concerned with the stewardship of grain production and the expenses and costs experienced with that, would be so evasive when it comes to that particular issue. What we would like to ask him, Mr. Chairman, is this:

MR. CHAIRMAN: Order, please. Order. ORDER, please. Would the honourable member sit down. Now if the honourable member is going to continue to talk about transportation, I'm going to rule him out of order. If the honourable member wants to talk about Marketing Branches, fine and dandy, but I don't see anything under Marketing Branches about transportation. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Chairman, I simply again, if one can be allowed in this House to proceed to the gist of the remark without these kind of interruptions, then I would simply want to indicate, Mr. Chairman, to ask the Minister in this case, that considering the important impact that such decisions would have on grain production and marketing, what kind of liaison or co-ordination is going on between his department and the Minister who is responsible for transportation, to ensure that there is a government position from the Province of Manitoba prepared to properly protect the interest not only of the producer but also the consumer, because it affects the other side of the procedure because of the two-way flow of goods, and we simply want to know at this point to what degree has this department undertaken to provide the Minister of Industry with the estimates or assessments of how such decisions on the Seaway will affect the agricultural producer in the province, on grain marketing, what the cost will be, and perhaps the Minister would then be prepared to make a statement of that kind of problem and show, or give us an explanation of how it may affect the agricultural community and grain marketing, so that we would then be able to when the time comes to pursue the question with the Minister of Industry, pursue it in light of the knowledge we would have from the Minister of Agriculture on how it would affect the agricultural community.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Chairman. If I, in the confusion, heard correctly, I did hear you pass item (b) and we are now on item (c).

MR. CHAIRMAN: (b) . . .

MR. ENNS: Well, excuse me. I thought we had passed (c). We can pass it.

MR. CHAIRMAN: No, we are on 14(b)(1), the Marketing Branch: Salaries, \$136,000--pass. We are now on \$235,000--pass. Resolution 14, The Marketing Board, Manitoba Marketing Board: Salaries (1) \$117,500.00. The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I do have some few remarks to make at this time, generally that follow in the scope of the operations of Marketing Boards, Manitoba Marketing Board, and the plans that this government has, I believe in this area, and has heretofore kept relatively well concealed.

Mr. Chairman, it has been well over a year since the Minister of Agriculture has introduced the word "Crocus" into our vocabulary, not only in his Chamber, but all across the province, and we should remind ourselves what that original introduction was all about. I refer to a Government Service news release, dated November 9, '73, where the Minister indicates that a serious pollution problem had arisen with respect to disposal of whey, and to resolve this problem, indeed it was a problem initiated by another arm of government, mainly the Clean Environment Commission, which served notice to the various processors that the dumping of whey would have to be stopped, and we were led to believe that to deal with this problem a Crown corporation "Crocus" would be

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(MR. ENNS cont'd) . . . . established to turn what now is considered to be a pollution problem into a viable economic production plan, with greater returns going to the producers.

Since then, of course, Mr. Chairman, the whole question of feasibility of this idea, has come under sharp attack, and we have yet to see, despite numerous questions, the Feasibility Study undertaken by the department. In all of this, Mr. Chairman, the Minister of Agriculture has shown a remarkable lack of candour: (a) to the Milk Producers, and (b) to the Processing Industry, and finally to the members of this House. Now Mr. Chairman, I would like to therefore enlighten some of the members of the House and the public at large, as to what it is precisely that this government has in mind for the milk industry, and in doing so, I will be referring directly to a report, a committee report, that was prepared just recently, February 11th. It was a report that was prepared by the Director of Co-operative Development, and a member of the Manitoba Milk Marketing Board, as well as a member of the Manitoba Dairy and Poultry Co-operative Limited, more commonly known as Manco.

Mr. Chairman, it was a rush report; somebody wanted it in ten days. It initially considered two discussion papers. One from the Department of Co-operative Developments, in other words, one from the government, and one from Manco, from the Manitoba Dairy and Poultry Co-operative. Not surprisingly, the Government's recommendation by majority decision, and we should talk just for a moment what a majority decision of this committee consists of: The Minister appoints the members to the Milk Marketing Board, and the other member of that three-man board is one of his directors of the Department of Co-operative Development, and the other man on this three-man board, consisted of a representative of Manco. By a majority decision, it was generally accepted that the points raised in the Co-operative Development's position paper, were the ones that proved most desirable in the short and the long range plans for the development and control of the Manitoba Dairy Industry by and for the Manitoba Milk Producers.

Mr. Chairman, the location of the initial processing facilities as proposed at Selkirk, was of paramount concern. Apparently all negotiations for the grant funding, have to show firm intentions by March the 15th - which is not very far away - of this year. Options on 12 acres of land in Selkirk have already been taken, and the option extension granted. Agreement has been reached between the Manitoba Producers' Board and the concerned Ministries within the Government of Manitoba on the desirability of location of the facilities at Selkirk. Mr. Chairman, these are expressions of government views and opinions as expressed in the report that I already referred to.

Although Manco is presently apparently negotiating with Winnipeg's Silverwood's facilities, and indicated that if they became co-partners with the government in this venture, they would want to have the proposed Selkirk facilities located at the Winnipeg Silverwood's premises, or failing that, to locate the new facilities at Winkler. These considerations were ruled out by the committee. The committee has reviewed the cash flow projections for the various alternatives within the consolidation process as presented by "Crocus" foods, and assumes, Mr. Chairman, that the projections are accurate, despite the fact that there has been no detailed information on the projected Crocus operations that have ever been assessed in any meaningful way.

This three man committee, Mr. Chairman, came up with the following recommendations:

1. That the Manitoba Milk Producers' Marketing Board, the Manitoba Dairy and Poultry Co-operative Limited with the assistance of the Government of Manitoba, proceed with plans for the development of a producer owned, and controlled processing facility as envisioned by Crocus Foods Limited.

2. That such a step be the first stage in the development of overall structure placing the control of the Manitoba Fluid Milk Marketing and a greater portion of the related processing directly with the Manitoba Milk Producers.

3. That all present dairy producer owned organizations, along with other participants mentioned within this report, work toward an economic consolidation of existing

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(MR. ENNS cont'd) . . . . facilities and operations. Such consolidation is to have the effect of developing efficiencies with the end result of greater returns to the Manitoba Milk Producers.

It would be my hope that the Minister of Corporate and Consumer Affairs took some interest in these comments, Mr. Chairman, because after all on the other side of the cow there is that other person the consumer that has to pay for these greater efficiencies that our centralist friends always dream up.

4. That the processing facility as proposed under Stage 1 be developed at the proposed location at Selkirk.

5. That the Co-operative formula be used throughout all stages of the control structure required to reach the desired objective of Milk Producer Control as illustrated and developed in Appendix 1.

6. That new facilities required in the future, prior to final merger of all producer owned organizations, be considered to fall within the convertible co-operative's area of development.

Well, Mr. Speaker, it's worthy to note that the Minister has all of the control to block any other kind of expansion that any other sector of the private sector may wish to engage in. So, Mr. Chairman, let's not fool ourselves when this recommendation is read, that the new facilities, that means any new facilities in this province in the future will be directed towards the producer owned co-operative organization.

7. That consideration be given to the Manitoba Dairy and Poultry Co-operatives Limited, Manco, to provide management to the convertible co-operative's processing facilities.

Well, Mr. Chairman, the report then indicates the detailed organizational structure that is envisaged to make all this happen. You know, Mr. Chairman, they've coined a new phrase, namely, they wish to set up a convertible co-operative. One might ask, what does a co-operative convert to? . . . common shares in this convertible co-operation will be earned by producer members on the basis of total milk delivered to the system. Preferred shares to be held by the Government of Manitoba in exchange for \$1,000,000. There is also room for the Manitoba Milk Producers' Board and Manco in the preferred share category. And it lists the method of appointment of directors, and I have here, you know, and they've even gone to the pains of drawing up a very fine diagram. It looks very much like the ancient pyramids of Egypt, but if you follow it closely you can see how you convert a co-operative into a universal co-operative with the ultimate aim being the complete control of all 1,700 milk producers in the province, all processing facilities, even to the extent of final retail outlets.

Mr. Chairman, it goes on further to state that the early objective should be for equal ownership of the convertible co-operation between the Milk Board and the Dairy Co-operatives, and for eventual total ownership of the corporation by the Universal Co-operative. If all this gets very co-operative and corporation sounding, it's really the way the bureaucrats write these things, these days.--(Interjection)--The objective will be for the co-operation between the Milk Board and the Dairy Co-operatives and for the eventual total ownership of the corporations by the Universal Co-operative within five years. In a more positive way, the report indicates that their co-operatives will merge their operations within five years. It's a very ominous sounding word, will merge their operations within five years. Not too much room for consultation or consideration, there.

It is also suggested that in view of Manco's lengthy experience in milk handling and processing, that they be contracted for the management of the new facilities.

Now, Mr. Chairman, it's obvious that this government has massive and major re-organization plans in store for the milk industry in Manitoba and I do not fault them for that. In the operation of any significant sector of our agricultural economy is the legitimate concern of this Minister. What is reprehensible though is the lack of information, the lack of consultation that should have taken place with all concerned. Surely this could be the subject, Mr. Chairman, of a White Paper to be studied and discussed within the industry, though the need for this massive intervention in this already totally

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(MR. ENNS cont'd) . . . . controlled and regulated industry, is highly questionable.

Now I read from the Minister's own report of 1976 of this year, which indicates on page 24, that the nine industrial milk plants, the 13 fluid milk plants, and the 24 creameries, that are operating in the province since '74, with them there is sufficient production capacity to process all and additional amounts of milk in Manitoba. We have just, in the last little while learned from the Federal Government their moves that will likely curtail the production, the increased production of milk within the province; and we have the Minister's own statement that existing facilities can handle all of the current production. But, Mr. Chairman, we are embarking on this massive universal co-operative, this pyramid that the Honourable Minister wants to leave as an edifice to himself, I suppose.

Mr. Speaker, there can be no doubt that the recommendations of this report render a death knell on all private activity in this field. And the question really has to be asked, has the system, has the present system failed us? - a system comprised of a significant number of co-operatives. Twenty-five percent of the present dairy processing industry is in the hands of co-operatives, the rest being in the hands of private persons. All are under the regulation of the Milk Control Board that has, in the Minister's own words, provided Manitobans with a stable supply of milk and milk products at the cheapest price to consumers when compared to all other provinces, while at the same time returning the highest yield to producers. Mr. Chairman, in the Minister's Report on the Milk Control Board, on Page 12, he indicates in a little diagram where Manitoba stands with respect to prices paid by consumers for milk all across this country. Nova Scotia with 61 cents per quart, Quebec with 53, Ontario 54, Saskatchewan 55, Alberta 52, British Columbia 61, Manitoba 51. Manitoba is the lowest of all provinces.

