

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 17 July, 1980

Time 10:00 a.m.

### OPENING PRAYER by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. JAMES E. DOWNEY (Arthur):** Mr. Speaker, I would like to circulate the communique from the annual Ministers of Agriculture and Deputies' conference that was just held in Toronto. I have copies here for distribution.

**MR. SPEAKER:** The Honourable Minister of Municipal Affairs.

**HON. DOUG GOURLAY (Swan River):** Thank you, Mr. Speaker. I wish to table the third annual report of the Municipal Employees Benefits Board for the year ending December 31, 1979.

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

### ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Member for St. George.

**MR. BILLIE URUSKI (St. George):** Thank you, Mr. Speaker. I'm glad to see the Minister of Agriculture back from his Toronto trip. I ask the Minister whether he's prepared to indicate what the province's position was with respect to the contracting-out provisions in his proposal for the hog stabilization plan that he was proposing?

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

**MR. DOWNEY:** Mr. Speaker, if the member is referring to the paper that was presented to the conference, that was one of many aspects of the paper, and was to be worked on by a technical committee of the federal and provincial governments, along with the producer organizations, and there is very little detail on that particular aspect of the proposal at this time.

**MR. URUSKI:** Thank you, Mr. Speaker. In view of the recent statements of the Chairman of the Manitoba Hog Producers Marketing Board that many producers have now closed their barns, is the Minister intending to announce some interim measures prior to whatever studies that may have been agreed to between the provinces and the

federal government? And in light of other provinces having assistance programs, can the hog producers of Manitoba be assured of some assistance, or are they going to be forced to go bankrupt because of the losses that they have sustained over the last number of months?

**MR. DOWNEY:** Mr. Speaker, I think there is some more information that has to be added to throw some more light on the situation. I have requested the federal government to indicate to the province of Manitoba how many of the Manitoba hog producers have already applied for the federal stabilization program. Mr. Speaker, we believe that in this country it is a national program that would be in the best interests of the provincial producers, and I think it would be important to know just how many producers in the province have already applied for the national program, or the payout from the national program before we move much further on this particular issue.

**MR. URUSKI:** Thank you, Mr. Speaker. Notwithstanding the general agreement on both sides of the House that the problem is of national scope, Mr. Speaker, notwithstanding the problem, and the lack of federal action and the Minister well knows that the federal payments fall far short of the cost of production faced by producers could the Minister indicate what other items or considerations is the province waiting for before it makes any kind of a decision to assist its producers?

**MR. DOWNEY:** Mr. Speaker, as I indicated some time ago and I have taken that message to the federal government in our recent meeting this week that we were still in support of a national program, we called for the quarterly payment from the program that is now in place at the national level so that they could pay out more often than just on a once-a-year basis; that they increase the level of support so that it was more meaningful to the provinces. And again I say, Mr. Speaker, that it is of concern to me, the incomes of the farmers of the province of Manitoba, particularly the hog farmers are receiving at this particular time. I think, Mr. Speaker, it also should be worth mentioning that we have been meeting with the hog producers to try and work out some alternatives and at this particular point there haven't been any decisions made on that particular issue.

**MR. SPEAKER:** The Honourable Member for St. George with a fourth question.

**MR. URUSKI:** Thank you, Mr. Speaker. I ask the Minister, with respect to his discussions and his paper in Ottawa dealing with hog stabilization, the proposal made by Manitoba would also allow producers to enter long-term contracts. Could the Minister explain that statement?

**MR. DOWNEY:** Again, Mr. Speaker, I indicated that it would have to be worked out with the federal and

other provincial technical committees on the details of how it could be worked. But Mr. Speaker, the principle that we are working on is long-term stability for the producers, their involvement, when it comes to making direct contacts to some of the people who are wishing to buy, I think it has to be done on a co-ordinated basis so that we don't have the provincial governments of Manitoba and other provinces competing, or the hog producers of one of those provinces competing directly with one another on a spot-market sale, but that they could in fact enter into some longer-term stability programs.

**MR. URUSKI:** Thank you, Mr. Speaker. Hearing the Minister speak in that way, I wonder whether it isn't long overdue that the province now reactivate the agreement between Manitoba, Saskatchewan and Alberta to set up Export Canada West. There was an entity set up a number of years ago that the Ministers seemingly, in Manitoba, didn't know anything about, and now he is talking about long-term stability of international and interprovincial contracts, that there is no competing. Is it not now time to reactivate, or should have been reactivated some time ago?

**MR. DOWNEY:** Mr. Speaker, I find it quite interesting for the Member for St. George to bring that up, because they set up the corporation in 1973, which they didn't activate for four years. It's one of the things that we finally got dug out of the records that we found in the Department of Agriculture, that there was in fact a program like that available.

Mr. Speaker, I think it has to be done on a broader base than what we are talking about, and it is under active consideration, as well as the other programs that we are discussing on our paper with the other provinces of all of Canada.

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

**MR. LAURENT L. DESJARDINS:** Mr. Speaker, my question is to the Minister of Community Services, talking about activating and taking advantages of legislation that is on the books, does the Minister intend to take advantage of legislation that was brought in about four years ago enabling him to licence group homes, when needed in the City of Winnipeg? Is it the intention of the Minister to take advantage of this legislation to make sure that these programs are not interrupted by action of some community committees in the City of Winnipeg?

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

**HON. GEORGE MINAKER (St. James):** Mr. Speaker, we are giving consideration to the possibility of licensing group homes, but nothing clear or definite at this time.

**MR. DESJARDINS:** Mr. Speaker, the Minister gave us the same answer during his estimates and we received the same answer for the last three years. Isn't it time that a decision and a bit of leadership happens to make sure that these programs do not fall because of lack of licencing?

**MR. MINAKER:** Mr. Speaker, as the honourable member knows, we are presently in the throes of establishing the licensing of guest homes, which is a major step, and I know that when the honourable member was Minister, at that time was giving consideration to that particular area, and we are primarily working on that area at the present time. And as the honourable member knows as well, with regard to group homes for young people in the Winnipeg area, they have been frozen in number, and that we are at the present time not intending to expand the numbers of group homes for those individuals on child welfare in the City of Winnipeg.

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

**MR. DESJARDINS:** Mr. Speaker, the Minister has gone all around but not answering my question. I wasn't talking about the guest home, this is something that is necessary, we told the Minister what we thought of that. I am talking about programs that he is responsible for, such as family day care, for instance, and certain groups, when and only when they are needed. I am not talking about those that are frozen. Could it be made quite clear to the City of Winnipeg and the community committees that if need be the Minister will licence these homes to make sure that these worthwhile programs will continue?

**MR. MINAKER:** Mr. Speaker, the question that is before the Committee of Environment at the City of Winnipeg does not relate to day care centres but relates to group homes, so that I can't understand why the honourable member is bringing in the day care situation, because it is my understanding that they have given approval to day care family homes being allowed in standard R1 zoned areas, not as a conditional use. But with regard to the group homes, as the honourable member knows, if it relates to mentally disabled group homes that we are limited in the number that we can fund each year, and it is our intention to expand those and we will give consideration to licensing those, and we would encourage the City of Winnipeg and will be encouraging them, that they will not take a blind view that these type of facilities should not be community based and in the City of Winnipeg where there is need for them.

**MR. DESJARDINS:** Mr. Speaker, the Minister does not understand or does not wish to understand the question. I am talking about a principle. I am not referring to any particular group. I am talking about the legislation that is in the books now that allows the Minister to licence such a thing as day care, family day care, family groups, and exactly to do what the Minister said, to make sure that these people are taken care of in the community. We give lip service to that, but what are we doing about it? Can the Minister go on record as saying that he favours this and he will not see this policy disrupted because some people do not want to cooperate? This is the only thing that I am asking the Minister.

**MR. SPEAKER:** Orders of the Day. The Honourable Member for Fort Rouge.

**MRS. WESTBURY:** Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Consumer Affairs. Has the Minister completed his investigation into the matter at 188 Roslyn Road, where apartments are being offered for sale, but where no condominium has been registered, and the possible fraud involved?

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

**HON. WARNER JORGENSON (Morris):** I am still awaiting a report on that particular matter, Mr. Speaker.

**MRS. WESTBURY:** To the same Minister, Mr. Speaker, on a slightly different matter, and following a question on which one of his colleagues took notice last week, how many complaints have been registered with the Rentalsman since June 30th relative to rent increases?

**MR. SPEAKER:** That kind of information can better be obtained by an Order for Return.

The Honourable Minister of Consumer and Corporate Affairs.

**MR. JORGENSON:** I have received a report recently, but I don't have it with me, and I would hesitate to try and trust my memory as to the actual number. I will get that information for my honourable friend.

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

**MR. SAM USKIW:** Mr. Speaker, I wish to ask the Minister of Agriculture whether he is now in a position to indicate the procedures and eligibility criterion that applicants for Crown land for grazing or hay purposes must meet.

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

**MR. DOWNEY:** Mr. Speaker, I indicated the other day that we had several different areas that were being treated somewhat, not specifically different, but the objective was to make sure that the hay was allocated on a fair and equitable basis. If the member could refer to some particular area in specific it would be helpful.

**MR. USKIW:** Mr. Speaker, could the Minister indicate to the House just what the size of the largest allocation is and that would give us an idea as to whether it is equitable or not. It is my impression that some people are being allocated sections of hayland, while others are only getting a quarter of a section or less.

**MR. DOWNEY:** Mr. Speaker, we are firm believers in the people that are in need should be treated fairly. I think that the farm community are in need of hay, and it has been worked out on the basis of trying to accommodate the desires or the needs of the farm community. I am confident that is being done, and I have no specific cases that have been referred to me that are of question.

**MR. USKIW:** Mr. Speaker, with respect to Netley Marsh, both east and west of the Red River and Lake Winnipeg, I would like to know why it is that some applicants were successful in placing their cattle for grazing purposes, in particular in the Libau-Netley Marsh area, the addition to the community pasture, for emergency purposes, while others had to apply through normal channels to get their cattle into that area.

**MR. DOWNEY:** Mr. Speaker, in the Netley Marsh area, that is PFRA community pasture, and that allocation takes place by a different jurisdiction than the provincial government.

**MR. SPEAKER:** The Honourable Member for Lac du Bonnet with a fourth question.

**MR. USKIW:** Mr. Speaker, the area in question has to be the additional land that was authorized to be fenced in this year for the emergency program and as I understand it according to the Minister's previous statement, that he was working in co-operation with the Libau community pasture, the management of that particular pasture and that local board.

Now I also know, Mr. Speaker, that people have put cattle into that area without going through the process of making applications and receiving approvals, one in particular, while all of the others had to go through the usual procedures and the red tape that goes with it.

**MR. DOWNEY:** Mr. Speaker, the process of allocating the pasture, as I understand it, as I have indicated, was through the PFRA and their normal procedure is on a first come, first served basis up to a certain maximum and if there is a specific case of unfairness taking place in the farm community, I will review the specific case and report back to the member.

**MR. SPEAKER:** The Honourable Member for Inkster the Honourable Member for Lac du Bonnet with a . . .

**MR. USKIW:** Mr. Speaker, the Minister asked me to give him specific examples. I wish to do so. I would like the Minister to confirm that a one, Mr. Tom Ellison of east Selkirk, has placed cattle in that particular area without going through the normal procedures that all the other applicants in the area had to go through.

