

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 24 June, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I beg to present the Third Report of the Committee on Economic Development.

MR. CLERK, W. Remnant: Your committee met on Tuesday, May 5, and Tuesday June 23, 1987 at 10:00 a.m. in Room 255 of the Legislative Building to consider the Annual Report and Consolidated Financial Statements of A.E. McKenzie Steel-Briggs Seeds Ltd.

Messrs. Raymond Kives, Chairman of the Board, and Keith Guelpa, President and Chief Executive Officer, provided such information as was requested by members of the committee with respect to the financial statements and the business of A.E. McKenzie Steel-Briggs Seeds Ltd.

Your committee examined the Annual Report and Consolidated Financial Statements as at October 31, 1986 and 1985, together with the Auditor's Report for A.E. McKenzie Steel-Briggs Seeds Ltd. and adopted the same as presented.

All of which is respectfully submitted.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Honourable Member for Lac du Bonnet, that the report of the committee be received.

MOTION presented and carried.

MADAM SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have 21 Grade 5 students from the Souris School, under the direction of Mr. Wallmann. The school is located in the constituency of the Honourable Member for Arthur.

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

ORAL QUESTIONS

MPIC - who drafted terms of reference for Auditor re report

MADAM SPEAKER: The Honourable Leader of the Opposition.

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

I wonder if he could indicate who drafted the terms of reference for the Auditor for his investigation and subsequent report into MPIC.

MADAM SPEAKER: The Honourable Minister responsible for MPIC.

HON. J. BUCKLASCHUK: Madam Speaker, the Premier does not bear responsibility for the terms of reference; those were drafted by my staff.

MPIC reinsurance losses - did Auditor have access to Cabinet documents

MR. G. FILMON: Madam Speaker, my further question to the Premier is: Did the Provincial Auditor have access to Cabinet documents or Cabinet submissions during his investigations into the massive reinsurance losses at MPIC?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I would have thought he would have, if there were any that were relevant, yes.

MPIC - did Auditor request access to information re documents

MR. G. FILMON: Madam Speaker, did the Auditor request access to any Cabinet documents or submissions during his investigation into MPIC?

HON. H. PAWLEY: I'll take that question as notice, Madam Speaker.

MPIC - Auditor responsible for determining roles of Min. and Cabinet

MR. G. FILMON: Madam Speaker, was the Auditor charged with the responsibility of determining the Minister's, or the Cabinet's role in the lack of proper reporting of the losses in reinsurance in the 1984 and 1985 financial statements of the corporation?

HON. H. PAWLEY: Madam Speaker, I don't know of anyone who said there was any improper role, except for the Leader of the Opposition.

MR. G. FILMON: Madam Speaker, clearly, the Auditor has indicated that the financial statements were misleading and confusing as they were presented for 1984 and 1985, because they did not contain the evidence and the information on the reinsurance losses in the 1984 and 1985 financial statements.

At least \$12 million of reinsurance losses were not shown, and the Auditor refers to this in his report as misleading and confusing.

My question is: Was he charged with the responsibility of determining the Minister's, and Cabinet's roles in the lack of proper accounting and reporting for those losses in the '84 and '85 annual financial statements of the corporation?

HON. H. PAWLEY: Madam Speaker, there were no restrictions placed on the Auditor. Any time from 1976, during the final year of the Schreyer administration, through 1977, to '81, during the period in which the Honourable Leader of the Opposition is very much aware of, in which the vast bulk of these losses took place; in fact, as I indicated the other day, the vast majority of the treaties - and I know the Leader of the Opposition wins every time that's mentioned.-(Interjection)- He says it's not true.

Well, Madam Speaker, that is blatantly untrue, for the Leader of the Opposition to suggest that the bulk of these losses did not take place during the Conservative years, '77-81.

Also, Madam Speaker, there was no restriction placed on the Auditor in respect to the period from '82 up to '84.

MR. G. FILMON: Madam Speaker, more than 75 percent of the dollar value of those losses were in treaties that were written under NDP administration.

MR. D. ORCHARD: That's right.

A MEMBER: We'll deal with that another time.

MR. G. FILMON: We'll deal with that in committee.

MADAM SPEAKER: The Honourable Minister responsible for MPIC on a point of order?

HON. J. BUCKLASCHUK: Yes, Madam Speaker.

The Leader of the Opposition is clearly misleading this House. The fact of the matter is that the vast majority of the losses in MPIC are directly attributable to treaties entered into under the Conservative administration.

MADAM SPEAKER: The Honourable Leader of the Opposition on the point of order?

MR. G. FILMON: Yes, Madam Speaker.

It is the Minister who is misleading the House. In terms of dollar value, more than 75 percent of the losses were in treaties that were signed and written under the NDP.

MADAM SPEAKER: Order, please.

May I remind honourable members that a difference of opinion over the facts is not a point of order.

However, may I also, for the information of all members, remind honourable members of Beauchesne Citation 322, which says: "It has been formally ruled by Speakers that a statement by a member respecting himself and particularly within his knowledge must be accepted, but it is not unparliamentary temperately to

criticize statements made by a member as being contrary to the facts; but no imputation of intentional falsehood is permissible."

So could we please follow the guidelines of that particular citation as we continue.

MPIC reinsurance losses - when did Minister report to Cabinet

MR. G. FILMON: Madam Speaker, the Crown Investments Department was established by this NDP administration in 1982 to give the government and Cabinet a closer liaison with the operation of Crown corporations; in fact, it resulted in the government putting members of the Department of Crown Corporations on the boards of these Crowns.

It was also, of course, to give better communication and better accountability between the Crown corporations, the Cabinet and the government.

When did the Minister of Crown Investments, who yesterday acknowledged that he had knowledge of the \$12.3 million unreported losses in 1984 and 1985 in reinsurance, when did that Minister report on these losses to Cabinet?

HON. J. BUCKLASCHUK: I don't recall whether or not a member from Crown Investments was present at the meeting of the board of directors when reinsurance losses were discussed.

I will confirm that on November 1, 1984, I discussed with the Minister of Crown Investments a question of accounting relating to reinsurance losses. That matter was not referred by me, nor am I aware that it was referred by the Minister of Crown Investments to any other Cabinet colleague.

Madam Speaker, while I'm on my feet, I would like to clarify a statement I made earlier this afternoon when I had indicated that terms of reference for the Auditor's study were drafted by my staff. In fact, I specifically asked that a number of issues that had been raised, be looked into by the Provincial Auditor, the directive went from the Minister of Finance, as is indicated in page 1 of the Provincial Auditor's Report.

Madam Speaker, one other comment I'd like to make, and that is with respect to the losses. The Premier, last Monday, made mention that 25 of the 41 treaties that created a problem were Tory initiated. Madam Speaker, they represent \$29 million worth of losses, as compared to \$2 million under this administration.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

Could we please continue with Oral Questions?

The Honourable Leader of the Opposition, with a question.

MR. G. FILMON: I have a question for the Premier.

Given that the setting up of the Department of Crown Investments was to provide a closer liaison between the Department of Crown Investments, the government and the Crown corporations, given that the Minister of Crown Investments was apparently notified, according to the word of the Minister, on November 1, 1984, about the \$12.3 million of reinsurance losses that were not

being reported in the '84 financial statement, when was that brought to the attention of Cabinet by this Minister responsible for Crown Investments?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I answered that question yesterday, and I believe on previous days. The Leader of the Opposition appears to have been motivated by somebody else to ask these questions.

MR. G. FILMON: Madam Speaker, well, I regret that the Premier refuses to answer that question as to when that matter was brought to Cabinet.

MADAM SPEAKER: Does the honourable member have a question?

HON. H. PAWLEY: I didn't refuse to answer; I've answered that question numerous times.

MADAM SPEAKER: Order please.

As the Honourable Leader of the Opposition well knows, a Minister can choose how he wishes to answer a question, or whether he doesn't want to answer.

MR. G. FILMON: Madam Speaker, we clearly have the Cabinet Minister who was responsible for Crown Corporations having been told, and not bringing it to Cabinet's attention; so, so much for the Crown Investments Department.

MADAM SPEAKER: Does the honourable member have a question?

MR. G. FILMON: Yes, Madam Speaker.

My further question to the Minister responsible for MPIC: The Minister was told in 1984, October of 1984, that the \$12.3 million loss in reinsurance was a preliminary figure based upon a partial review of the reinsurance treaties, the problem treaties, and that a complete study would reveal the true extent of the losses. That study ultimately was concluded and showed that the losses were \$36 million.

This Minister said initially that the \$12 million, of course, was insignificant, but the \$36 million was of a magnitude . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.
The Honourable Minister responsible for MPIC, on a point of order.

HON. J. BUCKLASCHUK: Madam Speaker, the Leader of the Opposition is putting words in my mouth. At no time did I say that the losses were insignificant. They were serious, but they were certainly much more serious when we uncovered all the Tory stupidity in October of 1986.

MADAM SPEAKER: Order please, order please.
While a dispute over the facts is not a point of order, again may I remind honourable members that a statement by a member respecting himself must be accepted.

MPIC reinsurance losses - is \$36 million figure higher

MR. G. FILMON: Hansard contains his statement, I don't have to repeat it for the Minister.

Madam Speaker, as I indicated the \$12 million grew until \$36 million. We're now told by the Provincial Auditor that that figure may be understated.

I wonder if the Minister could indicate whether he or the corporation has any information to indicate that the figure of \$36 million should be higher.

HON. J. BUCKLASCHUK: Madam Speaker, the Leader of the Opposition is only partly correct.

The Provincial Auditor's Report has indicated that the losses that we declared last October may be understated. On the other hand, they may well be overstated. So let the whole story come forth.

Madam Speaker, apparently the Leader of the Opposition has not been listening. We have said that we are going to be following up on the recommendations of the Provincial Auditor. We are in the process at the present time of hiring an outside independent reinsurance expert to help us review the potential claims so that we in fact will have a better assessment of what the future claims may be that are resulting from treaties that were entered into prior to 1982 before this government took power.

MR. G. FILMON: Madam Speaker, the Premier said that this Minister had already turned it around, not that he was hiring new experts to help him evaluate and analyze.

Madam Speaker, my question is to the Minister responsible for Crown Investments. The super Minister in the back row, Madam Speaker.

My question to him is: Has he been given any information that would indicate that the losses in reinsurance at MPIC are greater than the \$36 million that has been stated?

HON. G. DOER: Madam Speaker, no I haven't; and secondly, the Auditor has commented that the losses may be overstated or understated, and that's why the review has been taking place.

MPIC - Auditor to appear at committee

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, my question is for the Premier.

Given that the Premier already in question period has taken as notice a number of questions regarding the role of the Provincial Auditor in developing this rather shocking document of further Crown corporation mismanagement, could the First Minister simplify the process and simply agree to have the Provincial Auditor at committee tomorrow so that the members of the committee can question the Provincial Auditor as to his investigation?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, the Provincial Auditor will be there tomorrow. Talking about shocking - yes, it is a shocking indictment of the treaties that were entered into, and the losses as a consequence of those treaties that were entered into, during Conservative years in this province. The only regret I have is that it required two years for us to start the move to clean up the messes that took place during the Conservative years in the Province of Manitoba.

Secondly, Madam Speaker, I just want to advise the member, in case he's implying that I took a question as notice, that the Auditor had full and complete access to all Cabinet documents and submissions.

MPIC - Michael Decter to attend committee

MR. D. ORCHARD: Madam Speaker, so that the Premier doesn't continue to not understand the issue, I suggest he read Exhibit 10 of the Auditor's Report before he makes more unfactual statements for the record regarding the losses in MPIC.

Madam Speaker, given that the issue here before the committee and before the people of Manitoba is what role Cabinet had in this Minister's cover-up of the loss in 1984, and his subsequent cover-up of that loss in 1985 when the Member for Swan River was chairman of the board at that time, would the Premier - since he's already indicated that the Auditor will be at committee tomorrow - would the Premier consent to inviting Michael Decter, the former Clerk of the Privy Council, the former Cabinet Secretary, to be at committee to answer any questions committee members would have regarding Cabinet's role in the cover-up of that loss?

SOME HONOURABLE MEMBERS: Oh, oh!

HON. H. PAWLEY: Madam Speaker, that's the kind of sleaze that we've become accustomed to hearing from the Honourable Member for Pembina. There has been no cover-up. Suggestions of cover-up are in fact completely and totally irresponsible, and only directed toward political opportunism on the part of anyone that makes such a charge, and we'll be delighted to deal with those allegations tomorrow during committee.

MR. D. ORCHARD: Madam Speaker, the only thing sleazy in this House is the Premier's defence of a failed Cabinet Minister . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. D. ORCHARD: . . . in his attempt to cover up losses . . .

MPIC - Mr. Sigurdson to attend committee

MADAM SPEAKER: Does the honourable member have a question?

MR. D. ORCHARD: Yes, Madam Speaker.

Given that this Premier believes that the allegations are simply sleazy in terms of the obvious cover-up and

misleading of this House by his Minister responsible, will this Minister also agree then that the former chairman, Mr. Sigurdson, who has contradicted to the Provincial Auditor statements made by his Minister responsible, will he also have Mr. Sigurdson there to affirm that this Minister covered up in 1984?

HON. H. PAWLEY: Madam Speaker, Mr. Sigurdson said no such thing, the Provincial Auditor said no such thing, and I hope the day comes when the Honourable Member for Pembina will be man enough to apologize to the member responsible for the Public Insurance Corporation for his slanderous comments in this House.

MR. D. ORCHARD: Madam Speaker, I have a new question for the first Minister stemming from his answer.

On page 19 of the Provincial Auditor's Report, the Provincial Auditor indicates that during the course of his interview he spoke with Mr. Sigurdson, the chairman of the board. Here is what the Provincial Auditor has said: "In late September, or early October, 1984 prior to the preparation of the October 1984 document, he" - meaning Mr. Sigurdson - "and the president met with the Minister" - meaning the present Minister - "and recommended that \$12.3 million be added to the assumed reinsurance IBNR provision. Mr. Laufer says to the Provincial Auditor that the Minister informed him and the president that it was not an appropriate time to record this. The Minister then requested options be developed as to how this matter could be handled.

MADAM SPEAKER: Does the honourable member have a question?

MR. D. ORCHARD: Madam Speaker, my question to the Minister: Is Mr. Sigurdson's statement not directly in contrast to the statement made by his Minister, hence confirming the cover-up of this loss by . . .

MADAM SPEAKER: Order please, order please.

May I remind the honourable member that it is not good parliamentary practice to communicate written allegations and then ask the Minister either to confirm or deny. It's a member's duty to ascertain the truth of statements and that question not only contravenes that particular citation, but also seeks an opinion.

The Honourable Minister of Health of a point of order.

HON. L. DESJARDINS: Talking about telling the truth, on that same page 19, quite conveniently, my honourable friend forgot to read a couple of lines before that.

MADAM SPEAKER: What is the Honourable Minister's point of order?

SOME HONOURABLE MEMBERS: Oh, oh!

HON. L. DESJARDINS: Yes, it is misleading the House.

MADAM SPEAKER: Order please.

HON. L. DESJARDINS: He has made a statement that the Auditor had said this and he quoted and that is not true.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

I have ruled the Honourable Member for Pembina's question out of order. That document is a public document which all members have available to them to read in its entirety.

The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Madam Speaker. I have a question to the First Minister.

Madam Speaker, we've just had a series of municipal meetings, regional meetings throughout the province over the last few days, of which all or the majority of municipal councils have attended, in which there's an opportunity to hear the Minister of Municipal Affairs and to hear other Ministers.

Madam Speaker, in view of the fact that his Minister of Municipal Affairs has been involved in the shredding of important documents, that he has misled this Legislative Assembly . . .

MADAM SPEAKER: Order please, order please.

The Honourable First Minister on a point of order.

HON. H. PAWLEY: You go ahead; it's your matter.

HON. J. BUCKLASCHUK: On a point of privilege.

The Auditor's Report on page 27 clearly states there is no evidence or indication to suggest that the files were intentionally destroyed.

I would ask the Member for Arthur to retract those remarks and apologize.

MADAM SPEAKER: Order please.

The honourable member does not have a question of privilege. No. 1, a question of privilege has to be followed by a substantive motion; but secondly, unparliamentary words may be brought to the attention of the House, and when a question is raised by a member it must be as a point of order, not as a question of privilege.

The Honourable Member for Arthur stated that the Honourable Minister had shredded documents. May I remind the Honourable Member for Arthur, again of Citation 322, which says "a statement by a member respecting himself and particularly within his own knowledge, must be accepted."

The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, my recollection of what I said was . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

The Honourable Member for Arthur has the floor.

MR. J. DOWNEY: Madam Speaker, I appreciate how sensitive the government is. They've had so many scandals; it doesn't surprise me how sensitive they are.

