

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 3 June, 1985.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - GOVERNMENT SERVICES

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. We are on item No. 4.(a)(1), 4.(a)(2) Project Services, Executive Administration: Salaries and Project Services, Executive Administration: Other Expenditures - the Member for Minnedosa.

**MR. D. BLAKE:** I think under this section, Mr. Chairman, we could discuss the policy of the government with regard to the payment of accounts submitted to them. Is it a policy now to require no interest be added to invoices until after 60 days?

**MR. CHAIRMAN:** Mr. Minister.

**HON. J. PLOHMAN:** Mr. Chairman, I understand that our turnaround time for payment of accounts is an average of 30 days. However, I believe the Department of Finance has a policy that interest will be paid after 60 days. I believe that's correct.

**MR. D. BLAKE:** I wonder if the Minister could tell me when this policy was instituted.

**HON. J. PLOHMAN:** As I said, Mr. Chairman, I believe that is the policy of the Department of Finance and would most appropriately be answered by the Minister of Finance. It's been in place, I believe, for a couple of years. I don't know that it's changed recently. It certainly hasn't been extended. I'll see if we can find that information, but it isn't directly a policy of Government Services; it's the policy of the Department of Finance, which we follow.

**MR. D. BLAKE:** It was brought to my attention today, Mr. Chairman, on a purchase order from the Department of Government Services that was stamped, invoice must be original, must be submitted promptly and must not bear interest until after 60 days.

**HON. J. PLOHMAN:** I didn't dispute that that's perhaps the policy that was set in place by the Department of Finance and I believe that has been in place for some time. As I said, our turnaround time in the Department of Government Services has been going down and it's in the 30-day range, as opposed to 60 days, on average.

**MR. D. BLAKE:** It would appear then from the information that was forwarded to me, Mr. Chairman, that interest was paid after 30 days previously. Now I could be subject to correction on that understanding.

The philosophy of it I can understand but also looking at it from the point of view of the person that's providing services, with the tight financial circumstances that

everyone in the business community is faced, we're just wondering if it's fair to expect them to wait 60 days for payment. It would appear to them that the government is financing at their expense.

**HON. J. PLOHMAN:** Mr. Chairman, I thank the member for raising that. I have similar concerns in that suppliers to the government should receive the same treatment that they would put in place for us. Certainly it seems that it's fair that we do pay interest on outstanding accounts after a set period of time. Whether the 60 days is a fair period or not, I understand that not too long ago there was no interest paid by government on outstanding accounts, so certainly if it is 60 days at the present time, that's a step in the right direction.

As I said earlier, we do not take 60 days to pay our accounts so that no one is in the kind of hardship that the member is talking about for even 60 days. It's an average of 30. So I believe that the average for overall government, the information I have is about 38 days and Government Services is lower than that.

**MR. D. BLAKE:** Well, in some exceptional cases, Mr. Chairman, I wonder if the Minister might be prepared, if the supplier is getting 30 days net from his wholesalers, if payment was not going to be forthcoming within 60 days, if the government would be prepared to forward a letter to those wholesale suppliers to indicate that payment would be forthcoming. It would take some heat off the merchants who are supplying the goods and services.

**HON. J. PLOHMAN:** Mr. Chairman, if there were instances of specific hardship where a particular company was in danger of perhaps going under because of the demands being made and they approached our staff and asked for some assistance in this regard such as a letter indicating that payment was forthcoming, we wouldn't have any problem with that. If it was every account, it would obviously present a bit of a problem, but if it's in an isolated situation we wouldn't have a problem doing that.

**MR. D. BLAKE:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I know we do take a fair degree of latitude in jumping around and I would like to get down into the Land Acquisition part. I have been asked by the Member for Portage to raise a question where, I believe, there was a notice in the paper - the tenders closed on the 30th of April - dealing with several parcels of land which were with the Manitoba . . .

**MR. CHAIRMAN:** Point of order, please. We made that special consideration one time because we anticipate a member will not be here, but we cannot do all this jumping around, because we need the staff, we need the necessary information and analysis.

**MR. H. GRAHAM:** Very well, Mr. Chairman. No, no just go ahead. Pass 4.(a) and 4.(b).

**MR. CHAIRMAN:** Okay. Items 4.(a)(1) to 4.(c)(2) were each read and passed.

4.(d)(1) Land Acquisition: Salaries; 4.(d)(2) Other Expenditures, 4.(d)(3) Less: Recoverable from Other Appropriations - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, in Portage we understand that they are closing out some of the activities there in the developmental centre and there were several parcels of land that were advertised. The tenders closed on the 30th of April for Parcel No. 1 which was the west half of the northeast quarter and part of the east half of the northwest quarter of Section 12.12(7) west of the Principal Meridian. There was Parcel 2, Parcel 3, Parcel 4.

Could the Minister indicate how many tenders were received for that particular advertisement that appeared in the papers?

**HON. J. PLOHMAN:** Mr. Chairman, I could not just right at this moment provide that information. I would certainly be prepared to provide it for the member, but we do not have that particular transaction in terms of the number of tenders and so on right here at this moment.

**MR. H. GRAHAM:** Mr. Chairman, could the Minister also, when he's looking into that, indicate whether it was the highest price that was the one that was accepted on the lease tender?

**HON. J. PLOHMAN:** Yes, Mr. Chairman, I certainly could provide that and the reasons for the awarding. If they were awarded, who they were awarded to, and why?

**MR. H. GRAHAM:** Could the Minister also indicate in that information who was the successful bidder in that particular tender notice?

**HON. J. PLOHMAN:** Mr. Chairman, I indicated that who and why would be information we could give. However it's possible that they have not even been awarded as yet. I don't recall that we've actually signed and sealed that particular transaction, but we will look into that, and if it hasn't been awarded as yet, obviously that information would be coming after the decision is made.

**MR. H. GRAHAM:** Mr. Chairman, seeing as how the land involved was agricultural land, and because we are now in the first week in June, I would assume that unless the government wishes to see that land sit vacant for the entire year that they would in all probability have arrived at a successful tender on this project and would have awarded the land to some bidder, of some nature; otherwise, there's a very distinct possibility that the land may be sitting vacant for the entire year. We do understand that agricultural land should be preserved for agricultural use and should be utilized for agricultural use wherever possible.

**HON. J. PLOHMAN:** Mr. Chairman, without having the details on the pieces of land that we're talking about,

in terms of what was the status of them in previous years as opposed to this year, and whether they were being leased or used by adjacent farm owners, there's a possibility that was the case, but I don't have the details now so I wouldn't know whether that would be applicable in this particular case. Obviously we would want to avoid the land having to sit idle; however, I can't comment on the details of this particular one because I don't have the details here.

**MR. H. GRAHAM:** Mr. Chairman, I had thought that because we had a break for several days in the Estimates of the Minister that probably he would have had the opportunity to bone up on the various segments of his Estimates which still had not been dealt with, and I was hoping that we would be able to get answers to the questions that so many members would no doubt want to ask. There are many other questions I would like to ask under Land Acquisition, but if the Minister doesn't have the information available perhaps we may have to wait. Has the Minister any information available at all on Land Acquisition at the present time?

**HON. J. PLOHMAN:** Well, Mr. Chairman, I have information on the general handling of the Land Acquisition branch, its operations and programs but in terms of individual transactions that take place, there are many many of those in each year, and the Minister is not specifically involved in the day-to-day transactions. This is from a previous annual report '83-84, the branch has been involved in 20,800 property purchase agreements.

Since July 1965, I believe in '83-84 there were 564 property purchase agreements negotiated. So there's an awful lot of them and I do not have the details in each one of those here for the Estimates process. If the member was interested in pursuing specific ones I would have appreciated a notice on those individual ones. He could have given me a list and I could have had them here for discussion purposes tonight. I think that would have been a reasonable way to proceed.

However, in the absence of that we have to go back and search out the records for specific cases and then bring it forward. I think that would be expected and I don't think any Minister or MLA here would be under the impression that the Minister would have the details of each of those transactions in detail here.

**MR. H. GRAHAM:** Well, Mr. Chairman, perhaps I can ask a few general questions dealing with Land Acquisition. I know the Minister, through his department, is responsible for the acquisition of land for many departments of government; some of them are for hospitals, some of them for housing projects, some of them are for roads, some of them are for MACC. But altogether in the acquisition end, after a specific period of time, does there ever appear a point where government says, well, we have no further need for this land that we have acquired and we are now prepared to dispose of some of the holdings that we have? Does that ever happen?

**HON. J. PLOHMAN:** Well, Mr. Chairman, that certainly does happen when there are parcels of land that no government department is interested in. The intent of

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Government Services is circulated to all departments that we intend to sell off that piece of land. The departments are given an opportunity to indicate any interest that they might have, or any potential use they might have, and if they do not have any potential use, then it is made available for purchase to the public.

**MR. H. GRAHAM:** Well, perhaps, I should get down to some specifics. I again refer to his department report, his annual report, where he said, yes, they had negotiated some 20,800 property purchase agreements over the last 20 years.

Could the Minister indicate, out of those 20,000 purchase agreements, how many pieces of property they have sold in the same period of time?

**HON. J. PLOHMAN:** Mr. Chairman, we have the Director of the Land Acquisition Branch who will be here very shortly and, perhaps, will be able to supply that kind of information in terms of the specific numbers. I don't have the exact numbers or the relationship there might be in those at this particular time. In relation to the total number of transactions that we are talking about, it would be rather small in number in comparison, perhaps 5 to 10 per year, as opposed to 564 purchases.

**MR. H. GRAHAM:** Well, Mr. Chairman, I am quite prepared to wait until that director does get here but, in the meantime, I think there are quite a number of other questions that can be asked. Some of them we may have to wait for answers for; others, I think the Minister probably can give us some general information.

Again, I refer to the annual report where, in probably the next paragraph, there is a reference made to the disposal of abandoned railway right-of-way in station grounds. Can the Minister update us on the status of abandoned railway rights-of-way and station grounds and what has transpired in that field?

**HON. J. PLOHMAN:** Mr. Chairman, I believe to this point there has only been two that have been officially turned over that we have received title to from the Federal Government under the agreement that we had. We are continuing to negotiate with the adjacent landowners to have the title turned over to the adjacent landowners. The titles have been rather slow in coming from the Federal Government under this agreement that we have and we have been frustrated in that process because of that. But, as they are turned over, and I believe there were two as of last year - there has been one more recently - a total of three, I think, the total of the abandoned rights-of-way that have been turned over under the agreement.

In terms of the station grounds, we are having some difficulty there with the policy and the program because the original intent was that the land used for agricultural purposes would be turned over at less than cost in terms of the overall administrative costs - \$75 a parcel - but the parcels in towns and villages, the station grounds, would be turned over at market value so that it would supplement the program and overall we would not have a net cost to government of administering this program.

This has been disputed somewhat in some areas and we are looking at having this land reappraised again

because land values have gone down in the last couple of years and this should mean that the prices we are asking for station grounds will be somewhat lower than it was a couple of years ago.

So that is taking place at the present time and then we intend to discuss this further with the towns and villages in those areas to see whether they are interested in purchasing the station grounds at market value. There haven't been any, I don't believe, that have been turned over as yet in terms of the station grounds.

**MR. H. GRAHAM:** Mr. Chairman, the Minister has indicated that there is probably a degree of willingness on the part of government to transfer over station grounds to the various towns and villages at market value; but at the same time the Minister has indicated that because of the transfer of agricultural ground - and I presume he meant the farmers on right-of-way - at less than cost, that the added burden of that was going to be upfront loaded onto the towns and villages.

Can the Minister give us a little further explanation of the rationale that was used to add above and beyond the market value the upfront costs that were going to be loaded off onto the towns and villages for station grounds?

**HON. J. PLOHMAN:** Mr. Chairman, I did not say that there would be additional costs added on. What I did say is that if they were disposed of at market value that there would be sufficient revenue from that source to offset the administrative costs beyond the \$75 of turning over the agricultural pieces of land to the farmers. That's what I said. There was no additional costs added on above and beyond the market value. It was simply a matter of using market value as the criteria for disposing of the land in the towns and villages for station grounds.

The idea was that insofar as the agricultural parcels are concerned, they would be turned over at less than the market value for a nominal cost of \$75, so there would be some contribution. But we wanted to be assured that they would indeed be taken up by adjacent landowners rather than having some haggling over price, because obviously they are no good to government in isolated parcels as they would sit. There would be difficulty with weed control and that kind of thing and it would be in our best interests to have 100 percent take-up of those lands along the rights-of-way to the adjacent farm owners. That was the reason behind the policy.

**MR. CHAIRMAN:** The Minister of Municipal Affairs.

**HON. A. ANSTETT:** Mr. Chairman, can I ask the Minister if this comes under his jurisdiction as Minister of Highways and Transportation or Minister of Government Services? In other words, is the Ministry of Government Services implementing an acquisition policy framework for which has been determined by Cabinet through the Ministry of Highways and Transportation; or if the actual policy questions relating to these activities of the Land Acquisition Branch come under the Department of Government Services?

**HON. J. PLOHMAN:** Mr. Chairman, this program is administered through the Department of Highways and

Transportation, not through the Department of Government Services. It has been set up through recommendations from the Department of Highways and Transportation to the Provincial Land Use Committee of Cabinet, chaired by the Minister of Agriculture. But Government Services is merely carrying out the program for acquisition and sale of the land on behalf of the Department of Highways and Transportation.

**HON. A. ANSTETT:** Then I raise a point of order, Mr. Chairman, because I have a concern that if we continue this line of questioning then the activities of all the departments which are being implemented by the Department of Government Services with regard to land acquisition will now become the subject of debate here in the committee when really the subject of these Estimates is the provision of a vehicle for land acquisition and not an opportunity, nor should the Minister of Government Services be required to have available at his fingertips all of the information regarding all of the policies regarding land acquisition of the various departments which he facilitates as Minister of Government Services.

I have no objection to his providing the information as a courtesy because of his double portfolio with regard to abandoned highway rights-of-way and abandoned station grounds, but I would caution you, Mr. Chairman, that the allowance of this on a continuing basis could involve the activities of a variety of Ministers and really be unfair, both to the critic of the official opposition and to the Minister, in getting into areas in which Government Services does not have direct policy responsibility. This is a facilitating branch and nothing more.

**MR. CHAIRMAN:** On the same point of order, the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I am not going to argue with the Minister of Municipal Affairs but if the point of order that the Minister of Municipal Affairs raises, then the Minister of Government Services is definitely out of order in placing all of that information in his annual report, because it's in his annual report.

**MR. CHAIRMAN:** Mr. Minister, on the same point of order.

**HON. J. PLOHMAN:** Insofar as the annual report, that is simply a statement of the transactions carried out on behalf of other departments insofar as the activities of the Land Acquisition Branch. In terms of the criteria and so on that is used in arriving at the policies that led to those transactions, of course, the Minister of Municipal Affairs is correct, that it comes under the departments that are clients to the Department of Government Services.

**MR. CHAIRMAN:** The Member for Virden on the same point.

**MR. H. GRAHAM:** Mr. Chairman, no, I wanted to carry on if I may.

**MR. CHAIRMAN:** The member can carry on if it is relevant to this department. This is the Department of Government Services.

The Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, the Minister had made the statement that the sale of rights-of-way was at a flat \$75 fee for agricultural land, but he also made the statement that the market value that was placed on station grounds and their sale to towns and villages would offset the cost which he said the sale was a subsidized sale of rights-of-way at \$75 a parcel. So I want to ask the Minister, how they determined the market value for station grounds in the various towns and villages so that they would arrive at a value that would be sufficient to offset the losses on the sale of rights-of-way for agricultural land.

**HON. J. PLOHMAN:** Mr. Chairman, what the department would use is the similar parcels of land in the neighbourhood of a particular community. If there were other parcels of land that could be used as a benchmark, they would certainly be used and appraisals would be done of the property. There would be no consideration given to the fact that this has to subsidize the sale of the agricultural parcels, that doesn't enter into the equation at all. It's a fact that market value would be sufficient, in our opinion, to sufficiently offset the administrative costs of undertaking the many transactions with regard to the agricultural land on a \$75 per parcel basis to the adjacent landowners. That was the theory behind the policy.

But there is no consideration given to the fact that the government is interested in having this offset those administrative costs for the agricultural land; that doesn't enter into it. The generally accepted practices of appraisal are used in determining the market value of station grounds.

**MR. H. GRAHAM:** Mr. Chairman, I think I've looked through the assessment practices. How do you assess the value or appraise the value of, say, a station ground which had a definite market value as long as there was a railway there, but once you remove the railway how do you assess the market value and compare it with anything else? As the Minister said, they would compare it with other properties of comparable value. How do you arrive at a market value for a station ground once the railway has been removed?

**HON. J. PLOHMAN:** Mr. Chairman, obviously the land appraisers have certain criteria and skills with regard to the appraisal of land in various areas of the province under different circumstances. Certainly the amount that the land could fetch on the market is one of the most important criteria. What can this land be reasonably expected to be sold for in a particular community?

You can get some idea from, as I indicated, what the market value or the going rate is for land in a near location. Certainly that is the basic way of determining the value of the land in that area. The actual improvements on the land, of course, would have to be considered if they're being sold, as well; if there are station buildings, again, they would have to be considered in terms of their depreciated value at the particular time that they're sold, or if there isn't much value placed on the existing buildings, it's primarily the

land that they're concerned with. I've stated the general criteria, as I see it, and from the department's point of view, and the appraisers would take into consideration the market values in the particular town. As I indicated earlier, they've gone down somewhat in many rural communities and this is being considered, that's why they're being reappraised at this time.

**MR. H. GRAHAM:** Mr. Chairman, that is probably the point that I'm trying to get at. We know that as long as there was a railway in place, the fact that there was railway there and it was operating, it enhanced the value of a surrounding property. But, once you removed the railway and the property that was attached to that railway, the station grounds in particular, is that still an asset or does it start to become a liability, because the railway has been removed? And what had, at one point enhanced the value of the property, now certainly detracted from the value of the property, because the very thing that made it valuable has been removed. And I just want the Minister to try and tell us how it is they arrive at a market value for station property when the main factor that made it a valuable property has been removed?

**HON. J. PLOHMAN:** Well, I don't believe that that necessary holds true that the main factor that made it valuable property was that the railway was next to it. It's quite possible that, once the railway is gone, that it will become more valuable, in terms of, for example, housing developments, or as a hospital sight, it depends on the zoning. If there's a railway next to it, it's not suitable for certain kinds of development; but it may be if the railway is gone, and it could make it more valuable. But those matters are considered and certainly taken into consideration, the fact the railway is no longer there, obviously, in terms of the going market value for comparable land in that vicinity. Sometimes they're located in the best possible location in the downtown area of a town or village; they can be very valuable property.

**MR. CHAIRMAN:** The Minister of Municipal Affairs.

**HON. A. ANSTETT:** Mr. Chairman, I appreciate the direction the questioning of the Member for Virden and as I'm familiar with this matter, to a limited degree because of my responsibilities, I would like to comment very briefly on them.

I think there are two communities which I have become familiar the last while where these issues have been raised with me, Hartney and Hamiota, and in both cases, the value of the station grounds is totally contingent upon what else is happening in the community. And you could have a situation where the railway was the total razz on death of the community. And where the absence of the railway renders, not only the station grounds, but most of the other commercial property in the downtown core of the community of somewhat reduced value. On the other hand, I think, the Minister is quite correct in pointing out that for a housing development, or recreational complex, or something else, the availability of that land so close to the commercial core and the heart of a small community, could render it as having a greater value.

And I think very clearly the indications within those communities are that they place a very high value on the land because they have been lobbying government very aggressively in pursuit of acquisition of that land.