**MR. DOWNEY:** Mr. Speaker, I will check that out for the honourable member.

**MR. SPEAKER:** The Honourable Member for Inkster. Order please. The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Yes, Mr. Speaker, I would like to direct a question to the Honourable Minister of Industry and Commerce. Does the Minister have any concern, Mr. Speaker, with the fact that the Manitoba Telephone System is lending a private out-of-province electronics firm the sum of half a million dollars in order to permit that company to develop a product which it is involved with in selling to the

Manitoba Telephone System in a contract which it was awarded to the sum of 1.5 to 1.75 million dollars? Does the Minister of Industry and Commerce have any concern with that kind of loan being made to out-of-province contractors and has he any concern with respect to electronic firms within the province of Manitoba and how this affects them?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, as I understand it, the firm the member is making reference to is in a very specialized area and one of the leaders in North America. As a matter of fact it would seem that the work that they are doing is going to be something that can very greatly expanded. One of the directions in the province of Manitoba is to expand the electronics industry and build up its base considerably. If there is a way that this company should be encouraged by the Manitoba Telephone System, my concern would be that everything is done properly to make sure that the industry grows in Manitoba as we hope it will, and I understand there has been discussions with the company to locate in Manitoba.

**MR. GREEN:** Mr. Speaker, is it a fact that the Manitoba Telephone System entered into this contract with this Montreal firm for a 1.5 million to a 1.7 million contract to develop a particular system without calling for tenders or giving any Manitoba firms the opportunity to bid on the contract?

**MR. JOHNSTON:** Well, Mr. Speaker, to be very fair to the member I would have to confer with my colleague the Minister of Government Services in charge of Manitoba Telephones to discuss with him the complete details of the arrangements. I, at the present time, would just have to take it as notice for the member and I am sure one of the Ministers who are responsible regarding this situation would be able to give him an answer.

**MR. SPEAKER:** The Honourable Member for Inkster with a final supplementary.

**MR. GREEN:** Yes, Mr. Speaker. In view of the fact that the Minister has indicated that this firm is very specialized and a most capable firm, could the Minister explain why after entering into a 1.5 to 1.7 million contract with MTS they indicated that they would have to pull out of the contract if the MTS itself did not advance to them a half a million dollars, and have they not indicated that they need several million dollars in new capital; and is the province of Manitoba now advancing money to private business through the Manitoba Telephone System in order to circumvent the provisions of The Manitoba Development Corporation Act?

**MR. JOHNSTON:** Mr. Speaker, I know of no policy of that nature that the member is speaking of, and I have to say to him again, that the circumstances surrounding the arrangements between the Manitoba Telephone System and this company is something that I would have to take under advisement or take as notice and speak with the other Ministers to have

discussions with them. My first answer was that Manitoba is very concerned to have the growth of the electrical industry in the province of Manitoba and the aircraft industry, and the light transportation industry, and all of the industry here.

**MR. SPEAKER:** The Honourable Member for Inkster with a fourth question.

**MR. GREEN:** Mr. Speaker, I would like to direct a question to the Minister to whom the Manitoba Telephone System reports. Since the Minister has indicated that he was not aware of this loan prior to it having been requested of him in the House, can the Minister advise whether he has determined through the Attorney-General's Department, whether this loan made by the Telephone System to advance money to a firm which it has a contract with in order to enable the firm to complete its contract with the Manitoba Telephone System talk about incest can the Minister advise whether he has the opinion of the Attorney-General's Department as to the legality of the Manitoba Telephone System entering into such a loan?

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. HARRY J. ENNS (Lakeside):** Mr. Speaker, that question is possibly a matter that is of as much interest to the provincial auditor in terms of the advancement of this kind of money and as to the particular authority that the Manitoba Telephone System has under its Act to provide such moneys. My information is that, in this particular instance, inasmuch as that the trials and demonstrations that are being held at IDA in Headingley are very much of a research and development nature and that there is a very close liaison with Manitoba Telephone System's research and telecommunication engineers involved in this firm, that the development of the system, the IDA Project, is at the heart of the matter. I'm having the matter checked and investigated as to whether or not the moneys advanced truly fall in the capacity, as the Member for Inkster suggests, as an outright loan to a company or as to whether or not it as has been indicated to me by management staff, of development and research nature.

**MR. SPEAKER:** The Honourable Member for Inkster with a fifth question.

**MR. GREEN:** Mr. Speaker, in view of the fact that the Minister has advised the House that he is now checking to see whether this loan falls within a normal loan or whether it is something which is an extension of the research development of the Manitoba Telephone System, I take it, that prior to the loan having been advanced, he has not received any legal advice or advice from the Provincial Auditor, Mr. Speaker, that this loan falls within the legal authority of the Manitoba Telephone System Board of Directors.

**MR. SPEAKER:** The Honourable Minister of Government Services.

**MR. ENNS:** Mr. Speaker, yes, I can advise the Honourable Member for Inkster that I, as Minister, was not informed of any aspects of the loan prior to it being made.

**MR. SPEAKER:** The Honourable Member for Inkster with a sixth question.

**MR. GREEN:** Mr. Speaker, I take it that the Minister has indicated that he is going to check with the Auditor. Will he also check with the Attorney-General's Department to see whether they will give a legal opinion as to whether the Manitoba Telephone System Act gives them authority to advance funds secured by a mortgage to permit a company with which it has a contract to be able to financially fulfil that contract.

**MR. ENNS:** Yes, Mr. Speaker, I have no difficulty in giving the Honourable Member for Inkster that undertaking.

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

**MR. JORGENSEN:** Mr. Speaker, I find that I do have the answer to the question posed by the Member for Fort Rouge with respect to complaints received by the Rentalsman's Office on the question of rent increases. Up to July 4th there were 263 complaints and then a further report indicates that there were a further 51 the following week, making a total of 314 up to July 11th.

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Mr. Speaker, I'd like to address a question to the Minister of Finance, who some time ago, a few weeks ago, was telling us the Conference Board in Canada had predicted a real growth rate, I believe in the order of 1.8 percent, and my question to the Minister is, has he received any updating of this forecast of real economic growth for the province of Manitoba, either from the Conference Board or from any major Canadian bank?

**MR. SPEAKER:** The Honourable Minister of Finance.

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, no, not for the province of Manitoba, but the Conference Board has made some revisions to their predictions for the Canadian average.

**MR. EVANS:** Mr. Speaker, a supplementary then. Has the Minister of Finance been advised by staff that, according to the Imperial Bank of Commerce, now that we're in the middle of 1980, the forecast for Manitoba is looking to be 0.4 percent, compared with, I believe, the 1.8 percent? In other words, there has been a major revision downward in the rate of economic growth, less than one-quarter of what had been previously predicted.

**MR. CRAIK:** Mr. Speaker, it would not be at all surprising if there was a substantial downward revision as a result of the major factors that are influencing the economy of the last several months,

including the drought, of course. The revisions to the national forecast by the Conference Board place it in the national forecast at perhaps .0 growth and maybe even the possibility of it going negative; in fact, negative real growth. So it would not be surprising to see the Manitoba economy fall into the category indicated by the Member for Brandon East, namely 0.4 percent.

Mr. Speaker, I have to hasten to add that it always amazes me how economists can predict to the nearest one-tenth of 1 percent. I don't believe that those predictions can be made. They are, at best, horseback guesses that, if they're lucky, may come on. I saw a scattering of 20 samples of predictions for last year by all of the financial houses and it's interesting to go through, that you can go from a first place prognosticator to the twentieth spot in the space of one year, and back up again to the halfway point in the range of all the 20 people who are making these guesses. And I think that, to a large extent, a lot of them are.

To get back to the main point, the original forecast was about 2.0 percent. That was made at the time of the Budget Speech in this House. We expect it to be lower. I wouldn't want to try and take it to the nearest decimal point.

**MR. SPEAKER:** The Honourable Member for Brandon East with a final supplementary.

**MR. EVANS:** Thank you, Mr. Speaker. The Honourable Minister will appreciate, however, that there is some importance to forecast. Indeed, his staff has to forecast in order to come up with a Budget. Imperfect as it may be, it is a necessary exercise. I wonder if the Honourable Minister could explain, or has he any explanation for the House as to why there is such a drastic drop in the rate of real economic growth from what he said to me was about a 2 percent forecast down to this 0.4 percent forecast for Manitoba, in view of the fact that the average growth rate for western Canada is still expected to be about 2.1 and our cousin province to the west of us, Saskatchewan, which is also very badly affected by the drought, is expected to be 1.9 percent.

**MR. CRAIK:** Mr. Speaker, our economy, in general, has a lot of balances in it that very frequently, as the Member knows from his days in following these things, follows fairly well the Canadian average, and it is more likely for the Manitoba economy, because of the manufacturing balance that's in it, to follow the Canadian average than it is those economies like Alberta and British Columbia, where they are quite different, and to a certain extent Saskatchewan, which if the member reads through he will find that the Saskatchewan economy has somewhere up towards a 20 or 25 percent imput from resource base. The revenue to the government, at least, is in that order, whereas the Manitoba one is in the order of a 2 percent and Alberta, of course, is up around 50. So that there are very, very major influences because of the performance of the resource base in the provinces and, at the present time, those with a strong resource base, namely oil, and secondly, natural gas, are going to experience growths that are not substantially unknown by the Canadian trend.

There is no doubt that the whole Canadian economy is getting a spillover from what's happening in the United States, but on average Manitoba economy, as in the past, more or less reflects what happens in Canada, and it appears to be doing that again this year with some added problems caused by the drought.

**MR. SPEAKER:** The Honourable Member for St. George.

**MR. URUSKI:** Thank you, Mr. Speaker. I direct this question to the Minister of Agriculture. Last week the Minister of Agriculture indicated that he was investigating the situation at the Red Deer Lake area and he was sending his staff up to the Minitonas area to meet with the farmers and with the municipality. Is he prepared to report on his decision in this respect?

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

**MR. DOWNEY:** Yes, Mr. Speaker. The staff report to me was that everything was being handled in a responsible manner and the hay allocation went ahead.

**MR. URUSKI:** Mr. Speaker, could the Minister indicate whether or not there was a commitment given by his staff to the farmers that they would have an outline of a contract on which farmers could bid the following week, which subsequently was withdrawn on the direction of the Minister?

**MR. DOWNEY:** No, Mr. Speaker. What I indicated the staff indicated to me was in fact that the municipality were allocating it, and everything was being handled properly. And that was the end of the issue as far as I was concerned.

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

**MR. URUSKI:** Mr. Speaker, could the Minister indicate whether he considers the prices to be charged by the people who are now allocated the hay to be excessive at 25 a round bale, and whether or not he could confirm that prior to the meeting the municipality indicated it had not wanted to do any more about the hay prior to the staff going up, and now the Minister has turned back the decision after his staff gave a commitment to the farmers of that area that there would be a tendering process and a bid process for the hay?

**MR. DOWNEY:** Mr. Speaker, I guess I can also indicate that they have been getting quite a lot of rainfall in the Swan River Valley, and I understand that there is quite a lot of green feed being grown in not only under the provincial program, but just the fact that there appears to be a lot more rainfall in that particular area, and it could be that the price of 25 a bale could come down because of the fact of other supplies becoming available.

I would also like to indicate, Mr. Speaker, I understand that there is already a nominated candidate of the NDP Party up there trying to make

a lot of political hay, Mr. Speaker, that won't feed a lot of cows.

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Speaker, I would like to direct a question to the Minister of Government Services. In view of the fact that there are some pretty high temperatures outside as well as in this building, not just in this Chamber, and in view of the fact that most government space is air conditioned, in particular the Woodsworth Building and Norquay Building, does the government have any plans to aircondition this building?

