

LEGISLATIVE ASSEMBLY OF MANITOBA
Wednesday, 16 July, 1980

Time 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

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

**MINISTERIAL STATEMENTS
AND TABLING OF REPORTS**

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I will distribute the preliminary unaudited statement for the 1979-80 year end. It'll be here very shortly. I'll just have it distributed to the House.

MR. SPEAKER: Notices of Motion.

INTRODUCTION OF BILLS

MR. CRAIK introduced Bill No. 113, The Manitoba Energy Council Act. (Recommended by His Honour the Lieutenant-Governor) and Bill No. 114, The Manitoba Energy Authority Act. (Recommended by His Honour the Lieutenant-Governor).

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my first question to the Acting House Leader. In view of the fact that we've just had two more bills introduced this morning, I wonder if the Acting House Leader could tell us how many more bills we may expect prior to the termination of the session?

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, I am pleased to be able to advise my honourable friend he's seen the last.

MR. PAWLEY: Mr. Speaker, I had feared to ask that question and I'm now glad that I did.

Mr. Speaker, further to the Minister responsible for Environment. Has the Minister received the federal government study and report pertaining to the spray tests which were done over the city of Winnipeg in 1953?

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

MR. JORGENSEN: No, Mr. Speaker, I have received nothing from the federal government on that particular subject, notwithstanding my request to the Minister.

MR. PAWLEY: Mr. Speaker, I have a copy of the study, and I will be forwarding a copy of that to the Minister. But since the study was done only by two employees of the Federal Department of Defence, and did not include any researchers from the Federal Department of Health nor from Manitoba scientific community, is the Minister satisfied with the methodology utilized by the federal government in doing the study pertaining to the 1953 spraying tests?

MR. JORGENSEN: Mr. Speaker, it would be somewhat difficult for me to make that kind of assessment at this time until I have at least had an opportunity of seeing the methodology that was employed, and consulting with people who are knowledgeable in this particular field.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, to the Minister of Municipal Affairs. It is my understanding that approval has been granted by the city of Winnipeg for the locating of an amusement park, the Frontier Town in the Rural Municipality of Rosser. Can the Minister advise whether or not that amusement park, that Frontier Town, will be subject to normal municipal taxes under the provisions of The Municipal Act?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. DOUG GOURLAY (Swan River): Mr. Speaker, as I understand it, that has not been given formal approval at this point. There is some question as to whether it will receive that approval.

MR. PAWLEY: I wonder, Mr. Speaker, then if the Minister of Municipal Affairs would be expansive in his response. If it has not received the approval required, can the Minister indicate what further approvals may be necessary?

MR. GOURLAY: Mr. Speaker, as I understand it, the RM of Rosser are being advised of it. They are being asked to express any concerns that they may have, and as a result of their concerns, it could be rejected.

MR. PAWLEY: Mr. Speaker, returning to my original question to the Minister of Municipal Affairs, under the provisions of The Municipal Act, would such an amusement park be subject to municipal taxation?

MR. GOURLAY: I would have to take that question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUUK: Thank you, Mr. Speaker. My question is directed to the Minister of Health. In view of the tragic fire in the Mississauga, Ontario,

private nursing home, which claimed the lives of 21 patients there, would the Minister launch an immediate review of the fire and safety regulations in Manitoba and compare them to those in Ontario to determine whether in fact the ones in Ontario and the ones in Manitoba are sufficient to provide protection, because that apparently wasn't the case in the Ontario situation?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, we haven't seen the conclusions yet of the investigation into that tragedy in Mississauga. I can assure my honourable friend that we are keenly interested and concerned with the investigation that is going on, and we are keenly awaiting the conclusions that will result from it. Insofar as Manitoba is concerned, I think that the Honourable Member for Transcona can rest assured that considerable has been done here during the life of this government to guarantee fire safety for residents of our personal care homes, not only to the extent of some annual program over each of three years of some 5 million in fire safety upgrading, but also to the extent of having closed a number of old personal care homes, and replaced them, or being in the process of replacing them with new beds. However, the honourable member raises a point that all of us in society live with in some anxiety, 24 hours a day, one cannot be too vigilant, and I will certainly be following the results of that Mississauga enquiry very closely.

MR. PARASIUK: A supplementary to the Minister. I'd like him to investigate to determine whether in fact the existing nursing homes in Manitoba and those that are proposed to be built, especially the private ones, do in fact have sprinkler systems, and the new ones, will they have sprinkler systems, because apparently that was one of the major reasons why the fire spread so quickly in Mississauga.

MR. SHERMAN: Yes, Mr. Speaker. The new ones, non-proprietary and proprietary, being built, naturally have to conform to the fire code, which is fairly rigid and fairly constricting today in comparison to the fire code that we lived under a few years ago, and they will have to conform. With respect to those already in existence, particularly the older ones, and there still are, of course, a number of older ones, some one dozen in Manitoba particularly in the western part of the province, all of them have been subjected to the upgrading to meet the fire code standards which call for such things as smoke detectors, improvements in structure and sprinkler systems. That will be pursued with renewed vigour, Mr. Speaker, in the wake of this tragedy in Mississauga, but I can assure my honourable friend that the pursuit of that objective has not waned at any time since the government took office. There has been a vigorous effort made to upgrade all those facilities. Some of them are pretty badly time-expired and what we are doing in those cases is the minimum in terms of renovation. That minimum is fire safety upgrading and it's the government's intention to replace them all with new structures as quickly as possible.

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

MR. PARASIUK: I'd like to ask the Minister if he can clearly tell us whether the new nursing homes that were approved recently by the government have as a condition for their licence that they in fact do install sprinkler systems. The Minister isn't clear as to whether in fact they are required to have sprinkler systems. The Ontario code doesn't require sprinkler systems. Does the Manitoba code, do the Manitoba regulations established by the Department of Health require sprinkler systems in these newly approved personal care homes?

MR. SHERMAN: Mr. Speaker, the Department of Health requires that they meet the conditions of the Public Health Act, and the Department of Labour, under whose aegis comes the fire commissioner, requires that they meet the demands of the fire code. I will have to consult with the Minister of Labour, my colleague, on that latter point and take the question as notice in the interim, but my interim answer, Mr. Speaker, would be yes. Certainly they have to comply with the fire code, and if that's what the fire code requires, that's what they have to meet.

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

MR. PARASIUK: If in fact the fire code doesn't require sprinklers, I hope the Minister would bring about that type of change with respect to new construction. I'd like the Minister also to investigate whether in fact any nursing homes in Manitoba are keeping invalided patients who are immobile on top floors where they really can't get out of a building easily if a fire starts, since that again was supposedly a major cause of 25 people dying in that fire in Mississauga; because they were up on the top floor, they were invalided, and they couldn't move when the fire broke out.

MR. SHERMAN: Mr. Speaker, most of the new homes that are being built are low rises, consisting of only two or three floors for the very reason alluded to by the Honourable Member for Transcona. With respect to those of a high-rise nature currently in existence, every effort is made to maintain immobile patients on the lowest floors. Their practice has been to maintain those lower floor rooms for the less mobile patients. Certainly we are re-alerted to that very necessary requirement as a result of that Mississauga tragedy, Mr. Speaker, and I will be reviewing that arrangement with the existing homes, but existing practice has been, as I say, to house the less mobile patients on the lowest floors so that immediate egress is assured.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to pose a question to the Minister of Health. Has the Minister of Health received any further information, or has he made any further inquiries with respect to the articles which have appeared in one of the daily newspapers

with respect to the unsafe and unsanitary meat passing inspection in Manitoba?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: No, I haven't, not directly, Mr. Speaker. I am aware of the exchange of opinion and the debate that has taken place, largely through the media, on the subject, I'm aware of the response of the Food Protection Branch to the initial reports carried in one Winnipeg newspaper and also aware of the reassurances that were delivered officially by the Food Protection Branch in the wake of those initial reports which seem to have been rather extreme and pretty badly exaggerated.

I have not had any direct communication or direct information relayed to me by the Food Protection Branch or Food and Drug in Ottawa.

MR. GREEN: Mr. Speaker, in view of the fact that this is a matter which affects all citizens, I wonder whether the Minister wouldn't consider it prudent to obtain from the responsible officials in Ottawa, written assurances and written documentation with respect to the procedures that are being used so that the Minister can table those written assurances and documentations in the House. I would think that informality in a matter of this kind would be dangerous, and I would ask the Minister to advise the House whether he would do that for us so that we can have some information with which to assure our constituents.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Yes, Mr. Speaker, I accept that suggestion and I will attempt to do that.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Speaker, I wonder if the Minister of Natural Resources would fill us in on the forest fire situation in our province.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I have not had the reports for this morning yet, so I have no update from that provided last night.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker, I would like to address a question to the Minister of Labour with regard to student employment for which the Minister takes some responsibility under the Youth Employment Program. I wonder if the Minister can give the House some approximate idea as to the number of students who are looking for work this summer and some approximate idea, perhaps a percentage, of how many have been placed and therefore what percentage are still looking and have not been placed.

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER: Mr. Speaker, I may have some difficulty putting figures to the term of looking'. I can't really define what the word looking' means. I certainly could get some updated figures on the number of students that directly or indirectly, through the programs that we have in place, that are employed or appear to be employed at this moment. We don't know until the end of the year till we do our count, but within government there is, and I'll get the correct figures, I'd suggest there are 600, 700, or 800. The private sector youth program, we expect to have the biggest year ever, at least 5,000, and the centres that we have throughout the province I sent all the MLA's of the Legislature a copy of where those centres were I think they will probably be responsible for 3,000, maybe 4,000 placements or getting together of employers and of students who are looking for work.

If the member could be a little more definite, Mr. Speaker, as to what he means by students looking, then maybe we can work out the number that we reasonably know at this time are employed versus those . . . If he can give me an interpretation of the other factor, then we could maybe work out what percentage we are talking about.

MR. EVANS: I guess specifically I'd have to refer to the various programs for which the Minister is responsible, I guess. But I wonder, by way of supplementary, Mr. Speaker, if the Minister has any particular knowledge of whether the supply and demand situation for student employment varies around the province, because my question relates to the Brandon area, where I note that 1,700 students are registered for employment at the Canada Student Employment Centre and over 1,000 are still looking for work. About 600-and-some-odd have been placed but there is still about 1,000 who are registered and still looking for work. I was wondering really whether that was an unusual situation in the Brandon western Manitoba area, and whether that might be reflected in the figures or the statistics that the Honourable Minister has.

Specifically, my question is, given that ratio, 1,700 students having registered, 1,000 still looking, or a little over 1,000, is that a typical situation throughout the province?

MR. MacMASTER: Mr. Speaker, I hope that the member would appreciate that this is the first time I have heard those exact figures, so I can't say whether in fact that is typical or otherwise. I do know that the Employment Centres, both the federal and the provincial, sometimes have difficulties matching young people up with jobs because of the desires of the young people. They register and may say, 'For the entire month of August I'm available' or 'For the entire month of July and the first two weeks of August, I have got six weeks' worth of time I wish to put in in a particular job or some type of job.' Even the registration, and I am not trying to play with words, but the fact that they have registered sometimes creates some difficulty in trying to get an appropriate timing or place geographically, or weeks by or months by employment for students.