So clearly, the value of other commercial property, where you're dealing in a townsite, there are exchanges of property in those townsites and you do get property references. The local community, themselves, by zoning the property - and they have control over zoning - can affect the values quite directly themselves for whatever purpose they wish to put the land. But I know in both of those communities, Hamiota and Hartney, the interest of the local community is based upon the prospect, at least in part, of some community use. So the land is perceived as having value for that purpose that would not have been there when the railway was there. So I think the Minister is quite correct, both in the general case and in the specific case of those two communities, that the value is very much a determinant of other land uses immediately around it, and the sales history in terms of market value in those communities. Because, in both cases, the communities have very specialized interests in the acquisition of the station grounds. And those plans alone indicate a value which they place upon the site.

Perhaps if those interests weren't there, and if the community itself in both cases, was not remaining as a vibrant community - in fact we're very lucky in those two cases, there are many other small communities in the province where the absence of the rail line has pretty well devastated the economic viability of the community; that's not the case in Hartney and Hamiota and they're very strong communities that are actually doing quite well, thank you, despite the absence of the railway. And they certainly owe no debt to the Federal Government for the damage that was done when rail line abandonment was permitted, but they do have a very valuable piece of real estate in both cases right in the heart of the community which has market value for other purposes.

I appreciate the member's problem in trying to place a value on that and that's a conundrum for the Department of Government Services I am sure, but the municipality itself, by its plans, indicates that it places a fairly high value on the property.

**MR. H. GRAHAM:** Well, the argument of the Minister of Municipal Services, and I commend him for defending his department and the role that his department has to play in this province, but it does indicate to me that the Minister does not really understand the history of railroading in Western Canada. When the railways were built in Western Canada, and I have to exclude the Canadian National Railway because they came in rather late in life, but mainly on the CPR, they were probably very prudent people who wanted to expend the least number of dollars in putting safety devices in, etc., so when they built a station and a passing track and developed towns, they usually developed it in a slough, in a low spot, so that the cars would not run away from the elevators. So it was developed in a low spot and that was really land that, in today's market, is not very valuable.

You find that occurring, again today, in the cases of Hartney and Hamiota who are desirous of purchasing

this particular type of property. But again, Mr. Chairman, I want to point out that the purchase of this property is not for private or commercial development, it is for community development and is taking land which has traditionally been in a bog or a low spot and saying: "Well, what other use can we put it to, so we will try and use it for community development; we will build a skating rink, or something of that nature, which all the community can use and, because that land isn't very valuable for anything else, we will try and put it in that particular location."

So I think, if the Minister had been honest in his answer, he would have also pointed out that where the CPR was involved most of the townsites were built in a low spot and they had the railway and the passing tracks there so the cars would not roll away and roll onto the main line; so it was usually built in a bog and a low spot.

So I just wanted to correct the record that it is not really highly valuable commercial property in the small towns and villages in Western Canada; it is land that is going to be used for community use because it is not of prime quality and highly desirable on the commercial market.

**HON. J. PLOHMAN:** I don't believe the Member for Virden should interpret it as in any way being dishonest, that I didn't say that all the rural communities sitting along the CP line are sitting on swamps and bogs. I don't believe that is necessarily the case and it is certainly true that over the years, with improved drainage and so on, that might not be the case at the present time, if that is what the member is suggesting should be the criteria, that this is wasteland, bog and swamp and, therefore, isn't worth anything. I don't agree with that at this particular time.

That's one of the difficulties in determining the market value. It is to be used for community use and it's still a consideration that land in the surrounding area has to be considered as a benchmark for pricing this particular land. I believe that is the way it is generally done, Mr. Chairman.

**MR. CHAIRMAN:** The Minister of Municipal Affairs.

**HON. A. ANSTETT:** Mr. Chairman, I wish to set the mind of the Minister of Government Services at ease. I think the remarks of the Member for Virden were intended, not for him, but for me. Without imputing motives, Mr. Chairman, I don't believe the member really meant to imply that this Minister was in any way being dishonest; I don't think that was his intention.

**MR. H. GRAHAM:** That is quite correct.

**HON. A. ANSTETT:** I think what he was trying to imply was that I wasn't putting the value of the lands in the proper perspective and, from his point of view, that proper perspective would be the perspective of the villages that want to acquire the land.

Sir, I think now that we have the director of the Land Acquisition Branch here, I think he should know very clearly the Member for Virden feels that this land is land that tends to be low and swamp - we can really stretch the point - rat infested and of no value

whatsoever. That's why the communities, about which the Member for Virden is so concerned, want to buy it. It's not because they think it's a good stable site on which to build a hospital or a skating rink or other community facilities. In fact, it has virtually no value at all, so you should sell it to them as cheaply as possible so they can then proceed to refurbish it so that it is then a suitable building site for these facilities. I think the Member for Virden makes his case quite well that he is hopeful, and I don't doubt this for a moment, that the local communities can make a good buy.

I would commend the Minister though to ensure that the Land Acquisition Branch follow standard procedures and sticks with their market value criteria. I have much greater historical respect for Charlie Van Horne and his staff and I believe that they put their elevators, sidings and stations grounds on land which was inherently much better than the Member for Virden gives them credit.

In fact, having been through many of these communities, I find that the CPR, having had the choice of some of the best land in Western Canada, made sure that they chose the best land and not the swamps. If they had done otherwise, they would have been foolish and, if the communities in rural Manitoba do otherwise than to acquire this excellent land, they'd be foolish; I'm sure they're willing to pay a fair price for it, and I'm sure the Minister and his branch are prepared to charge only a fair price and will not attempt to rip those communities off. If they do, I'll be siding with the Member for Virden to ensure that they do get a fair price. But this isn't a fire sale, Mr. Chairman, and it shouldn't be.

**HON. J. PLOHMAN:** Mr. Chairman, I just wanted to further clarify a question that the Member for Virden asked a little earlier and to determine if I have the correct information.

The Member for Virden mentioned a tender that was put out closing April 30th for farmland at the developmental centre in Portage; is that correct? I believe that the tender, from the information I have, was put out directly by the Department of Community Services and Corrections. If that is true, then of course that would have been best put to that Minister, however, it may have been put under the name of Government Services. I understand, in talking to the director of Land Acquisition Branch, that the Department of Government Services assisted in drawing up these tenders for the Department of Community Services and Corrections. It was for a tender to farm the particular property only, not for sale, and there were a number of applications received according to the information I have and that they have been let and the land would be actively farmed at the present time.

**MR. CHAIRMAN:** The Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I've got something on another matter. I thank the Minister for that information, but he didn't really give me any information.

He told me that it was put out for tender for lease, and that is correct. I have a copy of the advertisement here and it says: For further information contact Rod Kent, Land Acquisition, telephone something and the

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advertisement is signed by John S. Plohman, Minister of Government Services.

So I would presume from that that it was Government Services that did actually lease the land, and I ask the Minister: If there were a number of tenders? If it went to the highest bidder, and if he would identify who the bidder was? So far he hasn't answered the other two questions.

**HON. J. PLOHMAN:** Mr. Chairman, there were, I understand, a number of bidders for the purpose of farming that land and I understand they have been let, but I do not have the details on which bidder received. I would assume it was the highest but, again, I would have to provide the member with that information later.

**MR. H. GRAHAM:** I thank the member for that. On a second point, Mr. Chairman. I was getting back to the remarks of the Minister of Government Services, and I just want the record to show, quite properly, that it was the Minister of Municipal Affairs that referred to the land in Hamiota and Hartney as being rat infested; it was not myself. So if there is any deleterious remarks made about those two communities, it was made by the Minister of Municipal Affairs and not by myself.

**HON. A. ANSTETT:** Well, Mr. Chairman, I was prying, and the member, I am sure, jests. I was trying to put the worst possible face on that land for the benefit of the Honourable Member for Virden so that the Land Acquisition Branch would be impressed with the Member for Virden's argument as to how little value the land really had.

I didn't accept that proposition, in fact, Mr. Chairman, I thought I made it quite clear that I thought the CPR put their station grounds on fine parcels. I was, Sir, using that description to exaggerate, and show as an exaggeration, the Member for Virden's argument. But I do not believe I referenced either the land in Hartney or Hamiota, and I certainly, having toured the parcel in Hamiota within the last month with the mayor of the village, can certainly tell you, Mr. Chairman, that it is land that is well-drained, that it is land for which the community has some very definite plans, and I think the Member for Virden would be hard pressed to describe that land as something which was not suitable for future development by the village.

So describing it as a slough or a low spot to capture cars and keep them rolling to the centre certainly, I think, is an exaggeration. I am not sure that the member was serious when he described it that way; I thought his tongue was as far in his cheek as mine was. If he wishes to make an issue as to where the rats are in this province, there are certainly far fewer of them where the elevators have been torn down than where the elevators still stand.

**MR. H. GRAHAM:** That, of course, Mr. Chairman, invites another comment which I don't think I will make at this particular time.

**HON. A. ANSTETT:** I resisted the same temptation.

**MR. H. GRAHAM:** But, Mr. Chairman, there is a problem. There are two communities that are interested

in purchasing land which has been included as station grounds and some of it has been right-of-way; I would like to ask the Minister at what point in time can these communities expect to get a definitive answer from government as to whether or not there is a possibility, and when it is possible for them to acquire that particular property?

**MR. CHAIRMAN:** The member has not identified which two communities are there, so how can they answer?

**HON. J. PLOHMAN:** That's a good point, thanks for the help, Mr. Chairman.

**MR. H. GRAHAM:** Well, Mr. Chairman, the Minister has said that some of the problems lie with the Federal Government and some of it lies with acquiring title to the property. Could the Minister give some indication of what time period we are looking at before these details that have been in the works for several years will finally come to fruition and we can make alternative use of these abandoned rights-of-way and station grounds?

**HON. A. ANSTETT:** I'll give you a hint, they both start with HA.

**HON. J. PLOHMAN:** The only problem, Mr. Chairman, with the HA hint that the Minister of Municipal Affairs gave me, I understand that the Village of Hamiota line is not included under the gifting agreement. We are talking about 17 subdivisions throughout the province. Hamiota is not included as one of those; Hartney is.

The letter went out to the affected communities recently, indicating to them that we intended to reappraise the land in those communities and then, as a followup, the staff will meet with the communities involved, with the councils, to discuss with them the revised values of the land, and will attempt to come to some agreement on it. So that should happen within the next month or so.

In terms of the titles, we have no way of knowing when they will actually be turned over, but that's not stopping the department from moving forward with the negotiations, and we are not going to wait for the Federal Government to come through with all the titles before we proceed with that. We realize that could take many many years to actually have them accomplish that. As I said . . .

**A MEMBER:** We'll have the Liberals back before they finish.

**HON. J. PLOHMAN:** Well, it's possible that one Federal Government may be faster at this than the other, but we can't really compliment the previous government either on how they turned over these rights-of-way, but we haven't really seen a lot more activity by the present government in the six to eight months they have been in office federally.

But we do have three of those subdivisions turned over that were in the gifting agreement; 14 have not been. We have indicated to the Minister federally that we are anxious to have these proceeded with so that we can get on with turning those titles over to the

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adjacent landowners. So that's the update on the situation, Mr. Chairman.

**MR. H. GRAHAM:** Could the Minister indicate the date of the last communication he has had with the Federal Government on this matter?

**HON. J. PLOHMAN:** Mr. Chairman, I believe it was within the last month the staff had a discussion with Mazankowski's office, at the time of the last subdivision that was turned over. It was about a month ago that we received word. One has been turned over by the new Federal Government, I should say, and two by the previous government, so we have made that much progress. We did discuss this with the Federal Minister at that particular time, and I have also discussed it with them informally at meetings with the Council of Ministers.

**MR. H. GRAHAM:** Can the Minister indicate how actively he has been pursuing a completion of this, and how high a priority does he rate it within his department?

**HON. A. ANSTETT:** On a point of order, Mr. Chairman.

**MR. CHAIRMAN:** A point of order is being raised. Will you state the point of order, please?

**HON. A. ANSTETT:** I would like to know from the Minister whether this comes under his responsibility as Minister of Government Services at this point, or whether these discussions, to which the Member for Virden refers, come under his responsibility as Minister of Highways and Transportation?

**HON. J. PLOHMAN:** Mr. Chairman, I have to admit I am guilty of straying again. This comes under my responsibility as Minister of Highways and Transportation, and it is under that forum that I have made the representation. Of course, I have talked to myself about this and told myself that I should get on with this, as the Minister of Highways and Transportation advising Government Services, and now I am going to speak to my deputy, as well, and tell him that we should see whether we can expedite this. But I know the department is moving as quickly as they can, the Land Acquisition Branch, with all of the other responsibilities they have, to complete the transactions for this land and turning them over to the communities that are affected.

I understand that Brookdale, McConnell, Wellwood, Vita, Menisino and Krongart have all been completed. There has been a successful negotiation with those and the station grounds in those areas have been turned over. It's just a matter of waiting for the title.

**MR. H. GRAHAM:** Mr. Chairman, I know it's highly irregular, but could the Minister arrange for periodic, monthly meetings of the Legislature to examine his Estimates so that he can get the opportunity to remind his deputy probably once a month that he should get together and talk about this rail line abandonment and the acquisition of titles to the property?

**HON. J. PLOHMAN:** Mr. Chairman, I think maybe a better suggestion would be to have the Member for

Virden meet with his Conservative colleagues in Ottawa to try and put the pressure on them to turn these titles over to the Government of Manitoba.

**MR. H. GRAHAM:** Mr. Chairman, if the Premier of the province will call up his courage to screw up the election, maybe that can be arranged.

**HON. J. PLOHMAN:** Screw up the election? It's quite possible, Mr. Chairman, that he will screw up the election from the point of view of the opposition.

**MR. CHAIRMAN:** Are we going to pursue these kinds of exchanges?

**MR. H. GRAHAM:** No, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I would like to move on now. In the Annual Report which we have for the Department of Government Services - this is not the Highways Branch that I'm reading from - it said: "In the latter part of 1983, preliminary expropriation procedures were undertaken regarding the proposed redevelopment of the area between Edmonton and Colony Streets and Portage and Ellice Avenues in downtown Winnipeg." Could the Minister give us an update on what has happened since the latter part of 1983?

**HON. J. PLOHMAN:** Mr. Chairman, I will just take a few moments to get all of that information together in terms of the cutoff point here.

Mr. Chairman, the expropriation has continued since the point of time that the member was referring to. Initially, expropriation notices were filed in December 1983. Official notices of expropriation were served on 43 property owners and 74 tenants during the last week of May and the first week of June 1984. Compensation for value of real estate without prejudice for further compensation was made. Most of the landowners there or property owners have accepted advance compensation totalling up to this point, I believe, some \$16 million out of the projected \$32 million that will be paid out for acquisition of that property.

The North Portage Development Corporation advised all parties that none must vacate before July 1, 1985. Notices of possession have been issued for three premises to be vacant as of July 1, 1985; 23 for August 1st; and 29 for September 1st. In 14 cases, the Land Acquisition Branch was given possession of the expropriated property by a voluntary surrender. So that's an update of where that is, Mr. Chairman.

**MR. H. GRAHAM:** Can the Minister indicate, was it 43 properties involved?

**HON. J. PLOHMAN:** It's 43 property owners and 74 tenants.

**MR. H. GRAHAM:** In the 43 properties that were involved with owners, how many settlements were reached without using the vehicle of expropriation?

**HON. J. PLOHMAN:** In order to have a common date for the property values to be determined, they were



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expropriated immediately. So all were settled through that process. However, some would not have gone to hearings. They would have been settled voluntarily - one settlement so far, Mr. Chairman.

**MR. H. GRAHAM:** Is it now the policy of government to not even attempt to negotiate for the purchase of property, but to file expropriation proceedings before ever approaching the owners of property?

**HON. J. PLOHMAN:** Mr. Chairman, as we discussed with the Member for Virden in the Highways and Transportation Estimates, we reviewed this area as it applied to highways at least. Of course, it applies to all land acquisitions. The reasons for it, I gave at that particular time; that is, that, yes, it is the policy to initiate expropriation procedures immediately so that there is a common date in multiple expropriations. At least, it is necessary to establish a common date for evaluation of that property.

In the previous situation, it very often resulted in those that held out and did not choose to settle gaining greater compensation, because the set value for expropriation was sometimes a couple of years later than the initial settlements with the other landowners. Particularly when there was a time of escalating land values, they gained from holding back and settling. So at the present time with multiple expropriations, the expropriation date is set at the outset, then the negotiations follow.

**MR. H. GRAHAM:** Mr. Chairman, it bothers me a great deal and I'm sure it bothers hundreds and thousands of other Manitobans that the Province of Manitoba will not even attempt to negotiate for the purchase of property prior to filing of expropriation proceedings. I say this, Mr. Chairman, because I feel very strongly about it that it does not paint a good picture for government. It does not indicate to the public that government is bargaining in good faith; in fact, it does the opposite. It points out to people that basically government can do no wrong, that government is all-powerful and government will file their expropriation proceedings first. Then they will come and say, now that we have you under the threat of expropriation, we will now try and negotiate.

I suggest to you, Mr. Chairman, very strongly, in as strong a language as I know how, that I do not consider that to be bargaining in good faith. Government and the role of government, Mr. Chairman, in today's society is not to be all-powerful, not to be that heavy hand that will come down at the wish of a Minister. It should be one that allows society to live in harmony, one with another, rather than have this gross interference of expropriation that comes down. We saw this just last week, where a piece of property in downtown Winnipeg — (Interjection) — the Minister may laugh and giggle all he wants to . . .

**HON. J. PLOHMAN:** Order please, Mr. Chairman. The Minister is not giggling.

**MR. H. GRAHAM:** I'm sorry, Mr. Chairman, I apologize to the Minister. I was not referring to the Minister of Government Services, I was referring to the Minister of Municipal Affairs. So I apologize to you, Mr. Minister.

Mr. Chairman, I think that government is moving in the wrong direction, that their relationship with the people they are supposed to govern is going to be adversely affected if we continue in this manner of heavy-handed expropriation before negotiations. I would urge the Minister, and in fact I would urge every Cabinet member, his colleagues and their Cabinet, to reconsider the policy that is presently in place of filing expropriation first before you even attempt to negotiate with the citizenry of this province. I won't say anything more about it at this time, but I do try and impress on you that government is not looked at kindly if they proceed in this manner.

**HON. J. PLOHMAN:** Well, Mr. Chairman, it's true that obviously if for years and years governments have had to expropriate in the public interest, that has always been the case, and that lever if we want to call it, that heavy hand has been there, although unpleasant it always has been necessary in the past to engage in the expropriation in order to facilitate developments that are in the public good and public interest. The member is quite aware that it does not mean that the rights of the individual, the freedoms are in any way being infringed on now by this new policy in any way differently than they were in the past.

Whenever negotiations were undertaken in the past, the threat of expropriation was always there and the landowner knew that, and what it did do under the old system is that it gave an unfair advantage to that person who decided he was not going to co-operate for whatever reason and decided to hold out. I am surprised that the Member for Virden has not caucused on this with his colleague, the Member for Lakeside, because I understand that he was quite complimentary to this new program that was introduced when he was speaking here last year, the Member for Lakeside.

Perhaps this is just an individual opinion that the Member for Virden is expressing, but he could also go back to the largest project of his time in the '60s, the floodway, under the Conservative Government of the Day who decided to expropriate first and then negotiate. They were the leaders in this particular area, I guess, Mr. Chairman. Perhaps they realized that under a project of that magnitude, that it would be only fair to utilize that system and that's what they did.

I think the other point should be made too that the Member for Virden should be aware that the Union of Manitoba Municipalities recommended that we put in place this system in order to improve the fairness in equity within expropriation throughout the system.

So I think the Member for Virden should look a little deeper into this and examine it further. He felt uncomfortable with it a month ago when we dealt with the Highways and Transportation Estimates and I thought that I'd finally swung him around on it and that he would feel more comfortable with it, but he hasn't changed his opinion at all in the last month.