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, pursuant to the question . . .

**MR. DOERN:** Mr. Speaker, I think I have a supplementary . . .

**MR. SPEAKER:** Order.

**MR. DOERN:** . . . I believe the Minister of Government Services is suffering from heat stroke and may not be able to answer. Perhaps I could repeat my question. Does the Minister have any plans to aircondition this building, especially in view of the fact that there are 350 employees in this building; that the Hansard staff, I think is suffering from the heat; that people on the south side of this building in particular find it difficult to work; and that in view of the fact that this building is a 70 million replacement equivalent, does the Minister plan to aircondition this building?

**MR. SPEAKER:** The Honourable Minister of Finance the Honourable Member for Elmwood.

**MR. DOERN:** I really think that the heat has affected the Minister. I'll try once more. I think he is showing some signs of life now.

I ask my honourable friend whether he intends to present or has presented a paper to Cabinet recommending that this building be airconditioned?

**MR. SPEAKER:** The Honourable Minister of Government Services.

**MR. ENNS:** Mr. Speaker, the Honourable former Minister of Public Works is aware that there are in existence plans for airconditioning of this building. He is also aware of the substantial costs that are involved in bringing about an airconditioning system throughout this building, which would be adequate and at the same time not destroy any of the aesthetic beauty of the building.

I have from time to time suggested it to my Cabinet colleagues. They will, I suppose, reconsider it; perhaps sometime when the weather is a little cooler, it will be deferred again.

I appreciate the fact that certain parts of the building are in particular difficulty, those parts of the third floor in the western section of the building. I suppose, Mr. Speaker, if we so arranged our affairs

that we were out of here in early May or June, we ourselves would find ourselves at least in a little difficulty.

The short answer to the question, Mr. Speaker, is yes, we have plans to aircondition the building but the costs would be well in excess of 1 million and this government to date has found better uses for that kind of money, than for the airconditioning of this building.

**MR. SPEAKER:** The Honourable Minister of Finance.

**MR. CRAIK:** Mr. Speaker, pursuant to the questions directed by the Member for Brandon East, there was a question and the Minister of Economic Affairs has just given me the figures. There was a suggestion by the Member for Brandon East that the Saskatchewan economy wasn't reflecting the impact of the drought to the extent of Manitoba. But the figures given to me by the Minister of Economic Development show that the revisions to the forecast on economic growth in Saskatchewan, the downward revisions for the province of Saskatchewan is higher than for the province of Manitoba, so it would indicate, Mr. Speaker, that the drought probably is having an impact in Saskatchewan which is even greater on their economy than it is in Manitoba.

**MR. SPEAKER:** The Honourable Member for Ste. Rose.

**MR. A. R. (Pete) ADAM:** Thank you very much, Mr. Speaker. A further question to the Minister of Agriculture. Last week the Minister indicated that if the municipality of Minitonas would not be following his guidelines or the guidelines as set down for allocating of hay, that he would see that they would follow those guidelines. I presume that they were following his guidelines. I would ask him then, Mr. Speaker, if he has had people in the area that have offered to put up the hay in that particular area for much less and to deliver it 12 miles from the site at a lower cost and still make a substantial profit on the operation.

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

**MR. DOWNEY:** Mr. Speaker, I indicated that the municipality would have the authority to allocate the hay. They made a decision on how they would do it and that is being proceeded with.

**MR. SPEAKER:** Order please. Time for question period having expired, we'll proceed with orders of the day.

## **BUSINESS OF THE HOUSE**

**MR. SPEAKER:** The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Thank you, Mr. Speaker. I have some changes on committees. On Private Bills I would like to substitute Mr. Filmon for Mr. Einarson, and Mr. Dominio for Mr. McGill, and on Statutory Orders, Mr. McGill for Mr. Filmon, Mr. Minaker for Mr. Gourlay and Mr. Johnston for Mr. Einarson.

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. JENKINS:** Thank you, Mr. Speaker. On the Committee of Statutory Regulations and Orders, I would like to substitute the Honourable Member for Churchill in place of the Honourable Member for St. George.

**MR. SPEAKER:** Are those changes agreeable? (Agreed)

The Honourable Government House Leader.

**MR. JORGENSEN:** Would you call Bill 86, Mr. Speaker? (Interjection) Mr. Speaker, the Honourable Member for St. Boniface has asked me to outline the business of the day and I would be happy to do that.

We will be considering legislation this morning in the House and this afternoon, two committees will be sitting, Statutory Regulations and Orders and Private Bills will both be sitting this afternoon, and this evening.

**MR. SPEAKER:** The Honourable Member for Brandon East on a point of order.

**MR. EVANS:** Mr. Speaker, unfortunately it was just impossible to hear the first remarks of the Honourable Minister. I wonder if he wouldn't mind repeating, because many of us could not hear the earlier part of his statement.

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

**MR. JORGENSEN:** What I said, Mr. Speaker, was that the House would be sitting this morning and we would be dealing with the legislation that is on the order paper starting with calling of Bill No. 86.

**MR. SPEAKER:** The Honourable Member for Kildonan.

**MR. PETER FOX:** Yes, Mr. Speaker. On the matter of procedure, does he intend to, since he is announcing what will take place this afternoon and evening, also announce whether the House will sit tomorrow morning, the same as it has done today?

**MR. JORGENSEN:** Yes, Mr. Speaker, I expect that the House will sit in the mornings. I just simply haven't got the heart to deprive my honourable friends of a 40 minute question period.

**MR. SPEAKER:** On two occasions this morning, I have heard requests from members, either for someone to speak louder or for the other members to speak quieter. I would urge all members of this Chamber to allow members who have the floor the courtesy of being the only speakers that are allowed to speak at that particular time. There have been many occasions where private conversations have, in effect, drowned out the words of the member that is speaking, and I ask the co-operation of all members to allow a little more courtesy to the person who has the floor at the time.

**ADJOURNED DEBATE      SECOND**

**READING**

**BILL NO. 86**

**THE MILK PRICES REVIEW ACT**

**MR. SPEAKER:** The Honourable Member for St. George, I believe, has ten minutes left. I'll check that.

**MR. URUSKI:** Thank you, Mr. Speaker. Yes, I believe that is the time that you indicated that I would have remaining on my remarks on Bill 86. Unfortunately, as I indicated yesterday, the Minister wasn't here, and I would hope that I could make some remarks that would prompt he or some of his colleagues to be able to respond and to indicate the necessity of Bill 86.

Mr. Speaker, as I indicated yesterday, I thought and I indicated Bill 86 was not necessary, it was a complete con job on not only the farmers but the consumers of Manitoba. Mr. Speaker, the Minister indicates in his comments, and I want to discuss this, that he wants to bring in a formula into the legislation, a formula dealing with the cost of production for producers so that they would not have to go through hearings every time there is a change in the cost of production of two percent. At least that's what the legislation says, Mr. Speaker.

I would hope that the Minister would be prepared to at least bring in that formula in legislation so that the formula would be above suspect; so that there would be no accusations in the future that there were some under the table dealings between the government and the producers; so the formula could be seen by all people of Manitoba as being a legitimate formula.

For example, the Member from Inkster made comment that there should be no quota values imputed into the formula cost for producers. I think that's generally agreed and that is in the regulations. But one doesn't know that, Mr. Speaker. The Minister, as we have indicated before, could have accomplished the things that he is speaking about in this new Act by making some simple amendments in the Milk Control Board Act.

Mr. Speaker, we ask, and we implore, the Minister to withdraw this piece of legislation, to make the amendments in the Milk Control Board Act, dealing with the formula, Mr. Speaker, so that there can be automatic changes, if the Minister so decides, in terms of the cost of production to producers; so that there would be control of the end product, in other words, the retail prices; so that the board could hold hearings on the retail prices in the province of Manitoba. As I have indicated earlier, Mr. Speaker, if that is not done, the farmers will become the scapegoat of all the increases in the prices of milk.

What the Minister can do is to have hearings only into the change of the formula and have the cost of production changes go through automatically, but, Mr. Speaker, there should be hearings into the retail price changes of milk. So that it is not the farmers every time that are going before the board in terms of asking for increases, it will be the processors who will ask for the increases in the price of milk, and that there should be hearings held on the end price to the consumers.

That can be accomplished, Mr. Speaker, by making simple amendments to the Milk Control Board Act rather than bringing a new Act, decontrolling the retail prices of milk in the province of Manitoba, continuing to control the producers, Mr. Speaker, and leaving the consumers up to the marketplace totally.

Mr. Speaker, the Minister should be well aware, he should comment on this, that there have been recommendations made to him by the Milk Control Board, as I'm given to understand, about what kind of changes they would have liked to see in the Milk Control Board if he was intending to make changes and bring in amendments. Mr. Speaker, did the Minister listen to the Milk Control Board? I don't think so. He indicated he had consultation with consumers. Which consumers did he have consultation with? To what degree were consumers in Manitoba consulted by these changes? Who did he meet with? Did he have consultation with the processors? Of course he did, Mr. Speaker. You can well tell that he had consultations with the processors. Who is being deregulated by this new bill? It is the processors who are being deregulated by the bill. There's where the gift is, Mr. Speaker, it is to the processing industry. Did he have consultation with the producers? I would expect, Mr. Speaker, he would have had some because we have had briefs from producers, from the Manitoba Milk Marketing Board and other groups who are in opposition to the present system, although it hasn't been indicated to us how the Minister perceives the present situation; certainly in his opening remarks he hasn't given any hints how he perceives this industry to be operating, what the problems are and what the changes are. All he says, he wants to make this sector of Manitoba agriculture more stable.

Well, Mr. Speaker, the Conservative record is very clear as to where they stand, and it adds up, with respect to their support of producers in Manitoba. We know, Mr. Speaker, their support of the hog producers in the province of Manitoba and how they have supported them with respect to the intrusion by Cargill into the primary production of hogs in the province of Manitoba. We know their position with respect to Cargill; we know their position with respect to the consumers with the rent control legislation that has been brought in by his colleague, the Minister of Consumer Affairs; we know their concern for producers in this legislation by still placing controls on the producer and taking the hands off the processor.

So, Mr. Speaker, this is a government that really is in tune to big business. This government is really in tune to big business. The big landlords, Mr. Speaker, who have been gouging the tenants to exorbitant rents; to the multi-national grain companies such as Cargill; in the production of hogs in the province of Manitoba; and to the processors like Beatrice Foods and others in the processing of milk, who are being deregulated by this bill.

Mr. Speaker, we implore the Minister to withdraw this legislation. If he wants to help the producers of Manitoba, bring in one or two simple amendments to the Milk Control Board, don't throw the consumers to the wolves, as one could say; withdraw the bill, bring in minor amendments to the Milk Control Board and he will be able to accomplish what he at

least on the surface says he wants to accomplish, and not throw the whole industry, Mr. Speaker, and the people of Manitoba into chaos, experiencing high prices, and then blaming the farmers of Manitoba for that.

Thank you.

**MR. SPEAKER:** The Honourable Minister of Fitness and Amateur Sport.

**HON. ROBERT (Bob) BANMAN (La Verendrye):** Mr. Speaker, I have a few brief comments to make with regard to this particular piece of legislation.

Mr. Speaker, as members might realize, or maybe don't realize, that I believe if you take the pounds of milk produced in the province of Manitoba, almost half of it would come either from my constituency and probably from the Member for Emerson's area, because there are some very large dairy farmers, as well as some very good dairy farmers in that area.