I will certainly follow up on the precise numbers that the member has indicated and I will endeavour to get some other numbers from some other parts of

the province to give the member some idea of the difficulties we are having and the difficulties that young people may be having. But I think by and large that there are a great number of students that will in fact be employed this year and I think the member opposite will be pleased when we get the final figures together. It is probably going to be a high for the province of Manitoba.

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

MR. EVANS: I have a question for the Minister of Government Services, Mr. Speaker, the about-to-be czar of cable systems in Manitoba. The other day he took as notice my question with respect to CKND Television attempting to be carried over the cable system in WestMan, and I believe the Honourable Minister took this as notice and I wonder now if he can advise what the position of the Government of Manitoba would be with respect to supporting CKND Television in getting permission from the CRTC to be carried over the WestMan Media Co-Operative Cable System?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. HARRY ENNS (Lakeside): Yes, Mr. Speaker. Further to that question, the position of the government as such is not to intervene directly in the question. There is a current service in Brandon. It is a question of CKND, whose application is before CRTC, and for the federal regulatory body to deal with the question. We certainly voice the general approval for having additional channel selection for the citizens of Brandon, but it would not be appropriate, that is the position I believe that was taken by the government, by my predecessor, that while we support the general addition of channel selection to the community of Brandon, the government as such does not play an intervening role or supportive role in the licence or hearings that are before the federal regulatory agency at this present time.

MR. SPEAKER: The Honourable Member for Brandon East with a fourth question.

MR. EVANS: On this subject then, Mr. Speaker, the Minister has advised that there is a distinct possibility of a Canada-Manitoba or a Canada-Provincial Agreement being carried where certain authority over cable systems will be delegated to the provinces. My question to the Minister is, based on the information he now has as to the direction that the federal government has indicated it might wish to go? Would the decision as to who or who does not go onto a particular system be a decision of the provincial government or would that still be a decision of the CRTC, even though the province was given certain other authority, which the Minister outlined in his speech the other day?

MR. ENNS: Mr. Speaker, in essence that is a hypothetical question, because the fact of the matter is the province does not have that jurisdiction, but I believe the honourable member wishes to make

some comments on Bill 107, which touches on the matter, and I don't mind answering that question to this extent, by indicating to him that again it would not be the government that would decide as to who shall or shall not provide a particular service.

If the honourable member has perused the bill before him, it would be the provincial regulatory body should those powers be transferred or delegated to the province that would decide whether or not a particular firm, company in this case CKND would provide those services. My general policy guideline direction to the PUB, of course, would be, and my advice is from MTS, that the electronic highway could certainly facilitate it and that there is not a suggestion of franchising or maintaining exclusive privileges to any particular firm that is providing services. It would be my hope that a proper application made under those circumstances to the provincial regulator would be favourably received.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker. A question to the Minister of Finance. Could he advise us as to the number of individuals in receipt of the SAFER Program benefits, who will in fact lose all of those benefits as a result of Bill 112, and as well as to the number who will lose one-half of those benefits or more? If he doesn't have that information available, can he undertake to provide that information to us when we are in committee on that Bill?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I think the appropriate time is to look at that at the committee stage and I will provide as much information as possible, along with the Minister responsible for MHRC.

MR. SCHROEDER: Yes, Mr. Speaker. A further question to the Minister of Finance.

I note that in the preliminary financial report for the year 1980 he indicates a gross per capita debt for Manitobans of 4,318 per Manitoban, which is approximately 1,000 per citizen greater than it ever was under the previous administration. Could he advise as to whether that figure should in fact be greater, in view of the fact, that it is based on population figures as of June 30th, 1979, but the calculation is made as of March 31st, 1980, and in view of the fact, that nine months had elapsed and many more people had left this province, would he not agree that the 4,318 should be a higher figure?

MR. CRAIK: Mr. Speaker, only if one accepts the member's latter premise and that, of course, cannot be accepted. This is based on the statistics that are available.

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

MR. SCHROEDER: Thank you, Mr. Speaker. A question to the Minister of Municipal Affairs, can he

advise the House as to whether there was a specific will on which he has based his amendment to The Planning Act, which would result in an individual being allowed to do, after death, what was impossible to do during his lifetime, or in other words, which would make an individual wiser after death than during life?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. GOURLAY: Mr. Speaker, I would have to take that question as notice.

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

MR. BILLIE URUSKI: Thank you, Mr. Speaker. I direct this question to the Minister of Health and ask him, in view of the to say the most kindest words the condition of the Arborg Hospital as being totally unsatisfactory, could the Minister indicate to this House what commitment he has given to the people of Arborg with respect to the necessity to have the hospital reconstructed?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, we have given them the assurance that they will receive every consideration in the development of the program for 1981-82, which will be developed by my department officials and me, and brought forward for the consideration of my colleagues, Treasury Board, etc., in the normal process this coming fall.

MR. URUSKI: Thank you, Mr. Speaker. Could the Minister indicate whether he has given assurances to the Board or the representatives of Arborg and District that they can begin the pre-planning that is required to be undertaken so that the scope and nature of the program that the community requires can be undertaken before even consideration is given to what finances are required, because that is at least a year or two down the road?

MR. SHERMAN: Yes, Mr. Speaker, I did advise the Board that they could get underway with the planning process.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, a couple of days ago the Member for Rossmere asked a question as it related to the official notifications I have been given for prospective layoffs of companies here in the City. We have two, and I would like to take this opportunity to explain just very briefly what they are. One for Canadian Co-Op Implements. The notification tells us that 56 people will be laid off in mid-September, and there will be an additional 12 on the 26th of September. Versatile Manufacturing will be laying off, between July 17th and August 8th, 167 permanent employees.

Mr. Speaker, I think that the Member for Rossmere would also be pleased, as I am, to find out that starting August 18th the company will commence rehiring, recalling the 167 at Versatile.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker. I thank the Minister of Labour for that information. Can he advise as to whether these two particular companies are companies which, on a regular basis, file these documents with his Ministry? That was the concern that was raised previously that another company which had announced layoffs had presented what the Minister had initially considered as a routine notice.

MR. MacMASTER: Rather than just take it as notice, I will take an educated guess at it. I believe one or two of them have in the past, not consistently. It is my understanding that there is an upsurge in the manufacturing and assembling of agriculture equipment during the fall, winter and the spring, and there is a bit of slackening off in the summer when they are getting rid of their stock and putting it out to the dealers. But these two particular companies have not done it consistently like the one that the Member for Rossmere and I were discussing before, but I think I would be honest and candid in saying that yes, a year or two in the past, or three or four, we would find that one or the other have in fact given us notification in the past; and as in the Versatile situation my thoughts of the upswing in business and the upswing in assembling and manufacturing obviously is borne out by the fact that the employees will be recalled in the fall.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'd like to ask the Minister of Finance whether he is now prepared to table a copy of the Letter of Intent or any other agreement dealing with, I think it's called Mandan, the Manitoba Hydro and Nebraska Power Exchange?

MR. CRAIK: Mr. Speaker, that question was asked by the Member for St. Vital yesterday, in the Member for St. Johns' absence, I presume, and I indicated that it had been referred to Hydro. I have not heard back from Hydro. I will advise the House when I have heard back from them.

MR. CHERNIACK: I thank the Minister for his response, Mr. Speaker.

I'd like to ask the Minister of Municipal Affairs, referring to a news service bulletin dealing with participation of municipalities in growth taxes, on what basis he refers to the distribution of income tax revenues as a provincial program of giving grants? Just how does he arrive at the concept that these are grants?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. GOURLAY: Mr. Speaker, this is with respect to the 24 million that was paid out? I'll have to take that question as notice.

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

MR. CHERNIACK: Mr. Speaker, whilst the Minister is enquiring as to the basis on which he used this description of the program, would he indicate to us whether he believes that the government had any choice about whether or not the municipalities would receive this total sum of some 24 million? Would he indicate that now, Mr. Speaker?

MR. GOURLAY: Mr. Speaker, there was no question that this money would be paid out to the various municipalities.

MR. SPEAKER: The Honourable Minister of Highways.

HON. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. On Monday, Mr. Speaker, the Member for St. George indicated (Interjection) if the Member for St. Johns would exercise a little patience . . .

MR. SPEAKER: He was recognized by the Chair. The Honourable Minister of Highways.

MR. ORCHARD: Thank you, Mr. Speaker. On Monday, the Member for St. George posed a question to which I indicated that I would follow up . . .

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

MR. CHERNIACK: Mr. Speaker, I was asking questions of the Minister of Municipal Affairs. The courtesy of the House, I believe, is such as to permit supplementary questions, two or three, Mr. Speaker, I have not asked more than two questions of the Minister. Do I have the floor?

MR. SPEAKER: I had indicated to the member, his final supplementary.

MR. CHERNIACK: You had?

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

MR. ORCHARD: Thank you, Mr. Speaker. The Member for St. George posed a question relating to an apparent position that the B.C. and Alberta governments, the Ministers of Transportation in those two provinces had taken regarding the takeover of rail lines west of Winnipeg. I have been in personal contact with both those Ministers and they have indicated to me that that indication and that information was a gross misrepresentation of the position that they had taken, they had taken no basic position on railroads, their discussions were strictly relating to harbours and that any idea that they had suggested the nationalization of all rail lines west of Winnipeg was not in accordance with the outcome of their meeting and was not factual, Mr. Speaker.

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

MR. URUSKI: Thank you, Mr. Speaker. Could I ask the Minister to indicate then, what is the Manitoba

position with respect to trying to get the CPR to live up to its commitment that the CNR has been able to do in order to transport an increased amount of grain in western Canada, especially to the port of Churchill.

MR. SPEAKER: The Honourable Minister of Highways.

MR. ORCHARD: Mr. Speaker, I believe that recent negotiations which have led to the interchange of cars, 400 and some of which are now destined from CPR lines to Churchill, is an indication of what this government has done. Another area, Mr. Speaker, that is probably going to be self-eliminating in terms of the movement of grain, which is the specific area the Member for St. George is referring to, is the fact that as a result of initiatives taken by this government and the federal government, the export movement of grain enhanced by both increased deliveries of CN and CP rail will be some 18 percent higher this year than last year, and furthermore, it's my indication . . .

MR. SPEAKER: Order please. I suggest the Honourable Minister has taken a fair degree of time to answer the member's question. The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister of Labour, and I would ask the Minister of Labour if he can investigate reports that Allied Farm Equipment will be laying off a further 28 people in the near future and that they have indicated that if there are no more orders coming in during the vacation period which is going to be starting shortly, that there will be a plant closure for 4 to 16 weeks after that vacation period has ended?

MR. MacMASTER: I can certainly investigate it, Mr. Speaker. I share, I hope, the sincere concern of the Member for Churchill. We have both come to the conclusion during questioning that we can talk about the farm implement business with a great deal of sorrow these days because the type of thing that the Member for Churchill is suggesting, even if he's saying is that a possibility, I think we would all have to agree that the farm implement business, because of the drought situation, those types of possibilities are certainly real. I'll check this particular one out, Mr. Speaker.