**MR. H. GRAHAM:** Mr. Chairman, it's because of the remarks of the Minister of Government Services or the Minister of Highways, for that matter, that my concerns are even greater today than they were when I raised the issue a month ago.

When the Minister talks about fairness, in whose eyes is it fair? Is it the Minister of Highways or the Minister

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of Government Services? Under whose criteria is it determined that it is fair and equitable and in the public interest? Those are the questions that the Minister hasn't answered and cannot answer.

**HON. J. PLOHMAN:** Well, Mr. Chairman, I just want to say that I mentioned earlier that land expropriation is never something that is pleasant for anyone, but is a requirement in our society to accomplish those particular projects that are in the public interest and serve the public.

There's always the provision for a hearing that can be undertaken if there's objections to the particular project that's in question and that is certainly the case, that hearings would be undertaken so that the abuse can be made if they object to the substance or the nature of the particular project. And in terms of the values, they can always appeal to the courts if they're not satisfied with the value that is set by the Land Value Appraisal Commission. So there are safeguards that are built in. It's not an appeal that can be made by government. If government is not satisfied with the value, there's only one that is available to the landowner and under that system, it's as fair as it can be.

**MR. CHAIRMAN:** The Minister of Municipal Affairs.

**HON. A. ANSTETT:** Yes, just a short answer for the Member for Virden. He asked in whose eyes is it fair? I have to tell him it's fair in the eyes of the landowners of the constituency of Springfield, who on several projects have come to me and asked me why they had expropriation filed against them immediately after a description of the proposal by agents of the Land Acquisition Branch, and after receiving that description, they received notice of expropriation. They asked me why? I told them it was so that there'd be a common reference date and everyone would be treated the same way in terms of establishing value. They not only accepted that explanation, having known the history of previous acquisitions, where people who held out seemed to get more, they complimented us for bringing in a fairer policy. So I think it is fairer in the eyes of the public, as well as the members here.

**MR. CHAIRMAN:** 4.(d)(1)—pass; 4.(d)(2)—pass; 4.(d)(3)—pass.

Resolution 79: Resolved that there be granted to Her Majesty a sum not exceeding \$2,708,600 for Project Services for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 5.(a) Land Value Appraisal Commission, Salaries; 5.(b) Other Expenditures; 5.(c) Less: Recoverable from Other Appropriations - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, now we're dealing with the Land Value Appraisal Commission. Can the Minister indicate how many projects the Land Value Appraisal Commission has been involved in during the last 12 months?

**HON. J. PLOHMAN:** Mr. Chairman, during the 1984-85 fiscal year, as of December 31, 1984, the commission held 39 hearings and meetings involving 144 properties

and issued 140 certificates. A total of 275 properties in the category of settlements of less than \$5,000 were reviewed by the commission as well.

In 1983-84 fiscal year, the commission held 73 hearings through the whole fiscal year and dealt with 192 properties and issued 183 certificates and also reviewed 476 properties in the categories of settlements of less than \$5,000.00.

So that's the nature of the workload of the Land Value Appraisal Commission over the last two fiscal years.

**MR. H. GRAHAM:** Can the Minister indicate in the properties they have dealt with, how many have been finalized in acquisition? They have dealt with 192, have they all been finalized?

**HON. J. PLOHMAN:** No, I don't believe that they necessarily have, but I don't have the information as to how many have actually been finalized in that particular year by the Land Value Appraisal Commission.

**MR. H. GRAHAM:** Mr. Chairman, out of the 192 that were dealt with last year there were 183 Certificates of Compensation issued. Of the 183, how many were satisfactory or how many have been appealed?

**HON. J. PLOHMAN:** I don't have the number of appeals under that section, Mr. Chairman. The vast majority of them were satisfactory, my understanding is, but there are always a number that are appealed.

**MR. H. GRAHAM:** Mr. Chairman, we're able to get some of the information, but the valuable information in which we can evaluate the effectiveness of the Land Value Appraisal Commission is not available. Could the Minister indicate why?

**HON. J. PLOHMAN:** Well, Mr. Chairman, generally this has not been the kind of information that the members have wanted and of course we try to prepare for the kinds of information that the members would generally feel interested in.

The Land Value Appraisal Commission certainly does not concern itself directly with whether the certificates that are issued are satisfactory. Obviously they wouldn't even know that. It would be something that the Land Acquisition Branch would have to follow up on and they find generally that they are acceptable; but some of the larger ones, the North Portage Development, some of the ones on Highway 75, some of the larger ones, were not satisfactory and the landowners then would appeal those decisions. But in about 80 percent of the cases or more they are accepted by the landowners.

**MR. H. GRAHAM:** Mr. Chairman, I appreciate the Minister has a new deputy, but once a year these Estimates come before this committee for examination and we have to make a value judgment on how effective any particular branch of the Minister's department is operating. We know that they dealt with 192 properties. We know that 183 Certificates of Compensation were issued, but we don't know, other than the Minister's general statement, that roughly 80 percent of them

were satisfactory. How are we to judge the effectiveness of the operation of the Land Value Appraisal Commission unless we have that kind of information?

**HON. J. PLOHMAN:** Mr. Chairman, I can get the exact figures for the member if he would like that and provide him with that information. The fact is, of course, that the Land Value Appraisal Commission, as I said earlier, does not see the disputes that follow because the appeal obviously isn't to them. They hear the arguments or they set the value and then if the particular landowner is not satisfied with that, his recourse is to the courts to appeal, and therefore they would not be directly involved in that anymore than a court would be with its own decision. But I can endeavour to find out, certainly.

**MR. H. GRAHAM:** I thank the Minister for that.

**HON. J. PLOHMAN:** I don't think that should be that difficult to get, but we will look at providing that as soon as possible. It has not been asked before.

**MR. H. GRAHAM:** Pass, with some reluctance.

**MR. CHAIRMAN:** 5.(a)—pass; 5.(b)—pass; 5.(c)—pass.  
Resolution No. 80: Resolved that there be granted to Her Majesty a sum not exceeding \$62,100 for Government Services, Land Value Appraisal Commission, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 6.(a) Emergency Measures Organization, Salaries; 6.(b) Other Expenditures - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, under Salaries, I notice there is some increase there. Is that just a natural progression or has there been any change in complement?

**HON. J. PLOHMAN:** Mr. Chairman, as I indicated earlier when I gave the outline of the staffing changes, there has been one addition there of a secretarial position for the Emergency Measures Organization; and the other increases are for severance pay, overtime and so on, a provision for merit increases.

**MR. H. GRAHAM:** In the past 12 months, can the Minister indicate how many times Emergency Measures were called upon to offer their assistance in the province?

**HON. J. PLOHMAN:** Mr. Chairman, there were several major incidents that the EMO officials were called upon: the ice storm on April 27, 1984; forest fire threats in May of '84; in the Gimli Air Show the EMO staff assisted in co-ordinating an alert and communications system for the air show; there is the heavy rainstorm on June 16th and 17th of '84; tornados, a number of those in July in 1984; a Neepawa explosion on September 13, 1984; 57 different calls logged as being incidents requiring some degree of action; 14 chemical petroleum spills were recorded; the environment, numerous weather warnings were received; as well as a variety of miscellaneous reports not applicable to the EMO role but still the calls were received.

So the major items that I mentioned, plus a number of others that required some action, and that is not outlining of course all of the calls that were made; the EMO section is also involved in working with municipalities in developing emergency plans and meeting with them. So there are numerous visits and calls involved there.

I think that the question that the member asked was quite broad and general. If he wanted to ask for specific areas of involvement, we could perhaps give him more information.

**MR. H. GRAHAM:** Mr. Chairman, during the past year, according to the '83-84 year, according to the Annual Report of the department, Emergency Measures seems to be taking an increased role in emergency planning with the various municipalities. Is that an ongoing process and does it have a high degree of priority with the Minister? Is that a role of increasing importance in the activities of EMO?

**HON. J. PLOHMAN:** Well, Mr. Chairman, certainly I consider that a very high priority in terms of the activities of Emergency Measures Organization. It's absolutely necessary that communities do have a local emergency plan because they are the first contact with regard to action required. The first responsibility falls on the local government and they have to be aware of what their responsibilities are. So over the last number of years, planning has continued, and it continues at the present time with a total of 93 plans having been completed out of I believe I guess a potential of about 250 that could be put in place when all is completed.

There are 24 completed in the east region, 30 in the west region - the east region is out of Portage la Prairie, although that's not in eastern Manitoba, but that's where it's headquartered; the western region out of Brandon, there are 30 plans that have been completed; the northern region, out of Thompson, there are 39 plans for a total of 93 that have been completed to date. It is a high priority area. I believe three municipal advisors work with the municipalities, meet with them over the course of the year and work with them to develop these plans, provide guidance to them.

**MR. H. GRAHAM:** Mr. Chairman, in the '83-84 report it indicates that there are a total of 73 that have completed emergency plans, and there are a total of 41 municipalities in Northern Affairs communities who were either showing interest in emergency planning or were in various stages of emergency planning. The Minister has indicated that 20 of those have now been completed.

**HON. J. PLOHMAN:** Yes.

**MR. H. GRAHAM:** Can the Minister indicate how many more are in various stages of planning or showing interest in emergency planning?

**HON. J. PLOHMAN:** There are a total of 69 additional communities who are either showing interest or are involved in the planning stage at the present time.

**MR. H. GRAHAM:** Well, Mr. Chairman, it appears that EMO is well-advanced in their plans for emergency

planning throughout the province and for that we commend them. I have no further questions of EMO at this particular time, unless somebody else has.

**MR. CHAIRMAN:** The Member for Ellice.

**MR. B. CORRIN:** I wanted to ask the Minister what plans have been formulated and put in place respecting nuclear attack evacuation routes?

When I travel in the United States, I often note that most of the states have posted evacuation routes for emergencies of that sort. Although they are very frightening and certainly disconcerting - because one normally doesn't think about these things - one also becomes aware, as one goes along the highway, that the Americans seem to be in a state of some readiness if one can ever be in a state of readiness for nuclear war. At least, they have taken the time to post the evacuation routes and mark them with different colours to indicate which are primary and which are secondary.

What have we done in this regard and what plans does EMO have to do anything of this nature?

**HON. J. PLOHMAN:** Mr. Chairman, there has been very little activity in this area by the Emergency Measures Organization. The emphasis has been on emergency response for peacetime disasters, as opposed to nuclear war, although there is an old plan in place for the City of Winnipeg. The department cooperates with the federal authorities in that regard, but there has been no emphasis placed on that by the department in its emergency planning response.

As I indicated earlier, the emphasis is on reaction to peacetime emergencies and, of course, that can be adapted if there was a war emergency. But certainly there is a strong feeling among many people that there is very little that can be actually done when it comes time to an actual nuclear disaster taking place in a city; although as I said earlier, the routes that were planned out many years ago - I guess that plan was drawn up in the '50s - it's certainly outdated at the present time, but that is still in existence.

**MR. B. CORRIN:** I would like to, on a rather cynical and pessimistic note, strongly urge the Emergency Measures Organization to give consideration to doing some rethinking in this regard and would strongly urge that they reactivate their planning in order that appropriate plans can be drawn and formulated for what we all hope is not the inevitable disaster. But I think in being a realist and knowing that whether we like it or not, the unforeseeable and the unthinkable is probably very close and at some times very imminent, that it would be prudent to invest time and effort to giving consideration with national authorities as to how Winnipeg would be evacuated in the event of a nuclear attack.

Regrettably, the probability, as experts tell us, is rather high for the next decade. Even though none of us like to think of it, the probability of some sort of limited or unlimited full-scale nuclear war is quite likely, it seems to me that it's unrealistic for us to continue to keep our heads in the sand and pretend that the problem is not there.

It is very evident, as I say, when you travel in the United States and talk to people, they're aware of it.

There is a lot of information being disseminated on what one can do, if anything, in these circumstances. What little we know about the technology of nuclear war, we know that Manitoba could become a hot spot in terms of the interplay of long-range missiles over our soil and I, for one, think that it's time to start doing something concrete about it.

If the unthinkable should happen, I suppose every life saved is perhaps worthwhile, presuming that there'll be anything to live for. Certainly it's unconscionable just to stand by and let other people determine the fate of the province in that regard.

**HON. J. PLOHMAN:** I thank the Member for Ellice for that suggestion. We'll look at getting a report on what has been done lately and what kinds of steps could be taken for consideration by government.

**MR. CHAIRMAN:** 6.(a)—pass; 6.(b)—pass.

Resolution 81: Resolved that there be granted to Her Majesty a sum not exceeding \$633,300 for Government Services, Emergency Measures Organization, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 7.(a) Expenditures Related to Capital, Acquisition/Construction of Physical Assets, 7.(b) Vehicle Replacement - the Member for Virden.

**MR. H. GRAHAM:** Under the various headings that we have gone through, in most cases we have seen another item in there where there is a Less Recoverable from other Appropriations. I notice there is nothing in this one to show any indication of anything recoverable. I would just like to ask the Minister if there is any intention of trying to recover anything from the acquisition or construction of physical assets from Manitoba Properties Incorporated.

**HON. J. PLOHMAN:** There are no plans for that at the present time, Mr. Chairman. If there are major capital projects that are undertaken, obviously they are straight expenditures of government for improvements to existing facilities or additions to existing facilities or new facilities that may be built by government. It's possible that, when a new facility comes on-line, that it could be sold to Manitoba Properties Incorporated if they're interested at that particular time.

**MR. H. GRAHAM:** Mr. Chairman, I understand also that under this department or under this appropriation is the correct place to ask a question regarding the operation of the North Grove Complex of the Manitoba Development Centre. I understand tenders have been let for considerable work on that North Grove building. Could the Minister indicate the size of the work that is contemplated there?

**HON. J. PLOHMAN:** Mr. Chairman, this work is being undertaken by the Department of Government Services for the Department of Community Services who have outlined the major plans that they have with regard to that building over the next number of years.

We are attempting to carry out the minimum work that is necessary to meet the fire safety regulations for as long as that building is in operation and I believe

it is in the neighbourhood of \$600,000 or in that area to meet the minimum requirements over the next couple of years. That work will be undertaken this year. I don't believe it has gone out to tender at this particular time, but it will be out shortly.

**MR. H. GRAHAM:** I was led to believe that the work had been tendered, but maybe it hasn't.

**HON. J. PLOHMAN:** Mr. Chairman, my understanding is that it has not yet been let for tender.

**MR. H. GRAHAM:** What is the nature of the work that is contemplated at that complex?

**HON. J. PLOHMAN:** Mr. Chairman, the question is, what is the nature of the work? I have indicated the nature of the work is to upgrade the fire and safety standards of the building to meet minimum requirements.

**MR. H. GRAHAM:** Will that be a new fire alarm system?

**HON. J. PLOHMAN:** Mr. Chairman, I understand it will include a new sprinkler system and fire alarm system, along with other measures that are necessary, duct work and piping that is necessary of course for the sprinkler system.

**MR. H. GRAHAM:** So there will be a fire alarm system; there will be a sprinkler system. Will there be anything done, for instance, in the field of safety doors or anything of that nature?

**HON. J. PLOHMAN:** I believe there are some units in that building that are being closed off. They will obviously have to be isolated from those which are actively being used, so that would be considered as part of the work under the fire upgrading. We want to avoid having to upgrade, obviously, those sections of the building that will not be used. So they would have to be isolated off by fire doors and that kind of thing.

**MR. H. GRAHAM:** Mr. Chairman, I also understand that Community Services has, I believe, in their plans no further use for the building beyond this year. Has the Minister of Government Services some other use for the building after this year is over?

**HON. J. PLOHMAN:** Mr. Chairman, I don't believe that is correct. Our information from the Department of Community Services is that they intend to use the building and phase out its use over the next three years. This is not the last year of use.

**MR. H. GRAHAM:** Mr. Chairman, we have some \$25 million here in capital. Could the Minister give us a list of the major projects that are either in the mill or are partially under way at the present time, under his \$25 million program?

**HON. J. PLOHMAN:** Mr. Chairman, under the capital program in continuing construction is: the Manitoba Archives Building; the School for the Deaf, fire and safety Phase 3; completion of the Robert Fletcher

Building exterior; some expenditures yet on the New Law Courts Building; the Flin Flon Provincial Building. As well as, under construction to be initiated: at Headingley the Correctional Institution, the Main building fire safety upgrade, Phase 1; window replacement and fire exit stairways; at Selkirk the Mental Health Centre, building fire safety upgrade there; the existing Law Courts Building renovations, major expenditures there in this coming year; Existing Land Titles Building renovations is also included for some work this year; the Norquay Building, fire and safety upgrading is included; the new Remand Centre, planning for that; Portage la Prairie, Manitoba Development Centre is included in this appropriation.

**MR. H. GRAHAM:** Perhaps the Minister could, at a later date, provide us with a list with the capital value of each project?

**HON. J. PLOHMAN:** Well, the difficulty, Mr. Chairman, in providing the capital dollars, of course, is that is an estimate the department has provided for budget purposes and it is not information that is usually provided in detail because, of course, it could have some impact on the tendering that later takes place if any of this information is put on the record and is available to potential contractors.

**MR. H. GRAHAM:** Mr. Chairman, I appreciate that. If the Minister could give us a list of the projects and those that have already gone to tender, with the tender price of those, that would be satisfactory.

**HON. J. PLOHMAN:** Thank you, Mr. Chairman, I'll be very pleased to provide that information.

**MR. CHAIRMAN:** 7.(a)—pass; 7.(b)—pass.

Resolution 82: Resolved that there be granted to Her Majesty a sum not exceeding \$29,627,900 for Government Services, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1986—pass.

Back to the Minister's Salary. Item No. 1.(a) - the Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, we're back to the Minister's Salary and I think it would only be fair, before we pass this item, to make a few remarks about the operation of this department and the Minister's involvement in it.

I also would like to give a few words of advice to his new Deputy Minister. I just want to advise him that this is probably his first time at Estimates and next year, if an election is not called - if the election is called, of course, he'll have a new Minister at that time - I would just like to inform him that he does have a responsibility to make sure that the Minister is properly prepared for the Estimates. We realize that the Minister has another portfolio, but we did have quite a difficult time this time dealing with the Estimates of Government Services, and I would hope that if the Minister should be so lucky as to have to bring his Estimates before this committee again that he would probably spend a little more time and properly prepare himself for it. To answer the questions that I suggest are proper

questions that should be asked, so that we can evaluate the effectiveness of the Minister in the operation of his department.

**MR. CHAIRMAN:** 1.(a)—pass.

Resolution 76: Resolved that there be granted to Her Majesty a sum not exceeding \$1,913,100 for Government Services, Administration, for the fiscal year ending the 31st day of March, 1986—pass.

What is the pleasure of the committee?  
Committee rise.

## SUPPLY - AGRICULTURE

**MR. CHAIRMAN, P. EYLER:** Order please. We are considering the Estimates of the Department of Agriculture, Item 6.(c)(1) Economic Analysis Branch: Salaries - the Minister of Agriculture.

**HON. B. URUSKI:** Thank you, Mr. Chairman. Before we broke for the dinner break, the Honourable Member for Morris raised a question. He wanted to know the names of the staff within the Policy Development and Economics Branch who were the economists in the department. Heather Campbell, Herb Schellenberg and Neil Hamilton, Janet Honey, Carol Nachtigall, Bob Ward, Adrian Strutinsky, Errol Lewis, and Ajaz Quamar are the nine economists in those two branches. — (Interjection) — Pardon me? Yours is coming.

Mr. Chairman, the Honourable Member for Turtle Mountain asked from his seat, where's my information. Mr. Chairman, in fact there were some errors in terms of how it was presented. It wasn't presented in chronological order. It is being redone. You should have the information tomorrow. I could, in fact, use it by placing it on the record, but the written information he will have tomorrow. It's virtually ready.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** I thank the Minister for that information for my colleague from Morris. He'll be able to get it off the record. I guess you haven't got it written out on a sheet of paper. That's all right with me. He can get it off the record.