Mr. Speaker, the member that has just spoken has used the typical NDP ploy and, Mr. Speaker, what the members opposite feel that they can accomplish in this particular instance is to pit the consumer and the dairy farmer against the government by saying that the government is now standing up for the big processors.

Mr. Speaker, I want to tell you what I would like to see happen and what I hope my Minister of Agriculture will move towards. Mr. Speaker, this has happened in a few states in Southern California, and is something that my milk producers, some of them, would be very happy with. That is, Mr. Speaker, to allow them to set up their own small processing facility and allow them to open milk stores in certain areas. Then, Mr. Speaker, what would happen is you would have a factory-direct-to-you type of an outlet. In other words, if the members opposite are so concerned and want to tie us in so heavily with Beatrice Foods and everything, I categorically say that what they are doing is using the typical socialist ploy to start up a little bit of class warfare, because nobody can ever accuse myself or my colleagues here of moving into that direction and trying to help out those people at the expense of the consumer and the producer. My feeling on this whole matter is that we have to maintain health regulations, it is very important, but I think that if you look at some of the small processing machines that can be bought now

California has moved in that direction, maybe because of the larger population, higher density, higher volumes, some of these bigger producers can do that. But they have established a system whereby the producer can set up a small processing plant right on the site, and then can have their commodity sold in specific, if you want to call it, milk stores or dairy stores.

I would, Mr. Speaker, like to see some of that area moved into by the Manitoba producers. I think there is an opportunity here for a number of producers, either through a small cooperative setup or individually, because really what is happening with our producers right now is they are getting bigger, we are seeing a number of producers shrink drastically over the last three or four years, but the milk production has not dropped. Mr. Speaker, the milk production has been relatively constant. So

what is happening is you are now concentrating and developing larger herds to make a more economical unit.

The reason, Mr. Speaker, is that we have changed our farming habits, where there used to be three brothers each running a small dairy, they have got together now so that they can work every other weekend and have a little time off, because one of the problems that we have in the dairy industry is that the cows have to be milked seven days a week, early morning and late at night, and some are even thinking of milking them three times a day to get maximum production out of them.

So, Mr. Speaker, the ploy taken by the members opposite, you can see it developing, and I knew it would develop when I looked at the legislation myself, but that is not the intent. The intent of this legislation is to provide a certain amount of consumer protection, and on the other hand not have the Manitoba milk producers crawling on their hands and knees every time they want a small increase, waiting six months before they get it, and then having to crawl right back. That is what we object to.

The Member for St. George gets up and speaks about consumer protection. Mr. Speaker, he is involved in an industry himself, if you want to talk about consumer protection, and a lot of these people are in my constituency too, and are very good farmers, but what input does the consumer have into the turkey prices? He doesn't. He doesn't. The reason we have the marketing system the way it is right now, especially in poultry, is to maintain the stability in the system to over the long run hopefully provide a constant regular supply of products for the consumer, and that is the rationale behind it, so that one year you have everybody in the turkey industry, and the next year you have everybody broke. It is to try and provide a bit of a stable economy and stable income for the farming public.

Mr. Speaker, I again reiterate that I would like to see the Minister of Agriculture move into a system where he would allow and be able to licence these smaller operations, either on farm sites or in small cooperatives. The red herrings that the members opposite are pulling across the floor of this House are something that I would like to, at this time, reject. I realize that some of the producers themselves won't be happy, they won't think this bill has gone far enough, because many of them wanted the total price setting of milk left within the hands of the Milk Producers Marketing Board. We realized that there has to be a form for public input into the structuring of the milk, if the public feels that the pricing increase has been inordinate or extraordinary. That is provided in the legislation and I think that this piece of legislation will serve both the consumer and the producer well, coupled with a few of the other initiatives that I have mentioned, where the producer can get into that area himself.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Burrows. The honourable member with a question?

**MR. USKIW:** Well, it's not going to be terribly complex, Mr. Speaker. Would the Minister indicate to

me just where, in what section or what page, if he likes, of the Act, does one find consumer protection?

**MR. BANMAN:** Mr. Speaker, my colleagues I haven't got my bill in front of me right now, but they say Page 4. But there is a mechanism whereby any person who is dissatisfied with the price of fluid milk in any given locality or the province generally may apply to the Commission in writing and then have his or her case looked at. I think that that, Mr. Speaker, is a check for that. (Interjection) Precisely. The Member for Seven Oaks says after it has gone up. This is precisely the problem that we have been having is that the milk people had to come to the Milk Control Board, had to wait a long time, six months very often, before they finally got a ruling. By then the input costs had probably gone up again. If we got a drought situation like we have right now, the input costs are going up drastically. And you put the

producer who is selling his or her commodity in the position of being in the untenable position of not being able to pass on their increased costs and being subject to the Control Board. This says, given the formula, this will be the pricing structure. If a person in the general public feels that that price is not right, they have an opportunity to have their concerns and problems heard.

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

**MR. USKIW:** Yes, Mr. Speaker. I am looking on Page 4, the very section that the member refers to . . .

**MR. SPEAKER:** Order, order please. I would suggest that the honourable member take part in debate. The question period, when I admit a question, it is for clarification of what the member has already said.

The honourable member with his question.

**MR. USKIW:** Well, yes, just for clarification, Mr. Speaker, could the Minister point out to me where in the legislation the word 'shall' applies to the Commission, that it shall investigate and deal with the . . .

**MR. SPEAKER:** Order, order please. The honourable member is debating.

The Honourable Member for Burrows.

**MR. BEN HANUSCHAK:** Mr. Speaker, the questions raised by my honourable colleague, the Member for Lac du Bonnet, prompted me to comment on the contribution to this debate by the Honourable Minister of Fitness and Amateur Sport. He was referring to the section of the bill which gives protection for the consumer. Mr. Speaker, there is no protection for the consumer in this bill and the Minister knows it, and the Minister knows it full well. Number one, the action that a consumer can take can only be after the fact and, secondly and I want you to listen to this very carefully, Mr. Speaker

what the rights of the consumer are, the consumer of any person who is dissatisfied with the price of fluid milk may apply to the Commission in

writing to review the maximum price or minimum price, so fixed by it under subsection 5.

Number one, Mr. Speaker, the price must be fixed by the Commission, but the Commission need not fix the retail price because, if you look at the previous sections of the bill, the Commission only shall monitor the prices of fluid milk and, where the Commission deems those prices to be unreasonable then it may, by order, establish schedules of maximum prices and minimum prices.

So therefore, Mr. Speaker, you may have a situation where the Commission says: We did not set the price of milk; we did not consider the price to be unreasonable, so therefore you, the complainant, cannot come to us under this section.

Let us assume, Mr. Speaker, that the Commission did set the maximum price and someone is dissatisfied with it and he comes to the Commission and complains. Then the Minister says, well, there is a section within the bill which says that, on receipt of an application under subsection 7 I'm sorry, Mr. Speaker, I should not make reference to specific sections where, on receipt of an application, the Commission shall conduct such inquiries as it deems necessary; I repeat, Mr. Speaker, such inquiries as it the Commission as it deems necessary. Yes, it says shall; yes, the word is there very clear, shall conduct but at such inquiries as it deems necessary.

Now, Mr. Speaker, we do not know what type of inquiry the Commission may deem necessary. In the opinion of the Commission, a telephone call may suffice to meet the requirements of this section of the bill; a telephone call to a next door neighbour, do you feel that the price of milk is unreasonable? And if your next door neighbour says 'No', or if the next door neighbour says, 'I don't care what the price of milk is; I never drink the stuff anyway', then the Chairman of the Commission leans back in his seat behind his desk and says, 'I have satisfied the requirements of the legislation; I have conducted an inquiry'.

There is nothing contained in the Act which makes it mandatory to hold a public hearing, etc., you know, a thorough investigation. Now, sure it says that it has all the powers of the Commission for the purpose of taking evidence, etc., but Mr. Speaker, there is nothing in the legislation compelling the Commission to take such a course of action. The inquiry could be of any shape or form.

Now, the Minister of Fitness and Amateur Sport speaks of a contribution made by my colleague, the Honourable Member for St. George, a typical NDP ploy, a typical NDP Socialist ploy, and he says he is not going to have the milk producer crawling on hands and knees to the Milk Control Board.

Mr. Speaker, let us go back and review the history of the creation of the Milk Control Board and let's see what the attitude and the position was of the producers when it was first formed, whether they, in fact, came crawling on their hands and knees, or whether they marched boldly to the government and asked the government to establish a Milk Control Board. Let's see what the NDP ploy is; let's take a close look at the NDP ploy.

You know, Mr. Speaker, I listened to the debate on this issue and on others and I just happened to come across a cartoon in the Friday, July 1st, 1931 issue of the Manitoba Free Press, and it's a cartoon

of Rt. Honourable R.B. Bennett, MP, and the caption beneath it reads 'The cloudy years have unfolded their misty wings and deposited him at the front bench to the Speaker's right as Prime Minister of Canada'. The cartoonist was Arch Dale in Ottawa. I thought how appropriate this is to the First Minister of our province, that the cloudy years on October 11th, 1977, had unfolded her misty wings and deposited him and his colleagues to the Speaker's right in the Manitoba Legislative Chamber.

(Interjection) That's right; where is that blue sky?

Now, Mr. Speaker, let's take a look at this NDP ploy promoting the significance of the need, the value, of the continuation of the existence of the Milk Control Board.

Mr. Speaker, these fellows opposite when they talk about the Milk Control Board they seem to create an impression that this was something created by those socialists during their years of tenure, their years of office in government. But, Mr. Speaker, the history of the Milk Control Board goes back practically 50 years. It goes back practically 50 years. And let's examine this NDP ploy. Let's take a look at what happened. Let's take a look at what the state of affairs was at the time that the Milk Control Board came into being and compare that with the situation now and with what may happen after the disbanding of the Milk Control Board. Or if it is not disbanded, in the words of the Minister, that he says, well we're not really disbanding it, there will still be a regulating body, but at least after the castration of the Milk Control Board.

For the benefit of the Honourable Minister of Highways, and these are not my words, these are not the words of a socialist, these are the words of a chairman of the first Milk Control Board in 1938, long before the Minister of Highways was born, and long before many other members oh yes, the Member for Emerson wasn't even around then, or just barely born.

"Milk is regarded as the most satisfactory single article of food consumed by man. It is, however, one food for which there is no effective substitute, thus it is that the production and sale of milk is a matter of great public import" (Interjection) the chairman of the Milk Control Board, said that; 'and for this, if no other reason, all matters concerning the foregoing should be widely known and appreciated by the Legislature and the public in general'.

Then the chairman of the Milk Control Board in his introduction goes on to state that the board conducted a public inquiry into all phases of milk problems in the area. And, Mr. Chairman, this was a lengthy inquiry. This inquiry lasted for practically two months. It commenced in December of one year and ended in February of the following year. There was about 45 days of hearings from consumers and producers and distributors. The inquiry was prompted by a resolution of the council of the city of Winnipeg requesting a public investigation.

I am going to skip the next couple of pages and then go on to the chairman's brief history of the regulation of milk. The Honourable Minister of Highways can read the intervening pages for himself, and he should read the whole report, and he will find that there is nothing contained in the two pages that I have skipped which in any way would contradict what I have just quoted to him.