MR. COWAN: Thank you, Mr. Speaker. I do share the sincere concerns of the Minister as I have a number of personal friends who are working at that and will be affected by such a layoff. I asked the Minister to investigate for the purpose of the second question, that is to ask the Minister if he is prepared to call together the leading management in the farm manufacturing sector in order to determine what they consider to be the final impact of the layoffs due to the drought conditions and to see if he, along with the management and along with the unions involved, can work out a comprehensive plan to deal with these drought-affected layoffs by a better information system to the workers and by also trying to provide alternative work where it's available?

MR. MacMASTER: Mr. Speaker, I am not convinced that we necessarily have to get all the management together. We work in very close conjunction with Canada Manpower who are involved precisely as we are when it comes to layoffs. We are working with them on the first one that I mentioned this morning, the Canadian Co-op situation. I think that the Versatile set of circumstances that I mentioned this morning is an indication that the industry feels that there is going to be a pickup certainly in the fall and I would hope that that is the case, Mr. Speaker.

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

MR. COWAN: Thank you, Mr. Speaker. The reason I called for that sort of a meeting is that it now appears, with the information the Minister has given us in previous question periods as well as today and the information I have provided him with, that it is an industry-wide problem, that there is no part of the industry that is immune to it, and it might be time for an industry-wide conference of management and union.

My final supplementary to the Minister is a question of a different sort. I would ask the Minister if he can update us as to the status of the Workers Compensation Review Committee which he had brought into force earlier during the session and which it had been anticipated that they may be able to give us at least a preliminary report before the Session had ended.

MR. MacMASTER: Mr. Speaker, I haven't been in contact with any of the members of that review committee recently and that's two weeks, three weeks. I expect a report from them shortly. I think I mentioned to the member before, and if I didn't it bears saying, that it's the first review of that type that I know of in the province of Manitoba. I have certainly been involved and had a great deal of personal interest in The Workman's Compensation Act and its procedures, and I think I said to the Member for Churchill, if not some other member opposite, that it's the kind of review that I didn't want to rush or push because it is so very very important to working men and women within this province, that that review take its due course.

In reference to the half of the question that he made, the Member for Churchill made leading into the second question, I think you will find, Mr. Speaker, that the trend of the manufacturing industry and the assembling industry that relates to farm implements will be picking up again of course this winter, because the industry itself and all of us are certainly optimistic that next year we won't have the problems that we had this year, so the industry will be getting themselves in shape this fall and this winter.

MR. SPEAKER: Order please. Time for question period having expired. The Honourable Member for Logan.

COMMITTEE CHANGES

MR. WILLIAM JENKINS: Mr. Speaker, I would like to make three changes on the Committee of

Statutory Regulations and Orders; the Honourable Member for Wellington in place of the Honourable Member for Flin Flon; the Honourable Member for Transcona in place of the Honourable Member for St. Johns; the Honourable Member for St. George in place of the Honourable Member for Burrows.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Thank you, Mr. Speaker. I also have some changes on Statutory Regulations; Mr. Kovnats for Mr. Mercier, and Mr. Filmon for Mr. Wilson.

MR. SPEAKER: Are those changes agreeable? I declare the motion carried.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, I wonder if the Member for St. Boniface would be prepared to go on Bill No. 57, and I would also like to call Bill No. 91. I noticed that the Member for Brandon East was in here a few moments ago and he is still here. If all these things are agreeable, although the Member for Minnedosa is not here, he is away on business in relation to his responsibility with the Manitoba Public Insurance Corporation, if the bill could be introduced for second reading today. I wouldn't mind having that passed because it would be my hope to be able to call a Private Bills Committee tonight and if those bills are passed then we can forward them all on into that committee.

Following that, Mr. Speaker, you may call the adjourned debates on second readings beginning on Page 3.

ADJOURNED DEBATES ON SECOND READING - PRIVATE BILLS

BILL NO. 57 AN ACT FOR THE RELIEF OF INGIBJORG ELIZABETH ALDA HAWES AND GEORGE WILFRED HAWES

MR. SPEAKER: Bill No. 57, the Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Thank you, Mr. Speaker. I think that I made my position quite clear the last time this bill was debated. I feel exactly the same. I am disappointed somewhat that the member who introduced this bill is not in the House today. I wanted him to indicate if he would accept, before the vote is called on this, an amendment that would place at least some of the responsibility where I think it belongs, on the shoulders of The Law Society. I think that would be my first choice that this should be done. I think that they should accept responsibility. They have certain privileges that they enjoy that society, through the Legislature give them, and I think that they should therefore accept the responsibility. I am not going to say that if this is not

done that I am going to vote against it. I do not agree with the Minister of Public Works that the important thing is the system. I think that we should first of all place the individual who through, definitely nobody is arguing, through no fault of theirs at all, is suffering and has suffered quite a bit.

As far as the Minister saying that . . .

MR. SPEAKER: Order please. I wonder if those members that are carrying on private conversations if they could keep their voice down so I can hear the Honourable Member for St. Boniface. The Honourable Member for St. Boniface.

MR. DESJARDINS: Thank you, Mr. Speaker. I was delivering such a fantastic speech, it is quite insulting to see that these people are not listening with too much attention. Mr. Speaker, I feel that if this bill had not been necessary, I think that the Autopac would have had to pay. The Minister is saying well business is business, and the law says that this has to be done within a period of time and if not why charge Autopac; because the public owns it.

I think that this is one thing that at least you can do. They say that business has no heart, but I think that when the public own certain corporations, are running certain corporations like Autopac, they certainly should accept the responsibility that nobody should suffer because of the mistakes and the errors in society.

Mr. Chairman, I will support this bill. I hope that a motion is brought in to make sure that the responsibility, as I say, is placed on the correct shoulder, but my number one concern, I hope that something will be arrived at that we don't have any more of those bills, but I think that my main concern is to see that this person should not suffer, so I will vote for this bill.

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

MR. URUSKI: Thank you, Mr. Speaker. In making my contribution to this bill, Mr. Speaker, I wish to indicate to the Member for Minnedosa and I hope members on both sides, firstly, that it is my intention to bring in amendments. I have asked legal counsel to draft amendments to this legislation to make sure that No. 1, that the Law Society does share a portion of the responsibility with respect to this legislation. I want to firstly indicate that it is not our intention to hold up or delay any payment to Mrs. Hawes in terms of this claim.

As I understand this bill, Mr. Speaker, the nature of this bill is to allow Mrs. Hawes to now take action against the parties who were involved, who were originally insured by Autopac, to now be able to recoup all the moneys from the judgment that has been obtained originally against the lawyer who was negligent in this case and that the corporation or Autopac make the payment of the entire claim.

Mr. Speaker, as I understand the case, this is a case of clear negligence on behalf of the legal counsel of Mrs. Hawes. The legal counsel was advised prior to, I'm informed, the Limitation of Action date, expiring the two-year Limitation of Action; was advised by the corporation adjuster's

staff that his time to file a claim was nearing and he did not do so, Mr. Speaker.

As I understand the policy of the Manitoba Public Insurance Corporation, it has overlooked the deadline date in cases where people are not represented by legal counsel. The corporation does take, as I am given to understand, really two distinct approaches in dealing with the Limitation of Action period in which people have a time to file a claim. Where individuals are handling their negotiations on their own they have, as I understand, overlooked the two-year period. However in the case where lawyers are involved they have stuck to the letter of the law, Mr. Speaker. And in this case what we find is the lawyer was negligent, not only in the case of filing the claim within the two-year period, but he was also negligent in notifying, I gather at least from the point of view of the Law Society, notifying them that he had a claim against him for negligence. He was negligent on both parts.

Mr. Speaker, I don't believe that the Law Society should get off the hook in terms of this case. I believe that they should be held liable in the same way as the Corporation is being held liable for a portion of the claim. I don't believe that there will be much argument, or there can be much argument, with respect to quantum in this case, the amount of the judgment that has already been ruled on by the courts. I don't think there can be much case made that the amount awarded by the courts was too high.

Mr. Speaker, I hope that members will support the amendment. I had considered, I want to say, Mr. Speaker, considered even tying the original insurer of the Law Society into being liable for the entire claim but I felt, Mr. Speaker, that this would only delay payment in the case of Mrs. Hawes, and I am going to move an amendment and I hope that members on the government side and members who are intending to support this bill will ensure that the Law Society is tied to the legal limits of their liability, which I believe is up to 25,000, the first 2,000 being the liability of legal counsel, and they have the same right as Autopac to take a judgment against a negligent lawyer so that both Autopac and the Law Society, if they so desire, have the opportunity to take action against the negligent lawyer in this case. That will keep everybody on the hook and I would think that the Law Society has no way, or should have no way, of now trying to squeeze out of a claim that they should have been legally liable to pay in any event so that both parties will be tied to a certain portion of the claim up to their legal liabilities and I hope that members will support this amendment.

MR. SPEAKER: The Honourable Member for Inkster.

Order please. The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Mr. Speaker, I wonder if I could ask the Member for St. George a question, if he'd permit a question.

Is the Member for St. George is aware that any lawyer that has a judgment against him can lose his practising certificate according to the rules of the Law Society?

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

MR. URUSKI: Yes, Mr. Speaker. In fact, I believe, in this case the lawyer did do that, but that certainly didn't help Mrs. Hawes in the case and the Law Society itself, who he is insured by, and it is mandatory that all lawyers have this insurance policy. It is not at his will that he can withdraw from the insurance from the Law Society. It is mandatory for him to belong to that policy as a practising counsel in the province of Manitoba. So he was bound to take insurance from the Law Society. Now we find that the Law Society is not prepared to protect their own legal counsel and putting him on the hook, Mr. Speaker, and that is the reason for this amendment, to make sure that the Law Society lives up to their legal obligation and in order that Mrs. Hawes is protected, we are prepared to go along with the bill to the extent that the Public Insurance Corporation picks up the difference between the Law Society amount and the amount of the judgment that has been awarded by the courts.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I have been in the House for 14 years and I have never voted for one of these relief measures and I want the House to know that I am going to break this precedent in this case because I believe that the case is a distinct case which deserves a break from precedent.

I have always voted, Mr. Speaker, on the basis that there was somebody responsible, that limitation of actions were a law which should be discussed on its merits, and if there is a limitation of actions then all premiums and actuary rules are based on that limitation. If you removed the limitation then everything else changes. Therefore it was necessary to observe the limitation of actions rule if you are to have any means of operating and on that basis, Mr. Speaker, I felt that if a negligent party was there, then the person had a right to sue the negligent party and that was the case in the Hawes case.

Mr. Speaker, it was not my impression that the negligent party would be both judgment-proof, which I understand in this case he is, and that he is uninsured, or that his insurance company would not pay, which apparently also is the case here. But, Mr. Speaker, that being the case, then where should the legislative relief apply? I am suggesting that the legislative relief should at least be equal on the negligence insurance, at least.