I believe I said, Madam Speaker, that records from his department were shredded, important documents. I believe that's what I said and I believe the record will show that.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

My recollection was that the Honourable Member for Arthur did say that the Honourable Minister shredded documents, which the Honourable Minister has many times stated in this House that he has not done.

The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, if I said the Minister personally directly shredded documents, I will withdraw that.

MADAM SPEAKER: Thank you.

Now, the Honourable Member for Arthur with a question.

MR. J. DOWNEY: Yes, Madam Speaker.

In view of the fact that the Minister has also misled this Assembly on several occasions dealing with the cover-up and the losses in the Manitoba Public Insurance Corporation, which has been confirmed . . .

MADAM SPEAKER: I do hope that the Honourable Member for Arthur is not implying that the Honourable Minister deliberately misled anyone in this House.

MR. J. DOWNEY: No, Madam Speaker, I'm not referring to the fact that he deliberately misled . . .

Min. of Municipal Affairs - replacement of

MADAM SPEAKER: The Honourable Member for Arthur with a question.

MR. J. DOWNEY: Thank you, Madam Speaker.

The question to the First Minister is: In view of all the cloud of doubt over the head of the integrity of the Minister of Municipal Affairs and his responsibility to deal straightforward and upfront with the municipal councils on all matters, Madam Speaker; and in view of the fact that he has missed three of those meetings because of his other responsibilities in Cabinet; will the First Minister have the Minister of Municipal Affairs replaced, so the municipalities can have a credible person dealing with their matters?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, I'm really very disappointed, though I must acknowledge I didn't expect that much more from the Honourable Member for Arthur, that he would purposely and deliberately attempt to spread unfounded untruths . . .

MADAM SPEAKER: Order please.

Would the Honourable First Minister please withdraw any imputation that the Honourable Member for Arthur has deliberately misled or . . .

HON. H. PAWLEY: . . . misinformation in this House.

MADAM SPEAKER: . . . the members of this House.

HON. H. PAWLEY: Misinformation . . . untruths then.

MR. G. FILMON: Withdraw, withdraw Howard.

HON. H. PAWLEY: You just heard me.

A MEMBER: No, we didn't.

HON. H. PAWLEY: If you would just settle down for a moment or two, in place of untruths, the word "gross misinformation," Madam Speaker. In view of the fact that the -(Interjection)- Madam Speaker, I indicated withdrawal, untruth, deliberately spreading untruth, to gross and reckless misinformation in this House, and I accuse the Honourable Member for Arthur of spreading and perpetuating gross misinformation in this House.

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

The Honourable First Minister well knows that no imputation of intentional falsehood is permissible, which is the section that I've been reading all question period from Beaudesne for all honourable members.

Now all members of this House are honourable members and I would expect that they would all treat each other in that manner.

Would the Honourable First Minister please withdraw any inference that the Honourable Member for Arthur was spreading, intentionally, any kind of falsehoods in this House?

HON. H. PAWLEY: Did I say "intentionally"? If I said "intentionally," I didn't mean "intentionally." But the honourable member certainly is spreading gross and reckless misinformation in this House.

MR. J. DOWNEY: Madam Speaker, that, from the First Minister of this province, is not acceptable. I would expect that he would withdraw any unparliamentary language that he has just used.

MADAM SPEAKER: May I remind the honourable . . . Order please. May I remind the Honourable First Minister that the standard in this House is that a withdrawal must be acceptable to the party to which the remarks were directed, and I have tried time and time again to make sure that that's the way that both sides of this House treat each other.

Would the Honourable First Minister please withdraw any inference that the Honourable Member for Arthur was intentionally misleading or spreading false information?

Order please, order please.

Would the Honourable First Minister, for the last time, please withdraw any inference that the Honourable Member for Arthur was intentionally misleading the House, to the satisfaction of both the Honourable Member for Arthur and myself?

The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, on a point of order. I believe, if you review Hansard, you will . . .

MADAM SPEAKER: Is the honourable member raising a new point of order, because we have a point of order on the floor, and I have a ruling?

HON. J. COWAN: Madam Speaker, I am speaking to that point of order. You have asked for a withdrawal; I would ask you to listen to the point of order, please? The first . . .

MADAM SPEAKER: Is this a new point of order?

HON. J. COWAN: Yes, it is a point of order, Madam Speaker.

MADAM SPEAKER: We cannot deal with two points of order at the same time.

HON. J. COWAN: Madam Speaker, I am dealing . . .

MADAM SPEAKER: Is the honourable member questioning my ruling?

HON. J. COWAN: No, I am not, Madam Speaker. I am speaking to the matter which is before the House, which is your suggestion that the Honourable First Minister withdraw certain language that you have not heard him withdraw or he may not have withdrawn to the satisfaction of the Member for Arthur.

When these cases happened in the past, it is the normal procedure, where there is a difference of opinion, for the Speaker to review Hansard to determine if, in fact, her ruling has been abided by. I would suggest that that normal procedure has stood well the test of time in this House.

I would also suggest, Madam Speaker, that if there is some doubt as to whether or not the Honourable First Minister has withdrawn the words to the satisfaction of the Member for Arthur, and yourself, which he has indicated he has, that you take the time to review Hansard, as you have done on many occasions in the past, and report back.

If that review of Hansard shows that, in fact, the withdrawal was not unambiguous, and to the degree necessary, then I'm certain the First Minister would be prepared to withdraw any unparliamentary language that has been used, but that is a common procedure and it has served us well, I hope it would be utilized in this instance.

MADAM SPEAKER: I will take the Honourable Government House Leader's comments as advice to the Chair and not a reflection on the Chair; and I will also remind all honourable members that in Beaudesne's Citation 325: "When the Speaker takes notice of any expression as personal and disorderly . . . and calls upon the offending Member to explain, it is the duty of the latter immediately to explain or retract the offensive expressions, and to apologize to the House for the breach of order, in terms large and liberal enough both to satisfy the House, and the Member of whom the offensive expressions were used."

It's my opinion that the Honourable First Minister's withdrawal was not large and liberal enough to satisfy the Honourable Member for Arthur or myself.

Would the Honourable First Minister please clarify that he was not accusing the Honourable Member for Arthur of intentionally spreading falsehoods?

HON. H. PAWLEY: Madam Speaker, I thought I had indicated previously, but if I did not say previously, I

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again repeat, I withdraw the word "unintentional" from any reference - or "intentional" - to the Member for Arthur.

MR. J. DOWNEY: Madam Speaker, I will accept, as an honourable member, the response of the Premier. I would have wondered why he would have hedged so much on it, because I would have thought he wanted to set a better example.

Tax rebates - \$12 million insignificant

MADAM SPEAKER: Does the honourable member have a question?

MR. J. DOWNEY: Madam Speaker, I have a further question to the First Minister.

In view of the fact that his Minister of Municipal Affairs says, and he said last night in the media, that a \$12-million loss of taxpayers' money is insignificant, does he consider that same \$12 million of education tax rebate to farmers as insignificant as well?

MADAM SPEAKER: That question is seeking an opinion.

Would the Honourable Member for Arthur please rephrase it? -(Interjection)- Your question is seeking an opinion. Would you please rephrase it?

MR. J. DOWNEY: Madam Speaker, I ask the First Minister if he believes that \$12 million of taxpayers' money lost under the mismanagement of his Minister of Municipal Affairs is insignificant.

MADAM SPEAKER: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Madam Speaker, I would like to again state that at no time did I use the word "insignificant" in reference to the \$12-million loss which resulted from treaties entered into during the Lyon administration.

Secondly, Madam Speaker, may I clarify the previous question? The Member for Arthur had indicated, would leave the impression, that I had not been attending the district meetings of the Union of Manitoba Municipalities. In fact, I attended the meetings at Neepawa, at Gilbert Plains, at Binscarth. At Brandon and Altona, I was represented by my colleague, the Minister of Agriculture. I couldn't think of a more competent person to deal with rural Manitobans. And this morning, I did attend a meeting at Gimli.

So let's clear the record as to whether or not I participated in the meetings. I am always pleased to meet with municipal officials, to hear their views, and I can assure the member that the farmers of Manitoba, the elected municipal officials, recognize the benefit of the \$12-million School Tax Assistance Program that this government has initiated this spring to assist 25,000 Manitoba farmers in dealing with an expense related to school taxes.

MR. J. DOWNEY: Madam Speaker, that makes three meetings that the Minister missed.- (Interjection)- Yes, thank you, Madam Speaker. He missed three major

meetings throughout rural Manitoba. I consider that significant, Madam Speaker. A final question, Madam Speaker.

In view of the fact that all the municipal councillors and councils that made presentations at those meetings to the Minister and Minister of Agriculture were extremely upset with their ill-conceived administrative policy as to the \$12-million rebate to the farmers of this province, will they change their policy and do it in a common-sense way, and give it to all landowners who've worked hard and deserve that write down of their taxes?

HON. J. BUCKLASCHUK: Madam Speaker, I am simply flabbergasted as to how the Member for Arthur could say that. The Member for Arthur was not present at Neepawa; he was not present at Gilbert Plains; he was not present at Gimli. So how could he comment on how the rural municipal officials feel about the \$12 million? The problem, Madam Speaker, is that the Member for Arthur wants to speak for the banks and for the financial institutions . . .

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

What is your point of order?

MR. J. DOWNEY: Madam Speaker, I would like the Minister to quit telling this House things that aren't factual because I was, in fact, at those meetings that he referred to, all but Neepawa and Roland. The rest of them, I was at, Madam Speaker.

MADAM SPEAKER: Order please, order please.

A dispute over the facts is not a point of order. The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Madam Speaker, the four meetings that I did attend, the two meetings that my colleague, the Minister of Agriculture, took on my behalf, nowhere did I get the feeling that Manitoba farmers were dissatisfied with the \$12 million of assistance that is being provided to them through the School Tax Assistance Program.

There has certainly been a question as to whether or not the benefits should accrue to the owners or the actual people involved in farming. It has been this government's policy to assist those persons who are actively involved in farming, and not to spread the benefits out to MACC, to the Farm Credit Corporation and to the banks and credit unions that may be - and the absentee landowners, who are the owners of the land.

The member knows well what the debate is. I can say that the majority of Manitobans are satisfied with the policies developed by this government.

Tourism - reason for decline

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

About a month ago when I asked the Minister why tourism was down for the month of March, Madam

Speaker, this is what she said to us, and I quote from Hansard. She said: "Madam Speaker, and the latest statistics are out, do show a decline and the reason for that is, now you'll want to know this, you'll want to know the reason for it this month and that, last year, Easter was in March and this year it is in April." And we had a couple of oh, oh's, and she finishes up, she says . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. E. CONNERY: . . . "Just wait, the loss of U.S. visitors overnight was 1,600, and we had 1,900 visiting Manitoba during Easter from the States. That is the reason for the direct loss, Madam Speaker."

Madam Speaker, in April, we had a decline of 4.2 percent tourists, and if we took away the 1,000 . . .

MADAM SPEAKER: Does the honourable member have a question?

MR. E. CONNERY: Yes. And if we took away the 1,000 from Rendezvous-Manitoba or Canada . . .

MADAM SPEAKER: Order please.

Question period is the time for seeking information, not supplying it.

MR. E. CONNERY: My question to the Minister of Business Development and Tourism, Madam Speaker, is: Did the Americans miss Easter this year?

MADAM SPEAKER: May I remind the honourable member that questions should not be frivolous, and that is not within the Minister's jurisdiction.

The Honourable Member for Portage la Prairie with a question.

MR. E. CONNERY: Yes, I have a question, Madam Speaker.

MADAM SPEAKER: Place it, please - briefly please.

Tourism - increase in media buy and advertising

MR. E. CONNERY: Madam Speaker, the provinces around us had a very significant increase in tourism. Ontario had a 23 percent; Saskatchewan, 27 percent; Alberta, 23 percent; B.C., 16 percent.

Madam Speaker, these provinces have been spending money and advertising their provinces.

Will this Minister increase her media buy and advertising so that Manitobans will enjoy a fruitful tourist season?

MADAM SPEAKER: The Honourable Minister of Business Development and Tourism.

HON. M. HEMPHILL: Thank you, Madam Speaker.

I must say that I'm really pleased that he liked my answer so much that he repeated it in the House. Madam Speaker, the only thing in Manitoba that is

depressing the tourism industry is the Member for Portage la Prairie.

I want to say to his question about, would I increase the money for media, I want to tell the member opposite that what took place in Manitoba when we had Rendezvous-Canada and MPI here - and we were hosting those two very important conferences - that we couldn't buy with \$1 million the promotion that is going to take place in the States, North America and throughout the world because of the show that we put on and what we were able to demonstrate in terms of tourism.

We have 2,200 promoters, 2,200 top travel agents and top convention buyers out in Europe, in the United States, promoting Manitoba and Winnipeg as one of the best places to travel and have conventions.

Tourism - effect other departments have on

MR. E. CONNERY: A final question to the Minister, a new one.

In Estimates, we suggested that the Minister had some influence in other departments that affect her. Will the Minister now tell the Attorney-General that his liquor prices are too high in Manitoba? Will the Minister tell the Minister for Highways that we have a bad highway network? And will the Minister tell the Minister of Consumer Affairs that our gas prices in Manitoba are too high?

Madam Speaker, I hope this Minister will take an interest in what effects these other departments have, because all of these people who came into Manitoba, when they went to the bar and had their first drink, I'm sure they had a nervous breakdown. If they had a car and filled up and had gas, they would . . .

MADAM SPEAKER: Order please.

MR. E. CONNERY: Yes, Madam Speaker.

MADAM SPEAKER: The honourable member is to ask a question, not make a speech.

MR. E. CONNERY: Will the Minister have some influence on the other departments that reflect on the Department of Tourism?

HON. M. HEMPHILL: Madam Speaker, I notice that the Member for Portage la Prairie neglected to mention one of my other colleagues, in terms of influence and making moves that were very important to the tourism industry and small business, and that is the Minister of Finance. When we doubled the total reduction for the health and education levy, that removed it totally from 95 percent of the small businesses in Manitoba, most of whom or a large number of whom are in the tourism industry.

Doctors increased salary benefits - are they being paid to all hospitals

MADAM SPEAKER: The Honourable Member for River Heights.

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

Several weeks ago, I asked the Minister some questions about the crisis in the Emergency Department at Misericordia Hospital because of a poor salary range for doctors, and I congratulate the Minister of Health on his fast movement in this area.

Can the Minister confirm today if the increased salary benefits that are going to be paid to the Misericordia emergency doctors will also be paid to the other community hospitals, so there will not be a drain from those hospitals to fill the vacancies at Misericordia?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I was going to caution the honourable member not to congratulate me too fast. There are still problems in that area. Cabinet was made aware of the problems that we had, and the commission is looking at the situation.

There is no doubt that it's been very difficult to recruit doctors at this time. One of the reasons, I think, seems to be with the walk-in clinics. That is another kind of competition. Some of the news I've had today, this morning, is not that good, that one of the hospitals recruited, but it is recruiting doctors that were waiting to be assigned to another hospital. So we're looking at all the community hospitals. The problem will not be resolved until we look at all the community hospitals.

High School Review - how wide was the distribution

MRS. S. CARSTAIRS: Madam Speaker, with a new question to the Minister of Education.

Can the Minister of Education tell the House today how wide was the distribution of the paper on the High School Review which was presented in this House about a month ago?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, I believe that question was asked during the Estimates. I believe there were some 10,000 copies of the discussion paper produced and distributed to high schools, student associations, school boards, a variety of groups, as well as the course being available through the department and being distributed by members who were asked for the discussion paper, who are on the panel.

High School Review - how many submission received

MRS. S. CARSTAIRS: Madam Speaker, to the same Minister.

Can the Minister report to the House how many submissions have actually been received by the High School Review and how will that compare with the 7,000 that were received in the Province of Alberta?

HON. J. STORIE: I cannot give an exact number of the number of submissions that were obtained. I will take that as notice.

I have indicated that the committee attended meetings across the province and have also indicated their willingness to receive submissions from individuals, groups, the public, generally.

So I'll take as notice the number of submissions they've received apart from personal appearances.

Unemployed Help Centres - continued support

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. My question is to the Minister of Employment Services.

Since the Federal Government in its cutbacks seems to be blaming the unemployed for their own unemployment and cutting back on services and UIC, Madam Speaker, my question to the Minister is: I've had a number of occasions to refer constituents to the Unemployed Help Centres, and I'm wondering; is the Minister going to continue supporting the Unemployed Help Centres to assist those people who are getting the runaround or are having problems with UIC?

MADAM SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Yes, Madam Speaker.

I can inform the member that only last week we signed an agreement for this year, both with the Winnipeg Unemployed Help Centre and with the Unemployed Help Centre in Brandon, and I might add that both of those centres are doing an excellent job in providing better unemployment insurance benefits for the workers of Manitoba who are unfortunately unemployed and have to go to UIC for some assistance.