Then the advent and development of controls since 1932, the conditions leading up to control in 1932, and I am quoting from the chairman of the Milk Control Board in 1938, and he said this, 'that generally during the 25 years following upon 1900, the fluid milk market in Winnipeg experienced winter shortages lasting from four to possibly eight weeks or more.' There was no Milk Control Board. Free market, yes, wide open milk had to be brought in from Minnesota or Saskatchewan to augment the seasonal deficiency. The mothers of newly born children had to go for periods of four to eight weeks without being able to provide their children with milk.

(Interjection) The Honourable Minister of Government Services he finds this rather amusing, that there is no shortage of moose milk, and I know what he is referring to as moose milk, and I am sure that if he were any kind of a parent, that he would not feed moose milk to his new born child . . . well maybe he would, maybe he would

In an effort to provide a supply adequate to consumer requirements at the low point of winter production and also to encourage development of the industry within their own area, some of the distributors had a plan of providing farmers interested in dairying with good type milk cows on a non-profit long term payment basis. The result was

now let's listen to the result of this. The result was that some fairly large herds were built up in districts closely contiguous with Winnipeg, and supply and demand for market milk on a year-round basis were more in balance. Farmers having distributors assistance to build herds for permanency as producers of milk, especially for food purposes, quite naturally headed distributors' shippers' lists.

It was not easy for others to get on the list and the distributors were thus able and the distributors, Mr. Speaker, I underline that were thus able to regulate in a substantial manner the consistency of daily supply at all seasons. In the meantime and despite the foregoing arrangements producers had been increasing in number and by 1931 this regulatory control by the distributors was weakened and ultimately broke down.

Following immediately upon the advent of the depression several additional distributors entered the local field, purchasing at low prices land, buildings, machinery and equipment, horses and wagons. Some of them were quick to adopt a policy of operating on low wage scales. The then existing distributors plants which had been built and equipped prior to 1930 on the high values then obtaining, common to all industries and businesses, were for the most part operating on union wages and hours. And up to this time the daily requirements of the consumer had been serviced by the milkman at the door. The volume and practice of handling milk through the store was negligible.

This was another feature which doesn't exist today, but nevertheless it in no way minimizes the point that's being made here. A new phase of distribution that appeared based on a theory of cash and carry through chain stores located in districts of a city selected for density of population. It however represented the development of milk volume turnover of only some four percent, and at a purported saving to the consumer of the cost of

servicing to the door by the milkman, amounting to three cents per quart.

The chain stores were unwilling and unable to service the more costly 96 percent in all other parts of the city including outlying districts on the same terms. The immediate result of this new competitive element in milk distributing was to break down the existing price structure. The wagon distributors absorbed the first effects of this impact, but as a so called price war this private enterprise competitive system, that the Honourable Minister of Agriculture says he is going to open the doors to in the supply of milk, here's what it did. The wagon distributors absorbed the first effects of this impact, but as the so-called price war developed, they gradually passed it onto the producers, whose price eventually reached the low of 93 cents for 100 pounds or less than two and a half cents a quart. The resale price at the store at this time was five cents and less.

The effect of these conditions upon the industry was that the dairy farmer producing, especially for the fluid milk market, was gradually but surely being driven out under the pressure of increasingly distressed financial conditions. The only apparent alternative was a return to importing milk from Minnesota or Saskatchewan. Milk cows were being disposed of through the Winnipeg Stock Yards, where having no fresh beef value, they brought tanner prices of from one cent to one and half cents live weight, per pound. Feed men who had supplied the concentrate so necessary in this area for milk producing cows, being unable to collect overdue accounts, simply shut off further supplies. Consumers in general were faced with not a potential but an actual and complete disruption of an adequate and consistent daily supply of milk the year round.

The Minister of Fitness and Amateur Sport made a passing reference to health standards. Let's see what this competition does to health standards, what the Chairman of The Milk Control Board said, 'It was also apparent that the vastly improved health and sanitary conditions surrounding milk production, which had been patiently built up over a period of years, would be endangered and weakened and the temporary bargain counter milk price would ultimately prove to be costly to the consumer. The distributor could keep going in some way, as long as he could lean upon the producer and would only face the next move; namely, reducing the labour union wage schedules, when the farmer could and would no longer stand the pressure.'

Then it came to a climax in the summer of 1932. In the summer of 1932, Mr. Speaker, the then existing Municipal and Public Utilities Board Act was amended and milk was declared, legislated to be a public utility, a public utility, Mr. Speaker, in 1932, a public utility. Here is the definition of public utility: Public utility also includes any plant, premises, equipment, service or organization for the production, handling, bottling, furnishing, delivering, keeping for sale, or the sale of milk, including products thereof in a liquid form.

Not only was milk declared to be a public utility, but products thereof in a liquid form, and at that time it included cream, skimmed milk and all the by-products, in liquid form. It was declared a public utility and then the government of the day, this

Socialist government under Bracken, a Socialist, a progressive government, and now (Interjection) Comparatively speaking, Mr. Speaker, the Honourable Minister of Government Services is very very right, but what this government wants to do, to pay its IOU to Beatrice Foods and to others like it, is to turn the hands of time 50 years and scrap all the legislation which came into being 48 years ago, and go back to the law of the jungle, which existed prior to that.

In 1932, Mr. Speaker, in declaring milk a public utility, the Legislature of the Day also went on to define the powers of the Board, the action that it could take, that the Board shall have jurisdiction upon its own initiative or upon complaint in writing. In other words, it didn't have to wait for a complaint, upon its own initiative, to enquire into any matter relating to the production, supply and distribution or sale of milk, and if by such enquiry it is found that the milk supply in any part of province is likely to be interrupted now this is very important, Mr. Speaker to be interrupted or impaired in quality to an extent affecting the public health or convenience or the distribution, sale or disposal, is subject to discriminatory, unfair and unwarranted competition. Mr. Speaker, how could they have said that in those days, to even think that competition, in some cases, could be discriminatory; could be unfair; could be unwarranted, but, Mr. Speaker, 48 years ago there was a group of men and women who sat in this House, and they said, yes, on occasion competition could be regarded as being unwarranted, unfair, and discriminatory, and we are not going to tolerate unfair, unwarranted and discriminatory competition for the provision of a public utility, and we are going to legislate against it. That is what they did, and that is what they did. (Interjection) Good suggestion, maybe we should debate that with the Minister.

Then reading on, because I am looking at the clock, Mr. Speaker, I will just paraphrase this section, because it is a fairly lengthy one. In essence what it says is where the Board's finding is based in part on conditions due to discriminatory, unfair or unwarranted competition, then it could establish temporary schedules. For example, if it

(Interjection) The Honourable Minister of Agriculture, he will have ample opportunity to participate in this debate when he closes it. I am sure it won't help, but in the meantime I would appreciate it if he would not speak from the seat of his pants.

If it should find that there was discriminatory, unfair, or unwarranted competition, the Board had the power to establish temporary schedules and, in the interests of having regard primarily to the interests of the public and the continuity and quality of supply, and in establishing these temporary schedules, the Board had the power to go so far as to proceed in this manner, and in so proceeding the Board shall not be bound by any rule of law or public utility practice to see that any rate of return is provided on any plant, equipment or investment.

The Board could have said, look, nine cents a quart is unreasonable, the price has to be set at seven, at six. If Mr. Speirs said, but this will not give me a fair return on my investment, the Board had the right to say to him, we don't give a damn, because for the time being to bring order to chaos,

that is the level at which we must set the price of milk, and they had the power to do it, Mr. Speaker.

Now, it is true in 1932, and this was spelled out in legislation, this section is enacted for emergency purposes, and it was to cease to have effect on the opening of the next session of the Legislature. What happened is that emergency legislation passed in 1932. It continued through 1933, 1934 — the Legislature said, this sounds like a good thing 1935, 1936, and up until 1937, and in 1937 . . . I will explain to the Minister what happened to it in 1937.

**MR. SPEAKER:** Order please, order please. Order please. There have been an awful lot of unnecessary interruptions and I would hope that members would wait until they do have their own opportunity to speak, at which time they may make their remarks.

The Honourable Member for Burrows.

**MR. HANUSCHAK:** Mr. Speaker, one further point that must be borne in mind is that this legislation, this course of action, was approved by a legislative body, made up of the majority of which were rural members, rural members representing milk producers, members from whatever their ridings may have been called at that time, but the ridings surrounding within a thirty, forty-mile radius of Winnipeg, within the Greater Winnipeg milkshed, and they approved this, Mr. Speaker. They lived with this emergency legislation for five years, they saw no reason to repeal it. In fact, Mr. Speaker, in 1937, or before we come to 1937, the reason why they didn't repeal it was because their rationale for it was as follows, and I am quoting from the 1938 Milk Control Board Report again, and the Chairman is quoting a speaker at a public address in Winnipeg in February, 1933. The speaker, who was not Karl Marx, he was no Socialist, he was a man by the name of W.R. Cottingham, KC, who at that time was the Chairman of the Public Utilities Board.

Mr. Speaker, I thought well maybe Cottingham was a Socialist, maybe he was, and so I checked at the approximate date while Mr. Cottingham was Chairman, and I note that in conducting a hearing for the setting of the price of milk, at the first hearing, because Cottingham was Chairman of the Public Utilities Board — and I just want to remind you, Mr. Speaker, that milk, having been declared a public utility, was placed under the jurisdiction of this Board

one thing that Cottingham did at this first hearing was Cottingham, himself, filed a written statement before receiving evidence from the producers, that the enquiry was proceeding as a result of a complaint in writing from their association; that is from the producers. He warned interested parties that the legislation passed in the House was a serious step. In effect it meant that once jurisdiction of the Board was invoked and its powers set in motion, those members of the business community engaged in the milk industry to a large extent would lose control over part of their own business. Well, one can't argue with that.

The point that I want to make, Mr. Speaker, is he entered into this job with his eyes wide open. He knew what effect it would have on the business community, and he thought that just in case there is someone in the private enterprise system that isn't aware of the consequences and the ramifications of

this legislation, he explained it to them in advance. He did that in June of 1932. In February of 1933 the same Mr. Cottingham spoke at a public meeting and this is what he said, Mr. Speaker, as reported in the Milk Control Board Report.

"Public opinion has been poorly educated in regard to the nature of a public utility and very few know why it is regulated or in what principles its regulation, really the supervision of its relationship to the public, proceeds. As no public authority can go far in advance of public opinion, particularly in times like these, I want to indicate some of the characteristics of a public utility, which attain whether it is privately or publicly owned. This can best be done by contrast with a typical private business.

"We have been talking about the grocers. We will examine the nature of the grocery business from the viewpoint of the public interest, as contrasted with such a public service as that provided by our telephone system or a steam or electric railway.

"(1) The first characteristic of a public utility is its essentiality. It is necessary to modern life, particularly in urban communities. The public must have this particular service. It is a kind of community service which must be kept going. Your grocery store can go into bankruptcy, there will be another a block or two away, and if that one goes out of business, there will be another one farther down the street, and if not, there will be departmental stores. The life of any grocery store is of comparative insignificance to the community but the life of the telephone system, the street railway, the water service, or of electrical services is a very vital matter to the community. We regard each of them as a service almost as necessary as government itself when we refer to it as a public utility.