**HON. B. URUSKI:** It's on the handwritten notes they use.

**MR. J. DOWNEY:** Okay. Mr. Chairman, there are several areas dealing with policy and I guess one of the most immediate concerns facing the farm community is the lack of policy support by this Minister of Agriculture and this government dealing with our smaller farm sector, and particularly dealing with the smaller cream shippers, those people who have started in the production of milking cows, shipping cream. Last week, Mr. Chairman, we saw the Milk Board make a policy change to allow one farmer to use another farmer's quota when it comes to the shipping of cream.

However, my extreme disappointment, Mr. Chairman, is in the fact that this Minister of Agriculture has not yet made a statement dealing with it, either in support of or an objection to, but the farm community are still unclear as to what the policy of this Minister of

Agriculture is dealing with the use of cream quota by a person who's quota is full and a person who has not fully utilized their quota. I would like to have a policy statement come from this Minister.

Another area dealing with policy and that, of course, is the transfer of partial milk quotas and partial dairy herds. Mr. Chairman, I'm sorry that the First Minister of the province isn't in the committee - although I don't want to make anything about the fact that he's not here at this particular time - but I would think either the Minister or the First Minister owe an apology to me or to this House for information that was provided dealing with the milk quota several weeks ago. They made a lot, Mr. Chairman, about the fact that they were still administering the policy of the former government. Well, I, Mr. Chairman, am going to lay out the evidence that I have available which clearly states that there is a policy change. We were interrupted last week when I was in the process of doing that and I will again now continue.

The Minister is . . .

**HON. B. URUSKI:** Mr. Chairman, on a point of order.

**MR. J. DOWNEY:** The Minister is interrupting again.

**MR. CHAIRMAN:** Order please. The Minister of Agriculture of a point of order.

**HON. B. URUSKI:** Mr. Chairman, I hesitate to interrupt the honourable member, but perhaps we could move to the Natural Products Marketing Council and we could deal with all the issues that he has raised, or is about to raise. I have no difficulty of moving because all those issues deal with issues dealing with the marketing council.

**MR. J. DOWNEY:** Mr. Chairman, the Minister does not have a point of order or any ground to stand on when it comes to his request. It's his policy in an economics division, and I haven't heard any clear policy statements come from him dealing with the cream quota, dealing with the transfer of partial dairy herds and the milk quota to go along with them. I haven't heard a statement on policy dealing with the egg board, with the 99 hens, with the broiler board, the implementation of the Broiler Egg Marketing Board, Mr. Chairman.

He says that he would like to move to the Natural Products Marketing Council. Well, Mr. Chairman, there are some other areas in policy that we want to deal with, and I think under this general term - and I will read it to you for your information - it conducts research and analysis and advises on policy and program development for the agriculture industry of Manitoba; it provides funding for University of Manitoba research projects and administration of boards and commissions.

Under that general heading and the administration, Mr. Chairman, I think we would be fully in order to discuss this on every item. He did not want to discuss boards and commissions on every one of these items that we should have the opportunity to do so. So I will proceed, Mr. Chairman, to fully . . .

**MR. CHAIRMAN:** Order please. Is the Member for Arthur speaking to the point of order raised by the Minister?

**MR. J. DOWNEY:** Mr. Chairman, I am prepared to carry on with the Administration under 6.(a).

**MR. CHAIRMAN:** We passed 6.(a) and 6.(b), we are on 6.(c) at the moment.

**MR. J. DOWNEY:** Did the Minister have a point of order? Mr. Chairman, you are now on 6.(c)(1) . . . ?

**MR. CHAIRMAN:** 6.(c) Economic Analysis Branch: (1) Salaries.

**MR. J. DOWNEY:** Okay, well, I'll pass that, (1) and (2), and go on to the Manitoba . . .

**MR. CHAIRMAN:** 6.(c)(1)—pass; 6.(c)(2)—pass.  
6.(d) Manitoba Natural Products Marketing Council - the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, it's taken some time for the Minister to get here. I guess, probably, when we look at the interruptions and hesitations and the concerns that he's had before we get here, and stalling - that's really what it is when my colleague from Roblin-Russell says stalling - we can get right into it.

But I was, Mr. Chairman, pointing out this Minister's lack of clear policy and clear support for our smaller farmers in our community when it deals with cream quota, when it deals with milk quota, when it deals with egg quota, when it deals with the production of the marketing board for broiler eggs, when it comes to the eligibility of numbers to be slaughtered by people producing broilers, a multitude of policy area problems, and we haven't had one clear policy statement from this Minister.

**HON. B. URUSKI:** Yes, he did, Jim. He said that agriculture in Manitoba should be like the USSR three years ago and that's what he still believes.

**MR. J. DOWNEY:** Yes, I believe that's about his get-up in policy.

But I want to request of the Minister and the First Minister, an apology for their accusations several weeks ago about the fact that when it came to the dairy producers unable to transfer partial quota and their percentage of the herd with that quota, that he maintained he was carrying out the former provincial government policy. Well, Mr. Chairman, in fact he went so far, I was quite amazed that he went so far as to circulate a letter - how many pages for goodness sakes on April 12th - here we have a four-page letter sent to all the dairy producers in the Province of Manitoba and what did it say about dairy policy, Mr. Chairman? Well, it made a lot to do about the fact that when I was Minister of Agriculture there were Minutes dealing with a meeting, at which I wasn't even at, Mr. Chairman, but he was trying again to come to straight-on grips with the problem that's facing the industry in this problem. He was trying to blame the former Minister of Agriculture. If he's not trying to blame the former Minister of Agriculture, he's trying to blame the government in Ottawa; if he's not trying to blame the government in Ottawa, he's trying to blame the Americans; if he's not trying to blame the people in

Ottawa, he's trying to blame the operators of the boards; that he's really hands off; he doesn't want to get into it.

I asked him, Mr. Chairman, who is the Minister of Agriculture in the Province of Manitoba? He's the invisible Minister when it comes to a clear policy statement. But what I want to do, Mr. Chairman, is establish how misleading this Minister and the First Minister were when it came to the dairy policy in the Province of Manitoba. As I indicated, April 12th there was a letter sent out by the Minister - four pages - and I'm not certainly going to put the committee to the — (Interjection) — the Member for Swan River says to sleep. Well I'll try and keep it a little more lively than that, but the letter really would. I'll table the letter.

As well, Mr. Chairman, several days ago I asked the Minister of Agriculture to table another letter which was sent out May 23, 1978, and this was sent out and signed by a gentleman who has joined us in the committee here tonight, Mr. Craig Lee, who is the secretary of the Manitoba Marketing Board. Now there's interesting reading in both those letters.

The Minister quoted very selectively from Minutes of the meeting held in the Natural Products Marketing Council which, Mr. Chairman, were not taken verbatim; I wasn't at the meeting. It was a civil servant again interpreting what they thought the Minister had said and what they wanted to happen.

Mr. Chairman, this is the part that the First Minister and the Minister of Agriculture made a lot to do about and this is a minute from the Natural Products Marketing Council, April 10, 1978, and here's the part that's highlighted. "The Minister advised the secretary" - see this wasn't taken from me being at a meeting but - "The Minister advised the secretary that policy has not changed with respect to preventing the capitalization of quotas in Manitoba. However, the Minister felt . . . "- remember, this is a secretary reporting to a council meeting. This isn't the Minister saying this directly, this is second-hand. So that's what they're hanging their hat on, so we'll go to another letter here in a few minutes.

"However, the Minister felt that modifications could be made to the existing quota reallocation policy that would eliminate the cost of appraisals and still prevent quota capitalization from occurring." Nothing wrong with that, some flexibility. "The Minister indicated that if evidence was obtained that a person had purchased quota, then the quota so obtained should be cancelled." Well, there was nothing wrong with that at the particular time, Mr. Chairman. "The Minister indicated that he expected the Manitoba Marketing Board to make recommendations to him on an appropriate marketing share quota transfer policy," which, Mr. Chairman, they have done and did do following that particular time.

Mr. Chairman, that's what the Minister of Agriculture thought was very important to spread out to all the dairy farmers on April 12th of 1985, four pages of baffle-gab and trying to blame somebody else for his inability to deal with a policy matter at this particular time in our industry in our province.

Okay, let's go to the letter of May 23rd. This happens to follow that April 10, 1978 Minute. This letter is from Mr. Craig Lee, Secretary, Manitoba Marketing Board. I want to take some portions out of it, Mr. Chairman, and explain really what the policy was.

**HON. B. URUSKI:** What's the date?

**MR. J. DOWNEY:** May 23, 1978. The Minute which the First Minister and this Minister of Agriculture referred to is April 20, 1978.

By the way, Mr. Chairman, for the record and for the people of Manitoba, I asked for this letter to be tabled by the Minister of Agriculture two, three weeks ago. I haven't seen it be tabled yet. Why wasn't it tabled, Mr. Chairman? Because it was the truth? Is that why it wasn't tabled is because it was the truth, and he couldn't blame me any longer, blame the opposition any longer for his inability to deal with the current dairy problem? That's really what it is. Let's deal with that letter. Let's deal with what the policy really was.

It states not only the dairy milk policy, but it deals with the cream policy as well.

**HON. B. URUSKI:** That's right.

**MR. J. DOWNEY:** Yes, right, he says. He seems to have found the letter but couldn't table it, Mr. Chairman. Let's deal with it.

This goes to Mr. Art Rampton: "The Manitoba Marketing Board has reviewed the market share quota transfer policies as proposed by the Manitoba Milk Producers' Marketing Board. The board has approved a new reallocation policy for milk producers as follows:

"(a) The Manitoba Milk Producers' Marketing Board may allocate market share quota to milk producers who purchase a complete dairy unit and who operate it as an ongoing enterprise;

"(b) Purchase the complete dairy herd for the purpose of establishing a new production unit;

"(c) Purchase the complete dairy herd and any other assets for the purpose of expanding milk output. Where construction of a new barn or an addition to an existing barn is made, an additional milk output is necessary to maintain viability.

"The total quota held by a producer receiving quota under (b) or (c) shall not be less than 3,150 pounds butterfat and not more than 10,000 pounds butterfat.

"The Manitoba Marketing Board will require the following information in order to monitor the extent to which quota capitalization takes place: copies of documents covering the purchase of all assets purchased; a statutory declaration by the purchaser and the seller declaring that no payment or considerations have been made or received under those disclosed; an appraisal may be conducted for the Manitoba Marketing Board to determine the value of assets of the purchaser or seller to provide right of access to the property for appraisal purposes."

Now, let's go to Page 2. The policy approved by the Manitoba Marketing Board for the allocation of quotas to cream producers is (1) existing cream producers will be on open quota. Can you imagine that? The dairy producers, the cream producers were on an open quota. What happened, Mr. Chairman, in April, or earlier this year? — (Interjection) — No. The cream producers, the policy was changed. They were taken off open quota; in fact, we saw producers' dumping of cream because they had no more quota. Yes. Who changed the policy, Mr. Chairman?

No. 1, existing cream producers will be on open quota. Tell me, Mr. Chairman, that there were difficulties during

that time. There weren't, Mr. Chairman. There was no policy change until this Minister and his administration took over. Now, the dairy producers, the cream producers, are not on open quota.

No. 2, complete farm sales under the same rules as for milk producers. The producer board shall admit new cream producers in the order in which applications are received subject to their estimated volume of marketing being less than or equal to the amount of quota reverting to the board from cream producers.

So, Mr. Chairman, there is a policy change under this administration. There are no more open quotas. In fact, we see cream being dumped. I want to carry on through this letter, Mr. Chairman, because it does allow for the partial transfer of dairy quotas and it's stated right in here. I'll read through it because it is important that the public record show the facts as they are:

"This policy does not require an appraisal of assets purchased and that the value be greater than the purchased price as precondition of approval of the reallocation of quota by the board. However, the board members agree that meaningful monitoring can only be done if the assets purchased are appraised. The appraisals must be conducted under the direction of the Manitoba Marketing Board to ensure that they fairly represent the value of the assets. The appraisals may not be required in all instances" - it may not be required in all instances I think is important - "but where one is necessary, the cost will not be borne by the producer board or the producers involved." And I think, Mr. Chairman, that is a fair policy.

Next paragraph: "This policy also differs from the former policy, which was NDP administration, in that it is not restricted to the purchase of complete ongoing dairy units." Isn't that something, Mr. Chairman? "This policy also differs from the former policy in that it is not restricted to the purchase of complete ongoing dairy units, as now is the case under this administration of the New Democratic Party."

Now, who is telling truth and who isn't, Mr. Chairman? This is a public record or a record that this Minister was unprepared to table in the Legislature because it told the truth. I'll continue on because I think the people of Manitoba and particularly the dairy farmers are interested in really what the policy was and what it is now and what they can expect under a Progressive Conservative Government. At least we'll be forthright in the way in which we deal with them, Mr. Chairman.

"The policy approach is the problem of quota transfers from the point of view of who should be entitled to obtain quota with the purchase of assets. The board has estimated two categories, new producers," which I think is commendable. We want more new producers in the province. We wanted new producers and we recognized it, Mr. Chairman. I defy this Minister to give opportunities to new producers unless they go in and buy a complete dairy herd, Mr. Chairman, but we wanted to increase the numbers of producers.

"Existing producers who need to expand their facilities in order to be economically viable." There is one of the keys, Mr. Chairman. "Existing producers who need to expand their facilities in order to become economically viable." Not only does it help the producers keep their cost of production down, Mr. Chairman, but it's a benefit to the consumers - yes, a



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direct benefit to the consumers. If a producer has not produced his maximum and has a few extra stalls in his or her barn and wants three or four cows to fill that barn, and the quota to go along with them, Mr. Chairman, then they had the opportunity to do so. Yes, it allowed the cost of production to be a little bit lower for those people who are in our consuming society and who need milk to drink.

So don't let him try to mislead, Mr. Chairman, the dairy industry and the consumers in this province, saying that he didn't change the policy, because he did and the facts state it.

I'll continue on. "In both cases, they would require additional cows and quota, and the quota can be reallocated from a retiring producer who wishes to cease milk production, but does not wish to sell his farm . . . "- again, not forced to sell your dairy farm. If you want to reduce some of your cows, some of your quota, you were quite capable of doing so.

"The Manitoba Board feels that producers who are not expanding the size of their production unit should have their quota adjusted in accordance with policies for the allocation of quotas directly by the board to all qualifying producers. There should also be provision for the direct allocation of quota to new producers if quota ever becomes available for such purposes."

Well yes, Mr. Chairman, the policy has changed under this administration. Mr. Chairman, I'll finish the letter out, because I think it's important to do so. "The Manitoba Marketing Board expects that the monitoring procedure will indicate that capitalization of quota is occurring. The board reserves the right to revert to the present policy at that time, as it is the only means by which capitalization can be controlled when purchase of assets becomes the means of obtaining the right to marketing quota." They reserve the right to do so. It didn't even have to be put in the letter.

But the point is, Mr. Chairman, and the Minister laughs about it. I would like somebody to dump his income, or walk into his turkey barn and smash half the turkey eggs, and see if he laughed, Mr. Chairman, his income being thrown in the gutter, and that's what he's laughing about.

The point is that his government did change the policy. His government did reverse the policy, changed our policy. He's laughing about it, but they changed the policy, something that he said in a letter to the producers of April 12, 1985, wasn't the case, that he was only carrying out our policy. That is not the truth, Mr. Chairman, and I want an apology from this Minister and the First Minister of the province. I want an apology, and I want it sent by letter to every dairy producer, stating what he has done. Stating what he has done, that he has misled them in a letter that he sent on April 12th, and send out the true facts of what the policy really was. I'll go on to complete the letter which is the truth, Mr. Chairman.

"I am in receipt of your letter of May 9, 1978, and will arrange for a meeting with the Producer Board at the earliest possible date to explore any desirable modifications to the above policy. Yours truly, Craig Lee, Secretary, Manitoba Marketing Board."

Mr. Chairman, I said I'd table them and I will. I'm going to table these three documents, copies of them. Mr. Chairman, the first one is the interpretation of the Secretary at the Natural Products Marketing Council

with the direction that a policy development was needed. The truth of what our policies were, and the fact that they reversed it, that's the 1978 letter of May 23rd which states what the truth is; and the Minister of Agriculture's letter of April 12, 1985, which is so much full of gobbledegook and misleading statements that I want an apology to the dairy producers, and to this committee, Mr. Chairman, from the Minister. I'll table those three letters.

I demand, Mr. Chairman, that I get an apology; I demand that this House get an apology for the misleading statement; and I demand that the dairy producers of this province get copies of that true Minute on what happened, so they in fact can make their judgment as to who is telling the truth and who isn't.

Yes, Mr. Chairman, that's what we have been dealing with day after day with this Minister, with this government. Who can believe them, Mr. Chairman? They're an incompetent administration, Mr. Chairman, of trying to divert responsibility, of not coming to grips with policy matters that mean the livelihood of our small family farms in this province when it comes to cream shipping, when it comes to transfer of quota from our dairy producers to one another.

He says, does he want me to meddle around, he says as Minister? Does the Agricultural Credit want me to muck around? Mr. Chairman, when it comes to the livelihoods of our small family farms, yes, I do, and I was prepared to because I gave them the direction that I wanted a policy that would accommodate, and it did, Mr. Chairman. It did accommodate them. He has no defence in what he has done, Mr. Chairman.

I could as well deal with the cream issue for some time, and I will deal with it for a few minutes. I am still getting contacted by cream shippers in my own community. I will just tell you one of the situations on Sunday and The farmer was apologetic for phoning Sunday, and I said no apology is needed because really that's my job. My job is to deal with the farm community in my constituency.

His wife had bought a cow herd to produce cream. She wanted some income to produce cream for food for the table. Yes, she wanted some extra income. I think she bought eight cows and bought another cow or two to come up to 10 because they were a little concerned that they wouldn't be able to fill the cream quota available to them. She said she had a letter. Not only did they cut her back from the quota which she initially bought, but she was going to have that quota filled almost immediately.

I will tell you, Mr. Chairman, her husband - and I don't blame him - was extremely annoyed. He was calling on her behalf. She called me this morning and she said she talked to the board and they thought everything had been straightened out and I was pleased to hear that.

But that's the typical kind of family that run into this situation. They are trying to make a little bit of extra money. If you live in the city and your wife or husband, if the husband is the housekeeper or does the homework, then there are a little more opportunities for him to go out and make a little bit of extra money, or the wife can go out and make a little bit of extra money. But they're pretty limited on the farm as to the other things you can do to make some extra money, and this Minister and his policies allowed that

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opportunity to be cut off. Yes, Mr. Chairman, he allowed that kind of income to be cut off. It's deplorable, Mr. Chairman. We have no policies under this Minister. We have no policies of support for our farm community, particularly the smaller producers.

And why, Mr. Chairman? I ask the simple question, why does he try to continue to blame somebody else for his inability to deal with the problems? Why hasn't he gone to the national government? He is so anxious to take the national government on, why hasn't he gone for it and said look, we were cut back? Yes, the Canadian Dairy Commission cut us back; we are not happy with that. We don't believe that Quebec and Ontario should continue to expand and take up our production; that's not what we want in this country, Mr. Chairman.

Take them on. He'll get full support from me and the opposition when it comes to getting more quota for those people who are in the supply management systems. I don't care whether it's dairy, whether it's eggs, whether it's broilers, whether it's any kind of production - turkeys - we are fully supportive of getting more production for the provinces of Western Canada. Yes, Mr. Chairman. If we are going to survive in the agricultural community, we have to have more.