I happen to think that it should be total; that if there is relief at all, that the relief should be provided by making the insurer of negligence pay the claim, after all we are undoing a limitation, and that the negligence insurer in this case, Mr. Speaker, has much less of a defence than Autopac, because the Autopac insurance is statutory, after two years you cannot sue. The negligence insurance is basing their defense on a failure to report which is contractual, it's not statutory. I believe I am right in this case but, Mr. Speaker, even if I am wrong, their position should be no better than the Autopac insurer and therefore, Mr. Speaker, I am going to proceed to give my approval as a member to this bill, but I

won't vote for it on third reading if the proper people are not going to accept responsibility. And, Mr. Speaker, it is not the Law Society who is refusing. Let it be understood that it is not the Law Society that is refusing to make payment. The Law Society does not make payment, as I understand it.

Mr. Speaker, whatsoever portion of it the Law Society is supposed to insure, I am prepared to say that the Law Society should pay. If the Law Society pays the first 25,000 as a Law Society responsibility, they should be responsible. But what about the insurer of the driver. Why should they be off the hook?

Mr. Speaker, it is my submission that if the Member for St. George is making an amendment, and I ask him to consider it because I will make the same suggestion at the committee if I can get there, that Mr. Shewchuk and his insurers, whether it be the Law Society or a private insurance company or whether there be a deductible portion that is paid by the Law Society and then the insurer, should be jointly and severally responsible with Autopac for payment of this judgment, that it should not be the Manitoba Public Insurance Corporation that pays the entire amount and, Mr. Speaker, I would want that written in so that there is no doubt about it, that the Law Society or that Shewchuk has the right to recover from his insurance without reference to the supposed breach which I consider to be a most specious kind of defence.

The insurance company has not been prejudiced one iota by the fact that Shewchuk did not report to them that he was negligent, because there was no defence to their claim. And I would give them whatever defence that they had if they wanted a defence. But, Mr. Speaker, it is my submission that the insurers who insured Shewchuk, whether it is the Law Society or a private insurer or both, did the Law Society pay the first 25,000 or did Shewchuk pay the first 25,000.00? In other words, there was a 25,000 deductibility on the insurance.

Mr. Speaker, my question is this, if a lawyer is insured, does the Law Society accept responsibility for the first 25,000 if there is negligence, or is that a deductible which the lawyer himself has to pay? If it is a deductible, Mr. Speaker, which the lawyer himself has to pay, then that portion can be borne by Autopac and the addition should be borne by the insurers of the lawyer, because if it is the Law Society who insures the first deductible portion of 25,000, then the Law Society should pay it. If the insurer pays beyond the 25,000 and the judgment is in addition to 25,000, which I gather it is, then the insurers of Mr. Shewchuk, not the Law Society the Law Society is not insured it is the insurers of Mr. Shewchuk, whoever it may be, should be required by this law to be jointly and severally responsible for payment of this judgment. And if that is not the case, Mr. Speaker, then I don't think that Autopac should be responsible for it. (Interjection)

Mr. Speaker, the Honourable Minister says that there is a 50 deductible on his policy. If there is a 25,000 deductible on lawyer's insurance, which I am not aware, and that is the responsibility (Interjection) Well, Mr. Speaker, the first two is not a problem. Let Shewchuk pay the first two or let them not recover the first two. If the Law Society pays the next 23, let's the next 23 be paid by the

Law Society and let the insurers of the lawyer pay the balance jointly and severally with Autopac. All I am concerned with, Mr. Speaker, if Mr. Shewchuk is responsible for the first two, if there is 2,000 deductible, then I would let that deductible stay and hope that Mrs. Hawes can somehow recover it from Mr. Shewchuk. It is only a sum of 2,000.00. But the balance of it should be made up by the insurers of Mr. Shewchuk, whether it be the Law Society or a private insurer and Autopac, because the intention, Mr. Speaker, in voting against these things is that there would be some responsibility and I do not consider Autopac here to be the culprit.

The insurance company should be, Mr. Speaker, saying that Autopac should not be responsible, because in the past years we have got up and voted against many of these on the basis of insurance companies not being required after Statute of Limitations. But if the companies themselves are taking advantage of this to deny responsibility, negligence liability, to the Law Society, then damn them, Mr. Speaker. I would vote in this House that that insurance company accept responsibility for this issue on which they have been protected on numerous occasions in this House.

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

MR. CHERNIACK: Mr. Speaker, I think it's to the credit of the Member for Inkster and to my credit that neither of us seem to know what are the provisions of the Law Society and the insuring for negligence of lawyers, and I take it as our credit because we apparently have not had to have the concern as to what our respective individual responsibilities would be. So it was the Member for St. George who informed me that his understanding is that according to the Law Society arrangement, the individual lawyer who is negligent is liable for the first 2,000 of the claim, the Law Society is then self-insured for the next 23,000 of the claim and for the balance the Law Society made arrangements for insurance by an outside carrier for that. And then there was a change in carriers apparently, Mr. Speaker. Apparently at the time the negligence occurred, there was one insurer and now there's another insurer, the Law Society having transferred from one insurer to another.

Mr. Speaker, what is important to me is that I don't understand why the mover of this bill is attacking or making MPIC responsible and ignoring the whole legal profession. To me the MPIC appears to have been the most innocent of all parties in this whole transaction. As I understand (Interjection) well, it is pointed out that the mover of the motion is a member of that board, now I'm wondering if there's a conflict involved and I think that the House Leader said that his absence today is because of business of the same board. So now it's really confusing, Mr. Speaker, but we'll set that aside. That is the problem of the government's conscience and the Member for Minnedosa's conscience but not ours. Oh, and the Minister responsible for the MPIC, who should be really looking into this specific problem, which occurs to me is a problem. Setting that aside.

As I understand it, the MPIC was constantly prepared to negotiate with the lawyer for Mrs. Hawes and I am told even notified the lawyer beyond its need, by letter that there was a limitation and cautioning him that the limitation period was going to expire. Now they certainly don't have to do that, although I think it is a great courtesy and I do believe, I remember dealing with various insurers who go out of their way to protect people who are not represented by lawyers much more than they do to protect people who are represented by lawyers and I think that's voluntary on their part and commendable on their part.

Now I don't know the extent to which the Law Society feels the word is not guilt, but feels a moral obligation here. They should accept the fact that in their own legislation and regulation they have power to impose an insurance fee for negligence on all members of the Law Society, all active members, and the Member for Inkster and the Member for Rossmere and the Member for Wellington and I, pay it willingly but compulsorily because we must pay it and I assume we pay it because we accept that a profession which takes upon itself the obligation of disciplining its members, even to the extent we've discussed in this very session, the question of reviewing competence of its members, should be prepared to stand behind its members and have been prepared to.

Therefore, on that basis I want to just add my support to the amendments being proposed by the Member for St. George and the way in which they were supported by the Member for Inkster and I want to say that as an insured person under the MPIC, I feel I should be less liable for my portion of that cost than as an insured person under the Law Society. I think that if the Law Society fees will go up because of this payment, it is better that I should contribute as a member of the Law Society where a fellow member showed such absolute negligence, rather than that I should have to pay as, again, a compulsory payer to the MPIC as the owner of a driver's licence.

So, Mr. Speaker, on that basis, I too will support this bill, expressing as I do the disagreement with the tenor of the bill, with its direct attack only on exposing the MPIC and ignoring entirely the law profession. I think that it is necessary that the law profession be accountable and at least come to the committee and argue against its being involved in having to show its accountability in some way. On that basis, Mr. Speaker, I concur with the previous speakers on this line and I believe I'm going to be on that committee which will be dealing with it, and if I am, I will certainly try to express my points of view. As a matter of fact, I'm told I, myself, may be bringing in the amendments.

QUESTION put, MOTION carried.

MR. DEPUTY SPEAKER: (Interjection) Ayes and Nays, do you have support? (Interjection) No support. I declare the motion carried.

Bill No. 91, standing in the name of the Honourable Member for Logan.

MR. JORGENSON: No, Mr. Speaker, I asked that Bill No. 55 I see the Member for Brandon West is not in the House.

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

MR. USKIW: The Member for Brandon is prepared to proceed. He's been called out to answer a phone.

MR. DEPUTY SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: That's the reason I suggest maybe we call Bill No. 55, standing in the name of the Member for Minnedosa, and as I indicated earlier, if there are no objections the bill will be introduced by the Member for Roblin.

SECOND READING - PRIVATE BILL

BILL NO. 55

AN ACT TO INCORPORATE BRANDON UNIVERSITY FOUNDATION

MR. MCKENZIE, on behalf of the Member for Minnedosa, presented Bill No. 55, An Act to Incorporate Brandon University Foundation, for second reading.

MOTION presented.

MR. DEPUTY SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I can't be of too much help to the members of the House on this bill, I don't have the background material. This bill is not in my name, but in going through the bill this morning, I find it's very straightforward and very simple as far as the Brandon University Foundation wanting to incorporate themselves and it lays out the guidelines for membership, directors and the powers, non-profit, etc., Mr. Speaker. I'm sure if there is any further questions that the Brandon University will be prepared to bring their officials and their legal counsel to the committee and answer them. I am prepared to, with those few words, recommend it to the members of the House and I'm sure the debate will carry on. Maybe later on in the day the Member for Minnedosa will be able to come back and add his comments to the bill. So with those few remarks, I recommend it to the House, Mr. Speaker.

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

MR. CHERNIACK: Mr. Speaker, I was going to ask some questions, but the member has made it rather clear that he can't answer them. But the first question I would then ask, it still is a question, Mr. Speaker, did the member say that the Member for Minnedosa will be back and we'll be able to deal with this. I think he said that.

MR. MCKENZIE: Mr. Speaker, it's my understanding he'll be back this afternoon.

MR. CHERNIACK: There is no use asking questions of a Mover who doesn't know anything about the bill, but I would like to get clarification on the basis of which it is proposed that this board will have some form of democratic base or will it be a self-perpetuating elite board to manage the affairs of the foundation. Is it one where, indeed, the directors who are appointed by this legislation itself, will thereafter control the future destination by self-perpetuating themselves.

A MEMBER: I was looking for you, I've got a problem.

MR. CHERNIACK: Who has got the problem? Do you have a problem?

MR. DEPUTY SPEAKER: To the honourable members, I don't know whether I can get into this debate, it's like (Interjections)

MR. CHERNIACK: Well, we should record, Mr. Speaker, that the person who said, 'I've got a problem is not you. I thought it was you; it sounded like the Speaker and yet it doesn't sound like you, Mr. Acting Speaker or Deputy Speaker. Apparently, there is a walking microphone that's participating in our debate here.

MR. DEPUTY SPEAKER: To the honourable member, if I could just move my lips and maybe the words will come out as if I was making the sounds.

MR. CHERNIACK: I would recommend strongly to the Acting Speaker that he should not in any way expose himself to being the one who is the spokesperson for another person's thoughts. I think, Mr. Speaker, I should continue and when I hear a voice announcing the nature of the problem, I will certainly stop so that we can all hear it.