"Another characteristic of a public utility is its universality. The grocery can say, I don't like the color of your hair and therefore you can't do business with me, but not so the public utility. Its services must be available to all who desire them, everyone must be served. The grocer can say, I will sell to one ten pounds of sugar for 55 cents and to another ten pounds for 30 cents. He can do that or he cannot do it, just as he likes. It may not be good business, but it is his own business. But the public utility must serve everybody who wants its services at an non-discriminating price. Do not misunderstand me. A public regulating authority says to the public utility what its price shall be, but should not refuse to allow the public utility to exercise managerial authority and common sense in marketing its product to induce business, so long as its price is not unduly discriminatory. The emphasis is on unduly or unfairly but a public utility has its prices fixed for it by public authority, usually in the beginning, historically by contract and later, as conditions change, by a tribunal after due enquiry. But a private business can set its own price subject only to the law of competition."

A public utility is ordinarily removed from competition. The Honourable Minister says, well, we must inject competition into this public utility, because no one has ever said that milk should cease being a public utility. 'I think,' says, Mr. Cottingham, 'this is the crux of the popular quarrel with the tribunals who regulate these enterprises. It does

back to our antipathy to monopolies, but this immunity from competition is more imaginative than real." And he is speaking of the times of his day. 'The great competitive war in our time is not between competitors rendering the same kind of services so much as between existing services and substitutes, between the piano and the radio; cotton or silk and rayon; railways from motors; and, again, from airplanes and so on.'

I suppose, Mr. Speaker, if we were to give this sentence a moment's thought we could rephrase this into something more meaningful and relevant to the 1980s.

"In selling milk, do not forget the powdered or evaporated supplies, but immunity from competition in public services is based on the sound principle of limiting plant and equipment to what is sufficient, make allowances for over-marginal demand, to meet the communities' requirements; all else" and listen, Mr. Speaker, 'all else tends toward economic waste, which under ordinary circumstances the public must pay for ultimately. The present facilities for distributing milk in Greater Winnipeg are greatly in excess of the public requirement. If all are to be maintained or more are added, the cost of their maintenance will inevitably be reflected in the price of milk. Our public utility law provides that all proposals for new plants and extensions of existing plants must have the Board's approval."

Mr. Speaker, another interesting thing and I must rush along, I realize that the other interesting thing is that at the first hearing of the Public Utilities Board in 1932, do you know what happened at that hearing? Talk about the right of appeal and the assurance that this board or commission of the Ministers will review the matter. You know, Mr. Speaker, that even the consumers' interests were represented at that time, 48 years ago. And you know by whom? The consumers' interests were represented by counsel, provided by whom? By the Department of the Attorney-General. The Department of the Attorney-General provided counsel to represent the consumers at the first hearing of the Public Utilities Board dealing with the question of regulation of the price of milk. 48 years ago. When the father of the Minister of Highways was still in knee pants. And at that time, consumer interests were represented by counsel appointed by the Department of the Attorney-General, and Mr. Speaker, thus it continued until 1937. The Legislature did not see fit to discontinue this function assigned to the Public Utilities Board on an emergency basis.

And in 1937 after five years, so this wasn't something that the government rushed into, and I should mention, by the way yes, after five years, 'the experience', and I'm quoting from the Milk Control Board report again, 'the experience of five consecutive years of control showed that the milk industry was not only of vital importance in the greater Winnipeg area but also that it formed an indispensable part of the second largest business in the province, namely dairy'. Now I'm paraphrasing, it was argued that multiplicity of other duties devolving upon the Municipal and Public Utility Board made it difficult for it to attempt to deal with this issue, and during the session of 1937, legislation was brought in establishing what was then known as an act of the Milk Control Board under the provisions of an Act

respecting the production and supply, distribution and sale of milk.

The procedure at that time, Mr. Speaker, was a bit different from what it is in the House today. Just to indicate to you the speed with which the House moved on this vital issue, an excellent move, on March 25th of 1937, Mr. Prefontaine who represented the Honourable Minister of Fitness and Amateur Sport says, I represent a riding within which there are many dairy producers living that was Mr. Prefontaine's riding at one time. It was that same general area. And Mr. Prefontaine had the guts to stand up in the House and say, in order to put an end to a milk war that was raging in the Winnipeg district, 'Whereas I'm going to put an end to the milk war raging in the Winnipeg district.' and he said, representing milk producers also that raged in 1932 "at the request of the producers of milk" those are the guys who are supposed to be crawling on hands and knees, I understand, according to the Minister of Amateur Sport he says, 'at the request of the producers of milk, enacted legislation establishing the principle of control of milk prices was set this spring.'

Then he says, 'Therefore be it resolved, in the opinion of this House it is desirable that the government give consideration to setting up of a dairy control board.' That was on March 25th, yes, 1937. On April 1st, six days later, that motion passed. On the same day, I believe, the bill for the establishing of the Milk Control Board was given first reading no, I'm sorry, on April 12th, the Honourable Mr. is he a socialist? who introduced the bill, respecting the production, supply, distribution and sale of milk do you know who the Minister was who introduced this bill? The Honourable D. L. Campbell, later Premier of the province of Manitoba. Introduced this bill on April 12th, and on April 17th; the bill received third reading thank you, Mr. Speaker on April 17th, the bill received third reading, establishing a Milk Control Board in 1937, 33 years ago. And the powers of this board, I want to draw to your attention just very briefly, a couple of significant points 43 years a couple of significant points, that they had control over the price of milk, regulated the price of milk, fixed the price of milk and all other by-products of it, liquid by-products, prohibited the use of milk as a loss leader. You could not tie in the sale of milk with the sale of other products as a loss leader. And that's where the price war took place to some extent.

And you know, Mr. Speaker, this morning, I thought I would just check it out to see whether in fact milk or any milk product was used as a loss leader by any store. And (Interjection) no, no, no, the Minister wasn't following me, because the Minister must remember that the price of milk was controlled since 1932 by the Public Utilities Board on a year-to-year basis, so prior to 1932. Mr. Speaker, I note that (Interjection) yes, which is still in existence today under the name of Safeway Piggly Wiggly, this is July 1, 1931, Manitoba Free Press, one package Muffets and one bottle coffee cream, 19 cents; fresh milk, quart, eight cents, price effective Thursday only. On Friday, I don't know what price was going to be charged. On Thursday it's eight cents. In fact on Friday there may be no milk,

because the Chairman of the Milk Control Board told us that there were periods that the city went, ranging in length from four to eight weeks without milk, as a result of this private enterprise competition that that Minister takes such great pride in. That's what they did. That's what they did.

So the government said, milk is an important commodity, a public utility, and milk cannot be used to manoeuvre the merchandising of other products that the supermarket may carry on its shelves. Just in the event, Mr. Speaker, and I hope that I will have other opportunities to return to this, or at least another opportunity or so, in closing, the Chairman of the Milk Control Board says this these are the very things that the Minister says, it's all so very bad about having milk regulated by the Milk Control Board here's what the Chairman said, after six years of experience, 'the regulated price has given plant management freedom to concentrate on improvement in quality product, economy in plant operation, and efficiency in servicing consumer needs, and has manifestly brought employee and employer more intimately together on matters of mutual interest and benefit'.

Mr. Speaker, how does he describe the system that this Minister wants to introduce? And I'm continuing from the same report, 'jungle methods of price competition are no longer the intelligence quotient of management and successful salesmanship.' Said by an old socialist. By Mr. Cottingham, King's Counsel, learned in the law.

"It can now be said," said the Chairman of the Milk Control Board, 'that six years of control have been a successful experiment in the substitution of order for chaos, because chaos, there certainly was, and for almost two years preceding 1932.'

Now, Mr. Speaker, this Minister wants to re-introduce chaos . . .

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

The Honourable Member for Gladstone.

**MR. FERGUSON:** Thank you, Mr. Speaker. We've witnessed quite a period of oration from the honourable member from across the way. He started in 1932, and he never progressed beyond 1940. This legislation that we have before us, Mr. Speaker, is part of the progressive and forward thrust that this government has that we have in the province today, and it brings us up to the 1980s, past the 1940s where our honourable friends seem to feel that their minds should be.

**MR. SPEAKER:** Order please. Order please. The Honourable Member for Burrows has had his opportunity to speak.

The Honourable Member for Gladstone.

**MR. FERGUSON:** The purpose of this bill, Mr. Speaker, is very simple. It's basically to supply milk to the consumers of the province of Manitoba at a fair price, also ensuring that the producer is looked after along the same way. The establishment of a commission and we hear quite a lot of talk about the Milk Control Board, why it would be replaced I'd like to point out, Mr. Speaker, at the present time there is not one producer on the Milk Control Board. The establishment of a commission with five to seven

members would encompass all the interested parties that are involved, be they producers, consumers, or whoever else, and the commission would have the power to set the cost of production through formula. This formula would be arrived at through consultation with producers and the various inputs that go into it.

The Member for Inkster, the other day, made quite a to-do about the quota share. As I understand it, from talking to our members that have a heavy involvement with their constituents in the milk business, the quota no longer enters into the sale price so I would imagine then, that this would not be a very great influence on the cost input quotas.

I do not have a great many dairy producers in my area. As a matter of fact, I would think that the percentage of supply would be very small. I know it's very small. But I do feel that this bill is bringing the thing forward, getting away from the maze and jungle of boards that we have had, it's putting the thing out on a straight line basis. It may not be perfect, it's a new bill and there's no doubt that in most cases, bills are introduced, periodically they are amended to try and upgrade them, make them more effective and look after the interests of those that are involved, but I do feel that this particular bill is very fair to consumers. They do have the right of appeal either to the commission or to the Manitoba board, the Manitoba council, rather, and to say that there is no procedure whereby the consumer is protected, I don't think is right at all, because No. 1, they will have their people on the commission to look after their interests; No. 2, they do have the right of going to the commission and then they have the right of appeal. And the commission has the right to adjust prices if there is any indication that gouging is going on or anything along that line.

So I'm not going to go into a great deal of oration, as my friend from Burrows did, read a report from 1932 just about verbatim to put it on the record. We're quite aware of what has happened in advancing the supply of milk, and it's a very important commodity, we realize that low income people and everyone else want to have a source of supply, they don't want to be paying too much for it, but you can check at Safeway also, a two-litre bottle of coke, I believe is retailing at about 2.29, to me that makes about 1.15 a shot, and I'm sure you're not paying 1.15 a litre for milk.

**MR. DOWNEY:** 61 cents.

**MR. FERGUSON:** So I think that if you're going to use cost comparisons and we're going to have to ensure, Mr. Speaker, that there is a supply, as the Minister of Fitness and Sport pointed out, the supply seems to be constant. There are less producers, of course, and there will continue to be less producers, because in many cases the smaller operators are going to phase out. The older people will work on Sundays and they will milk cows twice a day, but the younger people are kind of shying away from this. They find a nine to five job, whatever the case may be, or phase themselves out of the industry. It's a pretty onerous sort of a job, that you have to be there twice a day, seven days a week.

So with those few words, Mr. Speaker, I would recommend that this bill be advanced to committee.

I'm sure, as I said before, that they're going to be some representations on it. Again, it's a new bill. There will be some problems, but those will be adjusted. But I feel at the present time it is a start in the right direction, it should be very fair and equitable to both sides.

**MR. SPEAKER:** The Honourable Member for St. George with a question.

**MR. URUSKI:** Mr. Speaker, would the member submit to a question? Mr. Speaker, two or three speakers on the Conservative side have spoken about this bill, and I wonder if the member can indicate to us what he perceives to be the problem in the industry that no one has addressed themselves to, that is bringing about the changes that they want. Maybe he can give me some indication.

**MR. SPEAKER:** The Honourable Member for Gladstone.

**MR. FERGUSON:** Well, Mr. Speaker, it's the age-old problem that everyone faces: it's a fair price for a product and inflationary things built into it.