I haven't heard a request come from this Minister asking for more production quota for Western Canada or for Manitoba. I haven't heard from him. He takes it out on the small producers, Mr. Chairman, and he thinks they aren't going to make any political difference to him. Well, it's going to make a big political difference to him, Mr. Chairman, and we are going to see to it that it does.

I would ask him when he rises in his place tonight, to clearly state if he supports the transfer or the use of a person's quota, who isn't able to fill it under the dairy system for cream shipping, if he supports that. I ask him a straightforward question, does he support the use of cream quota by one producer to use another producer's quota so they can continue to produce cream? I ask him that question. Does he support that policy? Does he support the policy of cream quota transfer?

Because I will tell you if he doesn't what happens; I think the public should be well aware of this. If we are not allowed to maximize our production of cream and milk in the Province of Manitoba, what happens when our quota comes up for review on the national scene? I make this case. If our quota comes up for review and we have restricted the transfer of quota from producer to producer, the Canadian Dairy Commission says, well, Manitoba fell short. Manitoba fell short even though we had some producers dumping product on the ground, we didn't maximize the quota we had allocated to us as a province. So they come back and they say, Manitoba, you didn't fully utilize your quota last year. So we get another cutback, Mr. Chairman, further creating more hardship on those small producers. What we need, Mr. Chairman, is a government who had a policy that worked.

I am prepared to stand and debate any place in this province with this current Minister of Agriculture and any of his colleagues dealing with any of the policies in agriculture because I tell you, Mr. Chairman, he hasn't got any. His policies - and I want to say this because he is so incompetent and lacks leadership in the agricultural community - he is so inept at his job he

doesn't have an original thought. He doesn't know, Mr. Chairman, what has to be done to offset some of these difficulties before they happen.

I have gone over to some degree, Mr. Chairman, the cream and the milk policies of which ours were and which the changes were that this government allowed to take place and I agree, Mr. Chairman. I am not so naive to know that there are a lot more people wanting to produce. I guess the question again comes forward is, why do they want to get into the business? It is because NDP times are tough times. Yes, NDP times are tough times and have been under this administration, and they have had to diversify and get into some of these businesses that maybe they didn't want to, but they have and they've expanded into them.

Mr. Chairman, what we are asking for is a clear policy statement from the government when it comes to dealing with this. He'll say it's the Marketing Board's responsibility and we aren't going to mess around with it. Well, he can't get away with that, Mr. Chairman. We are not going to let him get away with it.

I would hope that he would come forward with a clear policy decision on the milk quota transfer. I want to know from this Minister if he will change the policy so we can have partial sale of quota, with cows, if he is going to implement quota value. The majority of producers in Manitoba right now are prepared to accept a policy of quota value. Well, when the demand is on it the way it is, possibly that's the way we should go. I've recommended that the Minister of Agriculture call the agriculture committee so that we can have the dairy industry come before it; so we could have the consumer people come before it and truly state where they stand on quota value. Yes, here we have a government who pretend - and I say pretend - to be consultative in their operations.

Mr. Chairman, if they're so consultative, why don't they call the agriculture committee and invite the dairy industry, the consumers, to come forward and present their ideas to us on policy matters? What better example of open government? If they're so proud of it and they really want to keep boasting it, then the proof is in the pudding, Mr. Chairman, and then it's in the eating. Let's get at it. We're prepared, Mr. Chairman, to take as many hours as necessary, but the Minister for some reason wants to keep this all clutched to his chest. He doesn't want anybody to see what's behind the cards.

Well, Mr. Chairman, he'll pay the price. He's paying the price. He paid the price on sugar beets; he's paid the price on cream quota; he's paying the price on milk transfer quotas, Mr. Chairman. He's paying the price every way you look at it. He's also paying the price on the egg quotas as well, Mr. Chairman. Yes, he is paying the price, and that price, of course, is, him politically, it's disastrous, which of course it's to the people's benefit to see him removed from office. But look what he's doing to our small agriculture producers in the meantime. He's creating a tremendous amount of hardship to them.

Mr. Chairman, I would like the Minister to come forward with some clear policy statements on all these areas. Now that the truth is out as far as the dairy policy is concerned and the cream shippers, I would hope that they get the message. I'll make sure that they do and my colleagues will make sure that they do, that under a Progressive Conservative Government

that there were no cream quotas that restricted the production. Yes, Mr. Chairman, he says, well, the numbers of cream producers increased; yes, and so did the production, because they had to, because NDP times are tough times. But why didn't he deal with it, Mr. Chairman, in a straightforward manner? Why didn't he come forward with a policy saying, yes, we've got to help these people and we're prepared? Yes, there's another option that could be looked at and I'm surprised that it hasn't been talked about. I know there's a lot of concern and I certainly have been extremely upset about the starvation throughout the world. Possibly there could have been a purchase program. Maybe the Province of Manitoba could have purchased some of the overproduction and given it as a gift in kind to some of these countries, whether it be Ethiopia, whether it be some of these African countries.

Yes, Mr. Chairman, certainly it would have cost the people of Manitoba something. But what would we have done? We'd have helped some of the low-income producers here who are striving to make an income. Yes, Mr. Chairman, the money coming to them would have been far better than the \$4 million going to the advertising of this government and their inability to govern; and their apple polishers, the 120-some that they have around to make their image look better.

The Minister himself admitted that he's spending taxpayers' money in communications to make his image better. It's clearly on the record, Mr. Chairman, what his ambition is; and I say there are other options. That's why the calling of the agriculture committee would have been extremely important. We could have had some positive recommendations come forward from people who have quite a few answers. I'm not saying we've got all the answers, Mr. Chairman, but at least we're prepared to seek out and help those people that need some relief. Yes, Mr. Chairman, we're prepared to support the family farm, the small producers who want to eke out a living; whether it be milking cows for the cream shipping and whether it's a transfer of dairy quota, to make sure they've got the two stalls or three or four extra stalls in their barn being used.

Yes, Mr. Chairman, it isn't such a rigid society as the Minister would have us in the USSR. Yes, Mr. Chairman, and there's a story been written not too long ago about the regulations in the production of pigs. Because one of the deputies said there should be 12 pigs; there were 12 pigs as far as the Minister was concerned; but after it went through the bureaucracy they were down to two pigs. The regulations didn't say that; but the system was telling the Minister they were producing 12 pigs. That was in Poland, I believe, and what were the people of Poland doing? Starving to death, Mr. Chairman, they couldn't get food, — (Interjection) — yes, that's right. Then the Minister said, because we've got two extra pigs, we'll export the surplus. Well that's the kind of system this Minister of Agriculture would have in Manitoba. It would be regulated so rigidly, that we really wouldn't have any food at all, Mr. Chairman.

Well, we want some answers, Mr. Chairman, and we want them on marketing policies of this government. We want them of this government, Mr. Chairman, and this Minister, if he has some; and if he hasn't, we want him to step aside, Mr. Chairman. We want them to call an election so the people who produce commodities and consume them in this province, can make their

decisions. I would hope the Minister could answer some policy questions for a change.

**HON. B. URUSKI:** Mr. Chairman, I want to deal with a few of the comments made by the Honourable Member for Arthur, specifically dealing with milk policy. But as I go into my remarks, he made some accusations this evening, Sir, that he wanted an apology from myself about something that I had written to producers. Mr. Chairman, if I have written anything wrong, that is wrong in terms of communication to the producers, I wish he would raise it, because all he said he wanted an apology from me. I don't know what I had written that was inaccurate, Mr. Chairman. I want to go through the letter.

He tabled three documents and he said the information that I gave producers was inaccurate, Mr. Chairman, but he has not said what was inaccurate about the information I gave the producers, Sir. He didn't make one charge of something that I said that was inaccurate. In fact, Mr. Chairman, he tabled the letter that I sent to producers dated April 12, 1985, but he didn't say one word in that document that was inaccurate, not one word, Mr. Chairman.

Let's just deal with the whole system as he outlined it and I'll take his arguments. He talked about in 1978 the policy that was enunciated, that he had approved and the letter was written by the then secretary to the Manitoba Marketing Board about cream quotas, all producers be an open quota. Mr. Chairman, let's remember what was occurring during that period of time. The member knows that I believe it was four or five creameries closed during his term of office. We were at the lowest point in our history in terms of cream production in this province. That's where we came from, Sir; from a number of creamery closures to the lowest production of cream in this province. — (Interjection) — Of course, the policy could be that the existing policy will be an open quota. Mr. Chairman, the existing policy today basically has been open quota, Mr. Chairman, until the Milk Marketing Board realized - and it was the Milk Marketing Board that made the changes, Sir - realized that there was going to be overproduction in both their provincial quota and in terms of overproduction within the quota block that is issued to cream producers that they move in and change the whole system, Sir.

Let's just put something on the record, Sir. The Canadian Dairy Commission Agreement does not allow what the Honourable Member for Arthur has been suggesting, that quota be transferred from producer to producer on an unused quota. That is not allowed in the Canadian Dairy Commission Agreement, Sir. And this member said that he knows and he knew what dairy policy was in this province? Mr. Chairman, he'd better do a little bit of studying of the rules and regulations that the provinces of this country have signed in relationship to the Canadian Dairy Commission and the marketing agreement between the provinces. That is not allowed, Mr. Chairman. What the honourable member is talking about is not even allowed in the Canadian Dairy Commission Agreement.

**MR. J. DOWNEY:** It should be.

**HON. B. URUSKI:** Well, now he says that it should be. Mr. Chairman, he indicated that there was something

wrong, that we had misrepresented his position vis-à-vis the 1978 policy by the very nature of the letter that he approved of; he didn't say he didn't approve of the letter that was sent by the then secretary. There are two key points, Mr. Chairman, in that letter that the honourable member skimmed over and I will read them back to the honourable member.

They are, a sentence in paragraph 2, on Page 2, and the last paragraph of Page 2, as well. Mr. Chairman, where the board indicated that any meaningful - "however, the board members agree that meaningful monitor can only be done if assets purchased are appraised." The then committee wrote to the Milk Marketing Board and said that if value for quota was going to be removed or kept out of the system that meaningful monitoring and appraisal had to be done.

The second area that is very crucial to this whole policy that there is basically no change, Mr. Chairman, is, and I quote, "The board reserves the right to revert to the present policy at the time as it is the only means by which capitalization can be controlled when purchases of assets become the means of obtaining the right to marketing quota."

Mr. Chairman, the policy that we have today we have reverted to the existing policy.

**MR. J. DOWNEY:** Yes, you have, the NDP, your board, not the Progressive Conservative policy, not the Progressive Conservative board, your board, your policy.

**HON. B. URUSKI:** Mr. Chairman, the letter was written in 1978, May the 18th. We have reverted to the present policy. The honourable member seems to forget what he did in terms of putting forward the dairy policy of the day. We have reverted to the dairy policy of the day, Mr. Chairman, and our letter of April 12, 1985, put it forward.

Mr. Chairman, I recognize, and the government recognizes, that there is difficulty, and there has been difficulty for producers in getting into the industry because the whole list that was kept by the marketing board was not really dealt with in terms of what available quota there would have been to allocate to those producers who had the three or four cows that they needed in the barn. I mean that is a very crucial issue. It was somewhere in the neighbourhood, I believe, of over 400 producers waiting for the last five or six years to get some quota. Mr. Chairman, that was board policy, not governmental policy, as to how they dealt with the internal quota that would flow, whether it be by unit transfers or by partial herd transfers where they would keep back a portion of the quota, or if there was some national allocation, how they would in fact divvy that up amongst producers.

Those issues are strictly board issues and the government - lest the honourable members are saying, get yourselves involved in this. I think the Honourable Member for Emerson, I read his remark, said, "Get rid of that board. If they're not doing their job, get rid of them. Involve yourself in this process." Is that what he's suggesting, Mr. Chairman; is that the kind of message he is suggesting? He is saying, get rid of the board if they're not doing a good job. I don't know, is that Conservative policy? Mr. Chairman, that's what

the honourable member said when he spoke on the grievance, the Honourable Member for Emerson, the other day when he said, "Get rid of the board if they're not doing a good job."

Mr. Chairman, the policies of administering quota by the Milk Marketing Board are clearly marketing board responsibilities. They are delegated by legislation to those boards unless, and it appears to me, Sir, that the honourable members don't want the boards to handle it. They would want to have some other group administering the policy. Is that what they're advocating, Mr. Chairman?

**A MEMBER:** Who gave them the board?

**HON. B. URUSKI:** Well, Mr. Chairman, that's not what the Honourable Member for Emerson said the other day. He said, "No, get rid of them. If they're not doing a good job, put in some commission or something." I think those were his words, Mr. Chairman. I don't have the remarks in front of me and he'll correct me if I'm misrepresenting his position.

So, the Government of Manitoba is prepared, and has been willing to work with the milk producers in this province, to put into place a quota transfer policy that will not involve capitalization of quota. Mr. Chairman, we have had a proposal made by the Milk Marketing Board to us basically allowing for the system that they have in Prince Edward Island where they would, in fact, allow the sale of quota on a bid-and-sell basis, but they would in fact set a limit on the value per litre of quota; that's basically been the position of the board. Clearly, many producers who want to buy and sell quota on that basis do not envisage an upper limit on the value of quota because, if you put an upper limit, Mr. Chairman, on the value of quota, what will have to occur is what the Milk Marketing Board has not wanted to do to date, and that is, establish a criteria as to who comes on the list, should there be more buyers than there is quota for sale. That is the basic problem in the industry because there is not enough quota around.

Mr. Chairman, I want to tell the Honourable Member for Emerson that I met with Members of the Grunthal Dairy Herd Improvement Association. The members from that dairy association, many of whom advocate, because they are frustrated there has been only a one-track approach by the Milk Marketing Board to this whole situation, and that is to buy and sell, that's all that has been talked about for the last number of years because they didn't want to get involved.

When we sat down and we discussed this whole issue, I asked the honourable members to tell me, since they felt that buy and sell was the only method that they advocated, and since the province and all provinces in this country are on a 2 percent national cutback in production, because there is, so there is a lack of quota, Mr. Chairman, so where would the quota come from.

They felt that additional quota would come from retiring producers, that this would be an incentive for producers to leave the industry, and that quota then would become available to those producers who wish to buy and sell.

Mr. Chairman, I asked those gentlemen about how many producers in their area would leave the industry.

Mr. Chairman, they told me that they did a survey of their producers. I'm going from memory and I stand to be corrected. I think they indicated that there were somewhere in the neighbourhood of 190 producers in their association. Of that 190 producers, they told me that the average age of producer in their association was 33 years of age.

So, Mr. Chairman, I had to ask them the basic question. Which one of you gentlemen is getting out of the industry? Which one of you is getting out to free up that quota that all of you want to buy? Who's getting out to free up all that quota?

They had to admit to me, Mr. Chairman, that they couldn't see many in their region getting out of the industry because most of them were new and beginning producers. — (Interjection) — Well, Mr. Chairman, in one region. Obviously, Mr. Chairman, not every region has the same age makeup, but clearly that part of the province is one of the highest producing, has the greatest number of producers anywhere in the province. They would be one of the largest areas of production anywhere in the province.

So there is somewhere in some people's minds a lot of quota that is available. Where is it, Mr. Chairman? Where is it by virtue of the system that is being advocated that we, in fact, should allow quota to be bought and sold freely?

Mr. Chairman, our concern is the next generation of producers. Granted those who are in the industry today have no difficulty if they want to expand. They can afford, and many of them can't, but many of them say it is the only way to get their expansion that they need for those three or four animals by virtue of buying it because they can't afford to wait with 400 people on the list.

Well, Mr. Chairman, it has been the reluctance of the Milk Board to deal with this question over the last five or six years. There has been a reluctance on the Milk Board to deal with this question. They have not wanted to deal with this question. They have allowed the list to build up. Mr. Chairman, any analysis will show you that had they not changed, for example, on the partial herd transfer from 40 percent to 20 percent, they could have in fact, by virtue of that amount of quota being brought back to the board and the changes internally, dealt with between 75 to 100 producers. Had those factors remained the same, they could have dealt with between 75 to 100 producers every year who were on that list. In fact, they could have dealt with practically everyone who had been on the list had they implemented a criteria that we have tried over the last three-and-a-half years to work co-operatively with.

We have met time and time again with the Milk Board. In fact, we've met with them more times than I have had to meet with any other group in the province to try and deal with this matter co-operatively. Mr. Chairman, it left us no alternative but to revert back to the policy that was instituted by your administration. So while we have reverted to it, we have not and will not stop there. We are prepared to work with milk producers to develop a system to deal with those very needs that producers want, but with one issue very clear, that there shall be no capitalization of quota.

That is the basic premise of government policy of this administration, Mr. Chairman. We are prepared to be flexible and we have. We've thrown out some options,

Mr. Chairman, to the producers, a type of a system that will attract retiring producers.

I think the Honourable Member for Morris will recall that a similar type of proposal, not quite the same, was discussed I believe by the Chicken Board when he was on the board of the purchasing quota from retiring producers but then selling it out to other producers. We have not taken - on eggs, not on chickens, on eggs, Mr. Chairman - I stand to be corrected. I think the Egg Producers' Marketing Board, there was a levy allowed.

Mr. Chairman, I have no difficulty of allowing producers who are willing to retire, the quota to be taken over by the board. If there should be a retirement plan for producers who are leaving the industry, that retirement plan should be funded by the entire milk industry to allow the quota that is there to be brought into the pool and allowed by the Milk Board to be given out with no charge, Mr. Chairman, that there be no monetary value put on that quota that is going out to producers. But every producer getting out of the industry can have a retirement fund that is funded by all producers.

That, Mr. Chairman, is the type of policy we have attempted to and we are discussing with producers today. We have thrown out that suggestion; we have not engraved it in stone. There is a lot of discussion, a lot of debate and a lot of changes can be made to the proposal, but certainly to attract that quota that is supposed to be there in terms of producers wanting to retire, this is certainly an option that should be considered by milk producers who want to get out of the industry. The industry will finance a retirement fund for those wanting to get out of the industry. That will free up that quota and allow that quota to be transferred to those producers who need it most.

But, Mr. Chairman, what has to happen is that the Milk Board has to be prepared to sit down and put some rules on paper how they propose to allocate that quota. That's where the reluctance of the board has been up to date. They have not wanted to put any kind of rules as to how they will allocate quota. That has been basically the stumbling block to our whole discussion with the Milk Board.

I venture to say that those kinds of discussions and those kinds of difficulties were there before we came into office. I think the Honourable Member for Morris will recognize that when he was on council the difficulties were virtually the same and the arguments were virtually the same. The one area that it isn't the same is that we are not in an expansionary period. Nationally, we are on a cutback position so that the quota that is available is a lot tighter; that's the only difference.

Mr. Chairman, what I find amusing, by comments from the Honourable Member for Arthur, is that the one area they find the greatest difficulty in agricultural policy is the area that produces the most guaranteed income for producers. That is the area that they find the greatest hardship on producers. Mr. Chairman, they don't talk about producers going bankrupt, or the grain policy, that grain incomes have fallen rock bottom. Mr. Chairman, we don't talk about those. We will attack and we'll talk about the one sure area that producers in this province can have a return on their cost of production and a fair return on income, Mr. Chairman. That is the weakness of the Tory position, Mr. Chairman. They will attack the one sure area that producers have

in terms of gaining a decent income is the supply-managed area, Mr. Chairman. They would, in fact, by virtue of the comments that they're making, attack that very system and say let everybody into that system. Let's tear it down, because that's the one sure area that we can get into. It's a sure income, and we will have little producers getting in. Let's wreck the system in the hope that some other people can get in.

**MR. CHAIRMAN:** Order please. The Member for Arthur on a point of order.

**MR. J. DOWNEY:** Yes, Mr. Chairman, the opposition did not say any such thing that this Minister of Agriculture is just putting on the record. That is absolutely untrue.