Mr. Speaker, surely the Minister has some responsibility to us and to the industry to justify the need for this massive reorganization within the milk industry. Surely, Mr. Speaker, the Minister has some responsibility to us in this Chamber and to the industry that when the tip of that iceberg emerged with the initial Crocus Food announcement, he led us to believe, Mr. Chairman, that all that the problem was was a pollution problem. The dumping of whey by various processing industries could no longer be tolerated. The Clean Environment Act had given notice, served notice on industry that that had to be stopped. So the Minister rushes in with his announcement and his million dollars, plus with the help of the Federal Government he indicated in his announcement of '73, that they would solve this problem.

Well, Mr. Chairman, it became evident very shortly that the private sector was quite prepared to take a big hand in solving that problem except that it required a license from the Minister to do so. The Minister has that power, has that control, has that direction. As he indicated from his seat today he has that control, has that direction, has that power whether any dairy industry can add one brick to its facilities. Mr. Chairman, can we really believe that that opportunity can be offered to anybody other than those who are in the favouring grace of this government and of this Minister. The Minister shakes his head in agreement with what I'm saying.

Mr. Chairman, we have often been accused in the opposition side of the House for great frights of imagination when it comes to defining or trying to define the direction of some of the policies of this government when they are announced initially very often in a very calm and deceptive way, what direction, in fact, they are leading us. The initial announcement with respect to Crocus Food was to solve a pollution problem, not to re-organize the entire dairy industry; not to drive out every last private entrepreneur in the dairy industry.

Now, Mr. Chairman, the Minister has every right to do that if that's his will, if that's his will, and he has a certain mandate to do that. But surely he has some responsibility to those with investments, to those farmers who would prefer to have an option of choice, to those milk producers who may wish to, presently as they can, ship to a co-operative, namely Manco which is a significant co-operative in our province, represents some 25 producers, or those milk producers who wish to ship to Silverwoods or to Modern Dairies or to any of the other smaller processors mentioned in the Minister's

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(MR. ENNS cont'd) . . . . . own report, processing facilities, Mr. Chairman, that the Minister's own report says are doing the job adequately. The Milk Control Board says they're providing milk at the best possible price across this whole Dominion.

Mr. Chairman, is it small wonder that we can't help feel that all that is motivating this Minister and this government is the ideology behind the question. Control, the operative word is "control"; the operative words are "take-over"; the operative words are to drive out any vestiges of the private sector. Mr. Chairman, I can recall reading this government's attitude interestingly enough with respect to co-operatives in their blueprint, the NDP Manifesto for Manitoba. Among other things, they indicate in one passage in that document, they note that: At this point it may be worthwhile to consider whether co-operatives might not be a redundant form of organization. After all if rational and extensive use is made of Crown corporations on both the provincial and municipal level as a means of countering private monopoly power and breaking down barriers to entry, is there any need for co-ops.

Mr. Speaker, with that kind of a philosophy guiding this Minister we can see this kind of prostituting that is taking place with co-operatives. We've made co-operatives convertible co-operatives all of a sudden. How do you convert a co-operative? A co-operative is member-owned, is member-controlled. The co-operative becomes all of a sudden a universal co-op, a universal co-op. But, Mr. Chairman, let nobody's attention be diverted to the fact that on this universal co-operative the Minister plans to appoint nine directors. Three come from the Manitoba Milk Marketing Board which he appoints, no election; three come directly from him because he's going to put in a million bucks, so that's six out of nine right now and the other three come from the other partner that's converting into this co-operative, I suppose, Manco.

Well, Mr. Speaker, the words contained in their outline back in '70 was it or '71 when they drew up their Manitoba Manifesto come back to haunt us. You read further from this NDP Manifesto which indicates that the main thrust of this Chapter has been that the public sector can and should be used to change the nature and structure of production in Manitoba. A major consequence of this policy is a systematic redistribution of real income through public production of goods and services, the use of Crown corporations and co-operative enterprises to produce the kinds of commodities, in this case we're talking about milk, cheese and everything else that is associated with the milk industry, that are presently the preserve of private monopolistic concerns and that should be changed.

Well, Mr. Speaker, what we're doing of course, we are now creating one monolithic, monopolistic organization, namely this universal co-operative. What is now not a monolithic enterprise is an industry which is already highly regulated and controlled by the Milk Board and an industry that has very good participation on the part of co-operatives owned by members, upwards of 25 percent; an industry which is doing the job, Mr. Chairman. One has to ask this Minister really what is the rationale and what is the justification? Mr. Chairman, we have seen all too often what these kinds of massive efforts towards centralization do in terms of costs. Now I know the Minister is primarily responsible to his milk producers and I share a great deal of that responsibility with him.

But, Mr. Chairman, there is also the consumer to be concerned. Absolutely nothing, absolutely nothing in this document indicates a concern for the consumer. Indeed, Mr. Chairman, when they talk about controlling the product from the farm gate right to the retail outlets what am I to envisage? Mr. Chairman, I didn't envisage this when we talked about a whey plant in Selkirk. Is it unfair for me to envisage some kind of milk commissions that will be distributing the milk? Because it indicates that the possibility of direct retail control on the part of this universal co-operative should not be under emphasized, that it has great potential.

Mr. Chairman, I don't argue with the Honourable Minister's grandiose plans for reorganizing the milk industry. Mr. Chairman, I think we could have had excellent debates in this Chamber if that were the case. I think the Minister owes the people of Manitoba some openness and some honesty in this matter, not introduce a major subject

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(MR. ENNS cont'd) . . . . matter like this through the back door on the pretence of solving a pollution problem. Mr. Speaker, we have to this date not yet received the feasibility studies on Crocus Foods which we have asked for all through last session, for which I put an Order for Return in this session and have still not received it.

MR. USKIW: You're not entitled to it.

MR. ENNS: I've still not received it. Well the Honourable Minister, Mr. Chairman, says I'm not entitled to it. Well, that's fine and dandy. I'll tell you who else is not entitled to it. There hasn't been a single milk producer that has seen it except appointed ones. Nobody in the processing field has seen it. But, Mr. Chairman, this Minister is tinkering with a very important industry in our province, an industry that has worked and worked well.

Mr. Chairman, we look forward to what develops from this new and vigorous entry on the part of this government into the milk processing industry. We have some feelings of concern for those who have worked in the industry, who have made investments in the industry, who are prepared to make and continue to make investments to improve the industries who by this decree are virtually ruled out of the ball game. It's yet to be seen how they will be treated. We regret that the co-operative movement finds itself overruled by majority decisions, two to one on this committee, with respect to the important decisions to be made.

Mr. Chairman, we chastise the Minister in the most severe terms for not having taken this House, and more important the producers of milk in the Province of Manitoba, into his confidence; for not daring to go out at public meetings and discuss with them his plans for reorganization; for holding off the elections to the Manitoba Milk Marketing Board until he can bring through his policies. Because if you will remember, Mr. Chairman, it is the same Minister who didn't really like the idea of electing members to the Manitoba Hog Producers Board because the wrong people might get elected, the wrong people might get elected. Mr. Chairman, the Minister has a great deal to answer for and will have a great deal to answer for if, as I am sure it will happen, he proceeds along this course and inside of two or three years he can no longer public favourable statements such as he can publish today with respect to the availability of milk, the price of milk both to the consumer and to the producer as being the best in the country. You've got a hard act to follow, Mr. Minister. You've got to beat that right now. We're number one right now.

Well, Mr. Chairman, by the time you've paid for all the bureaucrats and by the time you've done all the centralizing and by the time you've built this pyramid that I'm looking for, you've done all this converting; by the time you've got that structure built, Mr. Chairman, and hired another four or five hundred civil servants to run it, I can guarantee you one thing: that the consumers of this province will be paying a lot more for their milk and the tragedy is the primary producers will be receiving less.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I have waited patiently for two days now for those comments. I would have rather that they occurred yesterday and if they had we wouldn't probably have wasted an afternoon. But it was worth waiting for, Mr. Chairman, it was worth waiting for. The Member for Lakeside has a fairly good way of presenting his case regardless of the weaknesses within it. So it's always an enjoyable experience on my part to listen to him although keeping in mind that many things that he does say he says with tongue in cheek, but at the same time is hoping that he creates some doubt in the mind of the public out of those statements.

I would like to tell the Member for Lakeside that all of the things that he referred to, the documentation that he has, is not something that is revealed for the first time this afternoon. I mean the way the Member for Lakeside presented his comments this afternoon you would almost think it was a great revelation. As a matter of fact this has been a matter of public dialogue now for three years and all of the points that he mentioned and the references that he made are old hat and have been discussed for many many months by people in government and by people outside of government. So it is no great revelation to me, Mr. Chairman, nor should it be to the people of Manitoba and in

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(MR. USKIW cont'd) . . . . particular to the people involved in the industry itself, no great revelation. That is something that is a matter of fact. We have had continuing dialogue with the producers and the industry, no question about that.

The matters that he referred to are some proposals that have been put forward, not by the Department of Agriculture per se, but by a co-operative committee of different interest groups who got together to see whether they can put together a proposal that might be acceptable to the government. That is really what he's referring to and that is but only one proposition. There are a number of considerations at hand at the moment.

Of course, the Member for Lakeside makes a point out of the fact that he has become aware that there is some time constraint on this question and on this decision. Well there is. The DREE offer is applicable to the 15th of this month and we either accept the DREE offer towards the building of another processing plant in this province or we let it go by and forego a million and a third from the Government of Canada towards Manitoba's dairy industry. That is really the question.

That of course is the nature of the current activities and the urgency of those activities, is to come to a conclusion as to whether we are proceeding in this province with additional facilities, processing facilities, and the structure under which they would be built and the role that both the Government of Canada and the Government of Manitoba are going to play in that respect. That is really what is at hand. So I don't see anything embarrassing to me with respect to those comments that the Member for Lakeside has just made, not one shred of embarrassment, Mr. Chairman. That is, in fact, the nature of the discussions that is under way. What the outcome will be is yet to be determined.

But let me set the record straight if it is not straight in the mind of the Member for Lakeside. I think if he wanted to do some research he would probably dig this out of Hansard of a year ago and of two years ago where I have made the government's position quite plain and have presented a clear statement of policy to the members opposite on the question of who should expand in the processing dairy industry of this province. I have made that very clear to members opposite, that the policy of the Government of Manitoba has been since 1969 and continues to be one which would rather see the expansion of the processing industry take place through the ownership of the producers' sector as opposed to any other grouping and in particular as opposed to the giants that now exist in this province in the processing sector.

We have said that to the giants themselves, Mr. Chairman. We have spoken to the company who happens to have 50 or 60 percent of the industry now. We have told them that our bias is that they are large enough, that they are now too dominating and perhaps it would be good public policy that any future expansion take place beyond or outside of that organization. That is not a secret. That is common public policy of this government and has been for several years now.