Mr. Speaker, what I was pointing out is my impression that this is a self-perpetuating board and that, under the legislation, there is not a way, as far as I can see on a quick review, whereby the Senate of the University or the Board of Governors of the University who do become members, ex-officio, could actually take over control of the foundation. I think that there should be some way and possibly, we discussed yesterday the question of professional bodies who have to have their regulations approved by the Lieutenant-Governor-in-Council, possibly there ought to be some way of having by-laws directing how this board of directors shall be reconstituted or elected or appointed from time to time, should be the type of regulation that ought to be reviewed by some outside authority.

The other question I was going to ask was the exemption from taxation. There is a completely broad and complete exemption which reads, 'The real and personal property business and income of the foundation is not subject to taxation by any municipality or by the government of Manitoba'. Now, frankly, I don't know whether that exempts them from sales tax for the purchase of office equipment or anything else it may be doing; I don't know the extent to which this blanket exemption is standard for this type of organization. I would have hoped that we would have those answers and I hope

we will still get them because necessarily we ought to know the powers that we are giving up as a provincial government and on behalf of municipalities who may not even I mean I don't know whether the city of Brandon or any other municipality affected by this exemption would react to this. So I trust that the Member for Minnedosa or whoever will be speaking on his behalf will be able to answer these questions so that we get a concept of how far the proposed foundation will mirror that of existing foundations, or will go beyond the powers of what we traditionally know are the powers of a foundation.

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

MR. EVANS: Mr. Speaker, I would move, seconded by the Member for Lac du Bonnet, that debate be adjourned.

MOTION presented and carried.

**BILL NO. 91 AN ACT
TO AMEND THE BRANDON CHARTER**

MR. DEPUTY SPEAKER: Bill No. 91, an Act to amend the Brandon Charter, standing in the name of the Honourable Member for Logan.

The Honourable Member for Logan.

MR. JENKINS: I adjourned this debate on behalf of the Honourable Member for Brandon East.

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

MR. EVANS: Thank you, Mr. Speaker. Well, I have a few words to say on this particular bill, short and brief as it is and rather innocuous as it is, but nevertheless it is one that I have some rather strong views on in one sense, but not in another. And that is, my strong view is with regard to the fact that this Legislature is being asked to pass a bill requiring in future that a person no longer reside in the particular ward in which he or she wishes to run in the city of Brandon. In other words, the bill removes the residency clause that was put in place back in 1971 by legislation which expanded the city of Brandon and established the ward system and the bill was brought in by my friend, my colleague from Virden, who himself said, in so many words that he was very ambivalent about the thing, that there were arguments on both sides. You could argue one way, you could argue the other way.

He also pointed out, and I'm reading his speech of Friday, July 11, that there was a very very close vote on the city council on this matter, in fact the vote in the Committee of the Whole on May 22 was five to four with two members absent and as he himself has admitted, the community is divided on this. But, Mr. Speaker, I would go beyond that and say that there is no great public upcry, no great public pressure in the city of Brandon to change the existing system. I know a small number of councillors have expressed some concern about it and have pushed the matter and I see later that on June 2 the report of the Committee of the Whole was adopted with no recorded vote being taken.

So I say that there are a few people who have shown some concern about this and expressed their views and they've managed to get it by extremely close vote through the city council, but I assure you that there is no public pressure urging this Legislature to make any change. In fact, there is no public pressure that I could detect, any great upswell of opinion requiring the city council of Brandon to propose this amendment that we have before us.

And also, although I appreciate the fact that members of the community can come before council or committee of council to express opinions, I do not believe that there was any great community-wide effort made in this respect either. In my view, Mr. Speaker, the system that we have now has worked. It is not perfect, but neither was the system that was in existence prior to 1971 perfect either. There were many deficiencies with it.

The major objection to this particular bill comes from people who are concerned that we may revert back to a system that existed in Brandon prior to 1971, and that is a situation whereby a relatively small area of the city was over-represented on the city council, and these are the arguments that have been brought forward to me. As a matter of fact, if I've had any opinion expressed to me by people in the city of Brandon, it's been against this move. The phone calls that I've received on this matter as it has been discussed over the past year, have been negative and I know that Brandon Labour Council is opposed to this, for example, I mean they've categorically opposed this. They're one body who has opposed it. I don't know of any other organization, at least none comes to mind, that has gone on record in favour of this.

So, Mr. Speaker, the people who do fear this amendment are people who are afraid that it will go back to the situation where there is over-representation from one small area of the community, and also where particular occupational groups are over-represented on the council. The way we have it now, you have a good cross-section of occupational groups, you have people from all of the ten wards, from all segments of the community, and I think generally they have done a very good job. I'm not suggesting that the system is perfect. I know there are problems, but as I said, no system is perfect and indeed there were many many problems existing prior to this.

So I say, Mr. Speaker, because there has been no upcry or any great upsurge of opinion asking for this, because the council itself seemingly is divided, and because I at least have had only calls from constituents who oppose this, not one call in favour of this. The phone calls I've had, they're not that many, because I'm not sure whether the people realize what's going on frankly, are opposed to this and inasmuch as the previous system is working now, the system is working well now, I see no need for this particular amendment at this time. Therefore, Mr. Speaker, I would urge members of the Legislature to oppose the bill.

Now, if there should be, let's say, some clear public indication from the community, if the council should take aggressive action to seek out opinions and bring forth a large, strong feeling in favour of this change, well I would certainly support it. But my problem, Mr. Speaker, is not that I wish to

necessarily overrule the city council. I'm suggesting, Mr. Speaker, that it's a divided situation and that many many people in the community frankly have not paid attention to this and I don't believe are aware as perhaps they should be as to what we're requiring in Bill 91.

So until we get this clear demand, I that we should not pass this particular piece of legislation; perhaps consider it next year if there is in the meantime some clear indication. But until we get that, I think that we would be wise to be conservative and that is with a small 'c' be conservative in our approach to this matter. I'm appealing to the members opposite for a small 'c' approach to this matter. Let's be a little more cautious (Interjection) and a little more conservative in our approach and let's wait and see. So I, Mr. Speaker, would urge members of the Legislature to oppose Bill 91.

MR. SPEAKER: The Honourable Minister without Portfolio.

HON. EDWARD MCGILL (Brandon West): Thank you, Mr. Speaker. I wish to comment briefly on Bill 91. I have listened with interest to the introductory remarks of the Honourable Member for Virden, and this morning the comments of the Member for Brandon East.

The Member for Brandon East, Mr. Speaker, suggests that there has been no public outcry from the city of Brandon for a change to the Brandon Charter that would eliminate the requirement for the residency of aldermen in the wards which they represent. Well, Mr. Speaker, I think it's not our place to reflect upon the debate which preceded the decision of the city council. What information is laid before us is clearly that the city of Brandon, as represented by the mayor and council, have requested an amendment to the City of Brandon Charter, and we will deal with this amendment because we are advised and we have clear evidence that the city of Brandon has asked that this amendment be made.

Mr. Speaker, I think it's a good amendment. I think the imposition of the ward system and the residency clause, as the Member for Brandon East points out, was part of the Brandon Boundaries Bill in 1971. The residency requirement was not, I think, requested by the city of Brandon at that time, but it was part of the bill. Now we have a clear request from the city of Brandon to remove the residency requirement but to retain the ward system. I think, Mr. Speaker, that there is very little logic in requiring or suggesting that a man or an alderman is better able to serve a particular community because he happens to live on one side of the street and not on the other side of the street.

I think, Mr. Speaker, that judgment as to how well or how improperly a man may be able to represent a ward, should be left with the electorate. I think they can make the judgment perhaps better than we at this stage can decide that we should impose that restriction upon the electors and insist that they can only elect a person who lives within the boundaries of that ward, wherever those boundaries may happen to be. We've run into the situation where aldermen who have been quite acceptable to the electorate and who were elected by a substantial majority have

had to resign their seat because they moved, for one reason or another, to another part of the city. Now what this clause as it presently stands in the Brandon Charter does is really invalidate the decision of those electors. The man has not in any way declined in his ability to represent that ward merely because he's moved from one block to another in the street; at least, Mr. Speaker, I would suggest that would be the case.

So having considered the factors involved, I think this House should recognize that the decision as to the person who will represent a ward should be left to the electors without imposing an additional restriction on those who may be candidates for that ward. The majority vote in my view, Sir, is a better way to decide who shall represent it than by narrowing the choices available to the electorate by insisting on a particular place of residence.

Mr. Speaker, I would point out to the members that there's an inconsistency here in the present ward system and the residence requirements with respect to members of the Legislature who represent particular constituencies. I would think even the Member for Brandon East would admit that probably the ability of a member of this Legislature to represent a particular constituency is not diminished by the change of residency of that member. We have some quite outstanding members of the Legislature who were elected to represent certain constituencies who do not, in fact, live in that constituency. Is the Member for Brandon East suggesting that he is less able to represent his own constituency by not living in Brandon East, than if he did live in a particular house on a special street in Brandon East? I think not, Mr. Speaker.

MR. SPEAKER: Order please. The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, the honourable member has made certain statements that I'd like to correct. My address is 320 Lloyd Crescent in Brandon. It's a split-level house. I invite him to my home this weekend.

MR. MCGILL: Mr. Speaker, the Member for Brandon East is taking some inference from my remarks. I asked him, in a rhetorical way, whether he would feel that his ability was diminished by his living in some other place rather than his own constituency. I pointed out to the House, Mr. Speaker, that we do know of some members in the House who live in a place other than in the constituency which they represent and I feel that they are in no way hampered in their ability to represent their constituency. And I think, Mr. Speaker, that we can extend that kind of position to the ward system in a city, certainly in a city of the size of Brandon, where, for many reasons, a sudden change of residency might be required. It might be that the alderman's house would be destroyed by fire and he might have to seek another residence. Under the terms of this requirement as it presently exists, he would immediately have to resign.

I think, Mr. Speaker, we don't need that kind of restriction in the charter of the city of Brandon, and in summation, really, we have been requested by the city of Brandon. It's not for us to speculate on

whether there is a great outcry by the people of Brandon. They have elected a mayor and a city council and when that city takes a position and asks us to support it I think, Mr. Speaker, our course is quite clear. Certainly the logic and the argument that has been presented for retaining the present system in my view is not very persuasive.

Thank you.

MR. SPEAKER: The Honourable Member for Virden will be closing debate.

The Honourable Member for Virden.

MR. MORRIS MCGREGOR: Mr. Speaker, it will be very short. I just appreciate the comments of the Member for Brandon East and while I don't really agree with him, I liked his conservative approach to it. As I tell members over there, if they will listen to one Conservative over here, everybody will be right and Brandon will be served.

As the city of Brandon and the council did approach their legal counsel I was privileged to be asked, too. I feel good about Brandon, it's a progressive city. It's a city that does things such as the Canada Winter Games promotion that established itself right across Canada with the same council that's there today. I agree with the Member for Brandon. Only one stage of the vote was 5 to 4 and was that close the other night, we were here 22 to 4. If you're late 5 to 4, it's a lot higher majority and we were proud to win that 22 to 24 yesterday. So it was a decision of that council and I, like the Member for Brandon West, we were just carrying on their message, that we are servants to them and I just think if they are asking for that, I think they want to be no different than other medium-sized cities across Canada. I am told the majority of cities across Canada under 50,000 have the non-residency. There is some accession but there is certainly not the majority and with that I just appreciate the members listening to both sides of this. I hope that there will be presentations likely from Brandon when it does go to committee.