**MR. CHAIRMAN:** I thank the member for that clarification.

The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, how can one deduct anything else from the honourable member's comments? Mr. Chairman, when you have a supply-managed commodity, you do, and by virtue of that agreement, guarantee producers an income. You, by virtue of that agreement, are bound by the amount of production that any individual province is allowed to produce.

By virtue of the arguments that the honourable member is putting forward, he said let everybody into the industry because there is no room. Let us allow the new producers, the producers who want to milk a few cows, let them all into the industry, Mr. Chairman. What is he really saying? Mr. Chairman, what he's saying is that when this province overproduces, they pay a \$4 per kilogram penalty on cream. Is that what he's advocating so we have overproduction in terms of the quota? Then what do we do? We wreck the very system that provides a stable income that we're talking about. That is what he's advocating, Mr. Chairman. That's the kind of Tory policy. He is advocating it in cream and milk, Mr. Chairman; he's advocating it in eggs; he's advocating it in chickens. That's the very essence of the Tory policy. When you have a weak position, you try and appeal. You try and make your arguments appeal to the broadest majority who are looking on the sidelines and looking in and saying, why can't I get in?

Mr. Chairman, let's look at the egg situation. What happened in the late '60s, Mr. Chairman? The egg industry, most producers producing eggs were going bankrupt. Most producers were going out of business. Mr. Chairman, why did producers and government allow the industry to be organized? Because the industry was bankrupt. Producers were leaving the industry.

Mr. Chairman, now that the industry is organized and producers in the industry are having a guaranteed income, now we have the Conservative policy saying we'll allow a whole host of producers into the industry so that, in fact, let's allow production to go to unlimited heights. Is that what they're advocating, Mr. Chairman? To wreck the very system and basically end the one sure basis of income that producers have, and that is the supply-managed commodities.

Mr. Chairman, that is a very weak area of the honourable members when they should be dealing with

the farm problems that are far, far, more immense, much more immense, the interest rates, the hardships that farmers face. Mr. Chairman, they are dealing with the one sure area that producers have and that is a steady income from supply-managed commodities.

**MR. CHAIRMAN:** The Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Chairman.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please, order please.

**MR. A. DRIEDGER:** Mr. Chairman, I have been waiting for this opportunity for a long time. I have a criticism to make of our critic of Agriculture to some degree, because my criticism would be that he's been too kind to the Minister of Agriculture, because this Minister of Agriculture has been the most inconsistent, head-in-the-sand type of approach that I've ever seen when it comes to the aspect of supply management and marketing boards.

I want to illustrate exactly what I mean by that, because this Minister doesn't know what he's talking about. He is working on the basis of a knee-jerk reaction. When the pressure comes, he moves this way; when the pressure comes that way, he moves that way.

Mr. Chairman, just a little while ago, we dealt with the problem of the cream shippers with the aspect of the transfer of quota within the cream-shipping industry. This Minister indicated to this House, right in this House, he said that is the problem of the Milk Producers' Marketing Board. They made a policy and he would not interfere with that.

But what has happened is prior to that this Minister interfered in the fluid milk quotas and had the Manitoba Marketing Council send out the directive that there was no more transfer of quota unless the total operation was sold. Now, there's the first inconsistency. He said, with the cream shippers, he was not going to get involved. Still when it came to the fluid shippers, he influenced the Manitoba Marketing Council to bring down a directive so there was no more transfer of quotas unless the total operation was sold. What bothers me is exactly that kind of approach. He goes whichever way the wind blows.

The other thing is that he has had representation by the milk producers of Manitoba. There are over 1,200 of them, and over 90 percent of them have made representation to this Minister asking him to change his position to allow partial transfer of quota or transfer of cows and quota. The Minister has met with them. He has been giving them all kinds of stories. Right now, I can tell this Minister that every one of those shippers are very unhappy with him, waiting only because they know that this Minister is not going to change his position.

He's come forward and suggested - the Manitoba Milk Producers' Marketing Board forwarded a presentation to this Minister indicating what they would like to see happen which is very similar to what happens in other provinces, which allows for value on quota and trade-up quota on that basis . . .

**HON. B. URUSKI:** Do you want to do that?

**MR. A. DRIEDGER:** Yes, I have no objection to that. The Manitoba Milk Producers' Marketing Board have a formula that they presented to this Minister that he's thrown out the window. This Minister has indicated that he wants to set up another board that is then going to adjudicate to some degree quotas. If somebody gets out of the business, this board . . .

**HON. B. URUSKI:** Where did you hear that?

**MR. A. DRIEDGER:** The Minister says where did you hear that? If the Minister wants, I can bring representation in that met with him where he indicated what his position was, so don't give me this bull.

This Minister has not been forthright or honest with the milk producers nor with this House, because he is sliding whichever way it suits his fancy. The proposals that he is giving to the Manitoba Milk Producers' Marketing Board and to the Manitoba DHAA members is inconsistent, very inconsistent, and it bothers me. It's going to come to haunt this Minister.

I want to come back to the dairy industry but, first of all, I want to get — (Interjection) — careful, he says. This is interesting. On May 12th, this Minister through Order-in-Council passed a regulation establishing the Manitoba Broiler Hatching Egg Commission which is another new supply management board. The members involved in there did not get notified until the 13th, saying that it was effective as of May 12th. What I want to ask this Minister, and I have a series of questions. I hope there are responses coming to that, because I want to follow this through.

There are approximately 30 producers in the hatching egg business, plus six hatcheries. Now this Minister by Order-in-Council established a supply management board. He indicated when we raised the question the other day that the members had all been notified, and they were notified in November and if they didn't respond, whatever the case may be, without having a vote or checking to see what the majority of the people wanted, he passed that Order-in-Council, and I have that Order-in-Council here where he establishes the commission. That's why I raise the question, if the majority of the producers don't want it, can they get out of it?

The Minister indicated to me there are ways of getting out of it, but my question to the Minister is, why did you establish that board to begin with when you didn't know whether the majority of producers wanted it because they're meeting on a regular basis now and they're unhappy? A few individuals wanted it. He established a board and that is why I want to follow this through. What are the steps that are required to have the Manitoba Broiler Hatching Egg Commission dissolve that board? I wonder if the Minister could indicate because we're talking about 36 producers involved, that's including the hatcheries. I think there are 30 people who are in the production end of it, plus six hatcheries.

For this small group, this Minister on his own initiative, with a promotion of a few people, established this Supply Management Board and now these people are unhappy. The majority of them didn't realize they were even getting into it.

My question is, and the Minister indicated if the majority of them do not want it, that they can . . .

**A MEMBER:** Are they?

**MR. A. DRIEDGER:** Well, are they? Shut up. Now, why didn't you listen to them to begin with because one letter was written and this is serious? — (Interjection) — Well, the Minister laughs and makes light of it, but the majority of these people are not in favour of it, but I'm asking — (Interjection) — the Minister, can these people vote on it? I have a question. Will the Minister indicate to me - I'll sit down if he'll answer because I have a series of questions to follow up on this - are these producers allowed to vote on whether they want this supply management board or not?

**HON. B. URUSKI:** Mr. Chairman, I'll answer the question that the honourable member posed to me about whether producers can in fact have a vote. Mr. Chairman, the honourable member should be aware that of the producers, breeder flock producers and hatcheries early this year the two entities harmoniously agreed to seek a joint commission to effectively regulate the supply of broiler hatching eggs.

Mr. Chairman, the Marketing Council wrote a letter after having representations made by producers and the hatchery men - and we have a resolution from the Hatchery Association which supports the establishment of a Broiling Hatching Egg Commission - and the producers themselves.

Prior to establishing the plant, the Manitoba Marketing Council wrote to every producer, sending them a copy of the plan and asking them for their comments if they had any concerns. Mr. Chairman, there was not one letter - not one letter - received by the council raising objections to the proposed commission. — (Interjection) — That was the basis of putting in the commission.

Mr. Chairman, the honourable member wants to know about forcing somebody and some commission down somebody's throat. Mr. Chairman, if producers wish to vote against this and say, we don't agree with this, they have every right to do so. If the majority of producers want to vote this commission out, they have every right to do so.

Mr. Chairman, I want to remind the honourable member it was his administration - the Honourable Member for Arthur talked about George Hutton - it was George Hutton who established the Vegetable Marketing Commission in this province with compulsory marketing powers over a negative vote of producers — (Interjection) — Oh, Mr. Chairman, the honourable member doesn't know his history. Sam Uskiw was a producer on the other side of the question, Mr. Chairman.

**MR. CHAIRMAN:** Order please. The Member for Arthur on a point of order.

**MR. J. DOWNEY:** Mr. Chairman, the Minister made reference to some resolutions and that type of thing. Is he prepared to table that documentation that he had there?

**HON. B. URUSKI:** Mr. Chairman, sure, every producer received this letter. In fact, we'll have a copy of it and give it to the honourable member, the letter that went

to producers. We'll get a copy of the letter that we sent to producers. This isn't the letter to the producer, Mr. Chairman.

**MR. CHAIRMAN:** Order please. The Member for Arthur on a point of order.

**MR. J. DOWNEY:** Yes, Mr. Chairman. Again the Minister is making reference to documentation which he has there which he is not prepared to table. We had the same thing, Mr. Chairman, when the First Minister was asked to table the Minutes of the Manitoba Marketing Council. He went and got a special set from some place.

Mr. Chairman, I think it has been precedent in this House when reference has been made to papers, documents in committee or in the Legislature, that they are in fact tabled. That's been the tradition of this Assembly.

**HON. B. URUSKI:** Mr. Chairman, I will be pleased to table it, but let it be known that this letter is not a provincial document. It was a joint letter from the breeder flock producers and hatcheries on behalf of Canada Packers writing to the Manitoba Natural Products Marketing Council, Mr. Chairman, so let the record be clear. I'm prepared to table the letter that we sent to producers.

Mr. Chairman, I was using this as a reference to one of the discussions. The honourable member shakes his head. I don't mind tabling this piece of correspondence because the honourable member is nonsensical in terms of the suggestion that he's making. So, Mr. Chairman, 35 producers and 12 hatcheries were canvassed; that's who's involved in this association. There were no rejections, Mr. Chairman. The one hatchery member had some concerns and did telephone the commission. Once the items were clarified then we have not heard from the gentleman since. In fact, had he still had concerns, there was ample opportunity provided in terms of the time frame of the plan that was sent out for anyone to raise their objections.

Mr. Chairman, I want to raise something that the honourable member talked about dealing with the Milk Marketing Board and the Dairy Herd Improvement Association. Mr. Chairman, I just want the honourable member to be very clear when he talked about the kind of commission of what I was intending to set up. I want the honourable member to be aware that when I met with the Dairy Herd Improvement Association, it was at their request, their petition to me that they wanted to be involved in dairy policy in this province.

Mr. Chairman, when we discussed the proposals that I have briefly outlined, the retirement fund for producers, I threw out the suggestion that if they wanted a different mechanism - and I wanted their views - it was a suggestion that if they wanted a separate committee of board and producers to operate a quota system, that's certainly something that they could look at and discuss.

Mr. Chairman, let the honourable member not attempt to put some suggestions that some new system was being advocated in terms of some commission or something like that. It may be, Mr. Chairman, the honourable member would like to see that and let him put it on the record. I mean he did say, Mr. Chairman,

and I quote, on May 23rd he said, "That is the thing that I'm trying to illustrate to this Minister. Regardless of what the system is, if the system isn't good then change the darn system, get involved in it. Don't say, well, my hands are tied. We have the Milk Producers' Marketing Board, change the darn thing, because what I'm going to do the Minister doesn't want to, what I'm going to do is tell all these people, and I hope the people out there become aware, they'll phone this Minister of Agriculture and ask him why he is not doing something about it."

Mr. Chairman, that's basically what the honourable member said: change the system. So, Mr. Chairman, is that what he is advocating in terms of the milk system? Does he want to get rid of the board? Is that what he is talking about?

**MR. A. DRIEDGER:** Mr. Chairman, I want to get back to the dairy industry here for a while, and we will probably be spending a lot of time discussing that.

My question to the Minister was that under the Manitoba Broiler Hatching Egg Commission that the majority of the producers, whether he will allow them to have a vote and, if the majority are opposed to it, whether he will then scrap that commission?

**HON. B. URUSKI:** Mr. Chairman, obviously, the producers, if they wanted a vote, they would raise this matter. If they were all concerned, they would raise this matter formally and the council would have to consider that in terms of the objections.

But, Mr. Chairman, I want to tell the honourable member again that there was not one letter of negativity to this proposal which was sent to them. I believe that the producers had at least one month or longer in which to consider the plan that was being proposed by their association, and we didn't have one letter to the negative.

**MR. A. DRIEDGER:** Well, Mr. Chairman, you know, I think that's sort of a sneaky way that the Minister is saying, well, they didn't object to it, so we put it in. That's why I am asking you, because many people did not respond. They didn't anticipate, maybe didn't realize what was happening. That is why I am asking this Minister: will he allow the approximately 40 people to have a vote on the matter and, if the majority are - well, the Minister isn't listening, and I want to ask very clearly. Will he allow them to vote, and if the majority of these approximately 40 people vote against it will he then disband this commission?

**HON. B. URUSKI:** Mr. Chairman, it will be up to producers. I won't deal in the hypothetical, it will be up to producers to raise the question. If the majority of producers do not want the association, Mr. Chairman, they certainly can vote it out.

**MR. A. DRIEDGER:** That is fine, can the Minister then just detail a little bit for me how they would go about this thing to get this kind of a vote? Do they have to request the Manitoba Marketing Council to have a vote of these producers?

Now the other question that I want to raise with the Minister is that there are approximately 10 producers,



with their religious background, that never vote on anything. Like when I am talking of people that are going to be voting, is it going to be the majority of the people that vote yes or no that will establish this? Can the Minister outline how this group can deal with this thing? Can the Minister indicate how they would go about requesting a vote? Do they have to request the Manitoba Marketing Council for a vote? Do they have to all write in to get this vote, or how would they go about getting this vote?

**HON. B. URUSKI:** Mr. Chairman, yes, they would have to request a vote to the Manitoba Marketing Council.

**MR. A. DRIEDGER:** Who?

**HON. B. URUSKI:** At least 10 percent of the producers who are in the commission would have to request that vote.

**MR. A. DRIEDGER:** Thank you, Mr. Chairman, now we are getting somewhere. So 10 percent of the approximately 40 producers request the Manitoba Marketing Council that a vote be held on this, and a vote will be held.

Can the Minister further explain that if half of those people, if the majority that vote are opposed, then the commission will be disbanded? Will that be the procedure?

**HON. B. URUSKI:** Mr. Chairman, if more than one-half of the registered producers vote in opposition to this commission it will then be disbanded.

**MR. A. DRIEDGER:** Mr. Chairman, that's where part of the problem comes in, when out of these approximately 40 producers you have 10 that will never vote on anything. Is this taken into consideration? If they don't vote, does it mean it is a yes vote, or a no vote?

**HON. B. URUSKI:** Mr. Chairman, I will ask the honourable member if those people who don't vote in his riding, whether their votes are counted.

**MR. A. DRIEDGER:** I ask a very simple question. If these people who, because of religious reasons, do not vote at any given time, if they do not vote in a referendum of this nature, does it count as a yes vote, or a no vote?

**HON. B. URUSKI:** Mr. Chairman, if those people who didn't vote in his riding had their votes counted against him, would he have gotten elected?

**MR. A. DRIEDGER:** Damn it, Mr. Chairman, you know . . .

**MR. CHAIRMAN:** Order please, order please. I must admonish the member for using that sort of language in the House. I would ask him to withdraw that.  
The Member for Emerson.

**MR. A. DRIEDGER:** Mr. Chairman, this Minister is not being honest with me, he is being a hypocrite about

this thing and I am getting very upset with the matter. All I am asking, and I am asking him very straightforward, those people who do not vote, is it a yes vote, or a no vote.

**MR. CHAIRMAN:** Order please, order please. Order please. I would like to request that the member withdraw his unparliamentary language.

The Member for Emerson.

**MR. A. DRIEDGER:** Mr. Chairman, I will withdraw my unparliamentary remarks.

I still want to repeat my question to the Minister who is putting his head in the sand and is trying to be cute about the issue, and it's going to come back to haunt you, Mr. Minister, because you are playing games with some people's lives here. I am asking you a very simple question. You are being cute about it and saying, well, if they didn't vote for him, they didn't vote for or against me. I am asking you if those people who, for religious reasons, do not vote, does that mean a yes vote, or a no vote in the referendum?

**HON. B. URUSKI:** Mr. Chairman, those people who do not vote, their vote will not be counted. I was very clear when I answered the question to the honourable member. More than one-half of the registered producers have to vote in the negative for the plan not to be successful.

Mr. Chairman, the honourable member speaks about someone playing with someone's lives. The very issue that he is raising, Mr. Chairman, in fact is playing with people's lives. The producers of broiler hatching eggs agreed through commission on their own; they didn't even want to have any referendum at all, Mr. Chairman. We asked that at least every producer be written and the plan sent to them and ask for their comments or their concerns. If there were any concerns, Mr. Chairman, council would have, in fact, conducted a vote of registered producers; there was no concern. The honourable member, Mr. Chairman, is grasping at straws.

**MR. A. DRIEDGER:** Well, Mr. Chairman, here again I show it exactly. The council wrote a letter; if they did not respond, they assumed they were in favour. That's being naive; this is going to come back to haunt the Minister.

But he is on record indicating that if 10 percent of the registered producers are going to request a vote, a vote will be taken; and if a majority of the producers request a change, that a change will take place. Now that we have established that aspect of it, I want to get back to the Manitoba Milk Producers' Marketing Board.

Can the Minister indicate when he last met with the Manitoba Milk Producers' Marketing Board, and whether the Manitoba Milk Producers' Marketing Board make a proposal to him in terms of how they viewed that transfer of quota should take place?

**HON. B. URUSKI:** Mr. Chairman, the last formal meeting that I have had with the board was in the latter part of January of this year. The proposal that the honourable member speaks of has been around for two years, Mr. Chairman.

**MR. A. DRIEDGER:** Well, Mr. Chairman, can I ask the Minister then why, when over 90 percent of the fluid milk producers support that kind of a proposal, he refused to deal with that?

**HON. B. URUSKI:** Mr. Chairman, I think that had the Honourable Member for Arthur, along with the letter that I sent to milk producers dated April 12th, also tabled the copy of an article that was written in the Co-operator quoting the Minister of Agriculture from the Province of Ontario, Mr. Andrews, wherein he raised the very essence of the problem that quota values have on existing producers but precisely those next generation producers. And I'll go from memory, I believe that he raised the concern, as a result of a study done by the University of Guelph for their department, which indicated that the next generation of milk producers in that province would have to capitalize quota values to the tune of .25 million, just for quota. If that's the policy that the honourable member is advocating, let him stand up and say so on behalf of the Conservative Party.

**MR. A. DRIEDGER:** Well, Mr. Chairman, this Minister has been avoiding the issue. He's refusing to listen to the Manitoba Milk Producers of Manitoba, for over 90 percent of them have asked him and requested that they be allowed to be value on quota. That would not be reflected in the cost of production formula, and this Minister's got a closed mind and the dairy producers have basically given up on him. Seven provinces in Canada allow value on quota and transfer of quota. What this Minister has done, he's effectively shut down the transfer of an individual; for example, an older farmer who wants to get out of the business, wants to retain his farmhouse and his farmland and get out of the active business of dairy farming, he cannot transfer, he cannot sell his cows in quota. Because this Minister has got his blinders on and what this Minister is trying to establish is a politically-appointed board that is going to adjudicate the allocation of quotas, and that's what it's all about. That's what the dairy farmers out there believe.

This Minister is not listening to the Manitoba milk producers; he's not listening to them, because they have a very sensible approach. It works in other provinces and when it comes to labour statistics and job statistics, this government runs around and says this province is doing this; we do better than this province.