Now you know in the United States there is a law that prevents the same company from buying another dairy plant in the whole of the United States. The anti-trust people of the United States have said that they are too big, they are too monopolistic, it is not in the public interest and therefore they cannot expand in the United States any more. And so what did they do? They decided to venture into Canada. So they have been purchasing one plant after another in virtually every province of this country; they have oodles of plants now under their ownership in this country as an extension of their empire which is now prohibited in the United States.

The Member for Lakeside would like to present the argument that the province should stand by, ignore the fact that there is a virtual monopoly in the dairy processing industry in this province and in fact provide an opportunity to create a more complete monopoly. Well that is not the position nor the philosophy of this government and I don't mind saying it. If that is the position of the Member for Lakeside and the Conservative Party that is fine and I accept that. That is the difference between the two and that's the fighting ground that we have to work with. In any event it is my hope that while there is a need for new plant facilities - and the Member for Lakeside, you know, in that connection uses my Annual Report, both the Member for Lakeside and the Member for La Verendrye, and that's what I alluded to when I said they make comments with tongue

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(MR. USKITW cont'd) . . . . in cheek hoping that somehow misinformation is conveyed rather than true information.

I want him to look at the wording of that particular paragraph from which he quoted, Mr. Chairman. It's Page 24 of the Annual Report which was just distributed. It says here, "Nine industrial milk plants, thirteen fluid milk plants and 24 creameries were operating in the province in 1974. There is sufficient production capacity to process additional amounts of milk in Manitoba." What does that mean to the Member for Lakeside and to the Member for La Verendrye? I think they should take a dictionary and find out what the word "production" means. It says here that there is room for more production of milk. It makes no reference with respect to the capacity of the processing industry to absorb more production. It only says there's room for more production of milk. You can see how my honourable friends have twisted the Annual Report of the Department of Agriculture and are attempting to convey the opposite message to the people of Manitoba. That is in their style. I am not surprised, Mr. Chairman. That happens to be the style of the Member for Lakeside; it happens to be the style of the Member for Rock Lake; it happens to be the style of the Member for La Verendrye; it happens to be the style of the Member from Morris. We have had several years of distortion which I am now accustomed to and immune from, Mr. Chairman, and immune from. I have said on a television program once with respect to some comments made by honourable friends opposite: look, that is their style of politics. They want to fight on that basis; that's their privilege. That is not my style. I don't intend to indulge in that kind of thing. But if that is the way they want to proceed we will continue to fight on that basis.

Then of course the Member for Lakeside made reference to the Annual Report of the Milk Control Board. He said, you know, it's a damned good record. It's the best in Canada, is what the Member for Lakeside said. He says the Minister will have a hard time to follow that. Well, Mr. Chairman, this is a new innovation in this province. This was not the record when this government came into office. This is a new innovation. The producers and the consumers have derived great benefits from the reorganization of the Milk Control Board and a new philosophy within the Milk Control Board operation. It is a record to be proud of, Mr. Chairman. I agree with the Member for Lakeside.

But it is the government's intent to further that concept in the further development of the dairy industry of this province. The philosophy is and will continue to be to provide an opportunity and to use the public system to what extent is desirable and necessary to provide an opportunity for the producers of this province in a co-operative way to gain a larger foothold into the dairy processing side of the industry. Well you know, even if we proceed with that plan, Mr. Chairman, we are still not going to have the majority of the dairy industry locked up in the hands of our dairy producers. The giant that is there will still be there, Mr. Chairman. But we will have brought a better balance; we will have brought a better balance as between the giant that we have in our midst today and the other side of the ledger. That is the importance of our considerations at the present time.

You know the Member for Lakeside indicates that there is such a willingness on the part of the existing entrepreneurs of the private sector to do something to deal with environmental problems. Well you know, Mr. Chairman, that willingness was never expressed to the government nor to the Dairy Board who has the responsibility of considering licensing of renovations or new plant capacity. It has never been approached in that context, Mr. Chairman.--(Interjection)--But the Member for Lakeside makes the point that the Minister has ultimate control.

MR. CHAIRMAN: Point of privilege. Would the Honourable Member state his point of privilege?

MR. ENNS: Yes. On a matter of privilege. It is my understanding that the private sector in one instance at least did in fact apply for a licence and was denied by the Minister.

MR. SPEAKER: That is not a point of privilege; it's a matter of difference of opinion between two honourable members in this House. The Honourable Minister of Agriculture.

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MR. USKIW: I am certain, Mr. Chairman, that we have yet to receive the first application for an expansion in the processing industry that would provide for the clean-up of the whey problem in this province. But there have been indications that some may be prepared to deal with a particular portion but not to deal with the whole. Of course the Dairy Board has to look at the whole picture, Mr. Chairman, they cannot deal on an ad hoc basis.

The feasibility of handling whey is simply not there with respect to small plants. We really require all of the product to be channeled into one facility to make it practical. That is the problem that the Dairy Board has to deal with in considering any application for a licence. The Dairy Board to my knowledge has never denied anyone a licence.

Now we have current applications before us, one which is for a new facility, the part of Manco. But notwithstanding that, Manco is part of the discussions and the negotiations that are now taking place with respect to the proposed plant at Selkirk. So it's not as if we're not consulting or not working with Manco, notwithstanding their other application. Their other application may be valid regardless and will have to be considered in that context.

Certainly if we're talking about dealing with the whole of the industry and that's the reason why The Dairy Act was put on the books not by this government, Mr. Chairman, but decades ago by previous governments; the purpose of The Dairy Act was to make sure that we locate properly processing facilities relative to the present and future needs, relative to the need to ensure that there isn't an excess capacity to render the industry inefficient. It is really designed to have all of the considerations so that we build an efficient but publicly controlled industry, Mr. Chairman. Not an invention of this government, an invention of governments gone by. I am told by my Deputy, Mr. Chairman, 1888 is when The Dairy Act was passed which gave the powers to the Dairy Board which the Member for Lakeside is today objecting to. You know it's interesting that he didn't object to those powers when he was the Minister of the Department of Agriculture in 1968. The Member for Lakeside did not quarrel with the powers of that Board in 1968 and all of the ministries back to 1888 did not stand up in this Legislature and argue that those powers should not be there. In fact those powers were used by every minister that has ever handled the affairs of the Department of Agriculture in this province for almost 100 years, Mr. Chairman, in order to give a monopoly position to any private sector entrepreneur that came on the scene, a monopoly position because that's what those powers provide, a monopoly position. They were prepared to do it and through doing it they allowed, Mr. Chairman, the takeover of the Manitoba dairy industry by the giant of the United States who was prohibited from moving any further into that sector in the United States. They did it, Mr. Chairman. They allowed that to take place.

Now I have to admit that maybe even we did. Maybe there could have been an intervention on our part to prevent the kind of thing that has occurred. You know I think probably we could have moved sooner. But I think it's fair to say that while they are there, and they are large in terms of the total picture, we should not as public policy encourage a greater monopoly position but rather anything we do should encourage other developments and in particular through the producer organizations that now exist. That is the offer that the Province of Manitoba has provided to the producers of this province. That is the offer with dollars attached, with loan provisions attached.

Now if they choose not to take up the offer, Mr. Chairman, the issue is closed. If the producers of this province choose not to take up that offer they will forego Federal DREE money and they will forego provincial money. Whoever wants to come and expand in the dairy industry will have to do so, in the way of the past. That may result, Mr. Chairman, in further monopolistic ventures on the part of some. But at least we will have been on the record that we had provided an opportunity for something else to happen. That is the whole point of the exercise. It remains only to the next week or two to determine whether something else will happen.

I don't think the Member for Lakeside is doing this province a service, nor is he doing the producers of milk in this province a service by trying to create a political hysteria at a moment when he knows that the negotiations are heading towards D-Day,

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(MR. USKIW cont'd) . . . . so to speak, where a decision will have to be made. If he is trying to interfere with that process in order to favour the monopolistic powers that now exist, that is his load to carry into the future politically, Mr. Chairman, not mine. Not mine. I am prepared to debate with him politically and fight on that ground. But no one will ever be able to say that this government turned their backs on the producers of this province with respect to giving them an opportunity to move forward in the dairy industry.

Now let's take a look at what happened in all of the other provinces of this country. The Member for Lakeside talks about whether there's a need for a plant. In the Province of Quebec they closed down thousands of plants because they were inefficient. They were too small. The rationalization has taken place in eastern Canada. It has not taken place to any degree in Manitoba. The Manitoba Dairy and Poultry Co-operative are one of those that have not only a responsibility but a concern in this respect. That is one of the things that they are deliberating over, Mr. Chairman. If this particular offer fits into their plans, it is an enhancement for them. The Government of Manitoba is prepared to lend that kind of support.

Now what is the nature of a convertible co-operative? That is not my definition, Mr. Chairman. I was rather amused and tickled over that proposal myself when I first heard of it. It was not something that came from my desk but it's a means of tying in the Milk Producers' Marketing Board and the existing co-operative over a period of years to make them one at some point in time. That's really what it is. At least with respect to the ownership of a plant. That's what it means. We can't get in in one day and we can't fully participate in one day but over a period of years through a convertible co-operative approach, we may marry the two organizations and that's really what it is. I have to admit that I am holding the wedding ring. But that is the attempt, to get the Producers' Marketing Board together with the existing producers' co-operatives in this province and to give them a bigger stake in the dairy industry. That is the absolute attempt. I hope that it does not fail, but if it does, if it fails it will only have failed, Mr. Chairman, because of the misrepresentation and suspicions that are cast on the proposal by members opposite.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: The Minister may want to have a few more words in a few moments but I do object to the final statement of the Minister, "misrepresentation". Mr. Chairman, we could have had a far more honest two-year long debate on this question if the Minister would have talked about it as he is talking about it now in this House. The Minister could have made his position far more clearly identified with the producers in this province if he would have indicated to them, met with the Milk Producers' Association, not just with his appointed Board but met with them at the various meetings held throughout this province last fall and indicated to them what his far flung proposals were. But, Mr. Chairman, just on this--(Interjection)--I'll yield the floor in a moment, Mr. Minister, you know I will. But the Honourable Minister introduced this whole subject matter how? And he has not dealt with that at all. The whole question of Crocus was introduced on to the scene in Manitoba as a means of ridding the province of a pollution problem. I call that coming in through the back door with a major reorganization program in the dairy industry.