In the process, Madam Speaker, I can assure you that these centres, together, are earning hundreds of thousands of dollars for Manitoba workers who would not have received those benefits otherwise.

Unemployed Help Centres - number of people served

MR. M. DOLIN: I thank the Minister for that answer.

A supplementary, Madam Speaker: Does the Minister have any idea how many people these centres actually have been serving?

HON. L. EVANS: Madam Speaker, I don't have those figures at my fingertips, but I know it runs into several hundreds of Manitobans that are getting assistance from these two particular centres.

Unemployed Help Centres - continuance of

MR. M. DOLIN: A final supplementary, Madam Speaker, to the same Minister.

I'm wondering if the Minister could advise whether or not the services of these centres are going to be assisted on a longer-term basis and not a year to year.

Can we assure the unemployed that these centres will be available to them in the future?

HON. L. EVANS: Madam Speaker, it's an interesting observation that workers in Manitoba and employers in Manitoba pay more into UIC, and they've done this traditionally, than we receive out of UIC. In other words, we are a net contributor in Manitoba to the unemployment insurance scheme in this country.

But I think, Madam Speaker, that it's incumbent on us to ensure that this kind of service continues indefinitely in the future as long as we have unemployed people who are required to go to that particular system to get some kind of assistance - and indeed, that they not only do that, but they provide other advice and counsel to unemployed workers and therefore provide a valuable supplementary service that very well complements the work of our department, Employment Services.

Pharmacare - reason for delay in refunds

MADAM SPEAKER: The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker. My question is for the Minister of Health.

Will the Minister investigate on behalf of Manitobans why refunds for Pharmacare are now taking eight weeks instead of two weeks? And I might add that has nothing to do with the interruption in postal service.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, we've tried to change the program to help some of the people that need it the most, and it's a question of staff and so on. Sure, I'll investigate, but that has been going like this for quite a while. We have tried to speed that up, of course, for people that need the money immediately and I don't know how successful they have been. It's a question of staff - the staff is doing everything they can.

MRS. B. MITCHELSON: Madam Speaker, a supplementary question to the Minister.

Will the Minister ensure that those Manitobans who are on fixed incomes and those Manitobans who require life-saving medication will receive their refunds as they have in the past so they will not bear undue hardship as some of them are doing right now?

HON. L. DESJARDINS: Madam Speaker, yes, they will receive their refund as they have in the past. But that's not good enough. We're trying to improve that. I just finished telling you that.

MRS. B. MITCHELSON: In view of the fact that Pharmacare refunds for some of these that are under financial hardship and on fixed incomes used to be a two-week period and now the waiting period is eight weeks, Madam Speaker - and I've had calls from constituents of mine that are concerned and are under financial hardship - what is the Minister going to do for these people?

MADAM SPEAKER: The question is repetitious.

The Honourable Member for River East.

MRS. B. MITCHELSON: Thank you, Madam Speaker.

Will the Minister of Health assure my constituents that are under financial difficulty as a result of an increase in the number of weeks they have to wait for their Pharmacare refunds, will he ensure that they will receive their refunds after a two-week period instead of the now eight-week period that has resulted from the lack of staffing?

HON. L. DESJARDINS: First of all, Madam Speaker, I am not here just to assure the constituents of my honourable friend. I'm here to get the same fair programs for all Manitobans, and the situation, it is not true that they were getting that in every two weeks. That is not correct.

The point is - I explained already - that with the staff that we have, we are trying to improve the situation for those, and I mentioned that quite a while ago, that for those that need it, we'll do the best we can and that's all I'm going to say.

MADAM SPEAKER: Oral Questions has expired.

HON. L. DESJARDINS: Spend, spend, spend out there!

SOME HONOURABLE MEMBERS: Oh, oh!

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

Are we ready to continue?

COMMITTEE CHANGE

MADAM SPEAKER: The Honourable Member for Kildonan.

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

I move, seconded by the Member for Ellice, that the composition of the Standing Committee on Industrial Relations be amended as follows: M. Dolin for the Honourable H. Harapiak.

ORDERS OF THE DAY

HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Madam Speaker, on a matter of House Business, I believe the Standing Committee on Statutory Regulations and Orders finished the bulk of its business last night and, for that reason, the meeting on Thursday evening of that committee will not be required.

I've discussed this with the Opposition House Leader and we've agreed that the only committee meeting on Thursday night will be the Standing Committee on Industrial Relations to continue its consideration of the bills that have been referred to it.

Speaking of bills, Madam Speaker, would you please call for Debate on Second Readings, the bills listed in the Order Paper on pages 3, 4, 5, 6, 7 and 8, starting with Bill No. 14 and, if possible, completing with Bill No. 70, inclusive, in the order in which they appear on the Order Paper.

Wednesday, 24 June, 1987

**ADJOURNED DEBATE
ON SECOND READING**

**BILL NO. 14 - THE MILK
PRICES REVIEW ACT**

MADAM SPEAKER: Debate on Second Reading on the proposed motion of the Honourable Minister of Agriculture, Bill No. 14, standing in the name of the Honourable Member for St. Norbert.

The Honourable Member for Virden.

MR. G. FINDLAY: I would like leave to speak on this bill, Madam Speaker.

MADAM SPEAKER: The honourable member does not need leave to speak. He would need leave to have it remain in the name of the Honourable Member for St. Norbert. Is that agreed? (Agreed)

The Honourable Member for Virden.

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

Madam Speaker, I rise to speak for just a few moments on this bill. The intent of the bill is fairly clear. It's to tighten up regulations that in previous legislation the government found would not work to control the minimum price of milk in the way they wanted to see it controlled.

Madam Speaker, in light of other bills on the Order Paper, I find this bill rather contradictory and unusual because on the one hand, in Bill 68 - An Act to govern the Supply of Natural Gas in Manitoba - the Minister, when he introduced the bill, said what a great bill it would be because it could save consumers of Manitoba about \$150 a household. Then we have another bill here, Bill 14, which is to prevent the consumer from paying the lowest possible price for milk, Madam Speaker.

In some fashion, I find that hard to understand how they can think in Cabinet that, on the one hand, you're out to do great things to save money for the consumer; on the other hand, you put in a minimum price of milk which will prevent the consumer paying the lowest possible price for milk. Madam Speaker, they are unusually contradictory and I think that maybe the Minister will give some comment in his closing statement on the bill as to why he believes that this needs to be in place for one commodity that the consumer eats and not for another commodity that the consumer uses to keep their home.

Madam Speaker, I guess maybe the NDP sometimes feel they can have it both ways and the consumers of Manitoba on one hand are getting helped and on the other hand they're getting hindered.

Madam Speaker, in the Minister's comments on June 12, in Second Reading, he mentioned that back in the days when there was no minimum price on milk that not all consumers in Manitoba benefited from retail price wars on milk, Madam Speaker. In other words, what he was saying that in some parts of Manitoba there was a price war on milk and milk prices were being reduced and the consumer was benefiting.

Madam Speaker, I would challenge the Minister to say that all consumers in Manitoba benefit from a gas war because I come from an area of a province where

there has never been a gas war. Gas wars occur in Winnipeg and we in Western Manitoba, farmers in particular, don't benefit from gas wars. So, Madam Speaker, you can't always force equality in the marketplace. This is certainly what the Minister and the government are trying to do with this bill and no matter how many regulations you bring in, I wonder if you can eventually force everything into a state of equality.

Madam Speaker, we will agree, or I will agree, that the large retail chains by cutting the price on milk can put the squeeze on the small independent grocer and certainly these independent grocers by and large are happy to have the protection of a minimum price. But at the same time, Madam Speaker, and I'm sure the Minister understands this, when you have in place a minimum price for milk, the large multinationals, as the government likes to refer to them, the large grocery stores are being given a locked-in profit by that minimum price, Madam Speaker. I'm sure many of them are very happy to have that minimum price. They're guaranteed a certain level of profit without having to worry about competition.

In another area, Madam Speaker, again to go back to the farm scene, farm chemicals used to be freely moved across the United States border and we used to have prices here in Manitoba that reflected prices in the northern states. Back in 1977 the border was closed. Again, a method to try and protect an industry in Canada, and what has happened? Farmers are now over the years paying substantially higher prices for chemicals in Canada than in the United States, Madam Speaker. I think maybe some of the moves at that time in legislation to close the border were ill-fated moves. Madam Speaker, I see a somewhat same activity is occurring here with milk. The minimum price and the maximum price that are paid, particularly the minimum price, is definitely going to be causing the consumer to be paying more than he would have if the minimum wasn't there.

Madam Speaker, I would like to ask the Minister if he has given consideration to having different methods of implementing the minimum/maximum? Has he considered having the minimum price in place for the large grocery chains, but opening it up for the smaller independent grocers and allowing the minimum either to not be there or to use a two-tiered minimum? In other words, limit the amount of competition the large grocery stores can put in place by having a high minimum for them and a slightly lower minimum or no minimum for the independent grocers so that they, if they want to compete amongst each other for the marketplace and thereby allow the consumers to have a lower price of milk. I would like to ask if he's considered that and, if he hasn't considered it, if he would consider it so that somehow or other we could achieve both objectives of protecting the independent grocer and allowing the consumer, particularly the consumer with the low income, to have the lowest possible price of milk.

Another consideration, Madam Speaker, I would like to ask the Minister if he has given any thought to is to have, during different parts of the year, sort of open windows, periods of time when there is no minimum price on milk. A period in time when this might be beneficial is the summer months when there's large

production of milk and maybe if there was no minimum for a two- or three-month period, it may stimulate consumption and therefore relieve the burden of the overproduction that always tends to occur during that period of time. It would also give consumers another window of opportunity during the year for lower priced milk.

To cover that area, Madam Speaker, I would say that we certainly want to see the independent grocers protected in this province, but on the other hand I think the Minister could give some more thought to ways and means in which the minimum price could be administered so that there is an opportunity for lower priced milk in the Province of Manitoba where and when the competition wanted to make it happen.

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

We certainly agree with the disbanding of the Fluid Price Commission. Right now there's a duplication of a Fluid Price Commission and the Milk Prices Review Commission. They're doing away with the one commission. The Fluid Milk Commission certainly will reduce the overlap and the duplication of services and people who are hired. The Milk Prices Review Committee will be handling all aspects dealing with the pricing of milk at all the different levels from the producer through to the consumer.

Mr. Deputy Speaker, I look at section 6(2) on discounts and rebates as being extremely restrictive, and there's no doubt that it's aimed at one particular independent retailer. And I wonder if, as restrictive as it is, of allowing no discounts, rebates or premiums in either money or in kind; or (b) sell fluid milk in combination with any other commodity such as to give a preferred price to milk; or (c) make any gift or donation of fluid milk to anyone - I wonder if the Minister and the government really believes they covered all the angles, that the entrepreneurial activity of this individual will not find a loophole and we have to come back with more legislation. Time will tell.

Mr. Deputy Speaker, I will again remind you that there's certainly a contradiction between whether we should have lower prices on one hand and maintain minimum price on the other. I'm referring to natural gas and milk, Mr. Deputy Speaker.

With that, I would ask the Member for Arthur if he is prepared to make some comments.

MR. DEPUTY SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Thank you, Mr. Deputy Speaker.

Mr. Deputy Speaker, I rise to speak on this bill having had some prior experience in the area of milk pricing in the Province of Manitoba and realize how sensitive an issue it is. I think it's important to put a little bit of history on the record.

Mr. Deputy Speaker, when we look back at the socialists over the last few years . . .

A MEMBER: Tell us about Alcan.

MR. J. DOWNEY: Mr. Deputy Speaker, for some reason, the Member for The Pas has to inject something about Alcan. Well, I would love to have Alcan in the Interlake

using hydro that's now being exported at a subsidized price and 800 jobs that would have been there as well for the people of the Interlake. Yes, I'll talk about Alcan and I'll tell him lots about it, Mr. Deputy Speaker. I'll tell him lots about Alcan and what the province has lost because of the socialist policies and driving them out of this province and sending our hydro to the United States at a subsidized price.

If he's man enough to get into the debate, I'll get into it anytime, Mr. Deputy Speaker.

When we look back at the prior New Democratic years of Milk Prices Review, just to show you what their thinking was, it was a tradition in this province for a New Democratic Party to force the dairy farmers of the Province of Manitoba to go before the Milk Prices Control Board with their cap in hand to get a raise. Every year, great supporters of the socialist party would come forward and have a lot to say about how too much money the farmers were making.

Well, Mr. Deputy Speaker, we proceeded to take a hold of the issue, my colleagues and I, from rural Manitoba, representing the dairy industry, and feeling very strongly that the system was not working to the best advantage of both the consumers and the farming community, made a change. We introduced the Milk Prices Review Commission, which I have to say worked very well.

Well, we've seen some changes by the New Democratic Party. A couple of changes that we've seen was the introduction of minimum pricing for milk. My colleague from Virden points out very capably, it seems strange that they're going to do everything they can to bring the price of gasoline down to consumers, yet they want to maintain a minimum price on milk. Again, it's NDP philosophy somewhat mixed up and not making any common sense to anyone. That's the kind of policies that we've seen from this administration.

But on the issue of, Mr. Deputy Speaker, milk prices review and the Commission, I think to a large extent, and I want to pay credit to the man probably in the commission, which he headed for introducing and making it run very smoothly at the initial stages - that was Dr. Clay Gilson - who had a complete and capable understanding of the kind of legislation that it was, and met with the consumers organization, met with all those producers who were involved, the boards, and had an extremely good working situation.

But again, as usual, Mr. Deputy Speaker, the New Democrats get in office and they have the consumers fighting against the farmers. They have people running around, trying to control people's lives - that's the bottom line. They have to control people's lives. They can't let anything operate freely. It has that old socialist dogma of more regulations make better government. More legislation makes better government. Well, Mr. Deputy Speaker, it's absolutely false. The least legislation, the least regulations you have on people, the better the system works. I think it's been proven in many areas.

I want to deal with the bill because I still believe, Mr. Deputy Speaker, that we don't need a minimum pricing on milk. I know that there are some small retail stores, small grocery stores will scream at Downey and say why would he say such a thing?

Well, I think it worked fairly well, Mr. Deputy Speaker, while it was working. I don't think there were any small

groceries that were hurt because of no minimum price on milk. I have to say I think the poorer people, the lower income people in our society that this government claim that they're always trying to help, were benefiting without a minimum price on milk. Every time we turn around, we hear them talking about needing to help the low income families, needing to help the undernourished, needing to help the Core Area people who aren't able to get the access to milk that people in rural Manitoba get or those people living in the farm community get. That's what we were trying to do was provide an essential commodity at a price that they could afford.

Well, the immediate argument is that we'll put small corner stores out of business. I say to you, Mr. Deputy Speaker, I don't think too many people depend for their total milk supply on small corner stores. I think they're used as convenience stores. If you need a litre of milk or a quart of milk, you go and get it on a convenience basis. But people with low incomes and large families, I'm sure, do the responsible thing of going to the store that they can buy their food, their produce, for the least money.

But when they go to the store now to buy milk, we find that they can't do it, they can't get any benefits from milk because there's legislation that says, in fact, you have to pay a minimum price. I don't agree with that. I think that when it comes to such an essential commodity as milk, such an essential food, that we should do everything we can to keep it as low a price as we can for the consumers. Why would we want to do anything else? Why would we want to do anything else?

Again, I know what the argument is. I've heard it over and over again from this government. You have to have a minimum price to keep certain people from gouging or from putting everybody else out of business, and then putting the price of milk up.

That can't happen, Mr. Deputy Speaker, with this legislation because when you've got legislation that maintains a maximum on the price of milk, it can't happen, it can't happen. You continually control the maximum price of milk; then you don't have to worry about the minimum price. The argument has never washed with me, and Mr. Deputy Speaker, there'll have to be more convincing debaters to convince me than have spoken so far by the government.

When did we ever come to a time in our society, Mr. Deputy Speaker, and I point out in the bill a couple of parts that I think the public should be well aware of. If we go to section 6 where we have the great milk god - I'll call him the milk god - that no one can, no person shall, except with written authorization, give to a consumer any discount, rebate or premium in money or any other kind, when did we come to the stage when we've got such stringent controls on the retailing of any commodity in this province? I mean, that's what the business is all about, promotion, discounts. I mean, that's what attracts people to stores. That's what pays 7 percent sales tax on a lot of commodities is because of the merchandising ability, not on food. The only food of course is the tax on take-out foods, which is certainly an unfair tax.

I imagine, Mr. Deputy Speaker, that there's a tax if you went and had take-out milk. Is that the way it is too? That you have tax on milk? They tax everything else.