Thank you, Mr. Speaker.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Since the Member for Brandon East is in the House, I wonder if he would be prepared to go on Bill 107.

ADJOURNED DEBATES ON SECOND READING

BILL NO. 107 AN ACT TO AMEND THE PUBLIC UTILITIES BOARD ACT AND THE MANITOBA TELEPHONE ACT

MR. SPEAKER: Bill No. 107, the Act to amend The Public Board Act, standing in the name of the Honourable Member for Brandon East.

The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, the Member for St. Vital put the official opposition on record as supporting

this particular bill, which I believe he suggests was more or less in keeping with the policy direction that the previous New Democratic Party government had been moving. There is no question that it enhances and protects the existing publicly-owned utility known as the Manitoba Telephone System in the province. Perhaps it clears up a lot of ambiguities that now exist in the present legislation, that is, ambiguities with regard to the responsibilities and rights of the MTS, because it's been suggested that the MTS is attempting I believe now with regard to use of certain equipment to enforce certain regulations which I believe they do not have the legal right to enforce.

There is no question then that the Minister is moving in the direction that the previous government probably would have moved. As a matter of fact, I imagine it was more difficult for the Honourable Minister to come up with this legislation than perhaps a member from this side if he were a Minister responsible for this particular utility and the Public Utilities Board. I note also from the Minister's remarks that in effect this bill in part at least carries out an Ottawa-Manitoba, a federal-Manitoba agreement which was signed I believe by the Honourable Mr. Toupin on behalf of the previous NDP government a few years ago where certain matters of jurisdiction and co-operation were clarified between the Minister responsible for CRTC and the Minister responsible for Consumer Affairs, including communications at that time.

I know there is a great deal of concern in the community with regard to the amount of power that the MTS may be obtaining in this legislation. It has been said to me that they are going to be now given sweeping powers, that they are going to be able to dictate the type of equipment used in the system. I'm talking about receiving equipment. That if there is some difficulty, I guess on the part of the consumer, who is being required now by the MTS to use a particular type of recording equipment or what have you, that they can go to the Public Utilities Board, but they must go to the PUB and make their case as I understand it and either have it upheld or turned down. But it does give a great deal of additional power to the Manitoba Telephone System and it will be interesting to see whether there are any representations made by the members of the public and businesses who feel that in some way that their business is being affected detrimentally by this particular measure.

I wanted to speak more on the matter of this bill as it relates to cable systems in Manitoba. I perceive some difficulty in the expansion of the cable system throughout the rural parts of Manitoba and I'm thinking particularly of the WesMan area. I believe while some progress has been made, whereas the city of Brandon is very well served, I think the enrolment or subscription to the WesMan Media Co-op is very high and it's been a great success and well appreciated. I know it's into Carberry and now, I believe, with the help of the MTS, the WesMan Cable Co-op is moving into Rivers, Neepawa and Minnedosa. But I also know that there are people in the area who are very anxious to get the cable, because in some instances they are restricted to one channel and in other instances I believe they can get two channels, perhaps with some difficulty. But I

know there are many communities that are supposed to be served in accordance with the licence given to that particular cable system, the WesMan Media Co-op, which are not being serviced. The reason is, as I understand it, that there is some problem in the economics of it and that is that there seems to have been some problem with regard first of all to the costs levied by the MTS for the work it does in providing the electronic highway and providing the cable signal. I don't like to use the word 'signal' signal denotes something carried through the air but the picture as it's carried over the electronic highway.

I believe in the first instance, ACOM, the Association of Cable Operators in Manitoba, were very upset about the charges being levied by MTS. This was referred to the Public Utilities Board and I believe the Public Utilities Board has come down with a decision and I hope it's a fair decision. I'm not aware of the detail and exactly how it affects everyone. But there is still a problem because as I understand it, it's impossible for the WesMan cable system to expand unless it gets additional revenue. In other words, you're back to the old fundamental question of cross-subsidization which is a common practice within a utility system.

If you look at the operation at the present time of the Manitoba Telephone System, or indeed our electric utility, Manitoba Hydro, we will see if we were able to look at the costs of operating those systems that there would be a subsidy from people living in the larger centres, particular Winnipeg, but the other urban centres subsidizing people living in the rural parts where you have sparse population. This is a way of life, in effect, within utility economics. In other words, the principle of cross-subsidization is one that is pretty well practised universally. In fact it has to be, otherwise there are many many parts of the country, many parts particularly in the rural portions of Canada or indeed any country, that would not be provided with the service. So, as I understand it, the cable system as it's now established has been able to expand at least into Rivers, Neepawa and Minnedosa because of a subsidy being provided by the ratepayers in Brandon.

The cable system in itself is fine within the city of Brandon. It can support itself with its current rate structure; in fact, I think more than support itself. There is some provision in the rate structure that enables the system there to obtain certain revenues from the ratepayers in Brandon. By the ratepayers, I mean the cable ratepayers, not the property tax ratepayers, but the users of the system in Brandon are paying to some extent for a subsidy to enable it to get out to the rural parts. Where we haven't yet faced the question, to what extent will the residents of Winnipeg or perhaps even any other urban centre assist in cross-subsidization in extending cable service throughout rural Manitoba. The question is, will Videon, Cablevision, and will the Greater Winnipeg Cablevision Systems' companies be required to come up with funding that will enable not only WesMan, but any other rural system that may come along in the future to assist them in providing this additional service. Because right now, because of the setup we have, where you have three or four or five separate companies in the province, you have the unfortunate situation where the less dense

population areas are being hampered in effect in obtaining and being able to obtain stations over cable systems. Of course people, if they could get through the air, through their antennae and so on, the choice of stations that they could get on a cable system, they wouldn't want a cable system. But the fact is that there are many stations which are only available through this type of technology. So there is a great demand on the part of the citizens to have this greater choice.

I think really in Manitoba we're away behind many other parts of North America. We're certainly behind North Dakota. You can go into all kinds of small communities and see full cable service. I haven't got the figures but I know there are many small communities in North Dakota that have cable systems. I think that we are really behind many other areas of this continent in the provision of cable. So, I'm wondering whether the Minister with this new authority will be in a position to help resolve this. Will he be in a position to help bring together all of the companies involved so that this matter can be resolved? It's a ticklish situation; I don't whether he wants to be caught in that bind, but it's a question that has to be addressed. It has to be resolved.

If you had one utility, if you had one telephone system, if you had one cable system all over Manitoba as you have one telephone system, or if you had one cable system as you have one electric power utility, the matter is resolved within the organization. It's done. It's arranged somehow or other. There may be some rate differentiation, but nevertheless there is that cross-subsidy already going on within those two utilities. So, if you had one cable system, let's say operated by the Manitoba Telephone System in Manitoba, which is not beyond realms of possibility, as a matter of fact this is not a competitive business. This is a monopolistic business. There is no question, the cable business is a monopoly business.

You have two monopolies in Winnipeg, one operating on the east side of the river and one operating on the west side of the river. There's no competition within that particular industry. You might say there's competition between radio and television, or between receiving signals through the air and the cable system, but within the cable system business there is no competition. It's monopolistic and of course that's why you require the Public Utilities Board or some regulatory agency to oversee rate setting and providing the service. So I said, if you did have the one system for the whole province, that matter would be resolved within that corporation.

But we don't have that, we have two in Winnipeg and one in WesMan and one or two in the eastern rural part of the province and I'm just wondering whether this impasse is going to be allowed to continue. And I'm wondering whether with this new legislation, and maybe the Minister when he closes debate can clarify, whether he will have the authority now or be in a position to bring this matter to a quicker resolution. I know you can always point the finger to the CRTC, but still I think that if the Minister would use his good offices, if nothing else, perhaps this matter could be resolved. It's not good enough to sit back and say, well it's up to the cable operators to decide, because I'm afraid at the rate

they've been going it will be a long time before the matter is resolved.

I have another matter, Mr. Speaker, that I want to relate to the Minister with regard to, again I guess it's with regard to the cable systems and it relates to a question that was raised, I think, by Videon and I think all of the cable systems supported this point of view. And that is, there was a possibility that MTS would be forcing the cable systems to use outmoded technology, that they were forcing the rural cable systems to use the electronic highway when technology had already provided for satellite receivers. As a matter of fact, the MTS itself has aided communities in northern Manitoba in the installation of satellite receivers and I don't know what the legality of it is, Mr. Speaker, but if it can be done in northern Manitoba, why can't we have a satellite receiver in the city of Brandon, for example, to receive the various stations, the American stations, or other stations, and then supply the signal?

I understand, again I'm not an engineer, I'm really not familiar with the costs involved in operating these systems, but I understand from my general reading that it would be a lot more economic and I really worry, if this is the case, if there's an old, antiquated, outdated technology in use and because the MTS has some sort of vested interest in it and wants to promote it, why should that be allowed to happen?

Now again, I guess the Minister can say, well there's always the Public Utilities Board and the cable systems can go to them. Well, maybe so, Mr. Speaker, but I think it sometimes doesn't work that easily. So that is my other major concern. Maybe it's a sort of generalization that I make with regard to monopolies, whether the monopoly, whatever it is, publicly owned or privately owned or whatever, is innovative enough and is prepared to keep up with the changing technology. As the Minister himself said, I think I wrote down his words, I believe he said this, that these types of the MTS and such utilities are not subject to the discipline of the marketplace. I think he said that, I'm not sure. I don't want to attribute it to him, but that's true. It is not subject to the discipline of the marketplace.

We're dealing with a monopolistic industry, whether you're talking about the telephones or whether you're talking about the cable systems. What I'm concerned about is that unless the Public Utilities Board is extremely vigilant, extremely aware of the technological changes, and sufficiently staffed so that it can stay on top of the situation, we may end up with the largest monopoly of all in the communications area, the MTS itself as opposed to the cable systems, being able to dictate the terms just because they've got the expertise, just because they're the big brother so to speak and giving guidance; and because the cable systems know that they're rather dependent upon MTS and they don't want to be terribly unkind or terribly aggressive in opposing what the MTS might like to do.

Well, perhaps I'm raising hypothetical situations. Perhaps this will never come to pass. I don't know, but I'm bringing these up I guess as warnings to the Minister that government and its agencies to the extent that they're now involved, because it's a monopolistic type of industry, have to be very vigilant to ensure that we get the most efficient service, the

lowest cost service for the citizens of this province, whether it be telephones, whether it be cable, whether it be other types of information in the future.

I'm also aware, Mr. Speaker, that perhaps without such legislation we could see the erosion of the MTS in the future. I think there is some danger, I think the MTS officials would express this to you, that they have to have this protection or else I'm not talking necessarily about cable systems, I'm talking about all the other new technology that will take place over the system using televisions sets and so on, this communications revolution that's going on. I understand that there is a danger, the MTS officials will tell you that if they don't get this protection it's a possibility that their position would be eroded and that therefore, in the long run, it may be bad for them and therefore perhaps bad for the people. Well, perhaps we'll hear these arguments before committee.