MR. USKIW: Well, Mr. Chairman, that demonstrates more fully the inaccuracies and the deception and the misinformation that members opposite wish to portray. Because after all the original proposal was in fact designed to deal with a problem that was then in existence, and still is, as a means of helping those plants to stay in business, as opposed to setting up such stringent regulations that would have imposed upon them serious costs, heavy costs which they could not absorb. And if you look at the proposal, the original proposal, you will find that the province committed itself in perpetuity to subsidize the losses on whey processing. It is right in the agreement, because it was assumed that there may be losses on the whey side of the operation. But the long-term assumption was also built in and that is, as we develop more milk production in this province that we could make that plant more feasible as we gain more production and as

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(MR. USKIW cont'd) . . . . more cream producers convert to milk production, and there's a lot of that to be done in this province yet, Mr. Chairman, there's a lot of room there in the years ahead.

That is a long range feasibility of that plant, but initially the guarantees were there to the producers that they would not have to underwrite the costs of subsidizing the cost of whey disposal. That would be borne by the people of this province, that was our contribution. But that we hoped that after five or six years it would no longer be necessary to subsidize. That's right in the contract.

Now once that was proposed then of course there were those that argued that maybe there had to be a better approach, maybe we should involve ourselves in the question of milk production, the question of rationalization, and so on. Those ideas didn't come from the Government, they came from those people with whom Government dialogued, including Manco, including the Producers Board, including the Milk Producers Association that my honourable friend refers to. Now they didn't have a positive input. We have had meetings with them but they were never in a position to recommend or to suggest. But let the Member for Lakeside not mislead anybody. Mr. Chairman, the Milk Producers Association that he refers to represents about a quarter of our milk producers, if that, and the Manitoba Milk Producers Marketing Board by law is responsible to all of the producers. That is their function, they are responsible to the 1,700 producers, not so the group that the Member for Lakeside has made reference to. And so if the Member for Lakeside is suggesting to me that I ignore the opinions, the opinions of the Milk Producers Marketing Board on this question, then he is seriously wrong. And, Mr. Chairman, to suggest that I ignore that on the basis that some of them, at this point the majority of them, are appointed by myself. That is the basis on which he raises that issue.

Mr. Chairman, true, at one time they were all appointed and we have provided for a gradual transition so that in a three year period they will be all elected. This year, by the end of 1976, two thirds of them will be elected, one third appointed, by next year they will all be elected.

But then how were they appointed, Mr. Chairman? The Member for Lakeside would like the public not to be made aware that the appointments were made on the basis of recommendations of the old association in this province and farm organizations. They were not hatched up in the mind of the Minister of Agriculture; they were names put forward as a result of a number of meetings with the Fluid Milk Producers Association, which was then the only association, or the Winnipeg Milk Producers, whatever they called themselves, and with the advice of those that were trying to organize a marketing board for the industrial milk in this province. That's where the advice came from with respect to these appointments. And we didn't deviate from those recommendations, Mr. Chairman, we accepted them in good faith, in good faith.

So the Member for Lakeside can make what he wants out of the fact that this board is a provisional board and it's appointed, and at this date two thirds appointed, one third elected, I will tell him that if on this decision there is a division of opinion as between the appointed people and the elected people, if it breaks out that way, I would not want to proceed, I would not want to proceed, Mr. Chairman.

The Member for Lakeside now wants to draw another red herring, Mr. Chairman, the Hog Board. You know, that government was in office for 11 years and the Hog Board was an appointed board for all of the years that it existed, Mr. Chairman. An appointed agency . . .

MR. CHAIRMAN: The honourable member on a point of privilege. Order please.

MR. ENNS: Throughout the 11 year period of our government, it wasn't 11 years it was nine I believe, we never had a Hog Board.

MR. USKIW: Well, the Member for Lakeside wasn't listening. I said during the period that the board existed. It was appointed from 1965 roughly through to 1969.

MR. CHAIRMAN: The honourable member.

MR. ENNS: Mr. Chairman, on a point of privilege. During the period of our administration we never had a Hog Board.

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MR. USKIW: Mr. Chairman, the member is splitting hairs. He thinks there's a difference between a Hog Board and a Hog Commission. I don't know the difference. I don't know the difference, Mr. Chairman. But the previous government appointed that commission, promised elections but never carried them out; this government came in and caused the elections to be carried out, and that is a matter of record.

Now I didn't agree, and still don't, with all of those that are elected on that board because I question some of their motivations. Some were very obvious, very obvious, and they displayed themselves in full color. They were there to destroy the concept of orderly marketing, not to improve it. But that is their privilege and they have to answer to the producers who have elected them, Mr. Chairman, and I accept that. It does indicate that there is a weakness to the extent that that occurs. When people are elected to an office to destroy the office, that is a weakness and we have to live with it, but we have accepted that. But let him not suggest here that somehow there is something unusual about the appointments to the Milk Marketing Board on a provisional basis, and he knows historically that that is the only sensible approach when one is setting up a new institution or a new structure. Once it is operating then it is time to move into an elective process, and that is something that we were committed to. And in a matter of a year and a half we will have all of the members of that board elected, and we may not always agree with their decisions, Mr. Chairman, but they will have to answer to their producers. The only time we will interfere with them, Mr. Chairman, is if there's an inequity introduced as between producers or as between the producers and the processors or the consuming public, which is blatant, and which has to be dealt with from time to time. And that is a function of the supervisory board, which was also installed not by this Government but has been there for many many decades to perform that very function.

So in closing, Mr. Chairman, let me say again to the Member for Lakeside that if there is not an agreement on this project favourable to the producers of milk in this province, that I will claim, whether he wants to agree to it or not today is his privilege, Mr. Chairman, but my claim will be that the Conservative Party in vested interests on the side of the monopolies in this province in the dairy industry, have probably caused more of the misinformation and dissension that would result in the lack of an agreement than anybody else.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, I would like to say a few comment at this time. I don't have any milk producers in the constituency that I represent but I can tell you that 100 percent of the people in our constituency are consumers, and this Minister, Mr. Chairman, is not being fair to the consumers of Manitoba with the type of debate that he has presented here in the House today, because it will be the consumers that will be paying for his folly. And I suggest, Mr. Chairman, that initially when this was announced the Minister said, "We're doing it because we have a pollution problem." And when it was shown that this plant would probably operate some six and a half days a month, then we were advised that there was surplus milk that was being dumped down the drain, and we found out that that particular year there was some 240,000 pounds of surplus milk that was dumped down the drain. Then all of a sudden we now find out that they have to have more and more of the milk go through this plant. Now I suggest, Mr. Chairman, that this Minister is not being fair to the consumer because he has not dealt with the economics of this plant, not in any way shape or ever, and nothing has changed. It started off that it would be \$2½ million, if this news service is correct, back in '73 it was \$2½ million the plant was going to cost, now we're looking at a plant, not just to process whey but also to process milk, and we're looking at some \$7½ million that they're looking for. And what has happened in that period of a year that we debated this subject last year when they were getting, for their price of whey, I believe, they were getting some 22½ cents per pound. Even at that time it wasn't economically feasible, and that's why we can't get the feasibility report, that he knows that it's not economically feasible to operate that plant.

Mr. Chairman, what is the price of whey now on the market? The price of whey now is somewhere in the order of 14 cents per pound, two-thirds of what it was a year

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(MR. MINAKER cont'd) . . . . ago when it was uneconomical, now it's down to 14 cents.

He also talked about transporting this whey around the country, over to Selkirk, in concentrated form. And what did we find out? That to transport a 100 pounds of this whey was going to cost 90 cents. And what were they going to get out of this 100 pounds of liquid whey? They were going to get six pounds of dried powder. So we're looking at transportation costs of 15 cents per pound, and they're not even getting that for their finished product. It hasn't changed since then as far as the operating time of this plant. If we look at this year's figures in their milk production for Manitoba figures, in cheddar cheese - we'll take November as a situation - some 6½ million pounds approximately of cheddar cheese were produced in Manitoba last November. And if you convert back to see what kind of whey is produced out of that production of cheese, we find that this plant will probably operate five and a half days per month, and I would presume that they would want to operate the plant efficiently and a drier has to operate on a 16 hour shift, so we're looking at five and a half days per month to dry our whey that's produced from cheddar cheese. And then if we look at the cottage cheese, we can maybe add another day and a half operation of the plant. So the Minister isn't being fair to the consumer when he states that this is needed for the producers, because . . .

MR. USKIW: I wonder if the member would yield to a question.

MR. MINAKER: When I'm finished if the Minister wouldn't mind. I think he knows I never interrupt him with questions or anybody else in the House; it's my policy and I hope he doesn't mind.

Mr. Chairman, nothing has changed in terms of economics, it's worsened for this plant. What has happened with regard to pollution? Where is the pollution that the Minister talks about? Because it's my understanding in the Dauphin plant now they've been spraying on the fields since last May, and how many acres do they use a year when they spray this way on the fields? Seventy acres. The whole production of whey in the plant up in Dauphin takes up 70 acres of land to spray on. And it's my understanding that the people up there want to get that whey to spray on their fields because it's good fertilizer, and that seems to hold true in Wisconsin as well, because we have an article that says: "Whey has value as land fertilizer, soil specialist says, Madison, Wisconsin. Whey can be spread on farmland as a fertilizer and is valuable to crop production according to Wisconsin research." What are they doing in Rosburn? I understand now that 50 percent of it's going to the hog plant in that area, and at times 100 percent. I understand also in Pilot Mound - I think the Honourable Member from Rock Lake would confirm this - that they are spraying on the fields as well. And I understand there hasn't been any complaints of odor. I understand also now that the Winkler plant has now been spraying on fields since January 1. Now the rat in the woodpile is the Clean Environment Commission. They are the crux of the whole problem, that if they decide it's going to pollute to spray on the fields, then I suggest they have to also say that it's polluting for cows to drop their droppings on the fields. And, Mr. Chairman, there isn't a pollution problem any more, so why do they want to build the plant if it's uneconomical.

The Minister the other night answered the questions that I put to him. I asked him, could the Manitoba Milk Producers Board predict accurately how much surplus milk they're going to have in July this year? And he said, "Yes." We know that processors want to buy this surplus milk but they want to know right now, they want to know right now how much surplus milk will be sold to them, and they'll go out and get the contracts for the cheese and produce it and make use of it. But no, what does this Minister do or what does the Milk Producers Board do? It diverts milk to Yorkton, Saskatchewan. And I asked the Honourable Minister the other night just how much milk was diverted, and I believe my figures are correct because they come from the Milk Producers Board, that in June last year 439,000 pounds was sent to Yorkton, another 407,000 pounds was sent to Yorkton the following month, and 43,000 pounds the following month. And I would suggest that it was sold at a lower price than what it would be purchased for here. But why? Why does the Honourable Minister do this, Mr. Chairman? If the processors will buy the milk here if they know in advance that it will be made available, not on five hours' notice, but know in advance, and he very clearly stated, and we can read it back

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(MR. MINAKER cont'd) . . . . to him in Hansard, we got the Hansard today if he wants to hear it, very clearly stated that they can now tell when the quotas that they have now removed would change from farmer to farmer.