This is only the province that is not allowing transfer of quota unless you buy the whole farm operation. And this Minister's being stupid, naive, and I think he is that, too; he's being naive when he thinks there's no value on quotas. If any broiler operator sells his operation and there's supposed to be no value on quotas, and I want to be very honest, I think that even when we were government we should have corrected that situation, because people were asked to sign documents saying we agree there is no value on quota when this Minister and everybody else knew, including the Marketing Council, the Milk Producers' Marketing Board, everybody knew there was value on quota. There was value on quota and we all know that. — (Interjections) — Mr. Chairman, I have no problem with

that at all. Anybody that's that naive and stupid that thinks that this wasn't happening is a fool and I think that this Minister is a fool if he thinks that this has not happened.

Because if he's going to sell his turkey operation, he's going to have value on there. Based on the bonds that he has, if there is no quota, there is nothing to sell and nobody would buy it. So how stupid can you get? We have to address the problem and this Minister is using - I don't know what kind of rationale he's using. He, himself, is involved in that kind of situation and knows full well, so why don't we address the problem and allow a realistic value on quota for transfer quota? — (Interjection) — I've talked to him about it too, and I was very honest when I said — (Interjection) — laugh if you like. I've raised that issue then. But what happened? The system worked, but you have stopped the total system now and don't know how to deal with it, because you've got your blinders on and you refuse to listen to the producers. Over 90 percent of them have made suggestions to you and you put your head in the sand and don't listen to them, and that is what the problem is.

It's going to come back to haunt this Minister and I would like this Minister to table or to tell us here in this Legislature exactly what he has in mind in terms of transfer of quota, in terms of somebody who wants to retire, that wants to retain his land and doesn't want to sell his total operation. I want this Minister to tell us now on the record how he views the transfer of quota should take place, of somebody who does not want to sell his farm, just wants to sell his cows and quota.

**HON. B. URUSKI:** Mr. Chairman, I'm glad that the honourable member agrees with the comments that I made in the letter to producers . . .

**MR. A. DRIEDGER:** With you, I have agreed nothing.

**HON. B. URUSKI:** . . . following the statement from the Minutes where the Minister indicated that he expected the Manitoba Marketing Board to make recommendations to him, an appropriate market share quota transfer policy.

Mr. Chairman, the reasons for allowing the Milk Board to implement a policy of transferring quotas with cows at that time were obvious. The continued decline in the number of dairy producers, quotas were readily available from the Milk Board and there was no waiting list of producers wanting to receive quotas. This system remained in place for many years, but as milk quota became more difficult to obtain, and as the waiting list grew quotas took on significant values.

Anyone who has recently attempted to purchase dairy cows with quota will find that asking prices have reached \$2,500 per cow, or in some cases simply \$200 per litre without the cow. Basically, Mr. Chairman, the Honourable Member for Emerson confirmed what I had said in a letter. He's in agreement with my letter, even though his colleague may disagree with it.

I'll go on, Mr. Chairman. It is true that quota exchange systems are being operated in other provinces. When the quota exchange system was first introduced in Ontario, in January of 1980, the price of a litre of milk

from the Group 1 Pool was \$60; today, the same litre now costs the producer \$250.05 per litre. In British Columbia, the prices being quoted there are in excess of \$400 per litre. Is this really what dairy producers want? Before deciding, I would suggest that you read the article and the article that I quoted was in the March 14, 1985, edition of the Manitoba Co-operator entitled "Ontario Ag Minister Aims for Lower Quota Prices." In that article, Mr. Chairman, as I indicated to the honourable member, quota value in Ontario has reached the height for dairy producers, \$250,000 for the quota alone; never mind the assets; never mind the cows; never mind the land or any of the assets that go into the farm. Is that the kind of system the honourable member is advocating for the future?

Here, Mr. Chairman, I'll read for the honourable member. Last fall, Dr. Elmer Menzies, Director of the School of Agriculture of Economics and Extension, estimated that it cost \$750,000 to buy the quota for a family-sized egg farm; \$600,000 for chickens; \$570,000 for turkeys; and \$250,000 for fluid milk. Mr. Chairman, what the Honourable Member for Emerson is advocating really falls into line with the federal Tory policy on capital gains. We'll help you and we'll allow you to have great wealth when you leave the industry, Mr. Chairman, whether it be in capital gains, or whether it be in quota values, great for you to retire, get out of the industry. We'll help you get out but, heaven forbid, to those who are in the industry. You pay for it; you don't make a decent living, because you're going to have to pay through the nose for the quota that you're going to have to buy.

Is that the kind of policy he's advocating and his colleagues are advocating on that side, Mr. Chairman? We'll ease you out of the industry, you'll do well; but for those who stay in the industry, poverty, Mr. Chairman. That is the kind of policy that the Conservatives are advocating. Poverty for those who are in the industry, bankruptcy for those who are in the industry, Mr. Chairman, and okay for those who are getting out. We'll help you get out. Is that what he's advocating?

**MR. A. DRIEDGER:** Mr. Chairman, if I was the Minister responsible, I would answer those questions. I ask the Minister how he's advocating that transfer of quota take place between producers? If a young producer wants to expand his herd, how does he do it? He can't afford to take and buy a total farm operation, all he wants is more quota. If somebody wants out of the dairy industry, how does he get out of it?

I asked the Minister whether he could tell us what he proposes, and he goes on a tirade of all kinds of b.s.

**HON. B. URUSKI:** Mr. Chairman, I did.

**MR. A. DRIEDGER:** You didn't. The Minister says he did, he did not tell me what he is advocating in terms of how this should take place.

**HON. B. URUSKI:** Mr. Chairman, I ask the honourable member to read Hansard. I did, maybe he wasn't listening. For the honourable member, we did put a proposal to dairy producers which we were prepared to look. In fact, I used the analogy that was put forward

by the Egg Board previously when the Honourable Member for Morris sat on the Marketing Council. There is a difference between the two proposals in that the board would not sell the quota to producers; they would allocate it on an as need be basis.

There are some variations of that. The principle I put out, it's a retirement policy for producers wishing to get out of the industry, and the quota be allocated to those in need in terms of having the list, continue the list and work through the list, and only keep a front for the purchase of the quota, as much quota as there is to be retired, because you don't need a continuous fund if there is no quota being given up.

Obviously, the producers in his area, where the average age is 33, who's going to get out of the industry? So there is no need to build up the fund, because no one will be giving up any quota, Mr. Chairman. As well, if there are, from other regions, producers who wish to retire, they will be able to fund, and the rest of the industry will be able to fund, a retirement fund for those producers. That's really the kind of proposal I put forward. I'm sorry that the honourable member wasn't listening when I did.

It allows for the retirement of producers, but does not capitalize. For those producers who get the quota there is no capital investment on them. The industry supports a retirement fund for those producers who want out. Mr. Chairman, the industry who needs the quota will be the ones that will benefit, and there will be no long-term capitalization, and allow the intergenerational transfer on the basis of no capitalization of quota. That's the kind of proposal we've put forward to the producers.

**MR. A. DRIEDGER:** The Minister is indicating that he has put this proposal forward, this business of capitalization on the quota. Did the Minister indicate that he had put this proposal forward to this House here? Well, Mr. Chairman, is the Minister indicating that I missed the point where he said how he proposed that this take place, that the quota, if somebody wants to get out of it, that there can be a retirement out of it? Has he told this House exactly how he proposes to operate that, or has he told some of the producers? I ask my colleagues, did you hear the Minister indicate his proposal?

I can't recall that he put that proposal forward to this House. I wonder if he could indicate how somebody can retire out of that, and exactly how this vision that he has works. I wonder if he could maybe put it on the record here.

**HON. B. URUSKI:** Mr. Chairman, the Dairy Herd Improvement Association and the Milk Marketing Board are aware and have received . . .

**MR. A. DRIEDGER:** I want to be aware here, on the record.

**HON. B. URUSKI:** Mr. Chairman, I gave him the broad principles. When I raised it with the producers we did not have a definitive plan, because there are many variations that proposal can take, and it would have to be discussed, should be discussed amongst producers and the board in order to work out what is

most suitable for the board and for the producers, in terms of some variations to that. But the basic concept has been given to producers.

**MR. A. DRIEDGER:** You know, I have difficulty with that. The Minister is not coming forward and telling us exactly what he's proposing. He says that there should be a system in place where somebody who wants to get out of it can retire and get some kind of funding. Do I read him correctly that if somebody wants to get out of it, there is a fund that is going to be paid to the farmer that wants to get out of it, whether he sells his land or not? If he sells his cows with quota he gets some kind of a fund? Is this what the Minister is saying, because the Minister is being evasive, we's not telling us exactly what he has in mind?

**HON. B. URUSKI:** Mr. Chairman, let's understand the situation today in the dairy industry first. The honourable member talks about a quota and quota exchange. When we discuss the whole issue of where will this so-called quota come from that producers need and require to make their expansions. Mr. Chairman, there are only two areas: (1) if there's an increase in national market share, which we are on a 2 percent cutback today, Mr. Chairman, so that's not coming. So the only other area is from producers who wish out of the industry.

How do we encourage those producers to get out of the industry, Mr. Chairman? One option that we've used is that there be a levy amongst producers to buy up quota. It has been purchased before and acknowledged by those \$2,500 cows that the honourable member admitted, and so do we, a system that was never policed. Buy up that quota and allocate it to those producers who need it. There would have to be a list established - I'm recognizing there would have to be a list. It would be a small levy, it would not be the kind of a levy that would demand itself if, in fact, you were paying \$200, \$250 or \$400-a-litre that individual producers would be eligible. Once that quota that's out there, from producers who want to retire, was finished no longer would the levy be required.

**MR. A. DRIEDGER:** Cute, okay I like this. Now we're getting somewhere. So what the Minister is telling me, if somebody wants to get out of the dairy industry, first of all, according to his plan, every producer is going to start paying a levy that goes into a pot. Who is going to adjudicate the pot? We haven't established that either. There is going to be a list, and I don't know how that list is going to be established, whether it's on a first-come, first-served basis, or what the priorities would be in terms of establishing the list.

**HON. B. URUSKI:** What kind of list is there now?

**MR. A. DRIEDGER:** Just a minute. Let's suppose that a new shipper wants to get into the business and he applies to this phantom board that we don't know who it's going to be, whatever the case may be; applies for quota and he gets quota for free, I assume, because there is not going to be any value on quota. So this individual sets up an operation and, five years down the line, he wants to get out of the dairy business again. At that stage of the game, this board is going to buy

up his quota. There is going to be a windfall on that. You know, that's the fallacy and the stupidity of the system that the Minister is presenting to us, because I've had meetings all weekend with the dairy producers and that is their perception, that this Minister is going to set up a phantom board; he's going to levy on all producers, and these producers, if somebody gets out of it, the man who is retiring out of the business is going to be capitalizing on his quota to make sure that it's got any credit he can get out of the system.

We'll give it to somebody else, a new shipper, and this new shipper, by whatever means, he gets on the list, gets the quota; five years down the line he wants out . . .

**HON. B. URUSKI:** He can't sell it anymore because he's got it for nothing; right?

**MR. A. DRIEDGER:** Oh, but then who will qualify to get this kind of quota when we're levying on everybody? If this man pays the levy on there, he has the same entitlement as the man that's been farming 10 years or 15 years. There are so many loopholes in this and the dairy people see this, except the Minister doesn't see the fallacy and the stupidity of what he's doing. This is what I'm trying to illustrate, Mr. Chairman, is that this Minister does not know how he's dealing with the issue and much better that he go back to the Milk Producers' Marketing Board, accept their recommendations and implement a system where there is value on quota. I have no difficulty with that because two farmers, one buying, one selling and a banker involved who is borrowing the money, if there is money to be borrowed, will establish a value that is realistic. The government certainly should not be the individual getting in there and trying to start levying on people and you know, more games are going to be played. — (Interjection) — I'm talking as a dairy farmer and I'm talking on behalf of the dairy. — (Interjection) — Mr. Chairman, the Minister is in a box.

**MR. CHAIRMAN:** Order please, order please.

**MR. A. DRIEDGER:** Mr. Chairman, the Minister is caught in a box. He's caught in his own stupid development of a program that is not acceptable and all I'm suggesting to him is that I speak on behalf of the dairy farmers of Manitoba right now. I speak on behalf of the dairy farmers of Manitoba because I've met with them and if this Minister was listening to the chairman of the Manitoba Milk Producers' Marketing Board, his board, then he would be changing his views on the matter, but he has not been listening to them. They have good proposals for the program and he closes his mind to that and that is why, Mr. Chairman, people from the Manitoba Dairy Association, the Dairy Herd Improvement Association, that is why there has been many delegations.

By words of his own admission, he said that he's had more meetings with these people than any other commodity group and he is not listening and he's trying to challenge them in a different direction. I just illustrated to him the stupidity and the policy of the program that he is envisioning in his mind. Why doesn't he go to the other provinces and ask how the system

is working? It's working relatively well. Who is complaining about this system? But this is the one time he wants to follow his own ideology, somewhere along the line - I don't know where he gets it from - and is trying to implement and impose on the dairy producers of Manitoba a system that is not acceptable to them. This Minister will have to do the same thing where in the cream industry he indicated and said, "No, it's up to the board, I will have no involvement."

Well, the board resolved it, no thanks to this Minister, but this Minister is not consistent with what he's doing. He's got a great big ideological hangup about the fact that somebody could maybe capitalize on some money, or quota, and the Minister being in supply management himself should be realistic about the fact that there is value.

How can you sell a dairy barn if you don't have cows and quota to go with it because you can't ship? How can you have a broiler barn without a quota that you can ship broilers or egg industry, the same thing? Get your head out of the sand, Mr. Minister, you're out to lynch on this thing. Why don't you go and listen to the producers?

I believe in supply management, I personally believe that we should have it in the hog industry as well as in the beef industry. I have no difficulty with that because, as long as we promote, Mr. Chairman, the idea of chief food supply where less than 18 cents of our earned dollar goes for food, I believe that we have to have supply management in the agricultural community. To me it makes sense.

I have operated under this system for 17 years as a dairy man myself and this Minister is not listening. He doesn't want to listen and it's going to come back to hurt him and it is going to haunt you because the producers know what they want. They made their proposals to you and then he takes off on a tangent, like I said before, with the Manitoba Broiler Hatching Egg Commission.

On the one hand he runs with a few producers and on the other hand where over 90 percent of the dairy people want something different, he goes against the grain of it.

Mr. Chairman, I am frustrated and so are the producers. They are frustrated with this Minister and all they're asking is, when is the next election because they are hoping that there will be a change and I am committed to making a change when we form government.

**HON. B. URUSKI:** Mr. Chairman, I'm wondering who is speaking for the Conservative Party on this issue. It appears that the Honourable Member for Emerson is speaking on this issue for the Conservative Party, if I don't hear any other members get up on their side.

Mr. Chairman, what the honourable member appears to be advocating is very much in parallel to his Federal Minister of Finance when it comes to dairy policy. Obviously, Mr. Chairman, there must be a lot of money to be made in the dairy industry if producers can afford to pay the kind of prices for quota that the Honourable Member for Emerson is advocating. Taking that logic another step with high profits in the dairy industry that he said that producers can afford to pay by buying and selling that quota, he falls into line with his Federal

Minister of Finance who says, there is no more need for dairy subsidy because in the latest budget, in terms of the agricultural cuts that will occur, clearly the dairy industry is line and centre in terms of cuts and moving towards a market economy. Obviously, his line is very much parallel to that of Michael Wilson, Mr. Chairman. No more subsidies for the dairy industry from the Federal Government.

Is that the kind of policy they want, Mr. Chairman? Sell your quotas because there is high value on quotas and there must be a lot of money made in it so we'll cut the subsidy to the dairy industry, Mr. Chairman. If that's what he's subscribing to, Mr. Chairman, I think somebody on the Tory side either better speak up or it'll be very clear to me who speaks for the Conservative Party on agricultural policy of the value for quotas, Mr. Chairman. I want to hear honourable members get up and speak to say, "Yes, we agree with his line on value for quotas." Obviously the honourable member speaks for the party. I'm very pleased to hear that.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman. It's very interesting to hear the Minister of Agriculture flail and try and make all kinds of comments about who speaks for the Conservative Party.

Mr. Chairman, let there be no mistake that the Progressive Conservative Caucus talk to the producers of agricultural commodities. My colleagues represent agricultural communities and they are not muzzled when it comes to speaking in committee, Mr. Chairman. I have no difficulty in giving credit to the Member for Emerson that it was pressure from him that the milk control system was changed and we worked out a policy which now is working very well, Mr. Chairman. I am not prepared to throw a muzzle over my colleague for Emerson. He has a tremendous amount of dairy producers and he's quite free to put on the record how he feels and how they feel.

What it is, Mr. Chairman, is the frustration of the dairy farmers of his region, of the region of all us producers, coming out in this committee because of lack of action by this Minister of Agriculture. That's what it is, Mr. Chairman. It's frustration by the members of the Progressive Conservative Caucus representing dairy farmers in their areas who are dumping cream on the ground, who are not able to transfer milk quota, and yes, Mr. Chairman, they aren't muzzled and have the opportunity to put it on the record as you've heard here tonight.

Mr. Chairman, I'll tell you what the line is right now, the official line as far as we are concerned. We have asked for the calling of the agriculture committee. Yes, Mr. Chairman. We have asked for the calling of the agriculture committee so that the dairy industry can come and put the same kind of evidence on the record as was on here tonight. They are extremely frustrated, Mr. Chairman. And what has happened, Mr. Chairman?

During our term of office, and I think the Member for Emerson also saw a time when there was a previous NDP Government come in and with a stroke of a pen say there was no value on quota, totally removed any quota value by the stroke of a pen. Yes, there were people who had bank loans of \$30, \$40, \$50,000 for

quota, Mr. Chairman, and with the stroke of a pen there were people put in a very difficult position. It didn't happen through consultation, Mr. Chairman, it didn't happen. It happened through dictatorship of a socialist government. That's what we had under the NDP; that's what we have again under the NDP. It's lack of a feeling and an understanding for the farm community as we have seen put on the record here tonight, Mr. Chairman. Yes, Mr. Chairman, we saw under a New Democratic Party the stroke of a pen remove the value.

Mr. Chairman, let us go back to our years in office. No, there wasn't the value on quota, there wasn't the major demand to get into dairy producing.

**A MEMBER:** You're kidding?

**MR. J. DOWNEY:** No, I am not kidding; that's precisely as it was. We had open quota on cream producers. We had flexibility in the transfer of milk quota. Yes, Mr. Chairman, my colleague says there was value on quota. How much value? That's the question. I suppose you might say it could have been \$1, \$2, Mr. Chairman, but not a significant amount. In fact, I would have had to say there was really no value because the way in which he is . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. J. DOWNEY:** If the members would take the time to listen, really what we have heard is, that if you have a dairy cow and you haven't got the quota, then what good is the dairy cow because you can't sell the milk? That's really where the value comes because you really can't sell the milk unless you've got quota. That's the kind of value that he was talking about. The kind of value that we are now seeing talked about is really trading as a commodity. It wasn't during our term of office, Mr. Chairman.

The Minister openly admits that we have seen trouble in this area for the last three-and-a-half years ever since he has been in government. If it's in fact been coming on for the last three-and-a-half years in his time of ministry, why has he waited until the eleventh hour, Mr. Chairman, to deal with it - that's the question - deal with the quota value that he is talking about? Yes, he waited till the eleventh hour. He admitted by his own words that he saw the problem as much as three-and-a-half years ago. But his ineptness, his inability to have any vision or foresight really has caused the dairy industry a lot of difficulty.

I'll go back to the letter, Mr. Chairman, that he refers to that I said I didn't actually see anything wrong with it. Well, Mr. Chairman, he makes reference to the fact that he has great reservations that if milk production is to remain a viable enterprise, quota value would place too heavy a burden on producers' costs of production.