So, I guess my last word then is, to the Minister, is that we have to be ever vigilant. Yes, it's owned by the people of Manitoba, but at the same time there can be vested interests within large corporations, whether they be publicly owned or privately owned. I say that about Manitoba Hydro too, there are vested interests within Manitoba Hydro that like to see that corporation grow because they work there, they get their living there, they perhaps enjoy being with that organization, a certain prestige and so on. It's a good organization, it has good people, but the fact of the matter is we live in a day and age of large corporations and there's such a thing as corporation politics and there's such a thing as being interested in the welfare of the corporation growth for growth's sake, development for development's sake.

It may or not be the way to grow, the way to develop in terms of the welfare of the citizens generally, or the public at large, but this is what I'm suggesting to the Minister, that we have to be ever vigilant that our Crown corporations or the private monopolies, that we're ever vigilant to ensure that we get the best service at the lowest costs.

So with those few remarks, Mr. Speaker, I will look forward to hearing the comments that might be made on this bill in the committee.

MR. SPEAKER: The Honourable Minister will be closing debate.

The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Speaker, I move, seconded by the Honourable Member for St. Boniface, that debate be adjourned.

MOTION presented and carried.

BILL NO. 86

THE MILK PRICES REVIEW ACT

MR. SPEAKER: Bill No. 86, standing in the name of the Honourable Member for Logan, The Milk Prices Review Act.

The Honourable Member for St. George.

MR. URUSKI: Mr. Speaker, this bill was adjourned by the Honourable Member for Logan on my behalf,

Mr. Speaker, and I wish to take part in this debate this morning.

Mr. Speaker, as we begin, it's unfortunate that the rural members, most of the rural members and the Minister of Agriculture are not present here at this time to hear the debate and our comments with respect to Bill 86 and the implications that this bill has on the producers and the consumers of Manitoba.

First of all, Mr. Speaker, the Minister, in his opening remarks when he spoke last Thursday, I believe it was, or Friday, when he introduced the bill, did not and has not shown the need for this legislation. What the Minister said, he said that over the past year my department has correspondence and consultation with consumers, processors, producers and other knowledgeable people connected with the dairy industry, to see how we can develop a system to help make this sector of Manitoba agriculture more stable.

Well, Mr. Speaker, he wants to make the industry more stable. First of all, Mr. Speaker, why, if he wants to make the industry more stable, why does he want to repeal the Act? Why does he want to appeal the Milk Control Act? He really hasn't he said, in his remarks as well, on page 2, he said, we want to resolve the many problems that have plagued the dairy industry in the past two years. What are the problems that have plagued the dairy industry in the last two years? He didn't mention them at all, Mr. Speaker, in his remarks. He said there are problems and the Member for Emerson, when he spoke on the debate on Friday afternoon, said that there were problems in the dairy industry, Mr. Speaker. I want to know what the government perceives as the problems in the dairy industry? How is the dairy industry not stable in this province, Mr. Speaker?

Mr. Speaker, the Minister hasn't indicated what is wrong with the present legislation. What are the pitfalls and the problems with the present legislation that they are repealing the entire Milk Control Board Act and replacing it with another Act? If there is a problem, Mr. Speaker, in the industry, or with the board, you know, what is the problem with the Milk Control Board, if that's the problem. They haven't said, Mr. Speaker, and I'm making assumptions in terms of the questions I'm asking. If it's the Milk Control Board that's the problem, then I ask the question, why isn't the Milk Control Board working, if that's the problem. I don't know, the Member for Emerson didn't say, he said that there were problems. Who is indicating what the problem is? The Minister certainly hasn't. Can the Member for Emerson indicate what the problem is? Can the Member for Roblin indicate what the problem is?

The government, I think, has the responsibility to indicate to the producers and to all the people of Manitoba, what is the problem with the present legislation, in order for them to repeal the present Act. Where are we at? Why are we throwing out one Act and replacing it with another. Mr. Speaker, what I believe, or at least I am trying to guess what the problem is and let's look at what the situation now is in the industry. Farmers have been dissatisfied. Let's put it on the record that farmers have been dissatisfied with the way that they feel. I will try and relate as best I can some of the feelings that have been expressed to me, that they feel that they have

to go cap in hand to the Milk Control Board for an increase and that there is a hearing held and they are subjected to criticisms that they are the ones that are raising the price of milk, that the price of milk, primarily the increases that are allowed in the price of milk are the fault of the farmers. That is sort of the general thinking, I believe, and general thrust of farmer dissatisfaction, if I am putting it forward.

The farmers also feel that they should not be subjected to hearings and I believe they have even gone so far as to make a submission by the Manitoba Milk Marketing Board that they should set entirely their own prices, that the farmers should be allowed to set their own prices. Mr. Speaker, I believe that the hearing delays and the length of time that it takes for the farmers to make a submission and for the length of time to hold the hearings and then finally set the price, is probably a legitimate, I believe a legitimate complaint that farmers have with respect to the delay in the price-setting mechanism, and it does take I think at least a minimum of two months by the time before they apply for an increase and are granted one and the hearing process. The farmers, of course, are opposed to the hearing process and they feel that there have been problems with them going to the Milk Control Board and asking for a price increase.

So I have to indicate that they have sympathy from myself and from members on this side about the hearing process but, Mr. Speaker, that isn't enough for the government to bring in brand new legislation and throw out, as one could say, the baby with the bath water, because there is sometimes dissatisfaction with the hearing process. Is this the reason to bring in a brand new piece of legislation? What are we really intending to do, Mr. Speaker? The Minister says that it was imperative to us that its authority and I'll read the entire sentence, 'The Department asked for recommendations and possible ways of improving or changing The Milk Control Act. It was imperative to us that its authority would provide an opportunity for all producers to expect a reasonably satisfactory return, but at the same time to assure that consumers would have an adequate supply of top quality milk at reasonable prices'. Mr. Speaker, no one can quarrel with that statement but I want to know from the government who gave them the advice that in order to correct the somewhat and we have learn what the problems are yet from the government point of view, why they're throwing out this legislation.

I'm pleased that the Minister of Consumer Affairs is listening to this debate because, Mr. Speaker, it is he who should be objecting to the changes on the government side to the changes in this bill most vociferously, it is the Minister of Consumer Affairs. Because I will tell you . . . The Member for Emerson says, why? Mr. Speaker, while the Minister says that he wants producers to have a satisfactory return on the cost of production, no one is arguing about that, in fact, if one reads the 1979 Annual Report, October 1, 1978 to September 30, 1979, Annual Report of the Milk Control Board, where the Minister in his legislation talks about setting a formula and putting the formula in legislation. Mr. Speaker, the Milk Control Board talks about using a formula now. Now if the formula that the Milk Control Board is using is out of whack, if that is the problem, then change the

formula. Why throw out the Milk Control Board and replace it? The other thing is replace it with another board. Mr. Speaker, this legislation is really a con job on the producers of Manitoba. It's a con job on the producers of Manitoba because, Mr. Speaker, this board ultimately will still be setting the prices to producers. But what it does, Mr. Speaker, it deregulates the wholesale and the retail prices of milk. While it controls the producers of Manitoba, it deregulates the industry and it throws the consumers to the winds of the industry. So it still controls the producers, Mr. Speaker, and allows the multinationals in the milk industry and the retailers to set their own price. (Interjection) Mr. Speaker, members say, 'Awe', let me show them what the bill says. Read your own legislation. (Interjection)

The Member for Emerson wants to debate in his own constituency. Let him call me and set the date because I don't think he's read the bill. I don't think the Member for Emerson read the legislation. Mr. Speaker, what will the commission do? Let's see what the legislation will do. The commission, it says the commission will monitor prices. The commission shall monitor the prices of fluid milk charged by distributors and retailers where the commission deems those prices to be unreasonable. That's what they are going to deem, Mr. Speaker, and the commission may, by order, establish schedules, the maximum prices and minimum prices, or both, at which fluid milk may be sold to consumers. When may they establish those maximum prices? Only when they deem that the prices are unreasonable, Mr. Speaker, and who is going to deem that? Who is going to deem that the prices are unreasonable? The commission will deem that.

And let's see what kind of investigation they will do. They shall conduct an inquiry, such inquiries. What kind of inquiries? As it deems necessary. Mr. Speaker, is the commission going to write to the complainant about milk prices and indicate to the complainant that we've got your complaint that the milk prices are unreasonable, as noted in the previous section. Because if any person who is dissatisfied with the price of milk in any given locality generally may apply to the commission in writing to review the maximum price and to fix maximum prices, or both. So, Mr. Speaker, it leaves wide open that the commission will only monitor prices and only when it deems that the prices be unreasonable. If that doesn't mean deregulating the wholesale and the retail industry, Mr. Speaker, what does it mean?

A MEMBER: Read 3(7).

MR. URUSKI: Mr. Speaker, I just read 3(7). I just read that portion where the person is dissatisfied, Mr. Speaker. What kind of an investigation will the commission do? It will only do an investigation as it deems necessary. There are no safeguards for the consumers meaning all the people of this province

that there won't be overnight increases in the price of milk in areas where there is little or no competition in terms of the prices of milk. That's what it really means, Mr. Speaker, and who will be the scapegoat? The producers will be the scapegoat by this legislation. It will be the farmers who will be blamed for the increases in the prices of milk because of the way this legislation is set up, Mr.

Speaker. You are setting up the farmers to be the scapegoats for every increase in the price of milk in Manitoba, the very thing that you have been complaining about, or at least there have been complaints about, farmers will be subjected to that very thing. That is exactly what this legislation is intended to do, Mr. Speaker.

The members on the government side are smiling and chuckling. They had hoped, Mr. Speaker, that they would be able to bring members on this side to oppose this legislation, that it is going to do harm to the consumers. But what it's done, Mr. Speaker, it has really set up the farmers because they will still be controlled. They still will be controlled by a board, but who will have the free hand? It will be the milk industry. It will be the wholesalers and the distributors of milk in this province who will have the free hand. The very same people, Mr. Speaker, that this government has talked about and has said, you know, we are a friend of the farmer. We are a real friend of the producer in Manitoba and this bill will help you. Well, Mr. Speaker, they haven't said what the problem has been and they haven't said that this will help the producer. The chairman of the Milk Marketing Board already said, 'Look, this isn't going to do us any good. They've just taken us out from one board and they've put us under another.' That's the fact of the matter, Mr. Speaker. They've put us under another.