So that if this Minister is being fair to the consumers of Manitoba why doesn't he let the existing processors process this surplus milk? Why does he want that whey plant in Selkirk when it's costing him more to transport that whey to Selkirk than he can get for it when he sells it? There's a lot of questions that have to be answered to the consumers, Mr. Chairman, and I think it's about time that the Minister looked at the economics of this situation that he's getting himself into and taking the rest of Manitoba into.

The next question that comes up is, if you're only going to operate that plant for six and a half days a month to process this whey that you're going to truck in there at 15 cents a pound, where are you going to get the rest of the milk? Where are you going to get the rest of the milk because in January and February last year there was no surplus milk, the records show there was no surplus milk, neither was there in October and November. Are you going to take it from the existing processors now, are you going to take it from Manco, or are you going to take it from Modern, or are you going to take it from Silverwoods for your plant? And then what's down the road, because if we read your report, or the report of that committee they state very clearly here, "While the Universal Co-operative would market its products through the retailing system as it exists, the advantages and importance of strengthening the position of producers and consumers through member owned co-operative retailing outlets cannot be over-emphasized.

I would suggest, Mr. Chairman, with that type of thinking that the next thing we'll see five years down the road after they have the universal co-operative is that, unless you are a co-operative store you don't get any dairy products. That's what you read into it. Does that mean that the consumer is going to have to go down to the co-operative store instead of being able to go to Safeway or being able to go to the local corner store?

MR. USKIW: That's a weak argument isn't it?

MR. MINAKER: That's not a weak argument, Mr. Chairman, that's exactly what he's trying to head for with this dairy industry and the consumer. --(Interjection)-- You tell me what we can believe on this side when we read this; we read excerpts from your Manitoba Manifesto that says you want everything done in co-operatives or Crown corporations. What have we seen happen? What have we seen happen since the Milk Producers' Board has taken over the control of the transferring of milk from plant to plant? A year ago it was 240,000 pounds that was separated. The figures that I have show that some 2.7 million pounds of milk this year, some 1.8 million pounds of milk - and these came from the Milk Producers' Board figures - some 1.8 million pounds was separated and some 890,000 pounds was transferred out of this province. Two point eight million pounds, some 11 times more milk was either transferred out of this province or dumped. Now why? --(Interjection)-- "So what," he says. Now he doesn't mind dumping milk down the drain. Why not give it to the people that are here that want it? No. They'll buy it. Why not offer it to them? You won't even sell it to them now.

MR. USKIW: They've already stolen it at that price.

MR. MINAKER: Now the facts are coming out. The Minister doesn't want to sell the milk to the local people. He wants to produce facts that say, look, we're wasting 2.8 million pounds of milk in Manitoba or transferring it out of the province, so he can build his toy down there at Selkirk; so that the consumers of Manitoba can pay for it. What will we be getting into? Another Autopac with a \$20 million deficit?

MR. CHAIRMAN: Order please. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, this Minister is not being fair to the consumers of Manitoba. He's not being honest with this House. He has full intentions of building that plant in Selkirk; he has full intentions of making the dairy industry one great big high co-operative and then taken over by the government, and ease out any competition that there might be here in retail outlets selling dairy products. This is what he has stated and his members with him have stated it. They believe in state ownership; they

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(MR. MINAKER cont'd) . . . . believe in the government owning everything and this is just one step. But it's a major step for them because it's one of the major industries of Manitoba that they will have complete control of, a captive market.

Not only that, Mr. Chairman, but they will have the retail stores under their control as well because they already own the milk; they will now dictate where it's processed; they will now dictate where it's sold. If you look at the pyramid this is what their objectives are. I suggest, Mr. Chairman, that this Minister is not being responsible to the consumers of Manitoba and he'd better check his figures, his economics, of this whole situation to see whether it's really worth it.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I'm becoming more amused as we move on this afternoon on this subject. The Member for St. James presumes to have some expertise on these questions and you know his contribution this afternoon has just demonstrated how little knowledge he has about the dairy industry. I'm sure that if the Member of Lakeside was sitting in his chair listening to the Member for St. James that he would have been forced into issuing memos to him almost every time he uttered a word, to correct him. That's how far off base the Member for St. James was in his contribution.

The Member for St. James suggested the present processing industry is prepared to process surplus milk. Well, you know, who does he think has already processed that milk that we are talking about, that was separated. Milk dumped into the stores of Manitoba and butter was the only product that was sold, provided to the consumers of this province. At what price does he think they bought that milk from the producer, Mr. Chairman? At \$3.30. He says so, Mr. Chairman. At \$3.30. Does he know, Mr. Chairman, that that is only about a quarter of the cost of production? Does he know that? He knows that, Mr. Chairman, because he now nods his head that that is fine. He accepts that. He thinks that the producers should provide a surplus quantity of milk to every plant at one-third the price. That is what he is saying, Mr. Chairman.

POINT OF PRIVILEGE

MR. CHAIRMAN: The honourable member state his point of privilege.

MR. MINAKER: What I said, Mr. Chairman, was that the milk can be sold to the cheese processing plants.

A MEMBER: At what price?

MR. MINAKER: I don't know what price. Mr. Chairman, that's what I said. And the \$3.30 is for the beef fat. But you don't have to sell that milk to the dairy processor, you can sell it to the cheese producer and get a fair price for the producer if you want.

MR. USKIW: Mr. Chairman, he answered his own question. The fact of the matter is what sense does it make to sell milk at \$3.50 a hundredweight when there's a ready market at \$8.00 a hundredweight. That is the irony. What sense does it make to the producers of this province to provide a surplus commodity at a discount when the Canadian Dairy Commission has a standing offer to purchase every pound of milk at over \$8.00 a hundredweight. That makes sense to my honourable friend because he wants to prop up the plant that want their milk for nothing. But it doesn't make sense to the Minister of Agriculture who has the interests of the producers at heart and who don't want to sacrifice their product at one-third their cost of production. That is the difference, Mr. Chairman.

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MR. USKIW: Therein lies the need for the producers to have a facility of their own so that when a plant proposes to them that they will take their production at a discount price they can tell them to, "Go to hell," Mr. Chairman. That is the need that now exists, Mr. Chairman, and that is the main reason why I would like to see the producers, through their marketing board, have one lever in the marketplace, just one. One facility so that no one can blackmail them into a lower price for their product.

Yes, the Member for St. James, Mr. Chairman, can add, but obviously he

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(MR. USKIW cont'd) . . . . cannot think. Last year, that's right, we skimmed off 1.9 million pounds of milk at \$3.50 a hundredweight to the producer which should have paid over \$8.00. But there was no facility in this province that would take that milk and turn it into milk powder. No facility was prepared to take that milk and turn it into milk powder at the guaranteed price of the Canadian Dairy Commission. At a guaranteed price they were not able to realize a guaranteed price and a guaranteed market. They were forced into slavery because of the lack of an alternate plant facility, Mr. Chairman. The Member for St. James thinks that that is a good arrangement, that that arrangement should continue. If they would only plead to these plants and offer them this milk and tell them in advance how much we will have in surplus. Do you know if they want to buy all the milk we've got we will sell it to them. But we object to selling the milk at a discount price, Mr. Chairman, and that is what this argument is all about.

No one has denied a plant an adequate supply of milk if milk was available. That has never been denied by the Marketing Board. Then I ask my honourable friends opposite, why have the producers had to take a loss on 1.9 million pounds of milk? I ask my friends to answer that question. Why the producers had to take a loss. I'll tell you why, Mr. Chairman.

For years before we changed the milk system in this province every producer was tied to a milk plant by way of a contract and every producer had to produce a surplus amount of milk in order to retain his quota privileges and he got a huge discount on the surplus portion of his delivery. But he was required to do so in order to be guaranteed that market. That is the system that they now want to introduce notwithstanding the change of dairy policy in this province.

I can tell my honourable friends that they are going to do that only after I am not in this position. Because if there's any way of avoiding that situation we are going to seek those means and we are going to bring them about. That is an inequity; that is a distortion; that is not the way in which we ought to operate the dairy industry in this province. Therefore the producers desperately need an alternative vehicle to enhance their bargaining position in the market. That has nothing to do with the consumer price, Mr. Chairman. The fact that the producers had to give up their milk for \$3.50 didn't alter the consumer price of anything in this province. Not one iota, Mr. Chairman. So let not the Member for St. James plead the case of the consumers of this province because it's irrelevant, totally irrelevant.

Now the member wants to know where the milk supplies are going to come from for another plant. I can tell him where and I told the Member for Lakeside where they're going to come from. They're going to come from the continued conversion from cream to milk production. We've got a long way to go yet in this province in that connection. Another 150 million pounds of milk to go. There's going to have to be, whether we do it, whether we want to do it or whether we don't want to do it, the industry itself is going to be faced with the need to rationalize itself. That has to be considered. It's in that context that Manco has an interest in the negotiations that are now going on and we hope that we can be of some assistance to them.

MR. CHAIRMAN: Order please. The hour set aside for Private Members' Hour having arrived, Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain items in the Department of Agriculture, has instructed me to report progress and asks leave to sit again.

IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the Report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR - PRIVATE BILLS - SECOND READING  
BILL 21 - AN ACT TO AMEND THE CONDOMINIUM ACT (2)

MR. SPEAKER: First item Thursday on Private Members' Hour is Public Bills of private members. Bill No. 21, the Honourable Member for St. Matthews.

HON. RUSSELL DOERN (Minister of Public Works)(Elmwood): Mr. Speaker, if there's no objection I'd like to make some comments on this bill and allow it to stand in the name of the Honourable Member for St. Matthews.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. DOERN: Mr. Speaker, there are a few comments that I wanted to make on the proposal of the honourable member. I must admit, as he pointed out, that I do not have a vast encyclopaedic knowledge of this subject, unlike the proposer of the bill who is able to range far and wide on agriculture, housing, public works and many other - well I suppose all topics - with equal ability and equal agility. But he said that there was a flaw in the Government proposal and in my judgment, Mr. Speaker, there are some flaws in his proposal. So maybe out of this dialectic some good will come.

He suggests in his bill that one of the problems as he sees it, he doesn't make this too forcefully because he does qualify his comments on a number of occasions, but he does say that as a result of the government legislation that what is going to happen is that rental units, condominiums, will be created out of apartment blocks. He says that because there's going to be a limit on rentals that the result will be that all apartment block owners or a significant number are going to now turn to the development of condominiums. He feels that this is a bad thing indeed.

