



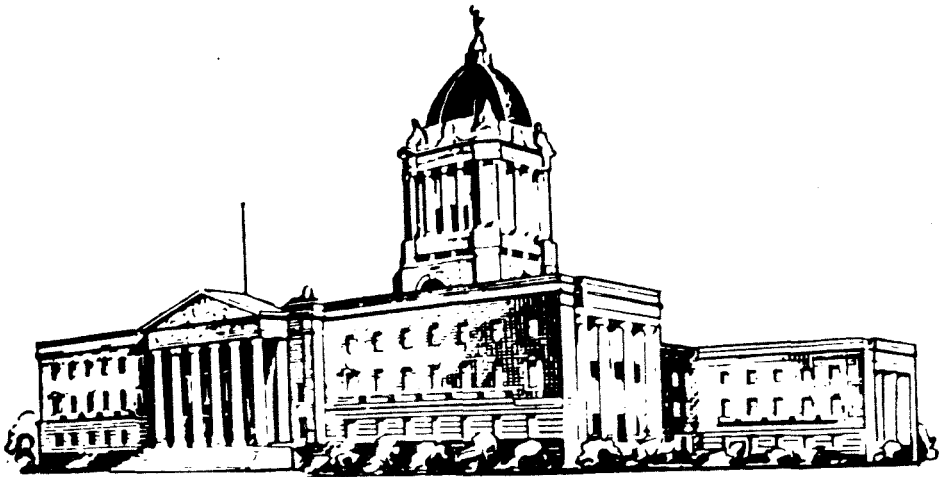
**Fourth Session — Thirty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**STANDING COMMITTEE**  
**ON**  
**AGRICULTURE**

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29 Elizabeth II

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The Honourable Harry E. Graham  
Speaker*



**THURSDAY, 24 JULY, 1980, 2:00 p.m.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty - First Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, A. R. (Pete)</b>	Ste. Rose	NDP
<b>ANDERSON, Bob</b>	Springfield	PC
<b>BANMAN, Hon. Robert (Bob)</b>	La Verendrye	PC
<b>BARROW, Tom</b>	Flin Flon	NDP
<b>BLAKE, David</b>	Minnedosa	PC
<b>BOSTROM, Harvey</b>	Rupertsland	NDP
<b>BOYCE, J. R. (Bud)</b>	Winnipeg Centre	NDP
<b>BROWN, Arnold</b>	Rhineland	PC
<b>CHERNIACK, Q.C., Saul</b>	St. Johns	NDP
<b>CORRIN, Brian</b>	Wellington	NDP
<b>COSENS, Hon. Keith A.</b>	Gimli	PC
<b>COWAN, Jay</b>	Churchill	NDP
<b>CRAIK, Hon. Donald W.</b>	Riel	PC
<b>DESJARDINS, Laurent L.</b>	St. Boniface	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOMINO, Len</b>	St. Matthews	PC
<b>DOWNEY, Hon. Jim</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>EINARSON, Henry J.</b>	Rock Lake	PC
<b>ENNS, Hon. Harry J.</b>	Lakeside	PC
<b>EVANS, Leonard S.</b>	Brandon East	NDP
<b>FERGUSON, James R.</b>	Gladstone	PC
<b>FILMON, Gary</b>	River Heights	PC
<b>FOX, Peter</b>	Kildonan	NDP
<b>GALBRAITH, Jim</b>	Dauphin	PC
<b>GOURLAY, Hon. Doug</b>	Swan River	PC
<b>GRAHAM, Hon. Harry E.</b>	Birtle-Russell	PC
<b>GREEN, Q.C., Sidney</b>	Inkster	Ind
<b>HANUSCHAK, Ben</b>	Burrows	NDP
<b>HYDE, Lloyd G.</b>	Portage la Prairie	PC
<b>JENKINS, William</b>	Logan	NDP
<b>JOHNSTON, Hon. J. Frank</b>	Sturgeon Creek	PC
<b>JORGENSEN, Hon. Warner H.</b>	Morris	PC
<b>KOVNATS, Abe</b>	Radisson	PC
<b>LYON, Hon. Sterling R.</b>	Charleswood	PC
<b>MacMASTER, Hon. Ken</b>	Thompson	PC
<b>MALINOWSKI, Donald</b>	Point Douglas	NDP
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<b>McGILL, Hon. Edward</b>	Brandon West	PC
<b>McGREGOR, Morris</b>	Virten	PC
<b>McKENZIE, J. Wally</b>	Roblin	PC
<b>MERCIER, Q.C., Hon. Gerald W. J.</b>	Osborne	PC
<b>MILLER, Saul A.</b>	Seven Oaks	NDP
<b>MINAKER, Hon. George</b>	St. James	PC
<b>ORCHARD, Hon. Donald</b>	Pembina	PC
<b>PARASIUK, Wilson</b>	Transcona	NDP
<b>PAWLEY, Q.C., Howard</b>	Selkirk	NDP
<b>PRICE, Hon. Norma</b>	Assiniboia	PC
<b>RANSOM, Hon. Brian</b>	Souris-Killarney	PC
<b>SCHROEDER, Vic</b>	Rossmere	NDP
<b>SHERMAN, Hon. L. R. (Bud)</b>	Fort Garry	PC
<b>STEEN, Warren</b>	Crescentwood	PC
<b>URUSKI, Billie</b>	St. George	NDP
<b>USKI, Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, D. James</b>	St. Vital	NDP
<b>WESTBURY, June</b>	Fort Rouge	Lib
<b>WILSON, Robert G.</b>	Wolseley	PC

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON AGRICULTURE**  
**Thursday, 24 July, 1980**

**Time — 2:00 p.m.**

**CHAIRMAN — Mr. Bob Anderson (Springfield)**

**MR. CHAIRMAN:** Order please. The committee will come to order. When the committee last sat we were considering Clause-by-Clause Bill 86, The Milk Prices Review Act. We had passed Clause 1(a). The Honourable Minister. Mr. Uskiw on a point of order.

**MR. SAMUEL USKIW:** Mr. Chairman, could the Chair inform us whether or not there were other people that wanted to come, or showed up after, or indicated a desire, after we completed our deliberations? Has anyone requested a hearing that we didn't accommodate? Not that we can do anything about it I just would like to know.

**MR. CHAIRMAN:** I'm informed that there was only one person who had indicated that he wished to appear but had called and indicated he might not be able to attend, and his name was called several times.

**MR. USKIW:** Okay, that's fine. I just wanted to hear.

**MR. CHAIRMAN:** Mr. Adam.

**MR. A. R. (Pete) ADAM:** Mr. Chairman I just wanted to make a comment. In view of the presentations last night, where there are any amendments.

**MR. CHAIRMAN:** The Honourable Minister.

**HON. JIM DOWNEY (Arthur):** Mr. Chairman, I've been trying to get the floor . . .

**MR. USKIW:** Before you do. I want to continue on with this point of order. Would the Chair indicate to the committee, who it was that wanted to appear but subsequently was unable to.

**MR. CHAIRMAN:** On my list, Mr. Emil Shellborn.

**MR. USKIW:** Okay, that's fine. I thought it might have been someone else.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, in opening the part of the review of the legislation on Clause-by-Clause, I want to make it clear to the committee that there were some, what I considered recommended amendments that had to have consideration given to them and we have given some consideration to some of them. Plus, prior to that we had had people contact us on their thoughts. So, in some of the areas there will be some amendments proposed by the government to make the legislation a little more clear in certain areas that were uncertain and I hope, Mr. Chairman, that we're able to get the same kind

of support on the bill, as what they were indicating last night. Hopefully, this will make it so that the bill is more acceptable to the Opposition and workable for the public.

There's one part, Mr. Chairman, that I will be proposing and it is an important part and I don't want the members to think that we're trying to move in an area that wasn't brought to the attention last night, and that was giving the commission the transitional period between the Milk Control Board authority and the situation as it is being explained to us during our committee meetings, that there is an ability for quicker action to take place for the dairy industry, and at the same time keeping in place the orders or the powers of the Milk Control Board that are protecting the consumer. That is a part which we hope to implement into it, which I want committee members, as this point, to clearly understand will be an additional part to it. I think it will be numbered in manner. Plus there were some questions on making it clear, the ability for the consumers to have an appeal. We are stating that more clearly, Mr. Chairman; I know there were some concerns in that area. We've looked at the area of setting of the cost of production so that the producers feel that they would like to have had another committee, or a third party. We haven't gone quite that far, Mr. Chairman, but have tried to allow more producer input into the setting of the formula and at the same time, having the powers of the commission clearly stated as far as the overall authority of the Act.

So with those comments, Mr. Chairman, I would recommend that we proceed on a clause-by-clause and will propose the amendments as they have been prepared.

**MR. CHAIRMAN:** Clause-by-clause? 1(b) pass; (c) pass; (d) pass; (e) pass — Mr. Uruski.

**MR. BILLIE URUSKI:** Mr. Chairman, there has been expansion of the meaning of dairy products. Is that just to keep in tune with the changes in the industry, to include "or any other substance made wholly or mainly from milk." I gather that's the addition.

**MR. DOWNEY:** That is correct, Mr. Chairman.

**MR. CHAIRMAN:** (f) pass; (g) pass; (h) pass; (i) pass; (j) pass; (k) pass; (l) pass; (m) pass; (n) pass; (o) pass; 1 pass; 2(1) pass; 2(2) pass — Mr. Adam.

**MR. ADAM:** Last night there was a lot of concern expressed in regard to the composition of the commission, and I believe that the Manitoba Producers' Board, Mr. Art Rampton, left the impression that that was a consumer board. Nowhere in the Act do I see that, but the impression that Mr. Rampton left on the record was that that was an entire consumer board. Now could the Minister confirm that or was Mr. Rampton incorrect?