**MR. SPEAKER:** Are you ready for the question?

The Honourable Member for Fort Rouge.

**MRS. WESTBURY:** Thank you, Mr. Speaker. I rise to speak on this bill and to ask the Minister to withdraw the bill. This is a harsh and cruel bill, Mr. Speaker, another harsh and cruel bill that has come from this government in this session.

**MR. SPEAKER:** Order please.

The Honourable Member for Fort Rouge.

**MRS. WESTBURY:** I was silent because I really was interested in hearing the remarks that the members on the government side are making from their seats, Mr. Speaker, because I'm afraid that, in asking the Minister to withdraw this bill, I am asking in vain. This Minister has not demonstrated compassion or concern for the people who are most vulnerable in society or the people even over whom he has control. I well remember, even though I wasn't a member of this House, Mr. Speaker, I remember the harsh way in which the Minister treated those members of his department in the late 1977 and early 1978, whom he considered dispensable civil servants who were so merrily fired, Mr. Speaker. This, I am afraid, indicates how the Minister views people who are vulnerable.

I do have a duty, I know that this is falling on deaf ears and loud mouths, I feel that I do have a duty though to implore the Minister, on behalf of the usually vulnerable people to whom reference has been made several times in the session, the pregnant women, the children and the elderly. We all know that children need milk as part of their regular diet, Mr. Speaker. To some children milk is more easily available than to others. Children on farms, usually, whether they are dairy farms or not, my understanding is that usually in Manitoba they have some milk available to the children who live on the farms. They usually have a cow or two. There are other people who do not have that. There are people

who have enough income, Mr. Speaker, to make sure that their children have enough milk. There are others who do not. There are others who in fact spend their income unwisely and the children suffer as the cost of milk increases.

I am concerned also, and I have mentioned this before to this Minister, Mr. Speaker, and I had hoped that he would at some time in his deliberations make some other inquiries from people involved in the care of the elderly and acquaint himself with their needs. Because the elderly do need milk, and this is a demonstrated fact, that after people reach a certain age, 55 or 60, I believe it is, they are encouraged to drink milk because of the lack of calcium in their bodies. Many elderly people cannot take calcium in an artificial form and they must take it in its natural form, and they are advised by their doctors to drink milk because of the calcium content. I have said all this before, I have to say it again because the Minister, unfortunately . . . He's laughing. I'm sure this is amusing to him; it is not amusing to the people of whom I speak, Mr. Speaker.

**MR. SPEAKER:** Order please.

The Honourable Minister of Agriculture on a point of order.

**MR. DOWNEY:** Yes, Mr. Speaker, the member refers to me laughing. I was i? ? ? conversation with my colleague, the Minister of Highways, on an unrelated subject, Mr. Speaker.

**MRS. WESTBURY:** That reveals more about the Minister than I think he wanted us to know, Mr. Speaker.

The Minister of Fitness and Sport . . . and I would have thought the Minister for Fitness would be especially concerned in the fitness of people, but he said they're not going to have people crawling on their hands and knees. Apparently, they don't mind about the most vulnerable members of society having to crawl on their hands and knees to the government but their own friends may not even come hat in hand to the government. They have to be pre-protected, protected ahead of time.

We had very offhand remarks from the Minister earlier in the session when questions have been asked about the price of milk, Mr. Speaker, and about the condition of milk in plastic bags purchased from grocery stores and stored under certain lights. There still remains some doubt about that, about the quality of that milk. You know what he said? Let them buy it in other containers, Mr. Speaker. That shows the concern that we can expect from this Minister. (Interjection) Let them eat cake. I said that at the time.

Mr. Speaker, I can understand the plight of the producers, as so eloquently expressed last week by the Member for Emerson Minister for Emerson perhaps was a Freudian slip, perhaps I think he should be responsible for what's going on in the dairy field because he did express a concern for the producers, Mr. Speaker. This bill is not going to help the producers, as I see it. So I think that he is being misled and perhaps he should have another look at the bill and come back and go to his caucus and start talking to them about what's going to

happen to the producers when this bill becomes law, Mr. Speaker.

The processors and retailers are not regulated in this bill, as was stated earlier by other speakers. They are the ones that are going to benefit from the bill, the middlemen. The producers asked for changes, I am told, because they wanted to set their own prices but they are not going to be able to. Their prices are going to be established by a formula, which is not going to necessarily solve their problems, Mr. Speaker.

In remote areas where there is very little competition and somebody else referred to this the other day in remote areas of the province the retailers are going to be able to ask whatever price the traffic will bear for milk. In some parts of the city where there are few grocery stores, retailers will be able to ask whatever the traffic will bear, Mr. Speaker. And certain members of the government who represent inner city areas, the Minister responsible for Manitoba Housing and Renewal Corporation, they are well aware of the fact that there are not enough grocery stores in the city in certain areas, Mr. Speaker; and the consumers are already being ripped off in the necessities of life, and particularly in the downtown area where so many people live who are in extremely poor circumstances and suffering more as inflation continues.

Mr. Speaker, the middlemen, the processors are the big winners with this bill, not the producers. The producers will have a set price, based on their costs. The processors have been making steadily increasing profits under the Milk Control Board, under the old system. Now they are going to be able to charge what they want. Does the Minister really think that they are not going to pass on their increases and increased profits immediately to the consumers? Milk will rise substantially and the consumer will be the loser.

This bill has come late enough in the session so that it hits us in the summertime. The Minister is going to be hearing from consumer groups. I understand there is a meeting this afternoon of a group that will represent 30 different consumers groups, and the Minister will be hearing from those, and I hope that they will come to committee.

We were told that there is provision in the bill for any person dissatisfied with the price of milk in any given locality or in the price of generally, to apply to the Commission, and that's true; those words are in the bill, Mr. Speaker. There is no time limits on where their reply should be received or given, where a hearing should be established. There is no time limit at all. They may apply to the Commission in writing and later on, the Commission "shall" conduct such enquiries as it deems necessary. What's the use of putting in the word "shall" when you qualify it with "as it deems necessary". That is ridiculous, Mr. Speaker. The word "shall" should be "may", anyway, in this context, as long as the Commission is able to make up its own mind whether or not it will enquire.

"And for those purposes may authorize one or more members of the Commission to conduct any enquiry on its behalf." Following an enquiry, which they may or may not have held, the Commission shall make an order or refuse the application. They could just make the enquiry. Could be they ask around among themselves. They could ask

somebody taking notes at the meeting: What do you think? And further on, "The Commission may prescribe its own rules of procedure." So I don't know, Mr. Speaker, who has faith that this Commission is going to really concern itself with the plaint of the consumer.

Unfortunately, Mr. Speaker, consumers who are suffering under the increasing price of necessities are inclined to blame the producers of those necessities, and this causes resentment against the agricultural community. I suggest that resentment is unwarranted, that I suggest it's being encouraged by this government in their harsh attitude toward the consumers, their lack of explanation to the consumers as to what is going on. People have this unwarranted resentment toward the producers. It's this government that the people should be resenting, and I hope are starting to resent, this government that they brought in in 1977 because they thought they were going to protect the "little man" that awful expression, the "little man".

Somebody said to me not very long ago in another city, how is that Neanderthal government of yours coming along? (Interjection) Well, at least they are improving, they're calling me a typical Liberal; a few months ago it was a typical woman, so we've made a little progress. We have taught them that I can be regarded as a human being, Mr. Speaker.

(Interjection) Let the farmer pay. I don't know who said that. I think the Member for Roblin said it because he's laughing. That is not what I said, Mr. Speaker, and I am not surprised that he didn't listen. I said earlier the farmer is not going to benefit from this legislation, Mr. Speaker, and I think that most of the members over there have been conned into believing the farmer will benefit. The farmer is not going to be the beneficiary of this legislation. The processor, the retailer, the middleman is going to be the beneficiary because that is the only area that is going to be able to set its own prices, and the farmers are going to take the blame, unfortunately, Mr. Speaker.

I am going to repeat my request to the Minister who is of course not listening, as he has not listened to the other speeches, to withdraw this bill, to consult the consumers, and to come back with something that makes allowance for the needs of people in their everyday lives; the needs, not the wants, the needs of people, Mr. Speaker; the needs of the pregnant women who want to bear healthy babies; the needs of the young children, who must have milk in their diet; and the needs of the elderly, who need the calcium in order to stay healthy and to avoid the scourge of the elderly, the broken bones which come so easily to them.

**MR. SPEAKER:** The Honourable Member for Roblin.

**MR. MCKENZIE:** . . . member would permit a question? I wonder why the honourable member didn't, in her closing remarks, suggest that we should discuss, talk with the dairy farmers as well.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MRS. WESTBURY:** I'm surprised that the question was considered a question. Of course you should, but I presume that that's been done. If the dairy farmers, as I have suggested, are not being protected under this bill, I would have expected some of the backbenchers over there, Mr. Speaker, to have made representations for them. But as I said, they are being conned into thinking this is to protect the dairy farmers. Certainly discuss it with all of those concerned instead of leaving out one group, the consumers.

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. DON ORCHARD (Pembina):** Thank you, Mr. Speaker. I want to briefly add a few remarks in support of this bill.

Mr. Speaker, what is a most difficult task for any government to do is to resolve equitably the needs, aspirations and desires of several competing components of society, and I use the word competing' components only because I lack better word at present. I might better have said groups of society who have different desires and different aspirations. The problem with the milk industry today is somewhat similar to the problems that the food industry in general is facing. I think it goes without question, Mr. Speaker, that the food policy of this country has been a cheap food policy.

Mr. Speaker, I have reservations about the continuance of the cheap food policy as it has been applied in this country and applied to all commodities. It has inherent dangers in it, Mr. Speaker, many of which rear their heads from time to time, and the milk industry is probably as much victim to the cheap food policy as any food commodity that is produced in this country.

The consumers have a very worthy desire that they do not want to spend considerable sums of money for food and currently, Mr. Speaker, that is being very adequately addressed in this country, and I believe the latest figures on the expenditure of food by the average consumer is somewhere in the neighbourhood of 16 to 17 percent of his disposable income. Mr. Speaker, that is amongst the lowest, if not the lowest in the world. What we are talking about, Mr. Speaker, when we address the question of what is a fair price to pay for food, we have to consider, as responsible legislators in this province, the long-run implications of decisions that we make. Many members opposite and we, on this side, are in total agreement: We want to assure that the people in need, the senior citizens, the pregnant ladies, etc. etc., those groups of people, the children, receive adequate supplies of milk, Mr. Speaker.

What we see as a danger to the milk industry, Mr. Speaker, which is a danger that has grown up and in this case all governments are to take an equal blame

there has been no one government that has addressed the problem of milk what we have is a producing industry which has found themselves in serious financial condition. That is because of the pricing mechanisms that we have in place in the milk industry in this province and it is rather unique. We have a situation whereby our producers of milk in this province apply to a board, and I understand that board does not have any producer representation on

it to determine what the price of the commodity they produce shall be.

Mr. Speaker, that does not address itself realistically to the needs of the milk industry. It does not allow for flexible pricing to the farmer, to the producer, to account for the rapid increases, and, Mr. Speaker, something that no member opposite has addressed himself to, to the rapid decreases in the costs of production, and those can happen, Mr. Speaker. For instance, this spring we had our milk producers, because of very serious weather conditions, faced with unusually high costs of production unusually high. Any member in this House would have to admit that. Failing to admit that would demonstrate a lack of knowledge of the farm community.