But let's go to this part here, Mr. Deputy Speaker, because this is an extremely important part. That no person's commercial operation may make a gift or a donation of fluid milk to anyone. When in your wildest dreams did you ever think that you couldn't give milk to people? I mean, you can't give milk because that's in the bill - as part of the person's commercial operation, make any gift or donation of fluid milk to anyone. Can you believe that? And I'll tell you if you do, if there is a group of Boy Scouts or Girl Guides come in, or some group to a grocery store and he wants to do a little promotion with milk to encourage the use of milk, any group of children coming in and he wants to give them a little bit of milk, a little half litre of milk for a treat, he is breaking the law, Mr. Deputy Speaker, and he is subject to a fine of up to \$5,000.00.

You can't even give milk to the starving in this country, Mr. Deputy Speaker, without being subject to a fine up to \$5,000.00. Now do you think where does this caring government get off at? Can you believe it, Mr. Deputy Speaker, that to give milk away you're under a possible fine of up to \$5,000.00?

I mean, I think the public should really start asking some serious questions about what kind of a caring government that that is. What kind of a caring government would pass legislation that if you wanted to give milk to a group of young children to improve their diet and to help them, that you'd be charged up to a \$5,000 fine? I can't believe it. I can't believe it, that we've reached a day in our society where a government would pass a bill, that you'd have to pay a fine for giving milk away.

MR. H. SMITH: It makes me sick.

MR. J. DOWNEY: I would think it should. I would think it should make you sick, the Member for Concordia, is it? Where is he from? Ellice.- (Interjection)- That's right, that's right.

But you know, I'm just saying the overall principle, what kind of a government would pass such legislation? The Member for The Pas, is he proud of himself who yips "Alcan" from his chair and won't stand up and debate it, and isn't big enough to stand up and debate an issue like that?

Do they know that when he stands up, the Member for Dauphin stands up and votes for this legislation that he's voting against anyone giving milk away? Why would they not interject a clause in here that would say, for the needy or for those people who are in absolute dire needs? Goodness knows, in this province under their administration, there are going to be a lot more of them who are dropping into lower incomes that need to have milk given to them. But a commercial operator cannot give milk away.

I'm sure the former Minister of Finance, who has a little bit of background from the farm, could hardly support such legislation. Can you imagine that you can't give milk away to anybody in our society? I mean that is as insidious as a tax on water. You know, we have now reached the bottom of the boat. We tax water and we fine people for giving milk away. That's the bottom of the barrel. That's the bottom of the barrel when we tax water in this province, and the NDP are notorious for taxing everything - but we now have a tax on water

and we now are going to fine people if they give milk away. Can you believe that?

A MEMBER: I can't believe that.

MR. J. DOWNEY: Well, I can tell you, you read page 7 of the legislation that's before us and that's exactly what's there. Bill 14. I don't think any Minister of Agriculture, I don't think any Minister of Consumer Affairs or anyone that has a true caring for the people of this province - the Minister of Community Services, as bad as she is, surely couldn't support this kind of legislation. I mean, she's done everything else to the young people and to the needy in this province. I guess she could probably support such terrible legislation.

I can't believe it. I honestly, Mr. Deputy Speaker, would hope that the government would reconsider what they're passing in this legislation. The day has arrived in Manitoba when we have a government that fined people for giving away milk to the needy, and they tax the water that they drink. Well, we have really hit the bottom of the barrel, Mr. Deputy Speaker, and I think it's extremely important that the public know, and know loud and clear the kind of a government we have.

I think that they will have to answer for those kinds of actions when they go to the public. I know there's an argument made in certain parts of the North and rural Manitoba, that they need a minimum price on milk. Mr. Deputy Speaker, I think it can be worked out on a formula basis where they are paid their transportation costs and they are paid a fair return and I think that it was working before this kind of legislation was introduced - I think it could continue to work.

I will conclude my remarks by saying inconsistency is again the hallmark of this government. They say they're going to lower gas prices. They want gas prices to free up to help consumers - to lower gas prices - and then they turn around and say: We're going to put a minimum on the price of milk. Inconsistency is of course one of their major credits, I guess one could put it down to. But the final step, the final straw that we have seen introduced by this government is that if some person, some commercial operator wants to give milk away - wants to give milk away out of the goodness of their heart or under a promotional program to help encourage the consumption of milk, as is supported by the Consumers' Association - Mr. Deputy Speaker, they can't do it.

Now, they can have that mark on their record. The Member for Ellice should be proud. I hope he puts it in his next campaign brochure how proud he is that he introduced a bill that would fine people up to \$5,000 for giving milk away. I hope he puts it in his campaign brochure because if he doesn't I'll make sure his constituents know. He should be very, very proud of himself for this kind of legislation.

Again I say, in concluding - I would hope they would at least reconsider this portion of the act and not force the courts to charge people for giving money away to needy, hungry, starving children in this province, who would do well by a gift of milk from somebody who cares about their health and their well-being.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER: The Honourable Member for Ellice.

MR. H. SMITH: Mr. Deputy Speaker, I'm rising because I find the speech by the Member for Arthur is so misleading that I find it really even hard to understand he could even get up and utter such a speech.

MR. J. DOWNEY: Mr. Deputy Speaker, on a point of order.

MR. DEPUTY SPEAKER: A point of order is being raised by the Member for Arthur as well?

MR. J. DOWNEY: Yes. I would ask him to withdraw the unparliamentary language - "misleading" - and I would also like the member to tell us what number of bill he is speaking on.

SOME HONOURABLE MEMBERS: Oh, oh!

A MEMBER: Stick to the Order Paper, Harvey.

MR. H. SMITH: Mr. Deputy Speaker, on his point of order . . .

MR. DEPUTY SPEAKER: The word "misleading" appears on both lists - unparliamentary as well as parliamentary. Unless it is coupled with the word "deliberate," it does not become unparliamentary. The Member for Ellice.

MR. H. SMITH: Mr. Deputy Speaker, we could call it more than misleading. The fact is the Conservative Party is advocating the highest price for milk in Manitoba in little grocery stores, because . . .

A MEMBER: You don't know what you're talking about, Harvey.

MR. H. SMITH: Oh, yes, I do. I can remember reading in the Free Press a few months ago, when this issue was really big, when the Member for River Heights got up and advocated that milk be as high in price as coke and she called for a rise in the price of milk. I read the article and I was very concerned.

The fact is, Mr. Deputy Speaker, the Conservatives want the big chains, they want the big operators or any individual operator to go ahead and lower the price of milk, drive out their competition and then raise the price of milk even higher. We'd be just like the other provinces; it's exactly the same in the other provinces. The Free Press did a study city by city. We had the lowest milk prices. The fact is we're doing this because we want to ensure the price of milk is lower, just like we want to ensure the price of gas is lower.

The fact that they can so distort the truth to such a great extent that it's like reading, I would think, nursery rhymes - it's unbelievable the type of speeches that they give and the misleading they do in this House, and I think that the Member for - where is he from?

A MEMBER: Arthur.

MR. H. SMITH: Arthur. I mean he gets up here every time and utters complete rubbish. The fact is he cannot show any other city in Canada where his policies in

that province are in effect where the price of milk is cheaper than in Winnipeg.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you very much, Mr. Deputy Speaker.

I wasn't once going to enter into this debate but I felt I had to. I felt so inspired by the comments from the Member for Ellice who didn't even know what bill he was addressing, but I feel inclined to rise.

In my view, the NDP have a dilemma with this bill, and what they show in many respects is that they're living not only in the past but way back in the past. Let me explain.

What the NDP is saying is firstly that the marketplace doesn't work, that the marketplace can't work, and they're also saying that if this bill isn't passed, the time will come when those in our society who are less fortunate will be forced to pay exorbitant prices for the price of milk.

Mr. Deputy Speaker, I would like to explain why, in my view, they're wrong on all accounts.

Sir, why this bill? Is it to support the small retailer? I must say that the argument of supporting the small retailer has merit. I don't throw it away lightly and I don't weigh it lightly; but the argument is, quite frankly, one that has to be listened to, because I can tell you, where I come from, which is close to the City of Winnipeg, there is a lot of pressure on the smaller retailers. One has to be careful as to how the rules are changed as to how they can compete against the competition, real or perceived.

But, Mr. Deputy Speaker, why only milk? I have a bakery in the Town of Morris. It does nothing but bake bread and provide it for sale to the public. Mr. Deputy Speaker, I have had that proprietor of that business, when I was visiting him here just awhile ago, ask whether or not it might not be wise that the government consider putting into place minimum prices on bread. And, Mr. Deputy Speaker, the question is then: Why is milk so special from other foodstuffs; indeed, from other commodities?

A MEMBER: Other necessities.

MR. C. MANNES: Well, other necessities, sure. What makes it so different? Now I can understand 50 years ago why milk was so much different. I can understand then when there were no guaranteed incomes in place.

But, Mr. Deputy Speaker, I want to react to a statement now I just hear the Minister of Labour throw over to my colleague in talking about the investment. The Minister of Labour would stand here in his place, and probably will when he finishes debate, and say the milk producers of Manitoba want this bill; the milk producers want it so it will guarantee their market.

Mr. Deputy Speaker, so help me, it is my understanding that they're rather ambivalent toward this because, under other legislation, as the Minister knows, they're guaranteed the price of their milk regardless of what the retailer sells it for. If the retailer gives it away free, the milk producer in this province

is guaranteed a price for milk. His investment is protected.

But, Mr. Deputy Speaker, if he's worried about investment being protected, then he had better put into place a minimum price - if the Minister would only listen - he then better put into place a minimum for bread because that member's investment and numbers of members on this side's investment - indeed, the Member for Lac du Bonnet, his investment in producing wheat - is not in any way guaranteed.

If that then becomes the Minister of Labour's reason for supporting this bill, he's way off base because the milk producers of this province really take no hard stand on this issue. Their price, their investment is guaranteed.

A MEMBER: Where are they marketing it?

MR. C. MANNES: Well, he asks the question: Where do they market it? They market it through the Milk Producers' Marketing Board which guarantees the price, and the wholesalers who purchase from the Milk Producers' Marketing Board pay a fixed price, and if they give it away to the retailer or if the retailer gives it away to the consumer, it makes no difference to the producer. So, Mr. Deputy Speaker, that's the way it works.

But back to my question: Why only milk; why not other necessities of life? -(Interjection)- Well, I'm asking. I'm asking why and how it is that you point out "pick out one," because again, as I point out, I've got a bakery in my constituency that wonders why milk is so guaranteed. Well, Mr. Deputy Speaker, I'll tell you why.

Fifty years ago there were many less fortunate people in our society that at that time had no guarantee. There was no unemployment insurance during those days, there were no welfare payments as such, and Mr. Deputy Speaker, there were no guaranteed net incomes about to come through the tax man. Mr. Deputy Speaker, that was the way at that time of making sure that those people who had virtually no means had access at least to one of the most important foodstuffs that exist - milk.

Mr. Deputy Speaker, that was some long time ago, but society has changed and the NDP like to take credit. Some dishonestly in a fashion at times like to take credit for so many of those social changes that now have us to a time in our history, Mr. Deputy Speaker, when milk, although it still is a very important item, a diet item within the food basket, I would say - at least in the way I perceive it - that within the food basket of the so-called lower income group it is not as important to them as it once was.

Mr. Deputy Speaker, the NDP are living in the past with the bringing forward of this bill, because I believe that they're denying firstly the marketplace from working. They've given up on the marketplace completely; they say that it can't work. They honestly believe that the small retailer is the person who will be driven out of business very quickly, and then, of course, horror of all horror, the large multinationals, the large food stores are the ones that then will have the monopolies and they then will raise the price of milk, just like gas, Mr. Deputy Speaker, using the word.

Mr. Deputy Speaker, I can see, using their thought process, how they believe that that business evolution may come into being. But, Mr. Deputy Speaker, what they forget is that in spite of all the laws and the taxations that they brought forward, there still thrives an entrepreneurial spirit in the hearts of some people in this province.

A MEMBER: But they'll break it.

MR. C. MANNES: No, in spite of all their tries to break it, it still will survive - in smaller measure, granted, but it will survive.

Mr. Deputy Speaker, there will come up through this, if indeed their fears are coming to realization at all, that a few large companies and large stores will control all the distribution of milk. Unless, of course, they bring in legislation preventing it, I believe that small stores and businesses will again find their way into supplying that service - a very real and real important service.

Mr. Deputy Speaker, the only way it can be prevented from ever occurring is if members opposite, and indeed, I dare say, the milk producers themselves at times prevent individuals from producing milk and selling it to people who visit them at their farm to purchase raw milk, or if they prevent smaller stores or indeed individuals from coming into business for the sole purpose of selling milk.

Sir, I am not worried about the net effects and the long-run results of this bill. Quite frankly, all the people in this province will continue to have access to supply.

Mr. Deputy Speaker, why is it that the consumption of milk in this province hasn't increased at all? As a matter of fact, it's decreased somewhat over the last decade. Members opposite, have they ever asked themselves the question? Certainly there must be a much greater distribution of wealth today than there was previously. Why hasn't consumption of milk increased?

Well, I'll tell you why. Firstly, I believe all the homes that want milk have an opportunity to purchase it, but, Mr. Deputy Speaker, I can't go on so far as to say that everybody that wants all the milk they can, can afford it, because that's not true. In my own home, I know we spend upwards of \$5 a day on milk, Mr. Deputy Speaker. That's a significant amount. It's worth it; it's worth \$5 - believe me. There are four children in our family - six of us - I, at my age, still drink a lot of milk.

Mr. Deputy Speaker, we would drink if we had the means; or indeed, if milk were a little bit cheaper, we would increase our consumption at least another 50 percent. I know that. We would increase it 50 percent. It begs the question again: Why is milk consumption not increasing in this province? Is it price related? Well, it's increased marginally but over the last 15 years it's gone down - (Interjection)- it's gone down. It's come up marginally, most marginally.

Mr. Deputy Speaker, the members want to argue with me these figures. Two years ago I used to know them like the back of my own hand. But the point being, Mr. Deputy Speaker, there's been no significant increase in consumption over the last 15 years. So there's a reason for it, and the reason of course is that the price of milk to the consumer in some cases is too high. I don't say the price of milk is too high, because to say

that is to say to the milk producers in this province that they're receiving too much for their investment, and I don't believe that.

But the point I'm trying to make is if there are people in our society who, through a business vehicle, are prepared to offer milk at a lower price than they paid for it, then why shouldn't the consumer be the benefactor, the net benefactor of it? Mr. Deputy Speaker, the answer is obvious. The NDP have forgotten the history of the marketplace. I question whether they ever understood it. But the point is, they also have no faith in the system to react if, indeed, what they say, the horror of all horrors takes place.

Mr. Deputy Speaker, I honestly believe that there are small entrepreneurs, the retailers, indeed the suppliers of milk directly that deliver to households in the city or indeed in parts of rural Manitoba, will be able to survive this bill.

I know some of them are not happy with it, and I fully recognize it. They would like to see afforded to them, the protection of a minimum price. But, Mr. Deputy Speaker, philosophically to vote with the government on this bill would have to agree with their belief that the marketplace does not work. I believe the marketplace does work. I believe that the vestiges of free enterprisers that are still remaining in this province, will surface again, Mr. Deputy Speaker, if indeed the result that they claim will occur, does come forward.

So it's on that basis that I rise to speak against this bill, Mr. Deputy Speaker, and again I hope the Minister of Agriculture, its sponsor, will see fit to pull it back, to withdraw it.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Opposition House Leader.

MR. G. FILMON: Thank you, Mr. Deputy Speaker, and I thank the Minister of Finance for his kind applause. - (Interjection)- Oh, I'm sorry, the Minister of Consumer and Corporate Affairs as well for his kind applause.

Mr. Deputy Speaker, I rise to speak in opposition to this legislation. I think that when we look at it of course the first thing that comes to mind is that it's very strange legislation to be introduced by a New Democratic administration in this or any other province. Because what does it do? It prohibits and prevents retail establishments from selling milk at a reduced price to the public. Now what could be more wrong-headed than that concept of preventing retail establishments from selling milk at a reduced price to the general public? Who will this kind of legislation hurt, Mr. Deputy Speaker?

Well, firstly, it's going to hurt low income families with children. Every single low income family with children to support is going to be hurt by this legislation. The working poor, people on social assistance, the unemployed, single parents, young mothers who must have milk as a standard part of the diet for their children, are going to be hurt by this legislation. We've all heard it. You know, the advertising and I believe it, milk is nature's most perfect food.

As others have indicated, the fact is that there have been, in terms of dietary changes, many other things

to support milk, and it isn't as crucial today as it was before. But people will still tell you that it's an integral part of any good diet, especially for children, building bones and teeth, the needed calcium - the best source, absolutely the best source.

It's such an important part of our family's needs, Mr. Deputy Speaker, and of a sound diet, sound and balanced diet, that governments of all political stripes in provinces across the country, have regulated prices of milk.

It's a supply-managed commodity, as has been referred to earlier. In effect, the producers have a government granted share of the market. Even Conservatives can agree on setting a maximum price for milk, because of the fact that we've given the right to produce a certain portion of our production to individuals in a supply-managed economy.