**MR. DOWNEY:** Mr. Chairman, is the member referring to the present Milk Control Board, that is in power or the commission?

**MR. ADAM:** Establishment of a commission.

**MR. DOWNEY:** Well, Mr. Chairman, let me assure you, and I think I made the comments as we were going through the briefs, I asked Mrs. Titheridge, I believe, what she felt the composition of the board should be, and I think that her comments and comments that have been made by other people, that it's a matter of trying to get a fair balance of people representing probably not one interest in particular, that in fact the people who are to sit on the Commission should be clear and open-minded and not to be able to be accused. I don't think that's in the best interests of the better working of the total system than to say, it's weighted one way or the other, and in setting up the Act I do not think it's fair to try and put that kind of restrictions on anyone that is selecting fair and open-minded people. So I would think in selecting the Commission, that we will have a fair representation from society in total.

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** Yes. It was only because of the fact that I know Mrs. or Ms. Titheridge did say that she did not object to producers on that Commission but Mr. Rampton, if you read his report, he talks about a complete consumer commission, that's what he was inferring throughout, and I just wanted to get the Minister's views.

**MR. DOWNEY:** Mr. Chairman, how he makes up his mind and the comments that he makes are his business, but I would assure members of the public that the Commission would be selected from representatives of people in society.

**MR. CHAIRMAN:** 2(2) pass; 2(3) pass; 2(4) pass; 2(5) pass; 2(6) pass; 2 pass. 3(1)(a) — Mr. Uruski.

**MR. URUSKI:** Does the government have an amendment?

**MR. CHAIRMAN:** Mr. Ferguson.

**MR. JAMES R. FERGUSON:** Yes, Mr. Chairman. I move

THAT clause 3(1)(a) of Bill 86 be struck out and the following clause be substituted therefor:

(a) shall for the purpose of enforcing its orders and the regulations, gather information relative to the costs of the production, processing and distribution of milk.

**MR. DOWNEY:** Just a minute.

**MR. FERGUSON:** We have to have copies, Jim, we haven't got copies.

**MR. DOWNEY:** There's changes to be made on some of them; you can't distribute those because they aren't . . .

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I want to apologize to members of the committee for not having them ready, because there have been some changes made in the last few hours and staff have been preparing them. If we could get the first page approved and distributed, then we can do that page and debate it, and then proceed to have the rest of them made available.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** I am just trying to ponder how we deal with a technical problem here. The government has an amendment on that section and so has the opposition, and I'm not sure how we proceed. If one amendment passes per se, then the other amendment is not germane to the new section. How do we deal with that in committee, Mr. Chairman, and yet convey the amendment that we want introduced. It may be that you want to hear our amendment and then decide on it, and then bring in your own, and in that way we will be germane to the sections that are there.

**MR. CHAIRMAN:** On a point of procedure, Mr. Driedger.

**MR. ALBERT DRIEDGER:** Might I suggest that we withdraw our amendment to present yours. If we can accept it, fine; if not, we'll vote it down and we'll present ours.

**MR. DOWNEY:** That's agreeable, Mr. Chairman.

**MR. CHAIRMAN:** Mr. Ferguson.

**MR. FERGUSON:** Mr. Chairman, in the event that the opposition do have amendments, we will withdraw ours until such time as theirs has been heard and discussed.

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, I would like to move, seconded by Member for Ste. Rose

THAT Section 3(1)(a) be amended by deleting the words, "shall monitor and hear complaints regarding the pricing of fluid milk" in the second and third lines thereof, and substituting those words with, "shall set the maximum retail prices of fluid milk."

The new section would read, Mr. Chairman, and members may wish to hear this: Section 3(1)(a) shall read "Shall supervise the production, processing and distribution of milk for the purpose of enforcing its orders and regulations and shall set the maximum retail prices of fluid milk."

That is the new clause.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Chairman, I wonder, now that we have our copies of the amendments prepared, I wonder if we could distribute them and they could compare them and see if they would be prepared to withdraw their amendment and agree to ours.

I wonder, Mr. Chairman, for the benefit of legal counsel, if you would repeat the proposed amendment.

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, as I have indicated, Clause 3(1)(a) to be amended by deleting the words "shall monitor and hear complaints regarding the pricing of fluid milk," be deleted in the second and third lines thereof, and substituting those words with, "shall set the maximum retail prices of fluid milk."

So that the new section would read: "Shall supervise the production, processing, and distribution of milk for the purpose of enforcing its orders and regulations and shall set the maximum retail prices of fluid milk".

Mr. Chairman, I think the purpose of this amendment is quite obvious, there is a definite clear distinct difference of policy between the government and government's legislation and our desire to, while we indicate that we have no opposition at all to the changes and the bringing in of formula pricing, we did, and will continue, to indicate that our position is that we wish to have the retail price of milk set. Mr. Chairman, it is clear that the Minister, in bringing in this legislation has, beyond a shadow of a doubt, indicated that the retail fluid milk price will find its own level, and that's using his own press releases and his own words, and that's from his press release of July 11th.

The Minister, as well, indicated that, "processors and retailers". The bill will give processors and retailers an opportunity to offer consumers cost savings by merchandizing and promoting milk. Competitive pricing at the retail level was never exercised under the old Act, although other provinces have allowed milk prices to be set in the marketplace.

Mr. Chairman, the Minister tried to really, in a way I believe, indicate to people that the old legislation, as well, set the minimum prices of milk which was never the case. He tried to draw the inference in his remarks on the old legislation that now we will be able to have price wars and the dropping of prices and price competition and there could be some benefits to consumers which weren't possible under the old legislation. That is not accurate, Mr. Chairman. The Minister well knows that the previous Milk Control Act was amended to allow no minimum price setting, so that retailers who wish to sell milk at any time below the maximum price they were free to do so. So that option was available.

Now the Minister indicates that this will be possible; it was possible then, as it will be now. But, Mr. Chairman, there will be one more scenario following the passage of this bill. What you will find, and we alluded to it and I alluded to it, and that is clear in terms of the way the Conservative party stood, over the last few years, with respect to the dairy industry, in terms of their opposition to having producers be able to be the masters of their own destiny, in terms of the distribution and processing of milk. Their arguments were made primarily on behalf of the complaints of small operators, small dairies. What we will see by this bill, Mr. Chairman, I believe, and it won't happen overnight, what we will

see in the short run is that there will likely be, there will be some price cuts, initially there will be increases in terms of the catch-up but, I think, in the long run, Mr. Chairman, what you will see is the eventual squeezing out of some of the processing industry and that may be the eventual result of this legislation.

Rather than having competition in the long run you will actually end up with a monopoly situation and the consumer will not have the protection, Mr. Chairman, of at least indicating their concerns, and express their concerns about the retail price of milk, as we have indicated we feel the consumers should have their say in.

We certainly do not oppose, and welcome the change of having the producer prices set by a formula, and that that formula should take into account, as best possible, all the relevant costs of production figures and be changed, whether it be on a monthly basis, whether it be on a percentage basis, or whether it be on a cost basis, according to the effect on the price of a litre of milk. Either way, I think, as long as it works satisfactorily the process would be satisfactory to us.

As well, Mr. Chairman, I think the submission of the marketing board, the Manitoba Milk Marketing Board, last night, once we established the formula, and the formula was agreed to there really is no reason why the marketing board could not carry out and impute the changes into the formula as costs go up or down and they handle the actual pricing mechanism, in terms of producer pricing.

That would certainly show that there is some confidence in the producers, in the Manitoba Milk Producers Marketing Board, that the producers are responsible. And, once the formula is set down, that the producers should be able to impute those costs and the formula prices to producers be changed along those lines.

But our fundamental difference, Mr. Chairman, is that we believe that there should be a handle on the end price; that consumers can be assured that there will not be rip-offs in the retail pricing of milk and one way of assuring it, the government indicates that it wishes to deregulate, and it is very clear by the Minister's comments that they wish to do that, that they at least give the opportunity for consumers to appeal against the increases in retail prices of milk, before the fact, Mr. Chairman, rather than after the fact, as will be the case in this piece of legislation.

**MR. DRIEDGER:** Thank you, Mr. Chairman. I certainly cannot go along with the amendment that is being proposed by members opposite. I think in the briefs presented yesterday, from time to time, there was reference made to the situation the way it is being done in other provinces right now. And examples have been shown and verified that where you do not have a maximum set, you know the consumption has gone up, there has been no problems. I think that by setting a maximum this is what we have had until now. And the moment you set a maximum price, that is the price that everybody is going to sell it at and that is the whole idea of loosening it up, so that it can fluctuate, so that people can make their deals with the processors, they can use it as lost leaders, etc., and

it has been proven in other provinces that it is working.

Why we want to go back, the whole legislation that we actually have before us is, if we want to continue exactly the way we had it before there is no sense in doing it. And I think that we have provisions here for controlling; the appeal system is there for the consumers, and they also have the power that if it is being abused they can set a maximum and a minimum. So everything is actually in place and I can't see why we want to go back to the idea of setting that maximum price. The members opposite have a hangup about it. The people that were making representation yesterday, including consumers, were not that concerned about it. And it has been proven that it is working in other provinces.

But, I think, the members opposite are trying to get this maximum price set in there to try and appeal to the consumers possibly, and it's not working.

But the system is there, that if anybody feels a price is not right, he can turn around and appeal to the Commission and the Commission can, if they so feel it is necessary, set a maximum price. So what more do you want?

To the committee here, I say that I totally cannot support any portion of that amendment. Thank you.

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** It's not exactly correct, what the Member for Emerson is saying. We had a group, which was represented by the Manitoba Co-operative, last night, who said that they represented over 600 producers, and they said that they would not object to a maximum price, providing that they had a good formula in place, and that is the submission they made.