Mr. Speaker, the government side would have been well advised, if they wanted to do something for the milk industry they could have amended the present Act; and if they didn't like what the Milk Control Board was doing or the members on it, who has been in government for two-and-a-half years? There is only one producer on the board, the Member for Emerson talked about, on the Milk Control Board. Tell your Minister of Agriculture to get rid of all the members of the Milk Control Board and appoint your own people. Have you done that? You have the power to do that. Fill it with all producers, then let the Minister of Consumer Affairs go and appoint a lawyer and go to the hearings and defend the consumers of the province of Manitoba against price increases. Set a formula in legislation and in hearings and not change the bill, if that's what you're talking about, because basically that's all the Minister has said, we're going to set up a formula so that there will no longer have to be hearings in terms of what farmers receive in terms of the cost of production. Mr. Speaker, there is no argument there.

Let's read what the Milk Control Board has said about producer pricing in their last annual report that we have. Let's just read it for the record. The Producers Board submission and I read this from Page 7 of the Annual Report of October 1, 78 to September 30, 1979. Members should read that for their own benefit to find out what kind of a formula is being used and what is within the cost of production. 'The Producers Board submission requested an increase in the maximum price of raw milk to be used for fluid consumption based on the cost of production approach that had been used by the Milk Control Board for several years'. So, Mr. Speaker, we've had a formula. The Milk Control Board has been using a cost of production formula for a number of years. So what is new in this legislation? Why are we now all of a sudden bringing

in a formula? We've had a cost of production formula. The Milk Control Board has been using it for several years. Now let's find out, you know, I want to hear what members have to say. I go on to quote, 'There was, however, a number of differences between the board's formula and that of the producers board. The Milk Control Board did not accept the export levy of 25-cents per cwt which is designed to subsidize the export of milk powder should be a charge on the Manitoba consumer of fluid milk'. Is that a problem? Let's hear it. 'The Dairy Farmers of Canada, the farmers' organization, have accepted that subsidies of export production should be the producers responsibility and not that of the consumer. Therefore, the Milk Control Board rejected the inclusion of the levy in the price formula for setting the price of fluid milk in Manitoba'. That's what the Milk Control Board said.

Secondly, 'The Milk Control Board did not accept the advertising levy as the cost of production. The board had consistently argued that if the advertising is effective the consumption would shift to fluid milk which commands the premium price and therefore the advertising effort would be compensated by higher returns to the producer. The Marketing Board had made the suggestion that without advertising the consumption of milk would decline. However, again this year, no evidence was advanced to support this argument and therefore the board was forced to accept its earlier judgement and disallowed advertising as a legitimate cost of production expense. A number of items in the producer cost of production schedule were changed to reflect changes in the prices of feeds, hay, supplement, interest rates, etc., since the producer submission was made. The labour component was increased by 8 percent, but the new component requested by the Producer Board of a vacation and holiday pay provision was not accepted. When these revisions to the schedule were made an increase in the price of milk to cover increased farm costs, an increase equivalent to 1 cent per litre was indicated. No change was made in the northern differential.

"The recent skyrocketing price of beef and the resulting escalation in the price of replacement cows had served to highlight one of the difficulties in using a fixed schedule for the estimation of changes in milk production costs, particularly a schedule that was not substantially revised for five years. The board, therefore, believed that the schedule should be reviewed before any further price hearing. Such a review of the cost of producing milk in Manitoba is being undertaken by the Natural Products Marketing Council". Well, Mr. Speaker, this is what the Milk Control Board said it was using as part of its formula in terms of commenting on the producers request for price increases. Mr. Speaker, the government members and the Minister says he's going to bring in a formula. What kind of a formula? What is the problem with the existing formula, Mr. Speaker? Where are they out? You know, we'd like to know.

The Member for Dauphin, who has many dairy people in his area should be able to tell us where the problem in the formula is and where they are out. The Member for Portage has many dairy people; the Member for Springfield has many dairy people. Maybe the Member for Roblin has some and the Member for Gladstone, they should tell us what the

problems are in terms of what the formula is and the problems. One could blindly and blandly take the comparisons of the price of milk across the country and make a bland case that, look, Manitoba producers are amongst the top in Canada. They're certainly not out of line in terms of the statistical survey done this February, in terms of the rates that they are receiving, but I don't want to argue that, Mr. Speaker. The point is we have no difficulty with the formula. We have no difficulty of the government putting a formula into regulations and holding a hearing on changes in the formula. If they want to take away the producers from being subjected, as they feel, subjected to undue criticisms for the increases in the prices of milk by regular hearings, they could change the process of the hearings without getting rid of the bill, Mr. Speaker, and without getting rid of the Milk Control Board and without, Mr. Speaker, getting rid of the protection that the consumers of Manitoba have by the Milk Control Board regulating the retail price. Because that in effect is what is happening and the producers will be no better off. The producers will be no better off, they will be the scapegoats of every increase in the price of milk in this province of Manitoba, Mr. Speaker, because it will be adjudged in the court of public opinion that the producers got themselves an under-the-table deal with the government, that they no longer have to go to hearings and they will get whatever price increase they want.

But it's the producers who are controlled, Mr. Speaker, because they are still subject to a board. You know, one could argue, in the prices that are going to be set to them, a board will control them, Mr. Speaker, that's the irony of the thing. Mr. Speaker, the Conservatives believe, my interpretation of their belief that there be as little control as possible, or none at all in the industry, in any industry, that the producers or everybody have the freedom to do whatever they please, Mr. Speaker.

You know, if one took that argument, by the bill that they have brought in, if one were to advance the argument that they have advanced, that they want to lessen the control on the producer, one would have to say, well look, now that you've deregulated or taken the controls off the retail and the wholesale industry in the distribution of milk, you've taken the controls off them, so why don't you go all the way and take the control off the producer? Why are you now subjecting the producers to unnecessary regulation by bringing in another board? If one were to advance the Conservative philosophy of controls, I mean the Minister in his remarks indicated that most . . . just let me look at his remarks with respect to the producers as to most areas not being controlled and the Member for Emerson made those remarks, that look, almost every segment, every marketing board has the right to set its own prices, Mr. Speaker. Those were the remarks and we want to give our producers that right.

Well, they haven't given them that right, Mr. Speaker. They have denied them that right by imposing another board on those producers. That is the fallacy of their argument, Mr. Speaker. But I want to tell the members of the Conservative party that we believe in a regulated industry, the members on this side, that I believe in a regulated industry and I think that the regulated industry, of course, should change

with the changing times and be able to reflect the needs of producers but also protect the needs of consumers. And this bill doesn't do that, Mr. Speaker.

What I believe should happen, Mr. Speaker, is that, let's look at if the producers were allowed to set their own price, and all controls be taken off, then we would have to go all the way and say that there should be no restriction on who produces milk in this province. We would have to go all the way. I'd like to know whether members on the government side would support that move? Whether they would say, all right, now we've taken the reins off the milk industry, off the retailers and the wholesalers, let's take the reins off the producers and let's open up the market, let's be able to produce all the milk we can use in the province of Manitoba and then some. Let's export milk, let's bring in as much production as we can. Are the members on the government side going to say, yes, we support that?

That would be a total move of deregulation, Mr. Speaker. That would be a total move of deregulation in the industry. That would be a true Conservative move. The move we have here, is a sham, Mr. Speaker, a total sham.

Mr. Speaker, members on the opposite side say that other marketing boards can set their own price. Yes, Mr. Speaker, but there's a substantial difference between the two and I will tell the members opposite what the difference is. Mr. Speaker, when we look at national marketing agencies, the national marketing agencies, and I will talk about an industry that I am, what one could say, fairly well acquainted with and that is the turkey industry. Mr. Speaker, while the national board has the right to set prices across this country, they cannot go above board, because they are subjected to imports from other countries, that the market in Canada is dictated to, to some degree, by the amount of imports that can be brought into this country and the prices of offshore products.

But, Mr. Speaker, in the milk industry that's not the case. Mr. Speaker, almost every area is a milkshed unto itself; is a market unto itself. There are no pressures of importing of milk say, from the U.S. or from Ontario. From time (Interjection) Mr. Speaker, there will be no importation, there is no pressure to keep the prices at a given level in terms of setting the market price, not in the milk industry. The members can't argue that. The milk prices are dictated to primarily by the market that they are within. So that levelling feature is not there and that's basically, I think, the reason, Mr. Speaker, historically, in this province, why we've had a Milk Control Board which has gone ahead and said, we will look at what the producers require as an industry in terms of cost of production and returns on cost of production and investment. They've looked at the wholesale and distribution end, which ended as an end result in setting the retail price of milk. Well, we are moving away from that by this legislation, Mr. Speaker. We are moving away from that completely and we are going to be using the producers of Manitoba in a con, first of all to say, look we're giving you something, you'll now be able to you don't have to go before the Board.

Well, Mr. Speaker, you don't have to throw away The Milk Control Act to change the way that the hearings work, if that's the problem. And I don't

know what the problem is yet. I'm making an assumption from the complaints that I have received. But the Minister hasn't said what the problem is, what is the reason that they want to deal with, in terms of the hearings, and the returns that the producers get. If the Minister said that the producers are the producers not getting enough money? I want to know from the members on the government side. Because the Minister hasn't said that. He hasn't said that that's the problem. Is that the problem, Mr. Speaker? If that's the problem, say so. But, Mr. Speaker, there certainly is no case that the government can make that this bill should be thrown out completely and replaced with the new bill.

Mr. Speaker, what does this bill do? Let's find out what is the intent of this legislation. First of all, it's going to increase producer prices, based on a formula. Right? Okay, let's agree on that. And that is now done, Mr. Speaker, that is the intent of the new legislation. Now we're going to have the taking away of hearings covering on-farm increases. Well, Mr. Speaker, if the members want to take away the hearing process every time there's an increase, all they have to do is amend the regulation and amend one section of the Act and it's done, Mr. Speaker. They don't have to throw the Act out.

But what else does this Act do? This Act deregulates retail prices, Mr. Speaker. This Act throws the consumers to the wolves, so to speak. Mr. Speaker, members on this side, that the least we can ask for, Mr. Speaker, and demand, is that the Minister withdraw this legislation and amend the other Act. That would be the simplest way, Mr. Speaker, because no one knows what . . .

MR. SPEAKER: Order please. The hour is 12:30. When this subject next comes up, the honourable member will have ten minutes remaining.

The Honourable Member for Gladstone.

COMMITTEE CHANGES

MR. FERGUSON: Thank you, Mr. Speaker, I have some more changes on committees. I'd like to substitute Mr. McKenzie for Mr. Johnston on Statutory Regulations, Mr. Sherman for Mr. Steen and Mr. Galbraith for Mr. Downey on Private Bills.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Yes, Mr. Speaker, I have one change for the Committee on Private Bills. I wish to substitute the Honourable Member for St. Johns in place of the Honourable Member for Lac du Bonnet.

MR. SPEAKER: Are those changes acceptable? (Agreed)

The Honourable Government House Leader.

BUSINESS OF THE HOUSE

MR. JORGENSEN: Mr. Speaker, just a word about the business of the House. Tomorrow morning the House will meet again. I would not want to deprive my honourable friends of an opportunity to waste forty minutes in the question period. So the House will meet tomorrow morning and in the afternoon the committees will be meeting as usual.

Wednesday, 16 July, 1980

MR. SPEAKER: The hour being 12:30, the House is adjourned, and stands adjourned till 10:00 o'clock tomorrow morning.