(Madam Speaker in the Chair.)

Retailers and distributors in rural and remote areas should not be allowed to gouge on the price of milk, no question about it. Even we, as Conservatives, agree on that. It's an essential item; it should be protected by a maximum price limit. It makes a heck of a lot more sense, Madam Speaker, than having the Public Utilities Board set the price of beer in the province, if you can imagine, set the price of beer. Certainly, I would support the setting of a maximum price of milk long before I'd have that, Madam Speaker.

But why a minimum price? Why unnecessarily jack up the retail price of milk so that the poor, the disadvantaged, the young family struggling to make ends meet, cannot get a bargain on milk? Why would you want to do that, Madam Speaker? You can't have any sales on milk. You can't have any discounts on milk. You can't use milk as a loss leader. You can't give the consumer a deal on milk. Why would you want to bring in such perverse legislation?

Madam Speaker, that's what this NDP Government is saying to this legislation. What about the feminists in that caucus? What about the Minister responsible for the Status of Women? Is she not sensitive to what this does to families? Is she not sensitive to what this does to the children in Manitoba? I guess not, because they're all supporting this legislation, Madam Speaker.

I can recall when we were in government and I was Minister of Consumer and Corporate Affairs, women's groups coming before us and saying you've got to protect the price of milk, got to ensure that a limit is kept on the maximum price. It's an absolutely essential commodity to families - that's what they were all saying and they were right, and I agreed with them, Madam Speaker.

This goes the opposite way. It takes off the opportunity to reduce the price of milk, to sell it as a loss leader, to give a bargain to the low income families. Those people who came before us, the Consumers' Association of Canada, Manitoba Branch, the women's groups said, you know, if you don't allow for milk to be sold at the cheapest possible level and price, people will skimp on the purchase of milk for their family. The low income people won't be able to afford it; it'll be one of the items that's eliminated from their grocery list and their grocery budget. That will lead to health problems in our children; that'll lead to the deterioration

of their teeth and their bones, and all those things, because they won't get proper nutrition and ultimately, it's going to result . . .

You see the Minister responsible for the Status of Women can't understand that logic. She doesn't want to listen to it. She doesn't care about the needs of the women and their families of Manitoba and that's why I say that she is full of rhetoric, but not full of the real concern and the commitment to act on behalf of the women of this province, Madam Speaker.

I can't understand how she, as an Inner City representative, or the Member for Ellice or the Member for Elmwood or the Member for Logan or the Member for St. John's or any of these areas, can in fact condone this kind of action that takes away the opportunity for their low income families, for their families, to get low priced milk. Why are they legislating to keep the price of milk high? Why are they legislating to keep the price of milk higher than it needs to be?

What about the Minister of Consumer and Corporate Affairs? Who does he speak for, for heaven's sake? He's not speaking for the consumers of this province, in this legislation; he is sitting back silently, as a socialist, asking for more socialist legislation to regulate everything in people's lives, including to regulate the price of milk; not just the upper price, but the minimum price of milk has to be set by the government. So, in fact, nobody speaks for the consumer in Manitoba as long as he's the Minister of Consumer and Corporate Affairs. What a tragedy, what a tragedy! They turn their back, all of these people, on their constituents. They ignore their needs. Their only goal is greater and greater government control in every aspect of the economy and that, Madam Speaker, is a tragedy.

You know, if you look at provisions of the act and what does it do? It prevents people from taking any opportunity to lower the price of milk, any advantage or gain of any kind that accrues or is likely to accrue directly or indirectly to the purchaser is prohibited if it involves reduction in the price of milk. Anything that will have the effect of altering the price of fluid milk paid by the purchaser, that is to lower it, is obviously going to be taboo as a result of this legislation. Any opportunity to sell fluid milk, in combination with other commodities, so that they'll reduce the price of milk and the overall grocery bill to the consumer is prohibited as a result of this bill.

I can't believe that this, or any other government, but particularly an NDP Government, would bring in this kind of legislation, Madam Speaker. Because you know, there already is in place, legislation, thanks to the NDP administration of 1981 to 1986, that sets a minimum price of milk. We said it was wrong-headed, we objected to it and we said that it was going to have negative effects, which it is, because people are being prevented from getting discounts and lower prices on milk.

But, as ill-considered as it was at that time, some retailers who wanted to be innovative, who wanted to try different methods of getting at a price reduction for milk so they could sell it as a loss leader and attract people to their stores, some of them decided that they found ways to discount milk. The big bad government, with its heavy hand, said to Joe Cantor and Oscar Cantor and many independent retailers, as well as chains, you can't do that, we're going to come down

hard on you. They found obviously that their legislation was lacking and it didn't allow them to move in on this item. It wasn't good enough. So the big, bad NDP Government, with its heavy hand, now comes forward and makes it absolutely explicit that you can't do any of those things that I've just referred to in any way to reduce the price of milk to the consumer. Isn't that a tragedy, Madam Speaker? And what are we talking about? It was used as a loss leader, so indeed benefits were being passed along to the consumer, benefits that they deserve and benefits that were helpful to them.

Who did it hurt? Well, Madam Speaker, it didn't hurt anybody to have the opportunity to have a minimum price or a discount on the price of milk. Who will it help to have this minimum price and to prohibit a discount?

A MEMBER: Consumers.

MR. G. FILMON: Well, the Member for Elmwood says "consumers." He obviously doesn't understand whatsoever. This is going to hurt consumers because they will not be able to take advantage of discounts, loss leaders, promotions that utilize milk and lower the price of milk to their benefit.

This legislation is aimed at a very small number of people. Ultimately, I suppose, it's principally aimed at Cantor's Grocery Store. I don't know if any member opposite has shopped at Cantor's, but my wife and I have gone to Cantor's for years, and we see people from all over the city there. It's in the constituency of the Member for Inkster. You run into people who are professionals, senior bureaucrats. I saw Commissioners of the City of Winnipeg there and I'm always interested to see that people will travel long distances to get bargains, and they travel these long distances because they get a bargain on many things but one of them is milk.

Cantor's have always offered as a bonus, in fact, a discount on butter. That's been their tradition for years and years and years. Their meats are reasonably priced, people come from all over. There are an awful lot of ordinary Winnipeggers and Manitobans who respond to their weekly ads and come and get bargains on their grocery bill.

One of the best bargains and one of the biggest attractions was the discount on the price of milk. This government is angered at that, and has to come forward with a special piece of legislation aimed at Cantor's and a few other organizations in this province who utilize milk as a loss leader. They come down with the heavy hand of government and say, no, we're not going to let you do it; we're not going to let you give a bargain to the consumer; those people who need this milk, they won't get a bargain because we, the NDP, say that you're not going to have that opportunity because we want to regulate and control everything in your lives.

Mr. Deputy - I should say, Madam Speaker, you're back in the Chair, welcome.

Madam Speaker, this is bad legislation; it's needless meddling in the marketplace; it's bad for consumers; it's bad for producers, because producers benefit when people buy more milk. You talk to all the milk producers in Manitoba, they'd like to have greater quota; they'd like to have an expansion of their quota. The only way

they can get it is if there's more milk consumed in Manitoba. This is going to stop that; this is going to work against that. So it's bad for the producers.

This government doesn't understand any of that. Madam Speaker, we on this side of the House are totally and completely opposed to it. We reject the need for moving in with the heavy hand of government into the marketplace and, I can tell you, Madam Speaker, as we promised in 1986, we would commit again to remove the minimum price to give the consumers and the producers a benefit of the lower prices at which milk could be sold and should be sold in this province.

Thank you.

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

HON. A. MACKLING: Madam Speaker, it was not my intent, I didn't feel that it would be necessary after the very logical explanation that my colleague, the Minister of Agriculture, gave when he introduced this bill, that it would be necessary for me or anyone else on the government side to have to underline the logic of the principles in this legislation. But having heard members from the opposite side of the House decrying this legislation, I feel constrained to put some views in respect to this issue on the record.

The Honourable Member for Tuxedo, the Leader of the Opposition, seems to have taken a blind path or a wrong turn somewhere in understanding the issues involved in the regulation of milk. I can understand that he gets his facts distorted from time to time because, during the course of his speech, he indicated, well, you know we have the Public Utilities Board regulating beer, but we regulate milk. Can you understand why we do that? The Public Utilities Board stopped regulating the price of beer some time ago. It's about time the Leader of the Opposition realized that times have changed.

What I want to put on the record, and I speak now as Minister of Consumer and Corporate Affairs, is that Paul Phillips, the chairperson of the Milk Prices Review Board has confirmed that as a result of the legislation, the regulation we have in this province providing for both a maximum/minimum, we've been able to keep the price of milk, comparatively speaking, lower than in other areas where they don't have the same type of regulation. That speaks highly for the effectiveness of the regulation that we have in this province. That's a matter of fact. It's not guesses; it's not a political statement by a politician. That's a statement from someone who is respected in all circles in this province, and that is fact.

And why the concern about an individual store using milk as a loss leader? Surely the Honourable Leader of the Opposition should wonder about the effects of those kind of arrangements. Well, the effect of those kinds of arrangements, Madam Speaker, and colleagues in this House, is that the dairies then will make provisions for someone who sells a great quantity of milk, they'll give them discounts, and those who will be dominating the market in respect to the retailing of milk will be the largest food chains.

In the end, Cantor's or whoever small independent may think this is an astute way to bring in more customers. They will lose because there won't be an

independent grocer that will be able to match the kind of discounts that the Safeway's and SuperValu's, the large chains, will be able to effect in arrangements on prices with the dairies.

Cantor's has been able to do what it has done because Safeway and SuperValu and the large chains have been prevented from playing games with the price of milk, to control the retail marketing of milk in this province.

Honourable members opposite, particularly honourable members from rural parts of Manitoba, should appreciate and understand that the survival of small grocery operations and small enterprise in rural Manitoba depends on a continuing regulation of basic food stuffs such as milk.

The Honourable Member for Morris talked about perhaps we should regulate bread. He didn't say we should. The Honourable Leader of the Opposition obviously didn't hear his speech and he talked about being the big regulators. Well the Honourable Member for Morris was suggesting that if milk is regulated, I guess maybe bread should be regulated. He didn't say that in so many words, but that's what he was implying.-(Interjection)-

Well, and I hear from the Honourable Member for Lakeside - I have his permission and I appreciate that. I think there are times when government has to take responsibility for regulating and protecting the public. Through the regulation of fluid milk, we have maintained low prices in this province, and contrary to what the Member for River Heights had been speculating on about the comparative increases between milk and Coca Cola, it was the other way around. An unregulated product like Coca Cola has skyrocketed in price. Milk has not gone up in price to the same degree at all.

Madam Speaker, it is out of concern for the continuity of supply that milk was regulated in the first place, and the Honourable Member for Lakeside knew there had to be a reason. I know that the Honourable Member for Lakeside, as a former Minister of Agriculture, knew, understood and appreciated the fact that in order to ensure that there would be a dairy industry, that there would be continuity of supply, fluid milk was regulated. It's a very perishable product. It was regulated, it made sense and it was logical to assure a continuance of reasonable prices in respect to the retailing of that regulated fluid product. So it's a logical extension of regulation that we're dealing with, and a logical extension of regulation that has seen, comparatively speaking, the lowest prices for milk in this country.

We don't believe that milk should be used as a play thing, as a loss leader in the retail operations. We believe that there should be an assurance of supply, a continuity of reasonable pricing, and that's what milk regulation has brought to this province. I defy honourable members opposite who come from rural centres or who have in their constituencies independent grocers like Hull's Foods, like Penners, like others, who will stand up and say that they want to have SuperValu and Safeway be able to discount milk in this city.

If the honourable members opposite want to argue for that, let them stand up and argue for that when they speak on this bill. Don't stand behind a kind of woolly presentation by the Leader of the Opposition, saying, we want to super-regulate. That is nonsense.

The Honourable Member for Riel will confirm when I say that's not nonsense. There has been a concern

in this province for regulation of the travel industry, and a legitimate concern, but this government didn't rush out and regulate. We have sat down with the industry and tried to ensure that there will be reasonable protection for the travelling public without the necessity of bringing in regulation.

So for the Honourable Leader of the Opposition to say, oh, we're a government that believes in regulating, that . . .

A MEMBER: You are.

HON. A. MACKLING: Well, the Honourable Member for Sturgeon Creek says, "You are." What I have just recounted tells a lie to that statement, Madam Speaker - I shouldn't use the word "lie" - indicates that that kind of assertion strays from the truth to the point where it is a stranger from the truth.

Madam Speaker, we on this side, as government, have a duty to the producers of fluid milk; we have a duty to the retailers of fluid milk; we have a duty to the consumers of fluid milk to ensure that the system works fairly. That system has worked fairly under the regulation we have in place, and we do not want people tinkering with a basic foodstuff whose regulation has proved effective and responsible, we don't want that tinkering by individual retailers who think they're just going to maximize their profit and don't care about the effect in society.

Madam Speaker, that's why these changes are here, and I expect honourable members opposite, at least some of them, to stand up and indicate that their leader is wrong.

MADAM SPEAKER: The question before the House is Second Reading on Bill No. 14.

The Honourable Member for Charleswood.

MR. J. ERNST: On a point of order, I believe the bill is standing in the name of the Member for St. Norbert.

MADAM SPEAKER: Absolutely right, yes, standing in the name of the Honourable Member for St. Norbert.

On the proposed motion of the Honourable Attorney-General, Bill No. 25, standing in the name of the Honourable Member for St. Norbert.

MR. G. MERCIER: Stand.

BILL NO. 26 - THE ENVIRONMENT ACT

MADAM SPEAKER: Second Reading on the proposed motion of the Honourable Minister of the Environment, Bill No. 26, standing in the name of the Honourable Member for Portage la Prairie.

The Honourable Member for Charleswood.

MR. J. ERNST: Madam Speaker, we ask leave for the bill to stand in the name of the Member for Portage la Prairie.

MADAM SPEAKER: Is that agreed that the bill stays in the Member for Portage la Prairie's name? (Agreed)

The Honourable Member for Charleswood.

MR. J. ERNST: Madam Speaker, I wish to rise and speak with respect to this particular bill, the new Environment Act for the Province of Manitoba.

Madam Speaker, there is a need, certainly a very crying need for far-reaching legislation with respect to our environment. There needs to be a new awareness. There needs to be an understanding of the effects that mankind and others have on our environment, and there's a growing public concern throughout Manitoba that our environment be protected. There's also, Madam Speaker, a need for a balance between protection of the environment and the activities of mankind so that we don't get too carried away on the one hand, yet we have sufficient protection on the other. It is a delicate balance, one that is difficult to attain and, from time to time, causes conflict, Madam Speaker.

Manitoba has here an opportunity I think, Madam Speaker, to play a very major role for both the protection of our environment today and for the protection of that same environment for future generations in this province. There are new hazards, there are new chemicals, new products and new knowledge, knowledge of activities that heretofore have been paid little attention but now we understand create problems within our environment. There needs to be an attempt, Madam Speaker, at the same time and as I said earlier, there needs to be an attempt to deal with the needs of people as well, so that we have that balance that makes our life that much better and, at the same time, preserves our environment for the future.

Madam Speaker, in terms of the bill itself, I have some concerns and I would hope the Minister of the Environment, Workplace Safety and Health would have an opportunity when he closes debate to address some of those concerns. Firstly, Madam Speaker, there is a change in the role or the form of the Clean Environment Commission. Heretofore, it has been a quasi-judicial, regulatory body. Madam Speaker, that organization, that commission held public hearings. It went and heard public submissions. It heard submissions from the government, it heard submissions from the private sector. Then having heard those submissions in a public forum, Madam Speaker, it made its ruling, and that ruling was binding on those people. Madam Speaker, it has now been changed from that forum, from a quasi-judicial forum to an advisory forum.

Now, Madam Speaker, there may be a hearing before the commission and there may not be, depending upon the decision of the environmental director. But, Madam Speaker, there's no power left with the Clean Environment Commission to issue orders. There's no power left to be a quasi-judicial body.

Madam Speaker, the power then has been transferred from the commission, a body that was at least somewhat arm's length from the government in the sense they were not government employees per se, but that power has now been transferred to the director of the Environment Department. It's been put into the hands of the bureaucracy, and that bureaucracy, Madam Speaker, is obliged only on a permissive basis to have public hearings. They diminished the role of the Clean Environment Commission significantly in this regard, contrary to the statements of the Minister in my view,

contrary to those statements that indicated that the public input role had been strengthened. In fact in my view, Madam Speaker, it has been eroded because now the access, the director may have the commission hold public hearings. It doesn't say, it will, it says "may." Madam Speaker, I think that is of some concern and should be of some concern to the citizens of Manitoba.