Mr. Speaker, there is no ready mechanism by which the producer can adjust his cost of production and the receipt, the price he receives for his commodity, under the present system. Now, do we satisfy ourselves then, Mr. Speaker, with the lack of that mechanism by saying it is all right for some producers to disperse their herd and go out of the milk producing business? Because, Mr. Speaker, contrary to what the understanding is in this House of milk production, it is a tough business. It is seven days a week; it is two times a day. There are very very few people, Mr. Speaker, who are willing to make that kind of a sacrifice, a personal sacrifice of time, to themselves, to their family. We are talking about a unique industry, and we have to keep that industry with sufficient incentive in place to assure that the supply of milk is there for the pregnant ladies, the children, and the senior citizens.

We cannot assure that, Mr. Speaker, under the present pricing formula to the producer. That is why this bill will address that problem and establish the pricing formula of milk according to the cost of production formula. That is a positive step that, unlike the lack of understanding that the Member for Fort Rouge has as to the implication of this bill to the producer, will benefit the producer, Mr. Speaker. That will help the producer to recover his costs of production and make a reasonable profit for the efforts he has expended.

Mr. Speaker, inaction . . . Mr. Speaker, I might point out that the Member for Fort Rouge is talking from her seat when she has already had her opportunity to speak to this bill. Mr. Speaker, it is quite all right for the rest of us to be subject to her complaints when we, from time to time, make remarks at her, but it is wrong for us to point it out to her, Mr. Speaker, somewhat a double standard that the Member for Fort Rouge has brought upon this Legislature.

Now, Mr. Speaker, the only phoney in this House is the Member for St. George, Mr. Speaker, when he stands up and complains loudly about how this bill addresses nothing. It's a total misunderstanding that he has of this bill and I don't fault him for it because I don't know whether he understands very much of the legislation that has been brought to this House. But, Mr. Speaker, what we have to address in this Legislative Assembly, and we have to address it not from the political standpoint of who can make what political points dealing with the dairy man, the dairy producer as the pawn in the chess game, in this big political chess game that we're playing, what we have

to address ourselves to, Mr. Speaker, is the method by which we can guarantee to the milk consumer in Manitoba that he and she will have the supply of milk at a reasonable cost in the future, produced in the province of Manitoba by Manitobans.

Failure, Mr. Speaker, to address that important issue will result in the situation that is currently happening today where we are seeing declining numbers of dairy producers. Herds are being dispersed because no longer is the dairy farmer willing to put in those kind of hours, seven days a week; put up that kind of investment and risk, Mr. Speaker, and have someone who is not knowledgeable, or neither cares for his situation, determine what price he gets for his product. That is why a cost of production formula is needed in the milk industry, Mr. Speaker, to bring some realism into the cost of production and the price paid to producers.

Mr. Speaker, failure to address that will see the milk trucks running from Ontario, the milk trucks running from Saskatchewan, where they have properly addressed to a large degree the producers plight, and currently, Mr. Speaker, the producers in each of those provinces receive more money for the production than what the Manitoba producer does.

Mr. Speaker, the members opposite do not want to see our producers in Manitoba treated equitably with producers in other jurisdictions. They want our dairy producers, Mr. Speaker, to be the people who bear the brunt of the cheap food policy for the residents of Winnipeg and the people of Manitoba. I don't believe, Mr. Speaker, that anybody if they were asked anybody on the street and that includes the consumer of the milk would say that one group of individuals, namely the milk producers, should be out of pocket for the job that they do. I believe all Manitobans, with very few exceptions, would agree that the milk producers should be paid, compensated for his efforts, and given a level of profit in relationship to the kind of investment he has in actual dollars and equipment, cattle, land, and in the investment he makes in time, Mr. Speaker.

That is what we are attempting to do in this legislation, Mr. Speaker, and it is not because we, as been attributed, have all the political support in the milk producers. The milk producer, the number of votes there are in milk producers, if you want to get politically technical about it, wouldn't elect anybody to any House because there are not that many of them.

Mr. Speaker, what we want to assure on this House is that the consumer of milk in this province has adequate supplies and reasonable prices and I do not deny at this moment, Mr. Speaker, that milk prices are going to rise in the province of Manitoba. That will happen, Mr. Speaker, because currently I believe we are below Saskatchewan in retail price of milk; because we are below in the price that we pay to our producers. The price of milk will go up, Mr. Speaker, there is no question about that, and the price of milk will go up with or without this legislation, but with this legislation, Mr. Speaker, we are hopeful and indeed we see it as the solution to the leaving of the milk production business by many producers.

If we leave the legislation as the status quo, we are going to lose a number of our milk producers. If they

are replaced, Mr. Speaker, in the province of Manitoba, then maybe we can say we are at the status quo, but one thing for sure, Mr. Speaker, the milk producers will get larger and larger, something which my friends opposite have from time to time offered a great deal of criticism about things getting larger and bigger, but, Mr. Speaker, what this bill is designed to do is to provide to the primary producer of milk a reasonable return for his efforts today and to reflect in the future, Mr. Speaker, the changes that occur from time to time in his cost of production.

Under the present system, Mr. Speaker, the lead time required for the producer to get an increase in price for his commodity may be up to six months, and I want to point all members of this House to a phenomena that happened within the last six months in this country. What has happened, Mr. Speaker, we saw interest rates, and many of the dairy farmers do owe sizeable sums of money because they have extremely high investments, those interest rates increased. That was a direct increase in the cost of production to the milk producer. Did he have the opportunity to recover it? No, Mr. Speaker.

We saw, Mr. Speaker, this spring from April through to the end of June, the most severe drought on recorded history. That, Mr. Speaker, deprived the dairy farmer of the viable and lush pastures that are normally part of his production cycle in the spring, and that, Mr. Speaker, caused the dairy farmer to have to use his hay stocks and grain to feed his dairy cattle, to provide the level of production that is needed in the province. That, Mr. Speaker, was a very large increase in cost to the milk producer. Did he have the ability to recover that increase in cost? No, Mr. Speaker. He did not.

I ask members opposite, and I ask the public of Manitoba, is that fair to expect the producers of such an essential commodity to bear the entire brunt of the losses of production? I would say, Mr. Speaker, that all Manitobans would say no. That is not a fair system. No producer should have to bear the entire loss caused by factors entirely beyond his control. Most Manitobans would say yes, we agree that a cost of reduction formula reflecting current input costs should indeed be used, so that the producer can receive a fair compensation.

Mr. Speaker, I might point out, let's take a hypothetical example where there was a cost of production formula in place for the province of Manitoba this spring. That may well have increased the price of milk by ten cents (Interjection) Mr. Speaker, if there was one. The members opposite are harping that there is one. Did the price of milk go up this spring to the producer? The answer is no, Mr. Speaker. No, it did not. The producers stood to bear the brunt of the increased cost, and they know it and they appear to have wanted that to be the case.

Mr. Speaker, should that cost of production formula have been in place and automatically triggered, basis increased cost, an increased price to the producer, and then next spring, Mr. Speaker, when the cost of production are normal because we hope and pray we have a normal spring season, normal pasture supplies, the cost of production decreased, the price would come down to the producer, Mr. Speaker. That's the purpose of a cost of production formula that is immediately effective.

That is not in place now, Mr. Speaker, it is not exercised by either the board or the producer group and they, the producer group, have borne the costs of factors entirely beyond their control: A drought, and high interest rates. The dairy community did not cause the high interest rates, Mr. Speaker, that's a combination of world and international and internal factors in this country that caused that. They were victims, like many others were, of the high interest rates.

The dairy farmers did not cause the drought, Mr. Speaker, they were victims of the drought. What we propose, and what I hope members opposite would concur with, is that all people bear the costs of those anomalies, not one sector who happens to be the producing sector and has no voice, Mr. Speaker. That's all we're asking. Mr. Speaker, in asking that and in addressing that, we will see that the province of Manitoba and the consumers of Manitoba will have the supply of fresh milk that they need, want and deserve, Mr. Speaker. That is the objective of this government, that is why we are proposing this legislation, and Mr. Speaker, I would hope that all members of the House would concur in that legislation and not bury their head in the sand, as the Member for Fort Rouge has just done by requesting the Minister to withdraw the bill, and leave the status quo where the producer is paying the bill, and the consumer, to some extent, is getting a free ride. That's an irresponsible suggestion by the Member for Fort Rouge. Hide and hope the problem will go away.

We do not want to have that happen, Mr. Speaker. This legislation will go a long way to addressing some of the problems in the dairy industry, and I recommend this bill to all members of the House.

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

**MR. USKIW:** The member has dealt largely with the cause of the producers, which we are not quarrelling with, Mr. Speaker. What I want to know from him is why he takes the position that there is no need for consumer protection, vis-a-vis wholesale and retail

...

**MR. SPEAKER:** Order please, order please. I suggest that the honourable member is entering the debate rather than asking a question of clarification of the speech that was made by the honourable member.

The Honourable Member for St. George.

**MR. URUSKI:** Would the Minister permit a question?

Mr. Speaker, since he didn't want to answer the first one, I wonder if he will answer the question where he indicated that producers were not allowed any increase. Could the Minister indicate what the procedure is now for them to get an increase?

**MR. ORCHARD:** Mr. Speaker, the process, as I mentioned in my remarks, can take up to six months before the producer receives his price increase. That, Mr. Speaker, is why we need a cost of production formula which more quickly addresses changes in the cost of production. The cost of production, as I

indicated, Mr. Speaker, greatly increased this spring and there was no action taken to protect the producer of that commodity.

**MR. SPEAKER:** Are you ready for the question? The Honourable Member for Ste. Rose.

**MR. A. R. (Pete) ADAM:** Thank you, Mr. Speaker. I don't know how much more we can add to the debate after listening to presentations made by members on both sides of the House, but Mr. Speaker, I want, for the record, to make it quite clear that we have never quarrelled with the idea that the producer should not receive a fair return on their investment and their work, and I personally have always been a member of the House that has felt that way, and this applies, not only to dairy producers, Mr. Speaker, but livestock producers, grain producers and all farmers, and I have always been of that opinion.

But Mr. Speaker, the last speaker has just indicated to us that there is absolutely no reason to introduce the bill that we have before us at the moment, that a simple amendment to the present Act would resolve all the problems that he has enunciated this morning well, we are now in the afternoon, Mr. Speaker and there is no need for the legislation that we have before us at the present time, that there is a formula in place.

Now, if there is to be a new formula which is based on different criteria, different costs, is that what the member is suggesting that is the problem? If that is the problem, let us put before the House and the people of Manitoba what the formula is, what it should be and let's put it in the legislation for all to see, and take away this uncertainty and this confrontation between the consumers and the producers that has been ongoing for many, many years.

This is the way that we should address ourselves to the problem. The Minister should realize that, that he hasn't changed a thing except throw the Conservatives to the wolves.

**MR. SPEAKER:** Order please. The debate will be allowed to stand in the name of the Honourable Member for Ste. Rose.

The Honourable Government House Leader.

**MR. MCGILL:** Mr. Speaker, if I just might remind members, at 2:00 o'clock the Standing Committee on Statutory Regulations and Orders will meet in 254 to continue hearing submissions and again at 8:00 o'clock tonight, the Standing Committee on Private Bills will meet in 255 to continue their deliberations and again at 8:00 o'clock, if necessary, this evening. The House will reconvene tomorrow morning at 10:00 o'clock.

**MR. SPEAKER:** The hour being 12:30, the House is accordingly adjourned and stands adjourned until 10:00 o'clock tomorrow morning (Friday).