So for the Member for Emerson to come here and say that groups that were represented here were objecting to that, he is incorrect. You can check the transcripts, if you will, Mr. Chairman, and I am sure you will find that Mr. Desharnais and his group that he represents have said that as long as there was a good formula in place that reflected their cost of production, which we have never opposed, that they saw no objections to having a maximum price. So I want that for the record.

Another comment that was made is that it is working in other provinces. That was made yesterday and it was made here today. I would like to know how it is working in the rural areas of Saskatchewan. Yes, there may be some competition in the larger centres where there are a lot of chain stores. But I would like to know, in little rural areas, whether there is any competition. I am saying that it does not work in the rural areas, Mr. Chairman. I would like to know what is going to happen if we do not put that in now because, yes, there may be some short-term benefits for the larger urban centres, where there may be some big chains that want to have a loss leader temporarily for one week, you know, maybe one week a month or one week every two months, but are you going to see that in the rural areas, Mr. Chairman? I suggest to you that we will not see it. And for a rural member to come in here and throw his rural consumers to the wolves — and there a lot of them, almost 50 percent of the consumers live in

the rural areas, Mr. Chairman — and I find it very odd.

So I would like to say, in all due respect to the Member for Emerson, that I think that his position should be more protective for his consumers, as I am for mine in my area, and I would like to see some protection for those small storekeepers. Mr. Chairman, there are small storekeepers that will be at a great disadvantage because they do not have the buying power; they do not have any sweetheart deals with any processors; Mr. Chairman, there won't be any kickbacks; they won't get free coolers for their milk. The little storekeeper on the corner will have to buy his own cooler; he will make 1 cent a litre, which will hardly pay for his milk cooler, Mr. Chairman. That is what has happened; that is what will happen in the future.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, to the extent that it is recognized by everyone that Manitoba communities are such that there is bound to be quite a variation in retail pricing, we believe that it is essential, even if one was to be most optimistic about the competitive features in large urban sectors, especially in recognition of the fact that we do a number of large chain store operations in Winnipeg and Brandon and Portage la Prairie, if you like, or Selkirk. But apart from the major centres, there is no way in which one could envisage competitiveness to be the controlling feature of the retail price.

As a matter of fact, I think that one could very well expect, and I would predict, that in certain localities there will be severe exploitation on this commodity, with respect to retail pricing. I am not satisfied — the Minister says, well, there is a provision in the bill that will allow this board, or commission, to intervene if they wish. You know, everything is "if" and "when" and "maybe". That is not good enough if we are talking about reasonable consumer protection.

I am not even sure that we can be that flexible, even in the large urban centres. Yes, at certain times, when there is an attempt to steal one another's market, so to speak, there may be a push on in order to corral a larger part of the milk trade, which may also be used, in a way, to corral the larger part of the grocery trade. Yes, that may happen, and it has happened in different jurisdictions. It could have happened in Manitoba, but so far it hasn't. The existing law doesn't prohibit that, but it hasn't happened to date.

My guess is that the outlying communities, and in particular I raise that because I recognize, Mr. Chairman, that those same outlying communities happen to have a standard of income far below the provincial average, and so we have a compounding situation. We have higher costs of food, and in this case milk, while we recognize that those are low-wage areas of the province. We just don't accept that, Mr. Chairman. It is callous, it is not acceptable, and we are not prepared to support this bill with "if" and "may" provisions with respect to consumer protection. There is just no way. It is a matter of principle. I recognize that it is a matter of our differences between the Conservative Party and the New Democratic Party. It will reflect itself at the time

when the New Democrats again govern this province, Mr. Chairman.

So let's not fence around the issue. We recognize the difference. We know that we are not able to convince the Conservative Party, whose philosophy is geared the other way, so let's leave it at that and agree that we can't agree. We have to indicate now that, on that basis, we cannot support this legislation.

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** I just have one more comment to make on the argument that we were putting forward and it is that any price wars that take place or reductions in milk in the larger centres, it will not benefit the entire urban centre, but only sections of it, parts of it. But any benefits that accrue will be at the expense of the rural areas because they will never get those cuts in the rural areas and it will be the rural people who will be subsidizing those reductions in prices in the city. That has been, and I have examples to prove that, sir. I have been involved in that — not in milk, but in other areas such as flour — and I have seen it happen where one brand of flour would be selling 1.00 a bag less in our area, because there was competition, at the expense of people in other areas of the province. I can tell you — I could go on if we had time, and tell you just how it works. I assure you that that is what happens.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** The question has been put, Mr. Chairman, and I think it has been debated well enough.

**QUESTION put, MOTION lost.**

**MR. CHAIRMAN:** Mr. Ferguson.

**MR. FERGUSON:** Mr. Chairman, I move, seconded by the Member for Minnedosa, that Section 3(1)(a) be amended: that Clause 3(1)(a) of Bill 86 be struck out and the following clause be substituted therefor: (a) shall, for the purpose of enforcing its orders and the regulations, gather information relative to the costs of production, processing, and distribution of milk."

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** Can the Minister just elaborate on that a bit.

**MR. DOWNEY:** Basically, Mr. Chairman, it's to state what the reasons for the supervision are and not to see if a man milks his cows at a certain time of day or not. It's a matter of accommodating 10 of the Act.

**MR. CHAIRMAN:** Pass. Question? Shall the amendment pass? Pass. 3(1)(b) pass; 3(1)(c). Mr. Ferguson.

**MR. FERGUSON:** Yes, Mr. Chairman. I move, seconded by the Member for Minnedosa:

THAT clause 3(1)(c) of Bill 86 be amended by striking out the word "and" at the end thereof; and

THAT Clause 3(1)(d) be struck out and the following clauses be substituted therefor:

(d) Shall monitor or hear complaints relating to the prices of fluid milk at any level;

(e) Shall make such inquiries and conduct such investigations as may be required by the Minister relative to this Act; and

(f) May investigate and study systems of distribution of milk and dairy products and the conditions of the dairy industry in Manitoba or elsewhere and report thereon to the Minister.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** The only comment I have, Mr. Chairman, is the submissions last night were concerned about studies that were ongoing or should be held and I happen to agree with the Member for Lac du Bonnet that maybe this isn't the place it should be particularly, but we want to accommodate the public and this is why it's here, Mr. Chairman.

**MR. CHAIRMAN:** Shall the amendment pass? Mr. Adam.

**MR. ADAM:** I don't know where we can discuss it but last night the consumers group were requesting that in the event of an appeal that information be made available to them and I'm just wondering whether it's on —(Interjection)

**MR. FERGUSON:** It's further down.

**MR. ADAM:** 3(5) or is it under this section, 4(4)?

**MR. DOWNEY:** No, it's not under this section.

**MR. CHAIRMAN:** It's under 4(4). Shall the amendment pass? 3(1) as amended pass; 3(2)—Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa:

THAT Section 3(2) of Bill 86 be struck out and the following subsection substituted therefor:  
Formula for Cost of Production.

3(2) On the basis of information obtained from a survey of the costs of the production of milk on farms, the commission shall, from time to time, by order, establish a cost of production formula which reflects the cost of producing milk for use as fluid milk in Manitoba, including a reasonable return on investment to the producers of milk.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, I'm wondering why the change? The old section says: "The commission shall, by order, establish a cost of production formula which reflects the cost of producing milk". The new section says that there will be "a survey of the costs".

You know, it leaves the impression that there will be no degree of sophistication in establishing the true costs but rather like a public opinion poll, what should the price of milk be? Then after we've made 15 calls we will say, well, the majority think it should be 15 or 35 or 40, I don't know. It's a very loose and

I would say, it could be interpreted as being somewhat irresponsible unless there's some basis for which we can present the argument that there is indeed going to be a degree of sophistication in monitoring costs and updating them accordingly.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Chairman, the part that's in the Act that gives the commission the ability to set the formula is still here, that's basically the main principle, that the formula will be set by the commission. There was some concern by the producers that were, in fact, there going to be producer inputs or were their thoughts going to be known as far as the true costs. What we are saying here is, it's not a loose approach at all, it's a survey of the costs of production of milk on farms, the cost of production of the milk that's produced on the farms. It states that's what the formula will be related to in farms in Manitoba and, Mr. Chairman, I think the commission has the ability to use a producer input. It gives the commission the ability to use a third party. As the Member for Lac du Bonnet pointed out last night, it's how do you get or how do you establish an independent organization? It's very difficult so it's a matter of setting up parameters on how the costs of production should be established.

So, Mr. Chairman, I think that this will do that and I think it will be in the best interests of both the producers and the consumers.

**MR. CHAIRMAN:** Shall the question be put? Mr. Adam.

**MR. ADAM:** Yes. It seems to me that the University of Manitoba, the Agriculture Department, must have all kinds of information on production costs and they have assisted in establishing costs of production for beef cattle and as well, along with this there have been questionnaires sent out to a cross-section of producers.

Mr. Chairman, there was . . .

**MR. CHAIRMAN:** Order please. We can only have one speaker at a time. Mr. Adam.

**MR. ADAM:** Yes. There were, I believe, surveys sent out to a cross-section of producers, big ones, large ones, different set-ups, different operations, to get a good cross section formula and I thought that when the producers were asking for an independent group to look at the setting of a formula where there would be a lot of input, where they would present their views and the consumers would present their views, my first thought was that the University of Manitoba has already done that for the province in the past and I'm sure that the information is available.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, I just want to be assured that in deciding on the formula, that the relevant costs in terms of the amendment adds that, on the basis of information obtained from a survey, that the survey that will be conducted, and it used to be conducted, there should be a survey of a good

percentage and majority of the farms and a detailed study undertaken, if it hasn't already been done so far.

If I recall correctly the Minister, I don't think, answered. The board did request the Minister a couple of years ago, to embark on work of this nature so that the Milk Control Board could develop a cost of production model to augment the procedure that they had already undertaken in terms of trying to determine a price. I understand some of the producers have indicated that they felt that it was not a cost of production formula. No doubt there was disagreement there.