Well, Mr. Speaker, as I said if this is his concern then I think he has to look at a number of other occurrences that are happening in our society. For example, not too long ago I noticed an ad in the paper advertising in Holiday Towers nice neat small carpeted offices for rent. Now I suppose that this may be the start of a new office block. I suspect, however, that as a result of some difficulty in filling Holiday Towers, a particular downtown development, that the owners have decided that they are going to recover their investment by leasing out the same space as office space. So I assume that this matter would interest the honourable member and that he would also propose that no one who owns any rental units for housing would be allowed or should be allowed to convert those units to any other purpose, that all, sort of, units in production at present must be frozen. If they are very old and rickety, that the building can't be converted to any other purpose. Perhaps if they're in a sad state of decay or repair that they should be forced to renovate, perhaps at some expense.

I know, Mr. Speaker, that in his own riding on Osborne, I believe, there are a number of blocks. I assume many of them once contained suites. People are buying these premises, converting them to boutiques and other sorts of arrangements and I think my honourable friend should obviously have a policy to concern himself with that development.

I also believe that he did not really address himself to the question of smaller units, that if a person owns a duplex and a duplex is now being rented, if the owner decides he wants to sell the premises and sell it to a family or some sort of a unit that would occupy it, should he be allowed to do that? Or should someone who is now in effect living somewhere, can he have the right to move into a duplex and occupy part of it because in so doing he by necessity takes out one of these two units that were formerly rented out to the members of the general public.

The honourable member obviously says that he wants to restrain rather than prevent people from converting to condominiums and I don't understand his logic there. I mean I don't see why he allows a loophole. If he is so strongly persuaded of the evils of allowing a conversion of an apartment block into a condominium why wouldn't he just completely prohibit this. Instead he only goes half-way, he says this will depend on a sort of a vote on the basis of the present occupiers as to whether or not they are in favour. I assume that anyone who decides to take an apartment block that they own, or to buy one and convert it to a condominium had better give some very serious thought to it in any event because it has not been very successful in our province. We all know about the case of Evergreen Place just over the Osborne Bridge where you have one of the

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(MR. DOERN cont'd) . . . . finer blocks in the city and the attempt was made to convert it into a condominium, and as a result it didn't work out. And the owners I guess had to retract; they probably lost a certain amount of money in so doing; they probably lost some tenants, maybe created some ill-will. But it's obviously not a sure thing. My honourable friend sees a stampede. He sees once this starts there is no stopping, it's the old domino theory, they're going to all be condominiums. Well obviously it's going to depend upon the ability of the owner to persuade people to buy their own units on the price that is asked on the market at that particular time.

Now condominiums are I think quite popular throughout most of North America, not very popular however in the City of Winnipeg. I took a look at yesterday's papers and, although I might have missed it, I did not see any ads for condominiums. Now perhaps there are some there. But let's just say that if they are they're well disguised along with rental units or some other form of occupancy because I did not see the word "condominium" appear anywhere in yesterday's papers. So though it's been a popular trend, particularly I know in Canada, in Vancouver, and in Toronto, where there are many many units available and I guess a high percentage of all new construction is in this particular area, this is not as true in the City of Winnipeg. Why this is, I don't know. But I certainly don't think that the concerns of the honourable member are as real as he thinks that they are.

Now sitting right beside him, Mr. Speaker, is his friend, his seat mate, and I remember listening to him. I've been here ten years; I guess he's been here longer. Why he's been here so long that I remember I just dug out one of his speeches here from 1968 and the statistics are certainly unreal in this day and age. He says in support of the then Minister, who happens to be the Leader of the Conservative Party, sits on the chesterfield, and he brought in the bill, the Condominium Act in May of 1968. And of course the Honourable Member for Assiniboia was one of the main prods in that legislation. This was one of his major songs and he sang it for a number of years and eventually convinced some people. He didn't obviously convince the Member for Fort Rouge but he certainly made the point in debate. And he says "That Manitoba can take a giant step towards better land use and better housing by accepting the condominium concept because I feel in my opinion that this legislation would allow many families to own homes, families with incomes of \$4,000 to \$6,000 to own their own homes by condominium legislation." Well I don't know, \$4,000 to \$6,000 doesn't sound like very much. I guess it has to be more like \$10,000 or \$12,000 nowadays. Inflation has passed us by.

But here on one hand, Mr. Speaker, you have one gentleman who is asking for an increase, an absolute and continuing increase in the development of condominiums in the province, and then you have somebody beside him saying that this is a bad trend. I think it's obvious that what we need is an advance in terms of housing all across on every front. We need more public housing, we need more homes, single family dwellings, etc., we need more apartments, and we need more condominiums. But I'm not sure that if a backward development, if an owner of a block decided that he would in fact convert this particular block into a condominium, I think he'll be taking his chances. He won't be taking units out of production in effect, what he will be doing is converting them from units that one could rent to units that one could buy. But my honourable friend really doesn't deal with I think another question. I guess he sort of assumes that by blocking this, somehow or other there will be . . . I guess he's trying to fix the status quo as it exists.

The old traditional method of encouraging further development I didn't hear from him. I suppose the old technique of the Liberal Party is to offer tax exemptions, or incentives of some kind, so that people will put more money into housing. And I suppose another alternative to that would be to legislate or require some of the banks and financial institutions to invest more money in housing or require individuals to invest more money in housing.

So Mr. Speaker, I think that these are just a few points that I wanted to make. As I say the honourable member in my judgment went half-way, he said that in his judgment there should be a restraint on the ability of people to convert rental units into condominiums. And I don't think that he has made that particular case. I have to say in

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(MR. DOERN cont'd) . . . .this particular case that at least for now until I heard some better arguments, I would leave it in this particular instance to the marketplace. If somebody dares to attempt a conversion, I say let him do so. This has not been a galloping trend in our society, and I think that if this happened in one or two instances it would not necessarily be a bad thing.

MR. CHAIRMAN: The Resolution will remain in the name of the Honourable Member for St. Matthews. Or the bill, I should say.

Bill No. 26. The Honourable Member for Brandon West.

BILL NO. 26 - AN ACT RESPECTING THE CITY OF BRANDON

MR. EDWARD MCGILL (Brandon West) presented Bill 26 An Act Respecting the City of Brandon, for second reading.

MOTION presented.

Mr. MCGILL: Mr. Speaker, Bill 26 is presented on behalf of the City of Brandon to enable the city to proceed on a program of urban redevelopment. The purpose of the bill is to correct technical administrative error that occurred during the process of the city acquiring title, or options on six parcels of land in the central area of the City of Brandon. The city proceeded to acquire this land without having undertaken to pass a money by-law which, according to the present Municipal Act, should have been done prior to the purchase and/or optioning of the property.

The city after consultation with officials of the Department of Municipal Affairs decided that the proper corrective mechanism to adopt would be to bring a bill to the Legislature which would have the effect of ratifying the Acts of the city in the process of the development up to this point but would require that the city, on the assumption that this bill is passed, then to return to the council and the council would then have to pass a money by-law and proceed from there.

So, Mr. Speaker, the investigation of the sequence of events seems to indicate to the satisfaction of the, certainly the officials of the department to look into the matter that the mistake which did occur was a technical one and was an administrative one, and that the proper way to correct this difficulty is for this bill now to be considered by the Legislature. It describes in detail the six parcels of land which either have been acquired or have been optioned by the city. And the city is now prepared to proceed on the basis of the general plan for redevelopment, that has been approved by the City Council, subject of course to the acceptance by the Legislature of this Bill 26.

Mr. Speaker, I think that outlines the difficulty which the city now finds itself in. It was one that occurred I believe because the city and its solicitor perhaps were working under a somewhat changed Municipal Act; and it in fact is the kind of administrative error that may indeed have affected other municipal jurisdictions. But in this particular case the error was perceived and there is a desire to correct it as quickly as possible, and for the city then to continue through the normal channels to proceed with the mall development plan.

MR. CHAIRMAN: The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that debate be adjourned.

MOTION presented and carried.

RESOLUTION NO. 6

MR. CHAIRMAN: Resolutions. Resolution No. 6. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I beg to move, seconded by the Member from Assiniboia, that

WHEREAS there is need to develop and maintain a high quality environment now and in the future and take all action necessary to protect, rehabilitate and enhance the environmental quality of the province; and

WHEREAS to achieve such goals it is necessary that government agencies at all

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(MR. AXWORTHY cont'd) . . . .levels consider qualitative factors as well as economic and technical factors and long term benefits and costs and consider alternatives to proposed actions affecting the environment:

BE IT THEREFORE RESOLVED that this House recommend that the Government consider the advisability of

1. requiring the preparation of an environmental impact report on all provincial and local projects that would include the following elements:

- the environmental impacts of the proposed actions,
- any adverse environmental effects which cannot be avoided the proposal is implemented,
- mitigation measures on the proposed project,
- alternatives to the proposed actions.

2. and that said environmental impact reports be also required for private projects which require a permit or are funded by provincial or municipal agencies, and that appropriate procedures be established to provide for disclosures, dissemination and review of such reports.

MOTION presented.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. This is a particular proposal that I've introduced to this House on two previous occasions. I had thought, Mr. Speaker, that in the waning hours of the sessions last year the Minister of Mines and Resources in a moment of effusive generosity or enlightenment indicated, or seemed to indicate, that in fact the Provincial Government was moving towards the establishment of environmental impact requirement, and as a result I looked forward with great anticipation to this year's Throne Speech looking for some notice or slight mention that such legislation would be brought forward. However, Mr. Speaker, the Throne Speech was bare, as it was in most things, but certainly barren in this area, and therefore it was felt that the requirement to once again bring to the attention of this House an important and necessary progress in the field of environmental protection in the province was once again required.

In fact, Mr. Speaker, I would probably like to underline that as time goes on and as events transpire the importance of environmental impact in the Province of Manitoba becomes even more obvious and more necessary, because as time goes on we begin to see increasingly the kind of problems that arise when one doesn't have a proper and orderly procedure for environmental impact reporting.

I think in the largest sense no one in this House needs to be reminded of the particular kinds of difficulties that we face in the efforts to protect the environment in this province or elsewhere; that our interdependence of man and nature and the kind of technologies that we've acquired become increasingly more complex and we should become increasingly more aware of the kind of severe damages that oftentimes can occur unwittingly or unknowingly, and sometimes inadvertently, to say nothing of the actions which are deliberately instituted and which can themselves bring about damage. But we have enough evidence before us, Mr. Speaker, in recent months of the kinds of problems that can occur.

I suppose just as a consequence of the Minister of Public Works arising to his feet, I only have to think of the kind of damage that was occurring as a result of the Provincial Government efforts in the core area; the kind of imposition that they are putting upon both the people in that community which might have been avoided if there had been proper study of an impact of those proposals in that area, the people in that area would have had foreknowledge of what was to take place and the kind of incursions into the community that were about to occur, then they would have had some proper opportunity to make their voice heard and to respond in adequate time rather than being faced with expropriation notices sort of and being totally . . . and helpless in their ability to respond.