Madam Speaker, at the same time, that same director, that same bureaucrat may issue the licence or he may refuse it, and all he has to do is provide some written reasons to deal with that. He has an opportunity, yes, to appeal, after the decision has been made. But, Madam Speaker, put yourself in the place of any Minister of Environment. Ministers of Environment, by and large, of any political stripe are not necessarily technical experts in the field of which they are Minister. They must, out of necessity, rely on the advice of their officials, officials who presumably are technically expert in that field. And this, Madam Speaker, amongst many other fields, is a very highly technical field indeed.

You have chemical reactions, you have all kinds of things that create problems for which the Minister must address. So if you have in the first case the bureaucrat giving a decision to say no, I refused a licence or yes, I granted it, and an appeal goes to the Minister, and the Minister then is forced to take the advice of his bureaucrat who has already said yes or no.

So, Madam Speaker, I find that a little difficult, and I think the former process of perhaps the Clean Environment Commission was a better one, rather than this particular situation. Now maybe there's a better system altogether. I don't know, Madam Speaker, but I'm saying that this appears to be somewhat less desirable than the Clean Environment Commission.

Also, Madam Speaker, that same director may exempt people from this act. He may say, as far as I'm concerned, you need not comply with the conditions of the act, you're exempt. He must attain the agreement of the Minister in order to do that, according to the bill. But, Madam Speaker, that self-same person is the technical expert who's going to give the Minister advice. There should be nothing derogatory about the fact that the Minister maybe isn't, nor should he necessarily be, technically aware of all of the things that relate to this particular department, Madam Speaker. But at the same time, that official is going to be giving the Minister advice with respect to exempting somebody under that act. I have some concerns in that regard as well, Madam Speaker.

The classification system of licensing under the bill, Madam Speaker, classifications 1, 2 and 3 aren't very meaning in terms of what they say, without some regulations attached to them, without some indication there of what they really mean, what kinds of applications are going to be classed as Class 1 or Class 2 or Class 3, what really is the effect of having Class 1 or Class 2 or Class 3, which is more serious or which is more environmentally damaging, Class 1 or Class 2 or Class 3. All of those kinds of things are really not answered and, without the regulations, Madam Speaker, attached or presented or tabled in the House, I find that it's somewhat difficult to determine exactly how these things are going to have application.

The bill also, Madam Speaker, refers to the appointment of a new Environmental Council and an Environmental Commission. Both bodies are advisory.

One, I gather, is full-time and paid; the other is voluntary and receives an honorarium. It seems, Madam Speaker, that in having two such bodies, advisory bodies now - not one regulatory and one advisory, but both advisory - that there's a great deal of redundancy attached to having both.

I see also, Madam Speaker, a potential for having conflict between those two groups. What would happen if, on the one hand - and these organizations, these bodies, the council and the commission have the right to investigate on their own. They don't have to have something referred to them. They can carry on and do their own investigation with respect to environmental matters. So what happens, Madam Speaker, when you have the Environmental Council dealing with one issue and the Clean Environment Commission dealing with the same issue and both come up with different recommendations? Which one is going to be acceptable now, the full-time one or the part-time one? Madam Speaker, I see a potential for conflict there. I see a potential also for a duplication of a great deal of work.

I can see, Madam Speaker, both organizations now tending to hire consultants in order to back up their view or their investigation of certain kinds of issues. All of a sudden now, we have two consultants working on the same thing, instead of one, Madam Speaker, a duplication both in terms of effort and in terms of cost - cost I think that need not be incurred by the government in these situations.

And then, Madam Speaker, comes the question of who will decide and who will judge between these two groups. We have one, Madam Speaker, the chairman of one as a member of the other. Now will there be further conflict there? I see, Madam Speaker, a whole host of problems associated with having two different, separate, distinct groups dealing in an advisory capacity in this respect.

As well, Madam Speaker, the proposed powers of the environment officers have given me some concern. The bill indicates that they may enter without a warrant under three or four or five different circumstances, Madam Speaker. They may enter without a warrant into somebody's premises, except a dwelling, and do their thing, so to speak.

Madam Speaker, I would like an explanation from the Minister at the appropriate time as to how they are able to do that under this legislation, when a policeman can't stop a car without having some reason for doing so, how he can go in and search a premises without a search warrant.

I don't disagree that there is a need for flexibility on behalf of environmental protection officers to be able to do their job, to be able to ensure enforcement of environmental protection legislation. But I am somewhat concerned, Madam Speaker, when we have, on the one hand, human rights legislation coming forward and the Attorney-General introducing a bill proclaiming all sorts of human rights on the one hand, and the environment bill coming along and taking some of those rights away on the other. Madam Speaker, I find that a little conflict and I think the Minister should, during his speech closing debate on Second Reading, perhaps address those issues.

Madam Speaker, also I want to speak for a moment about abatement projects as contained under this bill. Now abatement legislation is not new. It's been around

for some time. And it sounds, Madam Speaker, great. Abatement projects have a great amount of sex appeal attached to them, if you will. It says to municipalities, yes, if you have an environmentally offensive industry creating a problem in your municipality, we have legislation here that will allow the Provincial Government and the municipality to work together in order to remove that problem.

But, Madam Speaker, in the case, for instance, now, of the Beaver Soap Company, we had a situation in the City of Winnipeg that took five years to resolve, five years under abatement legislation that existed - well, I assume, exists today. Well, Madam Speaker, that was an industry that was virtually closed down. That wasn't an operating ongoing type of industry where there was a lot of reaction from. It was simply foot-dragging delays and, more than anything else, Madam Speaker, it was a lack, I think, of money on the part of the Provincial Government to put up their share of the funding for that abatement project to take place. It ultimately did, Madam Speaker, take place five years after the fact and, because it was five years after the fact in times of high inflation, it was double the cost, twice the cost than when it was started.

So, Madam Speaker, I have some concern that, while abatement legislation sounds very nice, I would hope that, under this new abatement legislation, at least there will be some action to be able to be taken quickly; that in fact there will be some funding put forward that can be tapped on a regular basis and not have to fight amongst all of the other demands of government with respect to funding, so that abatement legislation could in fact work. It could work quickly, and there would be money there available so that municipalities could take advantage of that situation.

Madam Speaker, under The Environment Act, the City of Winnipeg is no longer deeded the same powers as it was under the old Clean Environment Act, where it in fact assumed the duties and powers of the province or the Clean Environment Commission. That right, Madam Speaker, existed since 1935, since the formation of the Greater Winnipeg Sanitary District in that year. Since that time, Madam Speaker, the City of Winnipeg has in fact led the way in North America in terms of pollution control.

MR. H. ENNS: Indeed it has.

MR. J. ERNST: It has, in fact, state-of-the-art facilities, the envy of most cities in North America. It has on staff, expertise - technicians, professional chemists and experts in the field of pollution control - and it operates these major systems on a regular basis.

It has spent almost half of its capital budget over the last five years and will expect to spend somewhere in the area of 25 percent of its capital budget over the next five years to meet those demands for increased pollution control. That's done of its own volition. That's not because it was forced, that's not because there was legislation demanding it, but by and large it was because it wanted to.

The City of Winnipeg recognized the need and the demand for that kind of pollution control. So, Madam Speaker, it is a front-runner in the country and in North America. But all of a sudden now, we are going to have

super-imposed upon the hundreds of technicians, of experts, of professionals dealing with this - having vast numbers of years of experience - we're going to super-impose above them now, a new level of provincial bureaucrats who are going to be able to now second-guess the City of Winnipeg technical and professional people who have been undertaking and doing the practical aspects of this matter, over the last any number of years.

As well, I think we're going to see some additional costs associated with that. Not only the cost of bureaucrats within the provincial government now to second-guess the bureaucrats at the city level - we're going to see significant new costs because of new ideas and/or justifications for their job that this new second level of bureaucrats are going to have.

They are all of a sudden going to have to say to the Minister: "The reason that we're here is that we've got to impose new conditions or add new things or put new equipment, or whatever, onto the backs of the Winnipeg taxpayer. They have to justify their position. If they don't have anything to recommend, they aren't needed.

So all of a sudden now, we're going to have this second level of bureaucrat now making recommendations to the government to impose new conditions on what is already state-of-the-art pollution control in North America.

A good example of that, Madam Speaker, was a suggestion coming from the province that the City of Winnipeg now chlorinate all of the water coming from the pollution control facilities in Winnipeg. Now that sounds very nice. You're going to chlorinate all of this water that comes out of there. The only problem is, it's going to kill all the fish in the Red River.

MR. H. ENNS: That would be a tragedy.

MR. J. ERNST: Certainly, a tragedy. The people in Lockport, Madam Speaker - Lockport is the finest pickerel fishing ground in Manitoba. The number of trophy pickerel taken in Manitoba - 50 percent of the trophy pickerel taken in Manitoba are taken at Lockport in the Red River.

This recommendation coming forward, of chlorinating the water, was now going to annihilate a whole fishery in the Red River. Fortunately, cooler heads prevailed and a study was done. A study by a consultant that indicated the benefits of chlorination were so minimal, so small, that it was not worth the expenditure of \$8.5 million of taxpayers' money for capital improvements and another half-a-million dollars a year in annual operating costs.

It was proven - because the Premier wanted to say to the people in Selkirk that he has forced Winnipeg to chlorinate the water coming from the sewage treatment plants. No one recognized that it was going to kill all the fish and at the same time there was minimal, miniscule benefits as a result of the expenditure of that money. I think cooler heads finally prevailed, the election was over, and we didn't have to worry any more about that particular issue.

But I have a concern that all of a sudden now that second level of bureaucrat is now going to start recommending more of these kinds of things, who is

going to pay? Are they going to load that now on the backs of Winnipeg taxpayers again, these huge, huge investments in plant and in operating costs, Madam Speaker? I think that we have to have some great concern over that.

As well, Madam Speaker, there are some overlaps with respect to The Public Health Act. The Public Health Act now, Madam Speaker, has certain requirements; the new Clean Environment Act will have certain requirements. An application, for instance, for a storm-sewer outfall into a river would require two departments to be dealt with, two sets of bureaucrats and two sets of Ministers, who would have to approve now, to let storm water run off the streets of Winnipeg, or any other town or village in Manitoba, and into the river.

So, Madam Speaker, there needs to be some clarification as to the role there and reduce the red tape and potential conflict between Ministers, so that when an application is made for those kinds of things, at least the amount of paperwork and the amount of potential conflict is reduced.

But, Madam Speaker, the most devastating part of this act is what it does not say. It does not specifically deal with the City of Winnipeg water supply. There is no leadership from members opposite, Madam Speaker, no leadership. There are no specifics. There is nothing in this act relating specifically to the City of Winnipeg water supply.

Madam Speaker, I'd like to quote from Hansard, the Minister's opening remarks, on Wednesday of the 27th of May, page 2468, which says, in part: "Manitoba's new Environment Act is, indeed, pace-setting legislation. It is as up-to-date as modern environmental methods can make it. This legislation, Madam Speaker, has the ability to maintain the quality of life we enjoy as Manitobans."

Madam Speaker, there are 600,000 people in the City of Winnipeg who have had a threat hanging over their head for the last nine years that their water supply is going to be polluted and this Minister has done nothing, including bringing in legislation that he claims is the best in North America, and says nothing about that aspect of it. That's shameful, that's shameful.

Madam Speaker, that's what we've had all along. We've had members opposite whining and complaining that Ottawa hasn't done anything; the City of Winnipeg hasn't done anything; they've done nothing, absolutely nothing. Madam Speaker, this is the greatest single environmental problem that has ever faced Manitoba in its entire history and these people have done nothing.

I appreciate, Madam Speaker, there are problems. There are problems of two different promises dealing with this specific issue and there are problems that the Federal Government, in certain jurisdictions over at Indian Affairs in this country. But, Madam Speaker, this problem was created by a former Liberal Government in Ottawa. The Honourable John Munro decided arbitrarily, without dealing, without discussing anything certainly with the City of Winnipeg, the Honourable John Munro of that day, Minister of Indian Affairs, decided that he would accept, he would take out of the Indian Reserve, Band No. 40, sufficient land to allow them to have a cottage lot developed, gave them their blessing and said you will have to comply with whatever other federal regulations there are. Well, that started it, Madam Speaker, that created the problem in the first

place, created by a Federal Liberal Government in Ottawa.

But, Madam Speaker, the city has had a good water supply since 1919. It has had the benefit of clean, clear water for over 68 years. But, Madam Speaker, for the last eight years, it has had a cloud hanging over that water supply; 600,000 people are concerned that their water supply is going to be polluted by potential development.

Madam Speaker, something that isn't well known, and perhaps members opposite aren't aware, is that the City of Winnipeg has been taking water since 1919 but the band only moved there in 1930. So, Madam Speaker, the city was there; it pre-dated this band by 11 years. It had the right and did, in fact, take water 11 years before the band ever arrived on the site of Shoal Lake.

Madam Speaker, there are other options, other initiatives that the government could have taken with respect to this issue. Madam Speaker, my leader brought up several weeks ago in this House the opportunity for the government to say, we will trade, we're not going to say to the Indian band, no, we deny you economic opportunity to better yourselves - they simply could have said we'll provide you with another lake.

There are 100,000 lakes in Manitoba or more, Madam Speaker, and there's the opportunity to say to the band - look, if you would take another lake and develop that lake you will have your economic opportunity, you will have your jobs, you will have that economic stimulus for your band, and you will be given an opportunity then for long-term job creation as a result of that.

But this government has done nothing. They have not gone forward and said that. They have not gone to the band and said we will try and exchange land. So what if they're residents of Ontario, Madam Speaker, in this case. They happen to live, you know, a few hundred feet over the border. But what they're proposing to develop is in Manitoba, and that is going to pollute the City of Winnipeg water supply, and that is the concern that we have to have. That's the concern members opposite should have.

Madam Speaker, the actions of the government opposite are not good enough. Their new Environment Act is not good enough. The people of Winnipeg, the rights of Manitobans have to be protected. They have a right to have their interests protected. They have a right to have their water supply protected.

Madam Speaker, members opposite, just a few short years ago, spent hundreds of thousands of dollars on opening a lobby office in Washington, D.C., to fight what, to fight the Garrison Diversion. They had hundreds of thousands of dollars and hundreds of thousands of hours; they had ministerial delegations going down to Washington, to meet with officials to lobby the American Government, to ensure that certain fish species did not transfer from North Dakota into Manitoba.

Now, Madam Speaker, they spent hundreds of thousands of dollars doing that. But what have they done for the 600,000 people and their water supply in Winnipeg? Nothing, nothing, Madam Speaker. They're prepared to worry about fish in North Dakota, because they can garner a few headlines. But here they've done nothing with respect to the water supply of the City of Winnipeg. Madam Speaker, that is shameful.

We get, Madam Speaker, continuous comments from there. What is the Federal Government doing? What is the city doing? What is the Manitoba Government doing? Nothing. Nothing, Madam Speaker. There's no delegations to Ottawa, Madam Speaker, there's no delegations to Queen's Park in Ontario.

The Minister is not down there negotiating a deal with the Minister of Environment from Ontario, to ensure that mining doesn't take place down in Shoal Lake, to make sure other resource extraction activities, Madam Speaker, don't pollute the water supply of the City of Winnipeg. He's not doing that. He and his colleagues are prepared to go to Washington, D.C., but not prepared to go to Queen's Park and protect the water supply of the City of Winnipeg, and that is shameful.

Because of the inability or the lack of interest or whatever it is on the government side to act in this matter, it is my intention when this bill gets to committee to introduce an amendment to this act. I'd like to read that amendment and I will table it, Madam Speaker, in the House today for members opposite. I'd like to read my proposed amendment so they're aware of what action they could have taken if they had any initiative and they weren't incompetent, Madam Speaker.

WHEREAS the City of Winnipeg and its citizens enjoy a most precious resource, of clean, clear water; and

WHEREAS the City of Winnipeg and its citizens have had the benefit of this resource for 68 years, at little cost and without the need for treatment; and

WHEREAS this water supply has been threatened by a potential cottage lot development and other environmentally hazardous projects; and

WHEREAS this water resource will require treatment at a capital cost of \$100 million if these developments proceed . . .

MADAM SPEAKER: Order, order please.

I remind the honourable member that at Second Reading it's the principle of the bill that is under discussion, and I have, on several occasions, asked individual members not to refer to specific sections of a bill, so I also feel that it is out of order to refer to specific amendments at Second Reading. The proper place to introduce amendments, of course, is in committee.

The Honourable Member for Charleswood.

MR. J. ERNST: Madam Speaker, on a point of order.

I clearly indicated at the time that I started this matter that I was simply tabling the contents of a proposed amendment, which I would introduce at committee stage on this bill. Madam Speaker, there is no greater principle to deal with right now, on this bill, than the City of Winnipeg water supply. That is a very serious matter and a very significant principle that has been missed in this bill.