But whether the Milk Control Board, or people call it a cost of production study or not, they had to make some determination on the basis of what the costs were to producers to be able to establish a producer price. I just don't want to have the price set on the basis of a survey. I think producers want more stability in knowing what the basic formula will be so that they are able to, themselves, recognize what the formula is and how it is going to operate.

You know, we have the spectacle of our whole assessment process in land. While there is a formula and there is a procedure that the assessment branch follows, I would say that 99.9 percent of the people in the province don't understand the system. They know that there is going to be a value put on and they know that there is some input into it, but to figure it out, they don't understand it. They know that assessment works and that it's going up, but what the inputs and how it changes are, they are left in the dark.

I would hope that the Minister can at least assure us that there will be, in the development of the formula and the surveys, or whatever the Minister and the government decide to do, that there be a formula, that the basis can be well understood by producers so that if there is any change in the cost of production, it can easily be applied and the producers know which way that formula will go.

We would hope that that kind of assurance will be coming from the Minister and that it will be clear to everyone, so that both sides of the question will know how it works.

Mr. Chairman, there is one very fundamental reason why I raise that question and I don't know whether the Minister caught onto it or not, but I think the operation, the success or failure of this section, will reveal itself after we have had a transition or a transfer of a dairy unit from one person to another by way of sale. If, for example, this commission isn't sophisticated enough in its methodology of finding a cost of production, if they simply take the face value of a transaction and say that is now the cost of land and that is the cost of buildings and so on, and we find that a dairy farmer has sold out his dairy farm and realized 1,000 an acre for his land, while land for all other agricultural purposes around him was selling at 500.00, then I know that there is quota value built into the transfer of that unit. That's the reason I raise that, and if we allow that to take place, Mr. Chairman, we will see the day when the producers will lose any protection whatever because society will not put up with the idea that the milk price should be artificially pushed upward because of ridiculous values perpetuated by the fact that their cost of



production formula will keep going up every time they pay more for land.

It is a valid argument and it has happened before. Mr. Chairman, I simply make the point to the Minister that he will do the producers of milk in Manitoba a vast disservice if this operation is so sloppy as to not see that and to not make sure that they can intervene and say to the person that is involved in the transaction, "Why did you pay twice as much for land compared to the land that was sold next door to you for beef production or for grain production, or whatever it is. Explain to us why the cost of land is so high on this unit." If you can't do that, my friend, you are going to be in trouble. You are going to tell the consumers of this province that they must pay more and more because of a self-perpetuating increase built into the system.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Chairman, I just want to be very brief. I thought I was very precise in my debate in the House in saying that I don't believe that those rights should be — and I will assure him that I will make any changes or will continue to make sure that that does not happen, because I see the difficulties that are taking place in other provinces that were pointed out by members opposite. We do not want to get in that position and I can assure him that that will be watched very closely in this bill.

**QUESTION put, MOTION carried.**

**MR. CHAIRMAN:** 3(3) pass; 3(4) — Mr. Ferguson.

**MR. FERGUSON:** Thank you, Mr. Chairman. I move, seconded by the Member for Minnedosa, that clause 3(4)(a) of Bill 86 be amended by striking out the word "determine" in the first line thereof and substituting therefor the words "establish by order."

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Just, Mr. Chairman, saying that the Commission had to establish it by order is strengthening the decision-making process, as again was recommended by one of the papers last night.

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** I do have a question, Mr. Chairman. Is there a definite reason why the application of the butterfat differentials shall be a separate part of the pricing formula that will be established? I think that point was raised by the chairman of the Manitoba Milk Marketing Board. I detected that hint from Mr. Rampton and although I am not sure myself as to the detailed intricacies of this, I would like — if the Minister has some information on that.

**MR. DOWNEY:** Mr. Chairman, it is a separate calculation, depending on the butterfat content of the product, so it is a matter of making sure that it is under the same kind of scrutiny, by formula, as the cost of production. That is the main reason.

**QUESTION put on the amendment, MOTION carried.**

**MR. CHAIRMAN:** (b) pass; 3(4) pass; 3(5) — Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, on 3(5), I have an amendment, that the heading be changed to "Commission Shall Set Prices," as the headline, Mr. Chairman, that all the words after the word "shall" in the first line thereof be deleted and the following substituted therefor: By order, establish schedules of maximum prices at which fluid milk may be sold to consumers.

**QUESTION put on the amendment, MOTION lost.**

**MR. CHAIRMAN:** Mr. Ferguson.

**MR. FERGUSON:** Mr. Chairman, I move, seconded by the Member for Minnedosa, that subsection 3(5) of Bill 86 be amended by striking out the word "and" in the fourth line thereof and substituting therefor the word "or".

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, I recognize that is just a technical change in the section, but may I suggest to the Minister that he go beyond that and strike out the words "minimum prices or both" and just deal with the question of maximum. I don't know why he would want minimum prices established in any event. I think it is just a copy of the old Act, Mr. Chairman, which has not been used now for years, and I suspect that that was not really thought through. I don't know why you would want minimum prices there.

**MR. DOWNEY:** Mr. Chairman, it is being used in other provinces, the basis of minimum.

**MR. USKIW:** But we haven't used it here for years.

**MR. DOWNEY:** No, but I want to have the ability to control — for the protection of the consumers, we want to be able to have that . . .

**MR. USKIW:** Minimum prices? You can't help the consumer by controlling minimum prices.

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, it appears that the Minister, from first observation, is contradicting his statements by indicating that he wants to leave the minimum prices within the legislation when, in all his announcements, he feels that consumers can benefit by price wars, by members making statements that there will be loss leaders. This, Mr. Chairman, can almost prevent that kind of a thing happening, at least on first glance.

Well, Mr. Chairman, I'd like the Minister to explain his position in this. He's talked about retail levels finding retail fluid milk prices finding its own level: Mr. Chairman, the level, even in the Minister's words and the members opposite in most of their comments have said, look, we'd like to see a price war. Gentlemen, this will take away, can rob your consumers from the possibility of that cheap milk that you're talking about.

**MR. DOWNEY:** Mr. Chairman, not being facetious and trying to be as brief as possible, it could eliminate any individual company from trying to squeeze out somebody by carrying a low milk price for an extended period of time, forcing out that individual or that other seller of product, so the long-term interest of the consumer will be protected by leaving the minimum in. It's a matter of consumer protection, and as you talk about protecting them, we feel that that is important to be put in there.

**MR. USKIW:** Mr. Chairman, I truly believe, I truly believe when I read this section before, that it was just a copy of the old Act and that the redundancy was just transferred over, given the fact that the Milk Control Board has not used their powers in exercising the minimum price control.

Mr. Chairman, I now see the Minister is really wanting to do more than eliminate the retail price of milk control. He wants to guarantee or protect people in the middle against a severe competition should the middle group decide to launch into a lost leader situation and give consumers a big break.

I see the Minister now wants to have the power to intervene and prevent it from taking place. The Minister can't have it both ways, Mr. Chairman. If he is sincere about the fact that consumers will have a break once in awhile when there is a price war on in milk, then let all hell break loose, Mr. Chairman, let's have free enterprise at work here.

**MR. DOWNEY:** Mr. Chairman, I put my case forward and I don't think there's any point of going any further. It's being used in other jurisdictions and we have put it in the Act for consumer protection, and we feel it's important to do it — the question.

**MR. USKIW:** Mr. Chairman, the Minister keeps saying it's for consumer protection. All throughout his comments on this bill in the House and in committee he argued that we're now going to give the consumer the bargain from time to time, whenever there is a struggle in the marketplace and severe competition sets in such as in Winnipeg. — (Interjection)— Yes, I want to read it into the record the Minister's statement — well his press release. — (Interjection)— Well, that's his statement, yes. "Mr. Downey said this will give processors and retailers an opportunity to offer consumers cost savings by merchandizing and promoting milk. Competitive pricing at the retail level was never exercised under the old Act although other provinces have allowed milk price to be set in the marketplace."

This section now will deny that from happening if the commission decides to intervene.

**MR. CHAIRMAN:** Order please. Order please. The recorder is having some difficulty picking up the person who is speaking. There seems to be a few too many conversations other than the one that should be taking place. Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, this is not consumer protection. We have thrown the consumer to the wolves, but should the industry get carried away in their struggle for control of the market, the Minister wants to intervene in order that the most competitive person in the marketplace shall not succeed. This is

really what he is doing here, Mr. Chairman. He is denying the right of competition, and to the extent that he succeeds with this section, he is rolling back any possibility of consumer benefit with respect to the competitive marketplace in Manitoba, namely the large urban centre that he made reference to. It's a complete fraud, Mr. Chairman, and we certainly are going to oppose this vehemently, not only here, but in the House.

If we're going to decontrol then, Mr. Chairman, let's decontrol. Let's not kid ourselves. This is a sham. It's more and more of a sham as the Minister reveals his intention, Mr. Chairman.

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, I really thought the Conservatives were a party of true free enterprise and integrity.

Mr. Chairman, talk about a dog's breakfast of a party who has said that we will protect the consumers. We will give the consumers a chance to argue after the prices have gone up. We will give the consumers a chance to have great benefits from price wars.

Mr. Chairman, the gall of the Minister and the Conservative Party, to bring an amendment in and then to say, well, look, if there's going to be true rugged free individualism and free enterprise in the marketplace and competition in the pricing of milk, we're going to say, hold on boys, too much competition isn't good for you, the consumers can't stand all that kind of competition. That's really what they're saying, Mr. Chairman.

Talk about trying to be on both sides of the fence. Mr. Chairman, this is the intent, and it was just revealed by the Minister. Certainly what the consumers and the farmers have said, I think really the producers of Manitoba certainly will be interested to know as to how this legislation will work and yet keep them tied to a commission.

Mr. Chairman, this is very revealing.