We only have to witness the kind of acrimony and in some ways duplicity that occurred at the National Energy Board Hearings of Manitoba Hydro in its requirements

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(MR. AXWORTHY cont'd) . . . .for a transmission corridor, where it said it had undertaken impact statements but it really didn't want to tell you what was in them. It was very reluctant, and still is reluctant in fact to make them publicly available, and in fact has not displayed what would by most standards be considered a proper impact statement. In terms of looking at alternative sites, the costs of such sites, the mitigation that should have taken place, and what some alternatives might be. So while people are now using the name of environmental impact, they really are increasingly using placebos, they're not really impact statements at all, they seem to be paying lip service to the concept . . . an environmental impact but not really living up to the full spirit of the disclosure requirements nor the full spirit of the kind of information that should be contained.

So, Mr. Speaker, the purpose of this resolution, and as you will see as the years have gone by we have at least reduced the length of the proposal, to the point where it's now dealing with the basic principle, is to say that it is probably time in the affairs of this province that we establish the requirement for provincial and municipal projects and for those private projects that use public or municipal funding, or require some permission; to be required to establish a proper environmental impact statement which would outline the exact nature of the project that's to be undertaken, the consequence that it has for the natural and social and economic environment, the cost of such projects, not just in monetary terms but in the total environmental terms to look at the alternative courses of action that should be required, and further to provide for what the end result of looking at alternatives might be.

The reason for it, Mr. Speaker, I think is clear and I've spoken about this before in the House. But the American experience in environmental impact statements which have really been a federal requirement in that country since 1969, I think, are bearing out the importance and validity of such an environmental measure, that there is now full requirement in the United States through the Environmental Protection Agency that the impact statements be taken on all Federal projects and all projects that use federal funding. There are now, I believe, at last count something like eleven States in the United States which also have environmental impact requirements.

Now they have had experience over the past seven years of understanding what benefits accrue as a result of having these in place. It is not ending up in large numbers of cases in the court or litigation or confrontation. The most important result of the environmental impact requirements being on the legislative books in that country is to put a much more serious discipline upon the administrators and proposers and planners of projects, that they themselves must become much more sensitive to what the kind of potential damage their projects will have upon the environment. So in fact it acts really as a form of imperative to them. It doesn't require a vast amount of litigation, it really simply means that they are now getting much better plans, much better proposals, in that country than were there before.

Mr. Speaker, I don't have to tell the members of this House that if we want any piece of evidence to show the kind of importance that environmental impact has, we only have to point to our own experience with the Garrison Diversion. It is highly unlikely that anybody in this province or in the United States would have been able to fully respond to the kind of economic and environmental consequences of the Garrison if there hadn't been a requirement for an environmental impact statement that put out fully all the information that was required. It was only when that impact statement was tabled and made public in the United States that members of this House were able to get full information and that members of the Manitoba public were able to get full information. So in a sense, Mr. Speaker, we are benefiting in that particular case by an American law. It seems to me that if it makes sense for us to use the advantages that were passed on to us as a result of an American statute that had its effects in our Canadian jurisdiction, it would seem to make pretty good sense to do the same thing ourselves. Because surely, Mr. Speaker, we are now entering into an age where increasingly the kind of projects that we will be getting into are far more complex and far more tortuous and could potentially be far more damaging.

I mean to make clear, Mr. Speaker, that environmental impacts are not necessarily impediments to projects. They just put a very clear and concise requirement for

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(MR. AXWORTHY cont'd) . . . .both public and private agencies to set out what they intend to do and to make sure that there is full information and full disclosure of that information and therefore a much better understanding on the part of the public as to what they at least have to expect. Then if there is opposition, if there is reaction, if there is concern as to alternatives then the public has the ability to respond. I think, Mr. Speaker, it is simply a way of making our democratic system work a little bit better, to respond to the fact that we no longer are in a simpler age but that the massive amounts of money and technical expertise that goes into many of these projects, in some ways that knowledge is transmitted to the layman public or to bodies outside of government. It's a way of opening the windows in part upon what government is doing.

I would suggest that in particular as we look down the road, and not very far down the road in terms of the kinds of activity we're getting into in the Province of Manitoba, the development, for example, Mr. Speaker, of nuclear reactors as a form of energy. We keep hearing smidgens of information that Hydro is looking for sites; it may be undertaking some feasibility studies, it has hired some consultants. Well surely by this time, Mr. Speaker, we should have learned in the Province of Manitoba to be a little bit wary of what Manitoba Hydro is up to. They tend oftentimes to just talk about the tip of the iceberg. They only tell you as much as they think you should know. In fact, it is, oftentimes is the case that when you really are presented with the full facts they have already made their decision.

I would simply say at this time that we have a little bit of time lead, that because of the kinds of concerns about safety that have been raised with the development of nuclear reactors, because of the kinds of concerns that have been raised about environmental problems with nuclear reactors, then surely it would only make imminent sense in this province to have the requirement that full impact statements are parleyed and disseminated in a public sense. Just simply so that the Manitoba public, before we commit ourselves to the six or seven billion dollars of capital expenditure towards the tremendous kind of requirements that a nuclear policy will require in the province, we should have the right to know. It is only by gaining that right to know and having the information before us that we will be able to have a proper debate in this province about whether we really want to get into nuclear energy as a form of energy. The way of acquiring that information, Mr. Speaker, at the present time I think is not fully sufficient.

The means available to us through the legislative chambers, through the Public Utilities Committee, through the public release handouts of Hydro, while they provide partial information they do so really at the discretion of government itself. There is no requirement for them to do it. They can do it at a schedule and at a timing that suits their purposes, that doesn't suit the purposes of the public. I think, Mr. Speaker, if we have this kind of requirement in the books as part of our law then not only would it put an imperative or discipline or requirement back on Manitoba Hydro to fully and properly establish what it is going to do and the alternatives and the cost and the benefits and everything else, that it also means that that information would be publicly available.

I include as part of the proposal or resolution that in fact we would like to see the government establish the mechanics to ensure that those statements are surveyed or assessed towards their feasibility and their quality. Under the American Act there is a Council of Economic Equality which reviews all the environmental impact statements prepared by the various departments and agencies. If they don't feel a statement is adequate they send it back and say do it again. In fact, Mr. Speaker, the parallel between our own nuclear development policy has in the United States where in fact many of the proposed nuclear power sites in the United States have been reviewed through environmental impact statements and have been changed and altered as a result of the public dissemination of such impact reports.

So it seemed to me, Mr. Speaker, that the way that we're going in this world where the sensitivities and the fragile nature of our own environment in this province increasingly grows more delicate and the ability of the public, of numbers of groups in it, to be able to acquire the information it needs to properly respond, to debate and

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(MR. AXWORTHY cont'd) . . . .discuss in a knowledgeable way, it simply means that we have to improve our governmental techniques. We have to not only look at ways of innovation in terms of substantive programs, we also have to look at the procedures of our own democratic system. It would seem to me, Mr. Speaker, that there is compelling evidence from the experience of other jurisdictions who have brought in and introduced such requirements that it becomes an asset; it becomes an assistant in the making of those decisions. It ensures that in the complicated technical age that the public does have adequate protection to ensure that information is given to us. It ensures that legislators in the various chambers of decision also have better information and are able to review and therefore get into debate. So we're not only dealing with the environmental problems, Mr. Speaker, it is also a way of ensuring that our own system of government is updated and improved to keep pace and to modernize according to the changing facts of our life.

So, Mr. Speaker, once again I would recommend this resolution to the House and would hope that it is presented simply in a spirit that this could be something that could be of benefit to the province and therefore I would recommend it most especially to the Minister and to the Government of this Province.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I am going to be able to give the honourable member some news with respect to his expectations and I rather expect that the news will be of the variety that is now commonly sort of used colloquially. There is the good news, and the bad news. The honourable member will anticipate this because when he said in the dying days of the session, I indicated that something would be forthcoming in this area and that he has now sort of had his expectations shattered by the fact that there is nothing in the Throne Speech. I would advise him that not all things that the government does necessarily appear in the Throne Speech. Furthermore it is possible for the government to do many things without legislation and, in fact, the Cabinet has approved an environmental impact review process for government projects within the area of the government administration.

Now I am well aware that that will not be what the honourable member would characterize as good news even though I put it into the category that his motions or his feelings in this respect as well as the feelings that have been expressed by many other people, have been realized to the extent that the government has set up an environmental review machinery for the provincial projects, all of which have to pass this procedure. This procedure will provide for an assessment statement or an impact statement such as the honourable member has been speaking of and such procedure provides for ultimate government authority and discretionary public hearing. Now I want to emphasize, Mr. Speaker, that the honourable member talks about something much broader than this and therefore I do not in any way expect that this procedure will satisfy the aspirations of the honourable member, and that for him is the bad news. I don't think it is bad news but for him it's the bad news.

The Environmental Protection Branch of this government is concerned with pollutants, with contaminants; contaminants to the air, land or water. The environmental statement that will be required with regards to government projects or public projects relates to contaminants. Now I know that the honourable member would want it to relate to aesthetics, would want it to relate to space, would want it to relate to all of the aspects of the environment which this department is not involved in, which perhaps he would like us to be involved in but which I have repeatedly told him we have no intention of building an empire on.

Now that doesn't mean, Mr. Speaker, that there is a great void in looking at these questions. I would advise him that all municipal governments have zoning and planning laws; that there are building restriction laws which relate to side yards; that there are laws with respect to traffic. All of the things that people have wanted to see put into an environmental impact statement are to some extent covered by municipal laws, to some extent covered by provincial laws and, Mr. Speaker, to some extent, should not be covered by any laws at all. Because the ultimate conclusion of this type of all-embracing statement as to what will be best for the "environment" could refer to the

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(MR. GREEN cont'd) . . . .colour of the building, could refer to the type of materials that are used, could refer to every last item that has to be involved in the project. Then, Mr. Speaker, we are involved in a measure of state control which the honourable member and his party in the last election tried studiously to prevent the government from getting into and which they now appear to be urging through this process.

So we have, Mr. Speaker, we have an environmental impact review program just as I said we would in the administrative machinery of the government. I think that there is no reason why I will not be able to give my honourable friend a copy of the administrative document which carries this, and I will make it available to all of the other members of the House. And the indication that I made in the dying moments of the session has been fulfilled as far as I am concerned. Now I know that it does not satisfy my honourable friend but then again I know that in this area I'm not going to be able to satisfy my honourable friend. Now my honourable friend . . .