Now, Madam Speaker, I think it's only fair that members of the House are aware of the kind of thing that needs to be contained in the bill, and hence, I have read - in part at least up to this point - the contents of a proposed amendment of which I have tabled.

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: I wonder if I can be of further assistance to the Chair.

I think it is a matter of courtesy, on the part of a member who intends to introduce an amendment at committee stage, to inform the members of that. I appreciate your concern about specifically relating it to specific sections, but he is introducing a major amendment, I might add, to the bill in principle, and, as such, I think it is acceptable.

We have other amendments that we bring at Second Reading stage, some more traditional such as if we don't like a bill, we move the traditional six-month hoist that the bill shall not be read now, which is all-inclusive as well, and it could be argued, includes all sections. I would believe that, under the circumstances, the member is quite in order.

SPEAKER'S RULING

MADAM SPEAKER: May I refer honourable members to Beauchesne's Citation 734, which says, "The second reading is the most important stage through which the bill is required to pass; for its whole principle is then at issue and is affirmed or denied by a vote of the House. It is not regular on this occasion, however, to discuss in detail the clauses of the bill."

It goes on, 739, "On the second reading of an amending bill it is the principle of the amending bill, not the principle of the Act."

I have cautioned Ministers as well as members of the Opposition, when referring to specific clauses or quoting specific clauses, that those are out of order. I would suggest that the Honourable Member for Charleswood can talk about the principle of the amendment that he will be putting at committee, but not reading, in detail, the specific amendment. I think that would be quite in order, however reading the amendment, he can certainly give the amendment to any honourable members that he wishes, but I don't think he should refer to it specifically at Second Reading. The Honourable Member for Charleswood.

MR. J. ERNST: Thank you, Madam Speaker. I accept your advice and will proceed with respect to the amendment that I had tabled, Madam Speaker.

In principle, it deals with one thing. It deals with a distinct, clear message from the Province of Manitoba that will say to everyone that the City of Winnipeg water supply must be protected if at all humanly possible. In order to do that, Madam Speaker, a prohibition is necessary, a prohibition in this bill that says, uses in and around Shoal Lake that are detrimental or potentially detrimental to the City of Winnipeg water supply should in fact be prohibited. There would be no discretion on the part of the Minister; there would be no discretion on the part of his environmental officers, as is presently there.

Madam Speaker, under the present act, an environmental officer could issue a licence without, or exempt somebody totally - it's possible, Madam Speaker, not necessarily probable - but possible to exempt someone totally from complying with the terms of The Clean Environment Act right next to or on the shore of Shoal Lake where it can pollute the City of Winnipeg water supply. And that, Madam Speaker, I think requires a prohibition.

I propose, Madam Speaker, when the matter gets to committee, to propose a prohibition to be contained

in the act which would prevent activities detrimental or potentially detrimental to the City of Winnipeg water supply from happening. It would take an act of the Legislature to change it and, Madam Speaker, it's that important to the people of Manitoba, it's that important to the 600,000 people of Winnipeg that their water supply be protected if at all humanly possible.

Madam Speaker, the proposed amendment that I tabled, for the information of members of the House, is not necessarily in the exact format in terms of wording that I will be presenting once reaching committee stage, because I've referred the matter to legislative counsel to prepare the appropriate wording. The principle I have discussed with him, and he has indicated that is quite acceptable. It's just the formation of the words that are necessary in order to be absolutely clear and legal with respect to that matter, Madam Speaker.

But I'm not claiming either that this is the only answer, because it's not the only answer. There is much more that needs to be done. The Minister of the Environment should be spending time in Queen's Park in Ontario negotiating with his counterpart in Ontario, another prohibition to be contained in their act, one that would also recognize the concern, recognize the need for protection of the City of Winnipeg water supply. That's where the Minister should be and he could do nothing greater in his whole term of office than to negotiate an agreement like that with the Minister in Ontario.

At the same time, Madam Speaker, he should be in Ottawa, discussing with the Minister of Indian Affairs questions of this regard to make sure - never mind the negotiations. For instance, Madam Speaker, we've heard negotiations are going on between the city and negotiations are going on with the Federal Government, negotiations are going on with the band. They have Mr. Chretien as their adviser, who has held or proposed to hold Winnipeggers and Manitobans to ransom.

Madam Speaker, what are they negotiating? They're negotiating away the rights of people in Winnipeg to have a clean, clear water supply. Madam Speaker, it's not a question of buying out the potential development rights of an Indian band in Ontario to have a portion of their reserve in Manitoba. Madam Speaker, this is what we're negotiating, clean, clear water. The fact of the matter is that it should be prohibited, period. The taxpayers should not have to buy back their own water supply from an Indian band who wants to develop. They should not have to do that. They should be entitled to their water supply the way they've had it, the way they had it for 11 years before the band even ever decided to go there.

Madam Speaker, again I claim not this as the total answer, because it's not. There are many players in this situation; there are many things that are necessary to do to prevent the City of Winnipeg's water supply from being polluted. I would hope that the Minister opposite is doing that or will be doing it or had better do it, Madam Speaker, because the people of Winnipeg have such a great concern that they are going to rise up if necessary. They will give a clear message, Madam Speaker. As clear as the water that comes out of their tap, they will get a clear message. They had better do something to protect the water supply of those two-thirds of the population of Manitoba.

Madam Speaker, they should not be held to ransom. They should not be held to financial ransom over the

question of building a water treatment plant for \$100 million and another \$10 million annually of operating cost. They should not be held to that ransom, Madam Speaker, and they should not be held to ransom with respect to the environment.

So, Madam Speaker, I would hope that the government will, once my amendment is proposed, accept that amendment, have it included in the bill so that it can be a clear simple message to all of those who may wish to operate in the vicinity of the water supply of the City of Winnipeg that the Government of Manitoba will not tolerate pollution of that water supply, and that the Government of Manitoba will do everything within its power, legal and otherwise, to make sure that water supply is protected forever.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker.

I, too, want to put a few words on record to do with Bill 26, The Environment Act. I think it's timely that we do see some improvement to our environment protection. We've seen a lot of abuses of our environment, and I think it's time that we take some direction to make sure that we preserve our environment for our future generations. But when we look through the bill and we read it, we see a lot of things in there that, to me, are pretty scary. I think when you take a look at what the Minister is proposing in it and you look at his past track record, you'd want to be awfully scared of what this Minister is proposing.

Madam Speaker, a lot of the terminology is pretty loose in the act, dealing with the quality of life for people and what is enjoyment for a person, so we have some pretty loose terminologies that worry me and give some very broad aspects to this act. Madam Speaker, they talk about people having influence on the government, as far as determining the quality of their life through the environment. I think they have an opportunity now to have input to this government. The only problem is, in many cases, the government hasn't been doing a very good job of listening.

So, Madam Speaker, what worries me an awful lot is that we have an act and we don't see the regulations. We know with The Water Rights Act, I think it was 1983 that it was passed, and we see regulations come out this year. When we see the type of regulations that the Minister put through for The Water Rights Act, it was pretty all-encompassing where a farmer could hardly even dig a little ditch on his land with a shovel to let off some water, and it just about covered every aspect of life, which of course is what this government wants to do, to control every aspect of our life. So the worrisome part is that we don't see the regulations. In those regulations, we're going to find many scary things, probably things that were a little more scary than what we saw in The Water Rights Act.

Madam Speaker, they also talk about promoting this bill and the environment, and I wonder if this is not another one of their methods of promoting themselves. It looks like they're going to be putting out a lot of publicity, a lot of promotional material, and I'm sure the theme will be what a good job this government is

doing for the people of Manitoba, rather than making sure that people understand the environment and how it should be protected. So I have some real strong reservations as to the intent of this government when it talks about putting out informational material.

We're going to have three different committees, Madam Speaker. We're going to have an advisory committee, I think it is. There's going to be the Clean Environment Commission, and then they're going to have the Manitoba Environmental Council. Well, I have some concerns . . .

A MEMBER: There are two.

MR. E. CONNERY: Well, you have advisory committees as the Manitoba Environmental Council -(Interjection)- I'm sorry, there are two. Okay, so we have two. What do we need with all of these? Will these be a bunch more party hacks? -(Interjection)- You know, we see right now, no matter what advisory committee, it's for party hacks.

The Clean Environment Commission should be the board, the body that has the technical expertise, the knowledge as to what affects the environment and in what way. So we have another environmental council who is also going to be speaking to the Minister, so I have some concerns in that aspect that we're going to see some confusion as to what's going to be coming from all these various groups.

We also talk about some time frames, Madam Speaker, in the bill that is required. They talk about 90 days being the time from which a government employee has to provide information to the Minister. But if we go back to what's happening with water licensing and permits and so forth in the water sector, we see some of them that are two, three and four years behind, people who have applied for a water licence. The Member for Morris has a constituent who, I think, it's somewhere over two years that he's applied for an irrigation licence and hasn't had it issued yet. So they're talking about 90 days. Madam Speaker, I can see people, developments, businesses tied up for horrendous lengths of time while this government tries to decide what they're going to do, and this happens in many cases.

Madam Speaker, I go through, and I got to one area that I was particularly concerned about in the bill. Earlier this year, we saw legislation put through where we would have to pay for water, cities that were drawing their water from rivers and that would be forced to pay a modest sum, as it is right now, for their water.

Madam Speaker, I question the Minister when he talks about selling the emission rights from this bill. What is this Minister now saying, that we are going to pay for the emission that businesses, cities, villages, towns are going to be doing? Is this what the Minister is now saying? This is my major concern on this environment bill, Madam Speaker. I see a real danger - and this government always says you can't have it both ways, Madam Speaker, but I think in this case they want to have it both ways. They want to charge you as you take water out for consumption, and they're going to charge you possibly to put it back into the river or wherever. Madam Speaker, this doesn't make sense that they're going to be charging for this.

It's in this act and it's very loose, and this Minister is saying, we'll give you a licence to do something. You can put up a smokestack and you'll be within the limits, but now we're going to charge you an annual or whatever fee for running that because smoke is going to go out the stack. This is exactly, you know - (Interjection)- we could be calling it the Penny-a-flush Bill because every time you flush the toilet, somebody's going to have to pay a penny for the emission.

So, Madam Speaker, with this type of government and with this Minister who we have, we can expect all kinds of scary things. But a penny-a-flush, yes, I think that is really what we're going to see.

So, Madam Speaker, I think that, before we get into this bill - and we'll get into it in detail and there are a lot of clauses that I do want to speak on in detail - but the one that I really was concerned about mainly is this selling of emissions.

Madam Speaker, this Minister under the present act does some pretty scary things. Madam Speaker, I was talking to a person who takes aggregate out of the Stonewall quarry. That quarry has been there, I don't know, Madam Speaker, for how many years. But in the interim, people have bought land adjacent to the quarry and now complain about the noise.

Madam Speaker, this Minister's department, this Minister is putting this act forward, determined that yes, they would have to shut down between the hours of 8 p.m. and 6 a.m. in the morning, which is only a 14-hour shift, not enough time to have two eight-hour shifts. The Minister of Business Development should take note, and I told her earlier today, the other department's effect on Business Development.

Madam Speaker, one of the suggestions the department made to this company was buy more equipment, do it in a shorter period of time. Well, obviously, the Minister and his staff haven't got the vaguest perception of business and how to run things economically - just buy more equipment. Well, this is what this government is doing and it's very good at it - just spend more money. They don't understand how to cut costs.

So now we see, Madam Speaker, either this company having to buy more equipment or working a shorter shift. With the stone quarries, we should be concerned, because the Birds Hill gravel pits are starting to dry up and we are going to be taking a larger percent out of that particular thing. So this is what concerns me.

Madam Speaker, they also mention straw in here, or burning and smoke. One of the concerns that we have with this Minister, and he keeps on saying no, it won't affect farmers burning crop, but I don't believe this Minister because we've seen too many other things before that he has said and they haven't come to fruition. Like in the Workers Compensation, when you were going to reduce the deficit and it only got bigger. That's a pretty good indication that we can't depend on what this Minister says

A MEMBER: Or does.

MR. E. CONNERY: Or does. That's right. So, Madam Speaker, when he says it's not going to affect farmers, I just don't believe that.

There is another section, Madam Speaker, that talks about the livestock. I don't know why, if the Minister

is not concerned about livestock and feedlot operations, he's got it in here, and I think what he's going to be doing is closing down or making it so expensive or restrictive for certain feedlots that they're going to close.

(Mr. Deputy Speaker in the Chair.)

When people move out into the country and they move to where something is already established, we see a feedlot, and people will do that, then they'll complain about the smell from that feedlot. Well, Mr. Deputy Speaker, we can't have the farm community badgered and pushed. They're not doing very well as it is. They're in severe economic constraints right now. But even if they weren't, I think we need to take a look, and this Minister should be talking to the Minister of Agriculture, and on the other side of the coin we should be maybe having the right to farm legislation come in here so that the farmers are protected from city people who want to move into the country, and then object to what goes on in the country.

This Minister is developing an act and will be developing regulations, Mr. Deputy Speaker, that are going to make it really, really difficult. So this Minister was the Minister for Workers Compensation. We saw what he did to Workers Compensation. He destroyed the system. He's got a debt that we are told for sure is \$84 million - and it could be \$184 million. What is he going to do with this Environment Act when he gets going? Mr. Deputy Speaker, I'd be confident if we had a sane, reasonable, rational-thinking Minister with this bill, but this Minister could do anything.

He likes mosquitoes. Now that's an odd thing to do. He won't spray for mosquitoes around his place. He loves mosquitoes. Now any Minister who likes mosquitoes better than people, we have to be a little bit concerned about.

Mr. Deputy Speaker, we can see with the change, they've gutted the Clean Environment Commission. The member who spoke before me said a lot of things that I wanted to say, and that is the trouble with letting someone go ahead of you - they take up a lot of your material. But I think one of the big things is that they've gutted the commission. As he pointed out, it was somewhat at arm's length - not totally, but somewhat. Now it's put right into the Minister's department right where he can have a first-hand eye over it, and I can see the decisions now being political, because this government makes most of its decisions based on political theory, as Bill 61 is - just a bail-out Bernie. That's the sort of thing that this government does.

So the decisions under The Environment Act won't necessarily be in relation to what is important for the environment, but it will be what is important for the people who are supporting it. And, Mr. Deputy Speaker, some people get a little bit extreme when they come to the environment. They go way overboard so I think we have to be very cautious.

Mr. Deputy Speaker, I just wanted to put a few thoughts on the record. When we get into committee and we can go at it clause-by-clause, then I'll be looking at those individual clauses with some detail, but I do have a concern. I think we need some improvement to the act, but it really scares me when it's this government and this Minister who brings it in.

Thank you.

MR. DEPUTY SPEAKER: The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: I move, Mr. Deputy Speaker, seconded by the Member for Gladstone, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: Second Reading on the proposed motion of the Honourable Minister of Environment, Bill No. 28, The High-Level Radioactive Waste Act.

MR. A. DRIEDGER: Stand.

MR. DEPUTY SPEAKER: Stand.

On Second Reading on the proposed motion of the Honourable Minister of Social Services, An Act to amend the Child and Family Services Act.

MR. R. NORDMAN: Stand.

MR. DEPUTY SPEAKER: Stand. Agreed and so ordered.

On the proposed motion of the Honourable Attorney-General, An Act to amend The Law Society Act.

MR. C. BIRT: Stand.

MR. DEPUTY SPEAKER: Stand. Agreed and so ordered.

On the proposed motion of the Honourable Minister of Health, Bill No. 40, The Human Tissue Act.

MR. D. ORCHARD: Stand.

MR. DEPUTY SPEAKER: Stand. Agreed and so ordered.

BILL NO. 41 - THE ANIMAL HUSBANDRY ACT

MR. DEPUTY SPEAKER: On the proposed motion of the Honourable Minister of Agriculture, Bill No. 41, An Act to amend The Animal Husbandry Act.

The Honourable Member for Virden.

MR. G. FINDLAY: Thank you, Mr. Deputy Speaker.

I'm just going to make a few comments on this bill and then I'm prepared to allow it to go to committee.

Mr. Deputy Speaker, this bill has not been updated for some period of time and, as I read through it, that's what the Minister is doing - updating the bill to modern terminology and including into it a couple of areas of concern in the animal industry area that need to be part of this act.

Mr. Deputy Speaker, some of the changes that occur are taking words that we no longer use and replacing with the more modern words, like taking out the word "herder" and replacing it by the word "person," and I'll remind the Minister of Agriculture that in his spread sheet No. 1, on the second page, there is another word "herder" there that needs to be removed. So he's got some cleaning up to do in terms of being sure that all

the words are appropriately changed as he wants them changed.

Another word that's certainly not very common in our language anymore here is "sleigh dog," it's being replaced by the word "dog." The poundkeeper's part of the bill is cleaned up in a satisfactory fashion as far as I'm concerned.