**MR. CHAIRMAN:** Question on the amendment? Shall the amendment pass? Mr. Adam.

**MR. ADAM:** Mr. Chairman, I have to also express my disapproval of this section in the way it's presently written. I would suggest that the word "minimum" be removed and that the commission shall monitor the prices where it deems fit. This will apply mainly to the rural areas, and again I speak for a rural constituency, Mr. Chairman. We would have like to have seen a maximum price put in place, but of course that motion was defeated and we would have to accept that the "commission may monitor the prices and where they deem" — and there again, that's a very loose paragraph, where they feel that the rural people or any area in the city that's being unfairly dealt with in regard to prices "may as it deems fit, order or set the prices."

But, Mr. Chairman, to put the minimum price in — now we're not talking about consumers any more, Mr. Chairman. We're not talking about consumers in this section now, we're talking about consumers and processors, the distribution system at the wholesale level. Now we are saying, if some of the processors want to give some extra discounts to stores so that

they can in turn put on lost leaders at the retail level, the Minister wants to give the commission the authority to say, hold it, that's too much, don't pass on too much to the consumer. That's what he is saying, and we object to that.

You are shafting the consumer on this one, and we on this side object, and we vote against this, Mr. Chairman.

**MR. CHAIRMAN:** Question? Shall the amendment pass. Ayes and Nays.

**A COUNTED VOTE** was taken the results being as follows:

**YEAS 4    NAYS 3**

**MR. CHAIRMAN:** The motion is carried. 3(5) as amended pass. 3(6)(a)— Mr. Ferguson.

**MR. FERGUSON:** Thank you, Mr. Chairman. I move, seconded by the Member for Minnedosa:

THAT Clause 3(6)(a) be amended by adding thereto, immediately after the word "distributor" in the 1st line thereof, the word "manufacturer."

**MR. CHAIRMAN:** pass — Mr. Downey.

**MR. DOWNEY:** It's just adding the word "manufacturer," that's all it's doing.

**MR. CHAIRMAN:** 3(6)(a) as amended pass; (b) pass; sub (6) as amended pass. 3(7)(a) pass; (b) pass; (7) pass. Mr. Ferguson.

**MR. FERGUSON:** That's okay. Thank you, Mr. Chairman. I move, seconded by the Member for Minnedosa:

THAT Section 3 of Bill 86 be amended by adding thereto, immediately after subsection (7) thereof, the following subsection:

Application to examine formula.

3(7.1) Any person who is dissatisfied with a cost of production formula established under subsection (2) or formula to establish the butter fat differential established under subsection (4), may apply to the commission in writing to review the formula established by it and to establish a new formula.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** No comment.

**MR. CHAIRMAN:** Shall the amendment pass? pass. 3(8) Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, I'd like to move, seconded by the Member for Ste. Rose:

THAT 3(8) be amended by the heading as "conduct public hearing."

THAT Section 3(8) be amended by striking out the words "such inquiries as it deems necessary" in the second line thereof and substituting the words "a public hearing" so that the section reads:

THAT on receipt of an application under subsection (7) the commission shall conduct a public hearing.

**MR. CHAIRMAN:** Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, in line with the other amendments that we've put forward with respect to the holding of a hearing and an inquiry, we believe, Mr. Chairman, that the conducting of an inquiry as it deems necessary, as the legislation now reads, is very wishy-washy and certainly doesn't give the consumers any protection that, if there is a complaint made, there will not be a full inquiry, and we believe that a hearing should be held into the retail pricing of milk.

The Minister says that there will be an inquiry. It's very ambiguous as to what degree the commission will investigate, because of the words "as it deems necessary." We have gone one step further, Mr. Chairman. We believe that the terms of inquiry should take the place of a hearing into the retail prices, so that if people wish to submit information and get information as to the prices that are set, that they should be able to do so.

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** Mr. Chairman, what will happen here the way it is — it is very ambiguous as I read this section. If someone comes forward with a complaint on the price of milk, the board will say okay, we will hold some inquiries. We will be phoning here and there and finding out what the relation is to other outlying areas, and that's all that's going to take place. There's nothing that's going to happen under this section. All it's going to do is a bunch of inquiries, informal inquiries, and that in my opinion is unsatisfactory and I'm sure that that is unacceptable. Let's put some teeth in this section.

**MR. CHAIRMAN:** Mr. Hanuschak.

**MR. BEN HANUSCHAK:** Mr. Chairman, I'm surprised that the Minister himself did not bring in this amendment, because this point was raised in debate on second reading, and we have brought this matter to the attention of the Minister, that the way this section reads there is no indication as to the type of inquiry that the commission should conduct.

As I had indicated in my contribution to the debate on this bill, that the inquiry could consist of a telephone call to the next door neighbour and ask him for his opinion as to whether he considers the price to be reasonable or unreasonable. A member of the commission could do that, and say, we've conducted an inquiry and we find that there's no basis to the complainant's complaint, and the inquiry is ended and the complaint is dismissed.

So I think, Mr. Chairman, that if a person has a right to complain, then there should be the right to the complainant to have his day in court, as it were, and have the matter properly reviewed and a decision arrived at, rather than being left to the uncertainty of the section as it presently stands.

I would think, Mr. Chairman, that the Minister himself would want to support our amendment. In fact, I would think that the Minister, before he votes

on it, that he would want to indicate that perhaps it was because he was busy, due to an oversight, that he did not bring in a similar amendment, that I think he would have wanted to bring in this amendment.

**QUESTION put, MOTION defeated.**

**MR. CHAIRMAN:** Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa;

THAT subsection 3(8) of Bill 86 be amended by adding thereto, immediately after the figure "(7)" in the 1st line thereof, the word and figure "or (7.1)".

**MOTION presented and carried.**

**MR. CHAIRMAN:** 3(9). Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa;

THAT subsection 3(9) of Bill 86 be struck out and the following subsections substituted therefor:

Order on applications under subsection (7).

3(9) Following an inquiry on an application under subsection (7), the commission shall either make an order under subsection (5) or by order refuse the application.

Order on application under subsection (7.1).

3(9.1) Following an inquiry on an application under subsection (7.1), the commission shall either make an order establishing a new formula or by order refuse the application.

**MOTION presented and carried.**

**MR. CHAIRMAN:** 3(9) as amended pass; 3(10) pass; 3 pass; 4(1) — Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa;

THAT subsection 4(1) of Bill 86 be struck out and the following subsection be substituted therefor:

Appeal.

4(1) A producer or the producer board or any person aggrieved by an order made under Section 3, may appeal the order to the Manitoba Council by a notice in writing served on the Council within 30 days from the date of the order that is the subject of the appeal.

**MOTION presented and carried.**

**MR. CHAIRMAN:** 4(1) as amended pass; 4(2) pass; Mr. Adam.

**MR. ADAM:** In what section do we provide access to information for anyone who feels that they want to appeal to the producer board?

**MR. DOWNEY:** 4(4), Mr. Chairman, we have an proposed amendment for that.

**MR. CHAIRMAN:** 4(4), and we have a proposed amendment. 4(3) pass; — Mr. Tallin.

**MR. TALLIN:** Could I make a correction in 4(3), someone pointed out to us at the meeting the other

day that the word "the" in front of Council, should be taken out.

**MR. CHAIRMAN:** Is it agreed? (Agreed). Mr. Uruski.

**MR. URUSKI:** Could I move back to 4(1), Mr. Chairman, I realize it's passed. I want the Minister to indicate what the actual nature of the — what does it do? The change to the amendment that's been made. I haven't read the two quickly enough and I missed that one at the time.

**MR. DOWNEY:** Mr. Chairman, there were requests and concerns that the consumers wanted an opportunity to appeal to the — to review the cost of production and the process is now in place so that it clearly states that they do have the right to appeal on order made by the commission. On cost of production.

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Yes, I recognize that. Could I ask the Minister whether they will have a right to all the information that is presented to the council as evidence to be used in their submission?

**MR. DOWNEY:** Mr. Chairman, the information part is dealt with in 4(4), of which we will be proposing an amendment.

**MR. CHAIRMAN:** 4(3) as corrected pass; 4(4) — Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa;

THAT subsection 4(4) of Bill 86 be struck out and the following subsection be substituted therefor:

Information on costs and profits.

4(4) Any person intending to make a presentation to the Manitoba Council with respect to minimum or maximum prices of fluid milk, or both, may prior to the hearing of the appeal request the commission for information on the costs and profits of producers, distributors, manufacturers or processors, and the commission shall, at least 3 days prior to the date of the hearing of the appeal, provide such information as it may have in its possession in consolidated statistical form without identifying the costs or profits of any of the parties by name.

**MOTION presented.**

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** It doesn't clearly define that the formula — information on the formula, may be available. It only says profits in that.

**MR. DOWNEY:** Mr. Chairman, the commission has to provide information on the costs of profits of the producers, which will be established through the formula, which will be in the possession of the commission, which has to be presented too, three days prior.

**MR. ADAM:** It seems to me that that should be more clearly defined in here. Where you say the costs and profits, that doesn't really necessarily

indicate that the formula that the commission has will be made available.

**MR. DOWNEY:** It also will have the information available obtained from survey of costs of production on the farms, so the cost that goes into the formula and the formula will be available through the commission. Mr. Chairman, the formula will also be public because it does have to be done by order, which will be a public order. So the cost of production formula will be public as it has to be put through on order.