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Would the Minister accept a question? Could the Minister indicate that the statements that will be required under this administrative procedure, would those statements be made public or be available for public examination or assessment or is that a discretionary matter on the part of government?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, just as it is with the Federal Government's program, it's my recollection that they will be discretionary on the part of the government. I want to remind the honourable member that the Federal Government with great aplomb, announced their requirements now for environmental impact assessments, and that hearings are discretionary, public disclosures are discretionary, and that ultimately it is the administrative authority of the elected government to deal with these questions. Now that's the Liberal Government in Ottawa. Mr. Speaker, I don't raise this merely because it's a debating point to confront the Liberal with his own government's program, but because there is a substantial difference between the kind of thing that a Canadian parliamentary government would do and the kind of thing that is done in the United States. Ultimately, Mr. Speaker, the people who are really after environmental impact assessment laws - and that's why the honourable member referred to legislation - ultimately the people who are after that type of law are seeking to be able to take out of the hands of government the authority over these questions. Because once there is a law requiring an environmental impact statement and the contents of the statement, this gives opportunity for a citizen to sue on that law indicating that environmental impact assessment has not taken place. The matter then becomes subject to the court, and indeed even whether or not the statement was satisfactory, becomes an issue which is not decided by the government but which is decided by the court, and some people seem to have a tremendous over-respect for the decisions of the court as against the decisions of the elected representatives.

Now in the United States, Mr. Speaker, this is quite frequent and the honourable member quoted - United States authorities quoted the eleven States - it is quite frequent in the United States, which has an entirely different system of government; where the Congress does not have the power to implement its activities; where the Executive does not have the power to pursue a program through Congress, and where neither have the power because they may be stopped by the Supreme Court or by the third branch of the separation of powers, government; and all of them governed by a so-called written constitution. This type of procedure has caught on but it's not, Mr. Speaker, something that I have ever found to be desirable and I don't find it desirable with respect to this type of activity.

The honourable member says that the - you know, again in making a point, that it's as a result of the environmental impact statements that we were alerted to the Garrison Diversion. The Manitoba Government wrote the Federal Government with respect to the Garrison Diversion in 1970. Now as far as I know this was before, Mr. Speaker, this was before the environmental impact statement, and the short paragraph which we put in our letter with respect to the impact of the Garrison Diversion and the harm that would be done to the Souris River, are essentially exactly what - put in more sophisticated

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(MR. GREEN cont'd) . . . . language and with many more paragraphs and with a lot of detail - essentially what was predicted by the Manitoba Government in 1970. So I do not agree that it's we who have received the benefit of the necessity of environmental impact statements in the United States. I think that once the Canadian position was raised, whether there was a requirement or was not a requirement for environmental impact statements, there would have had to have been an analysis as to whether or not there was a violation of the Boundary Waters Treaty; and in making that analysis, the statement as to what would have occurred would have come forward.

So, Mr. Speaker, in speaking to this resolution, I'm not going to speak against the desirability of having a comprehensive study and, you know, I don't know whether this is anything more than common sense of what will be the effects of undertaking a particular program. And I think that that's what it amounts to. It's nothing more than good common sense for a group that has the responsibility of undertaking a project to examine very closely what are the alternatives, what are the effects of the project, how can these effects be mitigated, what are the desirable features, what are the undesirable features? And I say that that should be done. And I will concede to my honourable friend that different authorities have done these things either through a better or worse extent in the past. I will also concede to my honourable friend that different authority will do these things to a better or worse extent in the future. And as they act, so they will be judged. And I say that is useful, that is good for the democratic process, and I have nothing against it.

The part which I question is the part which seeks really to suggest that these things are best handled by minorities rather than by governmental authorities. Because what the legislation does, Mr. Speaker, is that it enables a minority group which has not been able to get its voice heard in the councils of government to remove that activity from the councils of government and put them into the hands of the court where they feel that they would stand a better chance.

Mr. Speaker, when one is a minority this looks like an attractive thing, and I am happy to state if consistency means anything that I was just as strongly against the Bill of Rights when I sat in the opposition as I am against it now that I sit in the government. I spoke against it, I argued against it, I accepted the fact that in order to move in a certain direction one has to obtain public support for your position; and that if you do not have public support for your position that it is wrong to seek to have that minority position pushed onto the majority. And in the name, in the name of public involvement, you know, it's put forward as being: this shows that the public is involved, that somehow the public is more represented by a pressure group than it is by the elected representatives of the people. I've had it stated worse, Mr. Speaker. I've had people come into my office and say, "You are not the public, you are the elected representative, you do what we tell you." And it comes down to the fact, Mr. Speaker, that the elected representative is the last one who is able to put a public position because he is the elected representative. Well, Mr. Speaker, if that were the way it was, then I'd prefer to be the guy coming in and saying, you do what I tell you, rather than being the Minister. I mean what's the point of it? So I suggest that this desire for legislation, this desire for a pattern or a law which is supposed to declare as to how the government will act comes from really an attempt to foist the minority position on a majority.

And, you know, no more clearer reaction to this took place - and we'll be dealing with it later on when I'm introducing the bill with regard to the Clean Environment Commission - than with the Mosquito Control question. For years people talked about the desirability of having a quasi judicial body set up to deal with the question of environmental control and that this body would be able to sit there, no political pressures on it, no political motivations to do either one thing or another, that it would react in accordance with pure science after hearing all of the evidence, and it would make a decision, and that that decision would be better than the decision that would be made by the elected representatives, which was the City of Winnipeg. But, Mr. Speaker, when the decision was made on the basis of listening to the evidence, all of a sudden we get both daily newspapers, both daily newspapers engaged in a vituperative attack on this body, quasi judicial body, and saying, "How are we letting the City of Winnipeg be ruled by this

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(MR. GREEN cont'd) . . . . "minority of people who are not elected and should not be able to bind the City of Winnipeg to their decisions." Well, Mr. Speaker, we'll be dealing with that question more specifically when we come to the bill.

But essentially the principle that is involved in that discussion is the principle that is involved in this resolution. And I'm being, to some extent, if you read the wording of the resolution, I'm being to some extent unfair to the Member for Fort Rouge because the resolution does not say what I am saying in those words. It says that the government consider the advisability of requiring the preparation of environmental impact reports on all provincial and local projects. It doesn't call for legislation. The honourable member calls for legislation in his speech, and it would be unfair to pass this kind of resolution or to adopt it or to give the impression that it's being done in response to the honourable member's speech, which in all respect talks about a legislative requirement for environmental impact studies. So I want to make it plain to the honourable member that a legislative requirement is not necessary, that insofar as pollutants and contaminants are concerned an administrative requirement is now in force in the Province of Manitoba, the machinery is being enhanced upon. But I want to make it abundantly clear that it leaves the question of disclosure discretionary on the government; it leaves the question of public hearings discretionary on the government; and in the last analysis, it leaves the decision-making power not in the hands of a minority group, not in the hands of the courts, but in the hands of the government which then has to obtain support of this position for the people of Manitoba.

So, Mr. Speaker - and I'm concluding my remarks - I am not opposed to the fact that there should be close analysis of what is being done before a project is being entered into, I am opposed environmental impact assessment legislation as it is commonly considered. I believe that this is what the resolution intends, and in order that there be no mistake about it, about the position that we would be willing to support, I want to move an amendment, Mr. Speaker. I want to move, seconded by the Honourable the Attorney-General, that the resolution be amended by (1) by deleting the words "local" and all of the words following the word "project" in the first paragraph thereof, and by deleting paragraph (2) thereof, Mr. Speaker, so that the resolution would read:

"BE IT THEREFORE RESOLVED that this House recommend that the government consider the advisability of requiring the preparation of environmental impact reports on all provincial projects."

MOTION presented.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, in the few minutes that are left, I'd like to say a few words on this resolution.

Mr. Speaker, several years ago, I don't know, about three years ago I worked on an Act, Private Members' Act to present to the Legislature that would lay out the conditions for the study and filing of an environmental impact statement that would bind not only those undertaking private projects but also those projects undertaken by government as well, and it went by definitions of the projects that would lap over so that there was no identification whether they were government projects or private projects, and I presented it towards the end of a session, and as a matter of fact it never did get debated in the Legislature, and I haven't since renewed efforts to bring in that Act. I introduced it because I felt that it was time to get some serious discussion going on how you could develop legislation towards defining where impact assessments should be required in the interest of providing environmental protection.

And I didn't renew the Act the following year, Mr. Speaker, because as I digested it, as often happens to a person when you write something out and you get this burst of an idea and you write it out, and you present it and then you think about it for a while, you see other sides of the equation as well. But I don't present that as an argument for not doing something. I simply say that in that case I would have to say that my first run at drafting some sort of legislation would have been inadequate and certainly would have shown up in debate, and it might have provided some good debating grounds, but it wasn't adequate to do the job. And I haven't found the answer since to the extent that I felt that it should be redrafted and presented as a bill that I could defend to the point of

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(MR. CRAIK cont'd) . . . .writing it into the books.

But the Member for Fort Rouge has a point because governments have a bad habit of exempting themselves from the imposition of study that may be required and would normally be required on others. I give you a classic example of the - not in this jurisdiction in Manitoba, but in the case of the studies in the Mackenzie Valley for a proposed pipeline. The pipeline proponents, gas pipeline and the oil pipeline, have been doing studies for the last six years in that area and at some point after these studies had gone on for about four years, and after about approximately \$25 million had been spent on the studies, all to justify to the National Energy Board and subsequently the Berger Commission that was set up, part way through the Federal Government moved in and started building the Mackenzie Highway. They never said a word. They never did an environmental impact study, they never asked anybody any questions, they just built the highway just like that. And all of a sudden here you had this massive amount of money that had been spent on determining what the environmental impact would be of digging a hole and putting a line in it and covering the hole up and letting it heal over, and then flying an airplane over it once a week to find out what the impact would be, and lo and behold the Federal Department of Public Works moves in, they cut down a 100-foot right-of-way of all the trees, they move in the bulldozers, they strip off all the stumps, all the cover off the permafrost and say, "Okay fellows go ahead," and they build a highway. They went for several hundred miles building the Mackenzie Highway before all these people that were studying on the pipeline realized, what are those fellows doing over there. And that's a classic example of what happens.

The private sector in many cases for one reason or another, whether it's pure interest of environmental protection, or it's a method of buying time to justify the project, have to go through this mechanism of environmental impact assessment, but government at the stroke of a pen march off into the wilderness, and with complete disregard. So I think the Member for Fort Rouge is correct in presenting this resolution to point out that this anomaly does exist, and how do you ensure that governments by their actions are going to be caught in the same mechanism that requires them to do this environmental impact prediction, and then recommend the ameliorative measures that are going to somehow reduce the environmental impact. I wonder if this is through legislation of . . .

MR. SPEAKER: Order please. The honourable gentleman will have an opportunity to conclude his debate the next time we get to this subject.

The hour being 5:30 I am now leaving the Chair to return at 8 p.m.