Another aspect is the advertising of stray animals. The old act required it to be advertised in the Manitoba Gazette and I'm sure, Mr. Deputy Speaker, as you're aware, not many people are reading the Manitoba Gazette out in rural Manitoba and that the advertising in local newspapers as required in this new bill is certainly more modern and more in tune with what people are apt to read.

Mr. Deputy Speaker, I would ask the Minister of Agriculture, on the second spread sheet that he gave us, if he would consider requesting or at least adding to his statement on the valuers that have to be appointed by the municipalities, if these valuers should not be the ag reps who serve the local municipalities, rather than have the municipalities appoint somebody at large. Just a recommendation I would ask that he consider.

The third spread sheet that the Minister handed out when he gave Second Reading to the bill deals with brands and branding and brand inspection. Mr. Deputy Speaker, for some time, myself and other people in the livestock industry have felt that there should be more utilization of brands in the Province of Manitoba. I see that within this Part III of the act, the Minister is appointing inspectors for brands, and the inspectors will be RCMP officers. I am completely in agreement with that, and I know that it will meet with the satisfaction of the livestock industry.

Another aspect that's added in here is that any livestock in transit must have a bill of lading associated with that transfer. There must be some degree of documentation, so that if the RCMP stop the truck or trailer that's carrying the livestock, and the person driving that truck has some degree of identification, to prove that the animals he's transporting belong to him or to somebody for whom he's transporting them. I agree and believe that this must be so.

One other thing in Part III of the act is that vents - vents are a method of cancelling a brand on an animal. Vents are to be removed. In other words, vents are no longer to be lawful. I would ask why, because I'm not sure that the presence of vents was causing any trouble.

I would just like to remind the Minister that in some cases where a person is going to be buying cows, as a probably good example, at a sale, let's say they do it in the fall of 1987. When they're transporting those cows home, they'll certainly have some degree of identification or bill of sale to prove that they belong to that individual. If those cows have brands on them at the time of sale, the person that sold the cows will identify on the bill of sale that those cows have said brand on them. That will satisfy the inspector or the RCMP officer at that time.

But, Mr. Deputy Speaker, don't forget that cows can stay on a farmer's farm for 10 to 12 years and sometimes longer. But, Mr. Deputy Speaker, if that farmer is transporting those same cows some three or five or seven years after he's purchased them, and he is stopped under the auspices of this act by an inspector, like an RCMP officer, and he's asked to produce

identification that that brand now belongs to him, I can guarantee you he will no longer have that identification in his pocket, and it may be fairly hard to find.

If those cattle had a vent on the brand, in other words, a cancelling of the brand actually on the animal, that problem would be taken care of. But with the removal of vents that opportunity to negate the brand will now be lost.

I guess one other question that I would ask the Minister if it's not included in this act, if it's his intention in the future, either next year or somewhere down the road to make it mandatory that all livestock be branded? That would be a controversial topic in the livestock industry.

Mr. Deputy Speaker, in Part IX in the artificial insemination part of the act, the aspect of embryo transfer is added. That is certainly a much needed addition to that area, because embryo transplants are now reasonably commonplace amongst pure-bred breeders. The way it is included, I have no problems with it.

But, Mr. Deputy Speaker, under section 125(1), paragraph (f) and I will read it: "to enter into subsidy agreements with the licensed technicians," who act as Manitoba Semen Distribution Centre agents in providing their livestock producers with reasonable access and price to all semen.

Mr. Deputy Speaker, I think the Minister, in closing debate on this bill, should give some degree of clarification as to what they mean by subsidy agreements. Does that mean subsidizing the technician, to what extent, and who is going to determine what the subsidy is?

I've talked with people in the livestock industry and they're a little concerned about that part of section 125 because it's left in the hands of Cabinet, as we understand it, to do that, to make the agreements on subsidies, Mr. Deputy Speaker. I believe that some more clarification is needed before this is passed into law.

Mr. Deputy Speaker, there's one other area that's not in this bill, and maybe this is not the appropriate time to do it, but I'd like to ask the Minister of Agriculture when he's prepared to bring in some legislation on the licensing and bonding of auction marts and, in most particularly, livestock dealers, because over the years the odd unscrupulous livestock dealer has bought cattle, the cheque has bounced, and in many cases the auction mart is the one that's going to lose money and certainly the farmer who sold the cattle has some degree of potential liability.

I think the Minister of Agriculture needs to bring in legislation in this area as a means of protecting the auction marts and the farmers who are selling livestock because a lot of dollars can change hands at an auction mart in one afternoon and a lot of money can be lost if an unscrupulous dealer is allowed to buy these cattle and his cheque bounces.

With these comments, Mr. Deputy Speaker, I have no further comments to make and we're prepared to let this move to committee.

MR. DEPUTY SPEAKER: The question before this House is Second Reading on Bill No. 41, An Act to amend The Animal Husbandry Act. Is that agreed that this be approved and go to committee? Agreed and so ordered.

Debate on Second Reading on the proposed motion of the Honourable Minister of Labour, Bill No. 42, An Act to amend The Construction Industry Wages Act.

-(Interjection)- Correction, on Bill No. 41, I do not have to call the vote because there is unanimous agreement. Is that right? So ordered.

Point of order.

HON. J. STORIE: Just so I'm clear, Mr. Deputy Speaker, Bill No. 41 will be going to committee. Is that the understanding?

MR. DEPUTY SPEAKER: Bill No. 41 goes to committee by unanimous agreement of the House; and it is so ordered by the House.

Bill No. 42 stands. Is that agreed? (Agreed)

Debate on Second Reading on the proposed motion of the Honourable Attorney-General, Bill No. 46, The Charter Compliance Statute Amendment Act, 1987. (Stand)

Debate on Second Reading on the proposed motion of the Honourable Attorney-General, Bill No. 47, The Human Rights Code. (Stand)

Debate on Second Reading on the proposed motion of the Honourable Attorney-General, Bill No. 48, An Act to Repeal Certain Unrepealed and Unconsolidated Public General Statutes and Parts of Statutes (1871-1969). (Stand)

On the proposed motion of the Honourable Minister of Labour, Bill No. 49, An Act to amend The Real Estate Brokers Act. (Stand)

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

MR. DEPUTY SPEAKER: Debate on Second Reading on the proposed motion of the Honourable Minister of Finance.

The Honourable Member for Morris.

MR. C. MANNES: Mr. Deputy Speaker, it's a pleasure to be able to stand and debate Bill No. 51 - the taxation bill - giving effect to some of the taxation measures as presented in the Budget of the government.

Mr. Deputy Speaker, this is the first and earliest time that I can remember that this bill has been debated after a Budget. I must say I think the Opposition should take and does take some pleasure in the fact that we forced the government to lay before the House this bill at a time of more import to the House, relative to other years when it was introduced and debated in the closing hours of a Session.

Mr. Deputy Speaker, before I go too much further and before I forget, I'd like to bring to the attention of members of this House and indeed to the Minister of Finance that I sought a ruling as to the validity of the taxation increases in the new laws in place. Mr. Deputy Speaker, you may be interested in knowing that the response that I received from legal counsel is from his viewpoint and his opinion that of course none of the taxation measures that the government introduced by way of the Budget, which was subsequently passed by a vote in this House, really have effect today in this province. It's an ongoing debate in many of the Parliaments throughout the Commonwealth, Mr. Deputy

Speaker, and of course when we made the assertion that we did, that some of these taxation measures really do not have effect and we were of course chastised a great length by members opposite. Really, I feel somewhat satisfied at this point that we called him to question properly what the government has done.

Now the Minister opposite says, well, what about the Federal Government? They, too, are wrestling with this whole question. It's a question that's being wrestled with in a number of Houses of Parliament. What of course makes it so different, there was a time by when the Sessions used to be very short, when the taxation measures that were introduced used to be very small in number, so consequently the Government of the Day had no opportunity but quickly, after the passage of a Budget, to bring forward the taxation bill and to have it debated. That was a matter of some weeks after that particular measure was introduced by way of Budget.

We have a completely different situation now. We have a situation where our Sessions last four or five or six months; in Federal Houses, they are longer than that, and quite frankly, Mr. Deputy Speaker, it's incumbent upon the government, I feel, not to rely upon convention which has stretched out this period of time, before full legal effect has been given to bills. I think it's incumbent upon the government to bring forward these types of legislation as quickly as possible; allow those of us that represent the taxpayers of this province to debate them, and then seek ultimate authority, by virtue of this Legislature, for their passage.

Mr. Deputy Speaker, the members opposite ridiculed us for even bringing forward that whole area of concern. They also ridiculed us for some of the meetings that this Conservative Party held with respect to the Budget. They, of course, had their spies at some of them and there's nothing wrong with that. That's most acceptable, and, Mr. Deputy Speaker, of course they called into question some of the number of people who were attending in some of the locations. I'll say for the record, there were two or three locations that we might have preferred to have a larger attendance, but overall, Mr. Deputy Speaker, the exercise went extremely well and we feel very successful in what it was that we attempted to do. Of course, if the next Budget a year from now is half this bad, we'll do it again, Mr. Deputy Speaker, and indeed, we'll organize it even a little more differently because you learn, of course, from experience.

Mr. Deputy Speaker, the members opposite of course lose sight of what our objective was. It just wasn't to fill halls to the full, although we did that. We had a tremendous crowd out in Swan River, as the Member for Swan River knows - (Interjection) - Yes, well, of course, a lot of New Democrats are coming to our meeting these days because they no longer are New Democrats. That's where it's at today and the politics - so of course we welcome them with open arms. I mean, we will come to power, and we will come to the power being supported by people who have voted for the NDP party in the past. So I make no apology for that and certainly neither should the Member for Swan River.

(Madam Speaker in the Chair.)

Madam Speaker, the reason that we hosted these meetings, of course, was to draw attention to the public and, as importantly, to the media who indirectly would

carry the message to our citizenry that this Budget, as brought forward by the government on March 16, represented the worst obvious action that any government could take with respect to levying taxes.

Madam Speaker, it was also a full admission by the Minister of Finance that this government, from an economic and fiscal standing viewpoint, is on the rocks. We fully understand now, Madam Speaker, why it is that accounts payable in many areas of government are now lagging. My colleague, the MLA for River East, today asked a question of the Minister of Health as to why these accounts payable were falling now out to eight weeks, where previously there used to be a two.

Madam Speaker, the reason for that of course is the government is running out of money. That in essence, Madam Speaker, was what we went out to say at indeed our Budget meetings, and that's the message that the media of this province, who may have not fully understood the import of many of the things that the Minister of Finance was saying on the night of the Budget, the media today, Madam Speaker, because of our Budget meetings, in my view, are more fully aware of what it is of the fiscal standing and the manner in which this government is taking this province into the rocks, so to speak.

We were successful in that respect and, quite frankly, as I've said to the Minister of Finance on other occasions, once people who receive wages open their pay envelopes in the first pay period of July and realize the impact of the 2 percent flat tax upon them, they then will realize that this Budget, which the NDP made everybody believe for the most part, this Budget which would hit the rich, Madam Speaker, the evil rich, really is hitting everybody.

So, Madam Speaker, that's the revelation that will be driven home to each and every Manitoban in July in a combination now with a new awareness by the media and Manitobans. Because of our Budget meetings, I dare say the government is going to find itself in great difficulties to explain many of the results that are going to continue to come forward by virtue of the quarterly reports and other documents of government showing our fiscal standing.

Madam Speaker, we are very happy with our Budget meetings. Part of our problem, of course, and part of Opposition's problem is that when Budgets come down, they're of course critical right from the beginning and the public are aware of that. So when Oppositions tend to overact or react too often to fiscal moves by the government, the public becomes a little unconcerned and quite often then, when a major issue comes along, are not prepared for the full consequence or indeed the full criticism.

Madam Speaker, there was an element of that this year. There was some good strategy on part of the NDP releasing the losses associated with MPIC and also letting the rumours out associated with the Workers Compensation Board losses at the same time the Budget came down. That was some fair strategy that moderated the impact a little bit within the community but, Madam Speaker, today everybody is aware and everybody knows that the Budget that came down, drawing out over \$400 million from the disposable income of Manitobans, really impacts not the rich, not the upper class, not the wealthy corporation, but indeed they themselves.

So, Madam Speaker, the Budget of 1987 is not over. The discussion isn't over and will not end with the discussion associated with Bill 51. It will not end with the proroguing of the Session. Madam Speaker, it will continue throughout all of '87 and well into '88.

Madam Speaker, I didn't want to interject any Saskatchewan figures into this debate at all because, quite frankly, I've grown tired, as indeed I'm sure most people have, of having to hear whenever we ask a financial question as to the state of Saskatchewan, but I can't help but state something for the Minister of Education, particularly, Madam Speaker.

Saskatchewan, which is held up to us as being a Conservative province, where things are all afoul, and I'm to use the words of members opposite. Madam Speaker, that province, where they have some major resource problems, reflected in major reductions in revenue, and where they have some very unique problems specific to that province, in spite of bringing forward all the tax measures, increased their tax take by \$265 million, \$100 million less than the Province of Manitoba, in spite of the reinstatement of a gasoline tax, a major increase in sales tax and so on and so forth.

Madam Speaker, it makes one want to ask the question: How does the taxation regime in Saskatchewan compare to Manitoba? Or, more importantly, how do the taxation regimes in other provinces compare to Manitoba? Madam Speaker, as the Minister of Finance is well aware, there are people in our community, there are people outside who are trying to do comparisons as between provinces, so as to be able to quantify an answer.

Madam Speaker, the Minister of Finance, a year ago, stood in this House and said that the Province of Manitoba had the second-lowest taxation regime in the province. He based that on an earning ability of family income of \$20,000.00. Madam Speaker, we've had evidence supplied to us over the last couple of weeks and I will say to anybody who wants to listen, there's probably good reason to call into question some of the methodology, but there are other people who have high credentials and doing proper comparisons and taking into account all tax measures for families earning \$27,000, \$30,000, \$35,000 per family which shows this province to be virtually leading the nation in areas of taxation. That comes as no surprise to us, absolutely none, and I dare say even members opposite I think today are prepared to accept that. They can no longer harbour their argument in the area that they will use as the benchmark for comparison, the family of \$20,000, because that is virtually below the poverty line. It is below the poverty line for a family of six.

So people are beginning to ask the question, first of all, where does Manitoba stand? People who are influential in our community, Madam Speaker, who read the Budget document, who listen to the Minister in response to every question, say, well, there has to be a proper sharing of the services, and indeed the cost of those services. Madam Speaker, people today are questioning the words and they're questioning the figures behind the words.

Madam Speaker, today, people aren't only questioning the taxation measures; they're beginning to ask where is this province headed. The Conference Board of Canada, and indeed other institutions, are saying that the windfall spending that has occurred in

this province, mainly as a result of government-public infused capital, is coming to an end. Every one of the economic indicators that people want to look at today will show this province, through the last half of 1987 and through 1988, to have some very serious economic problems, and they're structural, Madam Speaker. They're occurring in our basic sectors, not only in agriculture - and I won't dwell upon that because I honestly believe that everybody understands the state of that sector today - but in the areas of manufacturing, Madam Speaker, and other primal areas, the economic activity forecast in the future is coming quickly to a slowdown.

Madam Speaker, that's the basis on which the Minister of Finance over the course of the next two weeks, when we go into Estimates and indeed when he has an opportunity to go into committee on a whole host of his bills, is going to have to stand and tell us how it is that his revenues as forecast are going to be able to be reached, given the absolute certainty with which the economy in this province is going to be slowing down over the next few months, Madam Speaker, well into 1988.

Madam Speaker, I know that you're wishing to rise to call us to attention for Private Members' Hour. I look forward to concluding my remarks at another time, at which time this bill is called.

MADAM SPEAKER: The honourable member will have 22 minutes remaining when this bill is again before the House.

COMMITTEE CHANGES

MADAM SPEAKER: The Honourable Member for Kildonan.

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

I move, seconded by the Member for Lac du Bonnet, that the composition of Standing Committee on Industrial Relations be amended as follows: C. Santos for the Honourable G. Lecuyer.

I move, seconded by the Honourable Member for Lac du Bonnet, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Honourable G. Lecuyer for C. Santos.

MADAM SPEAKER: Agreed? (Agreed)

PRIVATE MEMBERS' BUSINESS

MADAM SPEAKER: On the Private Members' Business, on the proposed resolution of the Honourable Member for Kildonan, the Honourable Member for Portage la Prairie has seven minutes remaining.

A MEMBER: Do you want to call it six? That's fine with me.

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Is it the will of the House to call it six o'clock?

Wednesday, 24 June, 1987

MADAM SPEAKER: Is it the will of the House to call it six o'clock? Is it agreed? (Agreed)

Will we leave this resolution then at the top of the

list? Is that agreed? (Agreed)

The hour being 6 p.m., the House is now adjourned and stands adjourned till 1:30 p.m. tomorrow. (Thursday)