**MR. HANUSCHAK:** Mr. Chairman, firstly I wish to indicate that this amendment is a slight improvement over the section as it reads in the bill and this is in response to a criticism which we had heard by some of the delegations appearing before the committee yesterday. But as I've said, it is a slight improvement and the reason I say that, Mr. Chairman, is this — if you read this section in its entirety, you will note, or you will recall the section which we have passed just a few minutes ago, that upon receipt of an appeal, the Manitoba Council shall fix a date, time and place, not later than 15 days, from the date of the receipt of the appeal, for considering the appeal. We shall notify the commission, the appellant, of the date, time, place so fixed. The appeal must be heard within a 15-day period. And then the commission could take 12 of those 15 days to compile the information on costs and profits requested by the person making a presentation to the council. So 12 of those 15 days can be taken up in compiling the information, collecting the information and then only three days are left to the person making a presentation to review and analyse the information received and find ways and means of utilizing it effectively to strengthen his particular presentation.

Now, Mr. Chairman, I appreciate the fact that some time has to be allowed the commission for the compilation of the information, but I think that it's only fair that a reasonable time also be allotted the person making the presentation to review and digest the information obtained, and find ways and means of utilizing it effectively. So it would seem to me that it would be only fair to sort of split the difference and you know, seven days, eight days, whatever, allow the commission eight days to compile the information and present it to the person requesting it or to the person making a presentation, no later than seven days before the hearing of the appeal, to give the individual ample opportunity to review it.

The other point, you know, the way the amendment reads, I'm not sure at what point in time, or from what point in time the Minister is going to calculate the three days. Is it three days from the time the information is dropped in the mailbox? Because if it's from that point, the information may not reach the person making the presentation until the day of the appeal, if he's out in the country. Or is it allowing reasonable time for delivering the information by post or whatever and allowing him three days to be in his possession? But that concern of mine would become irrelevant if the Minister would agree to amending the three days to read seven days and give the person presenting the information ample opportunity to review it and to fit it into his presentation.

**MR. DOWNEY:** Mr. Chairman, Legal Counsel points out that there is a way we can put that in and I'm quite prepared to do it, to accommodate the request of the member. Maybe you would speak to it Rae, just to clarify the . . .

**MR. TALLIN:** There's a technical difficulty in the way the amendment is drafted at the moment, which I've just noticed. That is that the person making the request could wait until the fourth day before the hearing to make the request and then they would only have 24 hours. It seems to me that the commission should be given a reasonable time after the request, under all cases, to get it and I would suggest that perhaps it be changed to say, "the commission shall, within three days of receiving the request" or within some four days, whatever you want to make it.

**MR. USKIW:** I'll let you pass this one and then I might . . .

**MR. CHAIRMAN:** Mr. Ferguson, would you care to read your corrected amendment?

**MR. FERGUSON:** Mr. Chairman, I move the correction to 4(4) of Bill 86:

4(4) Any person intending to make a presentation to the Manitoba Council with respect to minimum or maximum prices of fluid milk, or both, may prior to the hearing of the appeal request the commission for information on the costs and profits of producers, distributors, manufacturers or processors, and the commission shall, within three days of receiving the request, provide such information as it may have in its possession in consolidated statistical form without identifying the costs or profits of any of the parties by name.

**MOTION presented and carried.**

**MR. CHAIRMAN:** 4(4) as amended pass; 4(5) — Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, I really don't want to talk to 4(5). I wanted to, and it's really up to you whether you want to allow me to, deal with 4(2) and 4(6) in tandem. So maybe we should wait until we get into 4(6).

**MR. CHAIRMAN:** Shall we deal with 4(5). Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa;

THAT subsection 4(5) of Bill 86 be amended by striking out the words "those parties" immediately after the word "from" in the 3rd line thereof and substituting therefor the words "that party".

**MOTION presented.**

**MR. HANUSCHAK:** Mr. Chairman, I would like to ask the Minister, you see it seems the way section 4(5) reads is that really there could be two in camera meetings' decisions made. It would appear that the consideration of whether the appeals should be heard in public or in camera, that decision that is, will be made in camera by the Manitoba Council and

then if the Council decides that the hearing should be in camera, then the hearing itself, i.e. the appeal is in camera. So my question to the Minister is, would there be an opportunity under this section for the public to appear before the council and participate to make — or for anyone to appear before the council — and states its position, its arguments, as to whether the hearing of the appeal should or should not be in camera?

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Chairman, it is only the decision of the council that the evidence should be held in camera, not the hearing, of a particular party.

**MR. HANUSCHAK:** Mr. Chairman, it may decide to take evidence from those parties in camera, so that means that the evidence would be taken in camera but then there could be a transcript made available to anyone interested in it. Is that what the Minister is saying?

**MR. DOWNEY:** But not evidence that they decided may not be available to the public, or should not be in the interest of the individual who may be affected.

**MR. HANUSCHAK:** So really it's tantamount to a hearing in camera.

**MR. DOWNEY:** On a technical explanation.

**MR. CHAIRMAN:** Mr. Tallin.

**MR. TALLIN:** The other parties to the hearing will be there. In-camera just means that the public at large is removed. But the other parties that are involved and will want to make comments on that evidence in their argument will be allowed to remain in the hearing.

**MR. HANUSCHAK:** Fine, okay.

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** Yes. I'm wondering whether any party affected by this section would be permitted to bring in counsel, if he's represented by counsel. Where does that say that?

**MR. TALLIN:** In 4(3).

**MR. CHAIRMAN:** Mr. Uskiw.

**MR. USKIW:** Well, Mr. Chairman, with respect to the consumer and if they wish to bring in legal counsel, that's permissible I gather.

**MR. TALLIN:** Yes.

**MR. USKIW:** I'm wondering whether there's any thought on the part of the government to make it possible for consumer groups to be provided with legal counsel as it used to be some years ago.

**MR. DOWNEY:** Legal Aid?

**MR. USKIW:** Well, that's here nor there, actually.

**MR. DOWNEY:** Well, is it not available through Legal Aid, Mr. Chairman?

**MR. USKIW:** I gather that the group that was here yesterday had a Legal Aid lawyer; if that is to continue I guess that's not a bad arrangement. It's not a bad suggestion, Mr. Chairman, to make sure that that is always available if you have these kinds of hearings.

**MR. CHAIRMAN:** Shall the amendment on 4(5) be passed? Mr. Hanuschak.

**MR. HANUSCHAK:** Yes, I think that it should be stated for the record that the collection of evidence in camera is a practice that should be avoided as much as possible, that it is an undesirable one. Within our legislation, within our laws, there is provision for in camera hearings, offences committed by infants. Perhaps, I believe, there is also provision for in camera hearings of offences under The Income Tax Act — some offences, not all. I believe there's some, but I may be wrong on that. But anyway, the point is, that it is the exception rather than the rule. In this case, Mr. Chairman, where you're dealing with issues that are of interest, I would suggest to you, Mr. Chairman, that 99 percent of the appeals that will be heard by the Manitoba Council will be and should be of interest to the public at large.

Now the effect of this would be that the public would be completely in the dark as to what transpired during the conduct of the appeal and I really see no reason why, no justification, no rationale, why a press reporter should be barred from attending such a hearing and why a press reporter should be prohibited from —(Interjection)— Of course, it should not be in camera, that's the whole point, that it shouldn't be in camera.

**MR. CHAIRMAN:** Mr. Adam.

**MR. ADAM:** Mr. Chairman, there may be occasions when a party to an action, there may be cases where that party would want to have a public hearing and the council may, in its judgment, say no; and there may be cases where an individual would feel that it would be to his advantage to have a public hearing and if he asks for it, he should be able to have it.

If I was a storekeeper and there's a complaint against me for over-pricing of milk and if the council said, well, you know, it's not to your advantage to have this made public and if I feel that I want to have a public hearing, I want to have a public hearing. That should be available to me. I don't see why the council should tell me. Because, Mr. Chairman, we have this section I'm sure in other Acts, such as in the association acts and that, that where an individual wants a public hearing that he may have it, I don't see why it's not available now.

**MR. CHAIRMAN:** Question? Mr. Hanuschak.

**MR. HANUSCHAK:** Mr. Chairman, no, I think there's an important issue involved here and I would urge the Minister to reconsider the advisability of including this section within the bill. Reading on in the bill, there's an Offence section, that anyone who violates any provision of this bill commits an offence

and upon conviction could be subjected to imprisonment or the payment of a fine.

Now, Mr. Chairman, let me give you the following example. Let us say that a decision is made to hold the hearing of an appeal in camera and one of the parties to the appeal . . .

**MR. DOWNEY:** Can I just interrupt? It's not the appeal, Mr. Chairman, in camera, it's the evidence.

**MR. HANUSCHAK:** The evidence, that's right, because the evidence is part of the appeal. Isn't that what the appeal is all about? Because the appeal really constitutes a hearing. It's part of the appeal, Mr. Chairman.

Now, a decision is made by the council — and I will use the exact words from the bill — "that Manitoba Council may decide to take evidence from those parties to that appeal in camera". — (Interjection)— That's right. And let's say that it does make that decision and one of the parties to that appeal walks out of the appeal room and talks to a press reporter. Then I suggest to you, Mr. Chairman, that the person talking to the press reporter has committed an offence and if the reporter publishes the interview that he had with that individual, he commits an offence. Now, surely, that's not what the Minister intends, I'm sure he doesn't intend that. Perhaps he hasn't thought of those consequences and for that reason I would urge the Minister to delete this section.

**MR. CHAIRMAN:** Question? Shall the amendment pass on division? All those in favour of the amendment pass; 4(5) as amended pass; 4(6)(a) pass. Mr. Uskiw.

**MR. USKIW:** Yes. I wanted to just briefly touch on (6) and 4(2) together.

**MR. CHAIRMAN:** Order please. Order please. Mr. Uskiw.

**MR. USKIW:** We have time limitations upon which certain actions are required to take place on an appeal. My only question is, are those time limitations practical? It could be that either the 15 days or the five days may be such that it may render the appeal process incapable of carrying out its due responsibility and I'm just wondering whether that shouldn't have been a broader time frame, within which to make those requirements.

**MR. DOWNEY:** Mr. Chairman, I stand to be corrected and it could be checked out. I believe that is probably in The Manitoba Natural Products Marketing Council Act at the present time.

**MR. USKIW:** It may be.

**MR. DOWNEY:** And it maybe should be reviewed in that Act and maybe it isn't practical and that I can't answer. But I think that is where this portion of the Act came from. So right now I stand for clarification but I think that that is already in the statutes of the province.

**MR. USKIW:** Okay, I won't belabour it.

**MR. CHAIRMAN:** 4(a) pass; (b) pass. Mr. Hanuschak.

**MR. HANUSCHAK:** Mr. Chairman, the section reads: "That upon five days of the completion thereof the council must do one of two things, dismiss the appeal and confirm the order of appeal or grant the appeal in whole or in part."

Is there anything in the Act which would compel the Manitoba Council to deal with the appeal with proper dispatch because it seems to me, Mr. Chairman, that if for whatever reason the Manitoba Council may deem it, consider it inadvisable to render its decision at that time. Perhaps for political reasons, Mr. Chairman, on instructions from the Minister because the Minister may offer certain advice to the Council. Then all the council need do is adjourn perhaps the last 10 or 15 minutes of the conduct of the appeal and adjourn it indefinitely, adjourn the completion of the appeal for six months, for a year, or whatever. The time goes by and if anyone asks the council, where is your decision, all the council need say, we have not completed hearing the appeal and there is no requirement within the legislation that the appeal must be heard within any specified time. We could take 10 years to hear the appeal if we want to. The Minister of Highways, he agrees that that might be a suitable arrangement. He'd go along with that.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** I think, Mr. Chairman, that as I understand it, it's at the discretion of the council to deal with the issue and their responsibility and by putting a time in there I suppose could alleviate the difficulty of the problem that the member is bringing forward, to say that a particular time — if I understand the point he's trying to make — a particular time in which it has to be dismissed. I would think that in the fairness of justice, if you were forcing the commission to make a decision, it may in fact impinge upon the rights that you're giving them to administer the Act and that would be my interpretation of it and I don't know whether I've explained myself very well. If it became a difficulty, then I think I would have to see how many other acts or what other acts would force those kinds of decisions to take place. But I cannot see a responsible commission appointed, of a group of people that would act in that manner.

Now, I make those comments subject to further consideration being given. If over the process of acting in the responsible manner they didn't, then it would have to be put into the Act.

**MR. CHAIRMAN:** Mr. Hanuschak.

**MR. HANUSCHAK:** Mr. Chairman, I'll give you a more specific example, Mr. Chairman. An appeal is brought to the Manitoba Council. The Manitoba Council are the Minister's appointees. The timing of the appeal is perhaps a month or two before a general election. The council which is appointed by this Minister knows that the decision that it may render may adversely affect the Minister's chances of re-election and his party's chances of re-election. So there's nothing to prevent the council from

adjourning the completion of a hearing of the appeal until after the election and then render its decision.

**MR. CHAIRMAN:** Question? 4(b) pass; 4(6) pass; 4 pass. Section 5 pass; 6 pass — Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, I have an amendment to Section 6. I move, seconded by the Member for Ste. Rose:

THAT the words "or at a price less than a minimum price" in the second and third lines thereof, be deleted.

**MR. CHAIRMAN:** Question? Mr. Uruski.

**MR. URUSKI:** Mr. Chairman, it's very clear on the basis of the Minister's statements from before, that the government intends to throw a shaft to the consumers of this province from both ends, Mr. Chairman, both from the appeal point of view and both from preventing them to receive any benefits that there might be in the event of some price reductions, Mr. Chairman.

**MR. CHAIRMAN:** Question? Shall the amendment pass?

**A COUNTED VOTE** was taken the results being as follows:  
Yeas, 4. Nays, 5.

**MR. CHAIRMAN:** The motion is lost. 6 pass; 7 pass; 7(1) pass; 7(2) pass; 7 pass. Section 8 — Mr. Ferguson.

**MR. FERGUSON:** Mr. Chairman, I move, seconded by the Member for Minnedosa:

THAT subsection 8(1) of Bill 86 be struck out and the following subsection be substituted therefor:

Injunction Proceedings.

8(1) Where it is made to appear from material filed or evidence adduced that an offence against this Act or any order or regulation made under this Act has been or is being committed by a distributor, manufacturer or processor, the Court of Queen's Bench or any judge thereof may, upon application of the commission, enjoin the distributor, manufacturer or processor from carrying on business as a distributor, manufacturer or processor, as the case may require, absolutely or for such period of time as to the court seems just.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Chairman, basically that adds the word "manufacturer" and that's the only change.

**MR. CHAIRMAN:** 8(1) as amended pass; 8(2) pass; 8 pass; 9(1) pass; (2) pass; 9 pass; 10(1) pass — Mr. Green.

**MR. SIDNEY GREEN:** Mr. Chairman, I would assume that what the Minister is concerned with is obtaining records, books of accounts and manufacturers for the purpose of establishing what? Is it for the purpose of establishing cost of production? The price formula. Well, can you tell me, Mr. Chairman, what the manufacturers or

processors' records have to do with the cost of production?

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Mr. Chairman, the commission has the ability to monitor and assess the system, the milk and any portion of the system, that is the reason for requesting the records and the books.

**MR. GREEN:** Well, no, Mr. Chairman. I raised this in the House before and I will declare, Mr. Chairman, that I have been involved in legal proceedings in connection with the present board, not the marketing board, they have used their power to tell records — or have tried to use it — for the purpose of getting costs, investments, hours worked, on the part of products which are not regulated at all because if they can find out that a cheese company is making more money than they think that the cheese company can make, they want to increase the price of milk to that cheese company. It's nothing to do with the cost of production, but they are not regulating the price of cheese.

Now, if they regulated the price of cheese and said that the price of cheese shall be in the minimum price and no other cheese could come into the province, then I would say that they would have a perfect right to regulate the price of cheese, to demand that information. But this is going to the people who are purchasing the milk and asking them for their costs and using that power, under that section, for the purposes of increasing the cost to the people who are buying from them and they made no bones about it, that that was the reason they asked for it.

Now there has been a case and they have not got the information and I don't believe that they are proceeding further. But if what the Minister is saying is that this information is for the purpose only of establishing the formula of cost of production for milk, then at least we have his statement of intention that that's what the regulation is to be used for.

**MR. DOWNEY:** Mr. Chairman, I don't know how you specify it precisely. It's for the actual working of the Act as it relates to fluid milk, the pricing of fluid milk, retail price. — (Interjection)

**MR. GREEN:** And the price of the milk is to be set by a cost of production and not on the basis of what another person may be earning on the milk after he buys it, whether the retailer or the manufacturer. Is that right?

**MR. DOWNEY:** Right.

**MR. GREEN:** Thank you.

**MR. CHAIRMAN:** (a) pass; (b) pass. Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa:

THAT Clause 10(1)(c) of Bill 86 be struck out.

**MR. CHAIRMAN:** Mr. Downey. Mr. Tallin.



**MR. TALLIN:** These are regulations made by the commission itself and it seems ridiculous that they would make regulations prescribing their own records, book and accounts.

**MR. CHAIRMAN:** Shall the amendment pass pass. 10(1) as amended pass; 10(2) pass; 10 pass; 11(a) pass; (b) pass; 11 pass; 12(1) pass; 12(2) pass; 12(3) pass; 12 pass; 13(a) pass; (b) pass; 13 pass. 14(1) pass; (2) pass; (3) pass; 14 pass; 15 pass. 16 — Mr. Ferguson.

**MR. FERGUSON:** I move, seconded by the Member for Minnedosa:

THAT 16 of Bill 86 be struck out and the following section substituted therefor:

Prior orders of Milk Control Board.

16(1) Notwithstanding the repeal of The Milk Control Act, every order and regulation made under that Act that is in force on the coming into force of this section remains in force, as varied under subsection (2), until it is repealed by the commission.

Varying Milk Control Board orders.

16(2) Until a cost of production formula is established under subsection 3(2), the commission may, from time to time, by order made either with or without a hearing, in the absolute discretion of the commission,

(a) vary, on the basis of changes since February, 1980, in the cash costs of production of milk by producers as determined by the commission on the basis of published statistical information, any order or regulation made under The Milk Control Act that was in force on the coming into force of this section and that established, controlled or fixed the prices at which milk may be sold by a producer; and

(b) vary, in a manner complementary to any variation made under clause (a), any order or regulation made under The Milk Control Act that was in force on the coming into force of this Act and that established, controlled or fixed the price at which milk may be sold by any person other than a producer.

Repeal of Milk Control Board orders.

16(3) Upon establishing a cost of production formula under subsection 3(2), the commission may repeal any order or regulations made under The Milk Control Act that is in force on the coming into force of this section.

**MR. CHAIRMAN:** Mr. Downey.

**MR. DOWNEY:** Pass.

**MR. CHAIRMAN:** Question? All those in favour of the amendment pass. 16 pass; 17 pass; 18 pass; Preamble pass; Title pass. Mr. Hanuschak.

**MR. HANUSCHAK:** Mr. Chairman, yes, I think that it should be noted that we of the opposition will observe the consequences of the passing of the repeal of The Milk Control Act and the passing of this bill very very carefully. I think that very very shortly, Mr. Chairman, time will tell who or whom this

party — whom is correct — whom this party considers as its friends, whether it is the producer, the small processor that this government pays lip service to defending, or whether it is Beatrice Foods, Mr. Weston and others in that league.

**MR. CHAIRMAN:** Mr. Tallin. Order please.

**MR. TALLIN:** I wonder if the committee might authorize me to renumber the bill so that we don't have decimal numbers in it.

**MR. CHAIRMAN:** Agreed? (Agreed) Mr. Uskiw.

**MR. USKIW:** Mr. Chairman, I just simply wanted to sum up this bill, or the consideration of it, by making the point that although I didn't believe that the Minister consciously wanted to reserve the right to deny the retailer and the processor from providing to the consumers of Manitoba a bargain in milk prices, I now find that he reserves himself the right and that he resists every attempt to make sure that if there is to be competition in the milk industry that the consumer should be the main benefactor.

The lip service was to the consumer that because of the deregulation, psychologically, there will be an incentive for greater competition within the industry, the consumers will benefit by it through loss leader sales, etc., promotions, campaigns to sell milk or whatever.

But we find that the prohibitions that remain in this bill will deny that from taking place if the commission chooses to intervene. On Page 6 in particular, where they spell out their prohibitions, the Minister refused to delete the section which enables the commission to set minimum prices.

So, Mr. Chairman, it's obvious that the government is only removing the benefits of existing legislation from consumers. It is intending to still be the protector of the industry at large and where there is any undue effort in order to give producers a bargain, the Minister reserves himself the right to intervene and prevent that from taking place.

In other words, Mr. Chairman, if Modern Dairies wants to go to Loblaw's and say to the Loblaw people that we are prepared to install your whole milk display case, dairy case, at no cost to you, providing you will sell our milk and that you will sell it at a discount of 2 cents a quart, if that were the case this Minister reserves himself the right to say to Modern Dairies, we will not allow you to do that. We cannot allow that kind of intra-industry competition to take place. That is the right that has been reserved by this Minister in these new provisions, and at the same time while they're talking about the need to deregulate the industry, to give the free market play a chance to prove its case and hopefully, according to the Minister, to have the consumers of Manitoba benefit from any windfalls out of loss leader sales, promotions etc. The bill is, other than for the benefits to producers, Mr. Chairman, it is of no value to consumers, it is destructive and detracts from consumer interests and for that reason, more today than yesterday, Mr. Chairman, because of the revelation in this committee today, are we bound and determine to oppose this legislation.

**MR. ORCHARD:** Mr. Chairman, following up on the comments of Mr. Uskiw and Mr. Hanuschak, I think it has to be pointed out, once again, as was pointed out quite adequately in the hearing process yesterday, when we heard from both producers and consumers. Both the presentations made by the consumer groups and the presentations made by the producer groups, indicated that the state of the industry was such, in Manitoba, that the producers needed an immediate increase in their price, and there is no argument. Members opposite are indicating that there is absolutely no argument. The consumer association groups that were represented here said, no argument about that, they thought that was justified. They were fully cognizant, Mr. Chairman, that that would result in an increase in the retail price and there was no argument about that.

That's why, Mr. Chairman, I made it very clear to ask each and every one of them that, with or without this legislation, would you anticipate the retail price of milk to be going up, and all of them answered in the affirmative. That is what is so troublesome about the article written on the front page of The Tribune, where the first paragraph attributes that as soon as this legislation goes through the price of milk will go up. That is not the case, Mr. Chairman, — (Interjection)— no, it is not the case, with or without this legislation, the price of milk would go up; with or without this legislation the price of milk would go up. The implication was specific in that Tribune article that it would be because of this Act, and that is not correct as reported in the hearings here. And I don't know where those two gentlemen, who reported that article, got that impression to indicate that, strictly because of this Act, the price of milk would go up, as was the indication in the Tribune article. That is incorrect, Mr. Chairman, and I just want to make sure that we know, in this committee, Mr. Chairman, as members opposite have acknowledged, that all groups said the producers were in need of an increase which would result in the retail price of milk. Not this legislation, but the producer needs.

**MR. USKIW:** Mr. Chairman, you know I'm amused at the Member for Pembina, because we just passed an amendment to this bill which, in fact, speeds up the pace at which prices will be increased to consumers. We can't wait for the mechanics of hearings within the existing board operations, or the mechanics of the new board, to take form, so therefore the amendment says that, notwithstanding the orders that exist today, this new board will be able to make adjustments in the interim period without going through all the mechanics of investigations and hearings. It will take a cursory look at the price and make an adjustment almost immediately.

Mr. Chairman, those reporters were correct. They were correct as to the intent of this legislation. These amendments confirm that. Now I don't know why the Member for Pembina wants to try to dislodge the impression of the media, which is accurate, and there's nothing wrong in being accurate, Mr. Chairman, and there's nothing wrong with these amendments, Mr. Chairman. I don't think there's anything wrong with these amendments, but let's not hide behind a bushel here, that is in fact what's going to take place because of the passage of this

bill and in this instance for the right reasons. Now, Mr. Chairman, let's not deny that. Let's give credit where credit is due.

**MR. ADAM:** Mr. Chairman, the spokesman for the Manitoba Producers' Association yesterday, Mr. Art Rampton, clearly stated in his brief that an immediate increase of five cents a litre, I think he said, which will reflect at seven cents at the retail level and possibly eight, and possibly more, and there's no argument there. If it is required, its required, but that was left on the record by Mr. Rampton and there's nothing wrong with the report as I see it. But, Mr. Chairman, for the Minister, in his news release here and for the Minister to say that processors and retailers have an opportunity to offer consumers cost-savings by merchandizing and promoting competitive pricing at the retail level, was never exercised before, is incorrect, because if he was sincere, he would have removed that minimum price that's in his sections. He has left that in to prevent this from happening so the Minister is deceiving the people of this province and he has deceived everybody that's made representations at this committee.

**MR. CHAIRMAN:** Question — Bill be reported as amended. Mr. Green.

**MR. GREEN:** Mr. Chairman, I don't understand the sensitivity of the Member for Pembina. I don't think that there's any doubt that, when this bill is passed, that the retail price of milk will go up. And it will go up, Mr. Chairman, in part, certainly, by virtue of the passing of the bill. If it wouldn't, Mr. Chairman, what have we done for the producers? All this has been done because you say the producers will get a bigger price of milk. (Interjection)— Mr. Chairman, I don't care, I'm not going to be able to define "fair", what I do know is that the Conservative party has said that the farmer will get more for his milk under this bill than he got under the previous bill. So the price of milk will go up by virtue of this bill. Whether it's fair or not, there can be lots of argument, there can be lots of argument.

The guy who works in the hospital says he did not get a fair price for his services. The minimum wage earner says he does not get a fair price for his services. But what we do know is that, as a result of this bill, the price of milk at the retail level will go up as a direct consequence. And that's been why the Conservatives said that they need this bill; and they say they need this bill to let the price to go up, and interestingly enough, if what the Member for Lac du Bonnet says is correct, the maximum on retail is now removed. The day this bill is passed the maximum on the retail price will no longer be controlled. Somebody could come in and ask that it be controlled if it's unfair but the maximum will not be controlled. The minimum will be controlled. Well, Mr. Chairman, I mean if the minimum will not be controlled then I — (Interjection)— I heard Mr. Uskiw say, the minimum and the maximum could be controlled. The minimum could be controlled, the maximum could be controlled, but they will not be controlled with the passing of this bill and the price will go up and it'll go up as a consequence of the passing of this bill and that's why the bill is being

passed. Because otherwise, if the producer didn't want more money and need more and consider more money to be fair, then the present bill would give him that money and the Conservative members have said that the present bill will not give him fair money and, in order to keep the supply of milk, we have to give him more money and as a consequence the price will go up.

Now, Mr. Chairman, what's the argument? I think that is what is being said and that is what is happening and I believe that it is interesting. Mr. Chairman, I want anybody to interrupt me on a point of order if I'm saying something which is not now correct, because now I'm talking on hearsay. I'm advised that there is more milk being produced now than there has been produced in the province of Manitoba five years ago. (Interjection)— At any time. But, Mr. Speaker, if there is more being produced, then what we must know is that the present price has not resulted in a reduction of the production of milk. And you know, that's the way you determine a price normally. When the price goes down people stop producing, when the price goes up people start producing and it seems that the incontrovertible fact, which the Minister of Agriculture is aware of, is that there is more milk being produced in the province of Manitoba than ever before in the history of the province of Manitoba. And what the Conservative party says is that you need to lift the price.

Well, Mr. Chairman, the Honourable Member for Pembina, you know, he has great sensitivity. There's an article that says that the price will go up as a result of the consequence of this bill. Mr. Chairman, the Conservative party has lived a lie for the last seven years, which they repeat and repeat and repeat without any insensitivity, that exploration in the province of Manitoba went down as a result of the policies of the New Democratic Party. That is an outright lie, a demonstrable lie. It continues to be repeated and the Honourable Member is insensitive about it. The truth he is sensitive to; lies have never made him sensitive.

**MR. CHAIRMAN:** Bill be reported, as amended pass.

**A MEMBER:** Yeas and nays.

**A COUNTED VOTE** was taken, the result being as follows:

Yeas 5; Nays 4.

**MR. CHAIRMAN:** Bill be reported as amended.

### **BILL NO. 61 THE DAIRY ACT**

**MR. CHAIRMAN:** Bill 61, Page 1 pass; Page 2 pass; Page 3 pass; Page 4 pass; Page 5 pass; Page 6 pass; — Mr. Uruski.

**MR. URUSKI:** Just one question, Mr. Chairman, in Section 19(3) the Right to be heard. Now, Mr. Chairman, in my remarks I believe I made comments to the Minister that we found it might prove to be very difficult for the same individual, who would be the director likely of the department, who would be

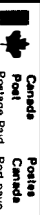
hearing an appeal against an order, that individual would be acting both as the prosecutor and the judge and jury on the hearing, whether there is any intent on the government to change the person who would hear the case, because it will put people in a very difficult position in this case. I don't know, there may be something in the amendments.

**MR. DOWNEY:** The agent, Mr. Chairman, is the Dairy Board.

**MR. USKIW:** Ah, okay.

**MR. CHAIRMAN:** Page 5 pass; Page 6 pass; Page 7 as amended pass; Page 8 pass; Preamble pass; Title pass; Bill be reported as amended pass.

Committee rise.



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