Well, Mr. Chairman, as I understand it, there are some jurisdictions that don't calculate it directly into the cost of production. — (Interjection) — No, and he says absolutely not; I hope not. But yet in this letter he is making reference to the fact that it's going to be added to the cost of production. Again, another misleading statement to the dairy industry, not factual at all. Mr. Chairman, in some areas they do not use it in a direct

cost to production. It is not calculated into the cost of production formula as the Minister makes reference to in his letter.

Mr. Chairman, here is another paragraph and this is the board, "Additionally, they wanted a system in which quotas couldn't be bought and sold." He, as the Minister said, I disagreed with that system of achieving the above principles. Well, Mr. Chairman, that is his policy, I guess.

I guess he is now saying there will be no additional quota value even though the pressure on producing milk in the province has gotten to the point where there has been in the last year or two as he is indicating, a value to it, he is not going to acknowledge the fact that it's there. He disagrees with it. But what are his alternatives? What are his options? That's the problem; we haven't heard any options. I know what the producers of the province are saying. My colleague has indicated tonight what his feelings are. He has also indicated what a lot of dairy farmers that are talking to us are saying. That's why, Mr. Chairman, we want the committee called.

The Minister sits there and says we haven't said anything about our position. Mr. Chairman, let there be no mistake of where the Progressive Conservative Party stands on dairy policy. We demonstrated it in our term of office in 1977-81. We made a major change in the pricing of the milk to the producers in the way in which it was established. Let's go through it, yes.

We changed the Milk Control Board to a Milk Prices Review Commission, yes. The dairy producers didn't have to go annually to get an increase in prices, no. That automatically happened if the formula triggered and they got an increase. Yes, Mr. Chairman, that was a major change. We had the consumers, Mr. Chairman, with the opportunity to buy, not above a maximum price, but below that price. It floated freely under the maximum price. Producers get their price set by formula; consumers have a maximum on what they are going to have to pay. What is wrong with that kind of a system?

We are truly on the record, Mr. Chairman, and I stated earlier what the Progressive Conservative policy was of a letter that was tabled in the Legislature. Let there be no mistake what our policy was as of May 23rd.

I said what our policy was as of May 23, 1978. The Minister makes a lot to-do about the board having the right to return to the original policy. What's wrong with that? I mean it didn't matter whether it was in the letter or not. It's a new board under the NDP administration. Regardless of whether that sentence is in there or not, they have the option of reverting back to a policy. I mean it's a policy. It's their job; it's under his administration that it's taking place. We had the right to change the policies of the former NDP Government and we did. Yes, and I make no bones or apologies about it and it was a good change. This government came in and changed the policy which was wrong. — (Interjection) — Yes, changed it back.

Mr. Chairman, he changed it back and he says, "There is no doubt in my mind that the previous system" - he makes reference to the previous system - "was dishonest and forced dairy producers to purchase quota and take possession of cows they did not want." Totally dishonest. But how long did he operate under it? Three years, And then this spring he changed it, Mr. Chairman, back to the NDP philosophy. So he operated it.

He says, and I quote here - this is the letter from him again trying to deceive the dairy producers saying

that our policies were wrong - "There is no doubt in my mind the previous system was dishonest and forced dairy producers to purchase quota and take possession of cows they did not want." He operated it for three years, but he got into a box, you see. He got his back against the wall and then what is he doing? He is saying it's a dishonest system. Even though he worked with them for three years, carried it out, now he has reverted back to the old NDP policy that doesn't work at all. Totally, it puts the frustrations that we saw here tonight, see the frustrations of our dairy industry in this province, Mr. Chairman, so what we are saying is this, let's see the Minister develop a policy to deal with the current times. We are now in the Natural Products Marketing Council Estimates, spending money to continue on with the system.

I have one other area I think it's important to deal with because he makes special reference to the Federal Government and the federal policy on capital gains. If he is so much against allowing capital gains, Mr. Chairman, to be removed, why did he and his government remove the provincial share of capital gains in their 1981 election platform? He can't have it both ways, Mr. Chairman. He can't have it both ways. He is now raising criticism of the Federal Government for allowing farmers to have capital gains. In 1981, they made a big issue about it, Mr. Chairman. He can't have it both ways; makes a lot to-do about capital gains removal at the Federal Government level and yet boasted a lot about his 1981 move.

We didn't oppose that, Mr. Chairman, so don't let him try and again mislead the public. Don't let him try and deviate and squirm around to try and get away from his obligation of policy statements and development for the dairy industry.

Mr. Chairman, we have many many other areas in marketing to deal with. I am not going to take so much exception to the establishment of the Broiler Board by Order-in-Council. I guess that the Minister felt justified in taking such action. Again, we're finding out that it appears as if there was not the kind of support that he indicated that there was out there.

I have a little more of a difficulty though dealing with the egg situation and the fact that we have got several problems facing our current egg producers. I am concerned about it, Mr. Chairman. I am extremely concerned about the egg production and the egg producers in Manitoba who are in the registered program.

They've had to be penalized, Mr. Chairman, for an increase in production. Again, why did we see an increase in production by non-registered producers, Mr. Chairman? Why did we see an increase in non-registered producer production? Because of the tough, economic times under the New Democratic Party, NDP times are tough times. Yes, Mr. Chairman, NDP times are tough times.

So we have seen the increase of unregistered producers from 1981 to 1985 of well over 1,000 unregistered producers. What could they produce under the grandfather clause? They could have 499 hens for egg production. Whether it be Farmer A, B, or Mrs. Farmer or whoever it was, Mr. Chairman, they had the opportunity to go out and produce enough eggs to put some extra cash on the table, bread on the table. Yes, Mr. Chairman, they were producing eggs to help satisfy some of the smaller income needs.

The registered producers - and I have to say I sympathize with them because under the New Democratic Party, again, no vision and no foresight of seeing the difficulty we were running into, Mr. Chairman. Again we saw Manitoba having to cut back and take less of the national supply market. We were being cut back. The producers who were in the registered program said, look, we've got to do something about the unregistered producers because, in fact, it's going to destroy the whole system.

Well, they took action, Mr. Chairman. They took action that was available to them. They brought in the regulation that restricted the non-registered producers to 99 birds. I want to make sure I'm clear. I don't want to misrepresent the situation. If you were going to be a new producer, then you were restricted to 99 birds. If you had traditionally had 499, you could continue on in doing so.

What did the Minister do? He didn't come forward and be straight honest and straightforward with the public, Mr. Chairman, and say we've got a problem with our egg production in Manitoba. He could have come forward and said let's deal with it. He could have called the committee, could have called the producers, could have called the industry together and said, how are we going to see our way through this? You, the producers, who are in supply management and are registered, are paying an excess cost of removal of eggs of the system. That's unfair. I think it's unfair, particularly when someone else, some other area is causing the problem.

But the Minister didn't see fit to get advice from anywhere else. I don't know where he got his advice from in how to handle the situation. Yes, I know, Mr. Chairman, he had some backlash. There was some sensitivity when he supported the Order-in-Council that there be a restriction brought in. — (Interjection) — Well, when it passed, I should say not an Order-in-Council, but when the order was passed by the Egg Board, they knew there was a sensitivity politically. They knew that.

They didn't come and talk to the political party in opposition. I don't know whether they talked to the Minister or how they talked to him, but it would have been extremely helpful for the consumers, for the producers, for everyone to have understood what was taking place. But no, it happened by regulation and, all at once, boom! The reactions started to come to the opposition. People were saying, my goodness sakes! We can only keep 99 hens for the production of 99 eggs. — (Interjection) — They didn't meet until after the regulation was passed. We met with them, because we were being contacted by many people.

But I want to as well, Mr. Chairman, when I'm talking about the Egg Board, this is a letter that came from a lady who was extremely upset. The letter came to myself and Mr. Graham. She's from Oakburn. You have to admit that it was a fairly, fairly heavy-handed approach. I have to say, a person that's living out there and trying to make a go of it, when they get a fairly stern letter saying that if they were to continue on or not allow inspection, then you run into such things as 34.(a): "A person who obstructs an inspector, or who knowingly gives an inspector false or misleading information is guilty of an offence, and is liable on summary conviction to a fine not exceeding \$100 or

to imprisonment for a term not exceeding two months or to both such a fine and such imprisonment."

You know, you get a letter in the mail saying that if you disallow a person from coming onto your farm because of the disease factor, because of a fact that probably - and I'm not a constitutional lawyer, but I wonder what, under the Charter of Rights, protection there may be for this individual. I think there are many constitutional questions that have to be looked at in regard to the application of some of these regulations. It's a pretty heavy-handed — (Interjection) — approach.

Mr. Chairman, the Minister of Agriculture says I better ask George about it. Well, Mr. Chairman, it's the power that the boards have, and I'm not saying that it is totally wrong but it's a pretty abrupt statement for a lady who is trying to make a living in society to get. She's got a little bit of a special case, because she's got some game birds as well on the farm, and she is a little concerned about the transfer of disease, but it still hit her pretty hard.

Society wasn't warned properly. This Minister's responsibility, I think, is to carry that out. He has an administration and a communications branch second to none to make his image look better in public society. What I'm saying is there is a case to be made for both sides in this particular situation. There is a case to be made for the supply-management people who have enjoyed the cost of protection that they get. Yes, Mr. Chairman.

Yet it's a pretty severe approach that under his administration this kind of a letter, not from him but from the board which reports to the council through to him, Mr. Chairman, it's a pretty stiff notice to get in the mail, pretty tough; it's pretty tough. And that's why I'm saying, I have sympathy for the Board who were forced at a point to do this, but really what the problem is, again go back to it, Mr. Chairman, is lack of leadership and foresight by a New Democratic Minister of Agriculture. Again, NDP times are tough times. Yes, Mr. Chairman, NDP times are tough times. Yes, and this is what's happened under their administration.

I have some recommendations as to what could happen to some of the oversupply. Yes, I have some recommendations; we have some good policies. It seemed to work relatively well under our administration and we weren't waiting until the eleventh hour to deal with these situations. This Minister is always dealing from behind. He dealt from behind on the sugar beets because he had no foresight or leadership; the cream industry he's dealing from behind because he had no foresight or leadership; the milk industry, he had no leadership or foresight. The egg producers are faced with the same kind of situation; they're dealing at the eleventh hour all the time and trying to protect a system which, in fact, has worked well.

But if the Minister continues, and I give this as a warning, if this Minister in the last few months of his administration, last few weeks, last few days, it won't be long now, Mr. Chairman, does not take hold of these situations, what he will do by default - he is a strong supporter of supply management - but what he will do by default and what will happen by default, will be self-destruction. It will be public pressure that will force the destruction of the supply management system, because he has not helped guide, through provincial policy, has

not help guide them, or has not helped get them additional supply management quota or production opportunities in Manitoba.

He has failed, and by his lack of foresight, and by his failure to deal with this crises ahead of time, not waiting until the eleventh hour, because he has lacked the ability, Mr. Chairman, we in fact could see the total destruction of a lot of the supply management systems in this province. Yes, he comes back and he keeps saying the Progressive Conservative Party, that's our policy; that is not our policy. We had the opportunity for four years, and they did very well under us. I think the record clearly speaks for itself, and I can assure you, whether it be the egg board, whether it be the broiler board - and let's talk about our record on the broiler board.

When we were elected office, Mr. Chairman, and this is how our policies worked in contrast to this government. When we were elected in office in 1977, the broiler board in Manitoba were anxious to join the national supply management system. Yes, they were not getting the support of the New Democratic Party; they would not sign.

One of the first pieces of business that was carried out under our administration, and I want to make two points. One clearly states that we could work out with the producers what was in the best interests of the producers. But No. 2, Mr. Chairman, I want this to be very clearly put on the record and it's a policy position that hasn't been used very much, but I want it to be pointed out very clearly, that all production outside of the country of Canada had absolutely no restrictions for the broiler industry in this province. Yes, that was one additional condition that was placed on the broiler entry agreement.

**HON. B. URUSKI:** What is new?

**MR. J. DOWNEY:** The Minister says, what is new? I would challenge him to point out that any other policy that he signed, or that his government signed when they were in office nationally, has the same thing specifically spelled out. But under our term of office we said, the pie in Canada has to grow and if it doesn't grow, we want the opportunity for Manitoba producers to go into the international market, regardless of whether the board does it, regardless of whether or not it's done by themselves. They have the right and opportunity to do it.

So if the Manitoba system, if the Canadian supply system is full, as we're seeing happen now, that you produce to your maximum supply, Mr. Chairman, or your maximum quota, that you can go to Japan; that you can go to Mexico; that the Mexicans can get a product directly from a producer in Manitoba without going through the board, without going through any other system. Individual producers, if they wanted to set a broiler industry up in Manitoba, if farmer A, B or C, wanted to set up a broiler barn up in Manitoba and market directly to Japan, they could do it.

Mr. Chairman, I'm saying this is outside Canada. This gives every producer that wants to produce broilers for outside markets, the opportunity to do so. The opportunity is there — (Interjection) — No, it hasn't been spelled out. The Minister says it's always been there. That is not true.



When we joined the national broiler industry, we spelled out specifically that any producer could sell outside of Canada on his/her own, as a company, as an individual or however. The board could do it; but the individuals could do it as well. I defy the Minister to stand up and say that he supports that, that he supports any producer, individually, for producing broilers in Manitoba to sell on an international market as an individual. I ask him if he would support that policy.

But the point I wanted to make again was, first of all, we demonstrated we were able to work with the producers and sign the national agreement. Secondly, we demonstrated that we did not want to maximize what we could produce for Canada, that there were opportunities if developed outside of Canada, there were absolutely no restrictions, in fact, fully endorsed by the Progressive Conservative Party, Mr. Chairman. That's the point that has to be made.

There are other options for the producers in Manitoba. There are many options. But with a Minister who operates as a no-development party, NDP times are tough times, there really isn't much of an opportunity for new producers, existing producers, or the industry as a whole.

The Minister makes special reference to the fact that we were, if freed up, that it would for some reason cause a difficulty for people entering. Mr. Chairman, I asked the Minister how much substance is there to the speeches that he makes, when he stands up and says he is all supportive of getting new entrants into agriculture. New, beginning farmers, we want to see more and new, young, beginning farmers. What are they going to get into, with the dairy policy that restricts them to the total purchase of a dairy farm, with the same policy application to all the other supply management systems? There is not one chance of a young person starting farming in Manitoba in the supply management systems under this administration; not one chance, unless they are loaded to the hilt with money. They cannot get into the supply management systems unless they buy a producer out lock, stock and barrel.

Well, I'll tell you, under our administration they could, and they did. Yes, they did. — (Interjection) — He says, who? They had the ability to do it, Mr. Chairman. And now we see under a New Democratic Party, which demonstrates that tough times are NDP times, the opportunities were there to get in with the policies that were under our supply and management systems.

I stated that in a letter that I tabled a few minutes ago. I stated that. It's on the record that any new entrant, if a person wants to start into the production of eggs can only produce 99. How much more evidence does he need? Under our administration, it was 499; this government, it's 99.

You can't transfer your cream quota, if you want to get into the cream business, Mr. Chairman. If you run out of quota with this government, you dump the cream on the ground.

Mr. Chairman, evidence is there all over the place that we lack opportunities in agriculture under a New Democratic Government. The administration of the supply management systems has been dismal to say the least, Mr. Chairman, under this administration.

Mr. Chairman, I think that we have some areas dealing with the Hog Marketing Board which as well I would

like to talk about and we've seen some difficulties in the last few weeks develop, again an inconsistency by this government, by this Minister in his approach to the difficulties the hog industry is in.

A week ago, the First Minister was asked why he wasn't doing more about it. What were his answers? Well, it was a federal responsibility. That afternoon he decided that maybe there was some politics in getting involved. Well, I would hope the Minister would have a report. I know that some comments have been made today by him that he has fully explained now to the Governor of the State of Iowa, I believe, that we have a centralized drug system that enhances the removal of chloramphenicol. That would help remove it off the market. It doesn't stop them from buying drugs from other private individuals as well. There are other drug marketers as well as the government system, Mr. Chairman, so he's got to tell the facts.

This is dealing with the statement, Mr. Chairman, of the Hog Marketing Board and I'll quote the statement. "The position of the Manitoba Hog Producers Marketing Board, the large majority of individual hog producers and the Government of Manitoba," - interesting, "is definitely opposed to a national supply management system being introduced for the Canadian Hog Industry."

I ask the Minister, is that the Manitoba Government's position? It states very specifically in the Hog Producers Marketing Board report by the chairman: the large majority of individual hog producers and the Government of Manitoba is definitely opposed to a national supply management system being introduced for the Canadian hog industry.

I would hope the Minister might be able to say if he's speaking for the Minister, has the Minister given him a clear policy statement in that regard? Is that truly the government's position? The Minister, I would hope could give us some clarification on this.

**HON. B. URUSKI:** Mr. Chairman, I want to deal with some of the comments that the honourable member has made and some of the allegations about alleged inconsistencies between our policies and those of the Federal Government.

Mr. Chairman, he made remarks dealing with the capital gains and that this government did pledge and remove capital gains on the farm community when we came into office. Mr. Chairman, we're not opposed to the removal of capital gains from producers in terms of . . .

**MR. J. DOWNEY:** So what are you doing all the yapping about?

**HON. B. URUSKI:** What we oppose, Mr. Chairman, on the one hand, the removal, which we are not opposed - the removal of capital gains, but, on the other hand, it's a sock-it-to-you policy. Mr. Chairman, \$65 million cut-back in November of 1984 to agriculture. Mr. Chairman, this budget - an additional \$50 million cut-back to agriculture. Mr. Chairman, an additional \$50 million for the next three years cut-backs in agriculture. That is what we are opposed to. On the one hand, Mr. Chairman, we have a policy for those who retire and it's a generous policy, but on the other hand, those who stay in the industry are shafted.

Mr. Chairman, I want to give an example to the honourable members. On fuel tax - the government is proposing an excise tax increase of 2 cents per litre on gasoline, diesel, aviation gasoline and jet fuel. The tax will apply to all users of these fuels. In the case of gasoline, an aviation gasoline, this tax will be in addition to the existing excise tax of 1.5 cents per litre which applies to non-commercial users of these fuels.

Mr. Chairman, let the honourable member listen. — (Interjection)—Mr. Chairman, here is the effect it will have on the farmers and here is the perception that the Federal Government and here's how the — (Interjection) — Federal Government feels.

**MR. CHAIRMAN:** Order please.  
The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, and here's how the Federal Government treats Canadian farmers on fuel taxes. Mr. Chairman, here is how they perceive agriculture. The tax will be effective from September 3, 1985, the delay in the imposition of the tax increase takes account of the importance of summer travel seasons to tourists — (Interjection) — and to Canadians . . . and the hell with farmers . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please, order please. Order please.  
The Member for Arthur on a point of order.

**MR. J. DOWNEY:** Thank you, Mr. Chairman. We've waited for some time now to debate the Natural Products Marketing Council. I would hope the Minister would respond to the questions that I posed to him dealing with the council.

**HON. B. URUSKI:** Mr. Chairman, I wanted to illustrate the so-called inconsistency that the honourable member accused us of saying we don't support capital gains. Mr. Chairman, we support capital gains, but we don't support a shaft of the most important industry in this country. If John Diefenbaker were alive, Mr. Chairman, he would have kicked Mr. Mulroney and Mr. Wilson you know where. That is what he would have done. Mr. Chairman, Mr. Diefenbaker must be turning over in his grave by virtue of this Budget. That is what must be happening.

Mr. Chairman, when farmers are going to be going to harvest their crops, they will be saddled with an additional cost; but do the Federal Tories care about the farmers of this country? No, Mr. Chairman. They don't give a damn about the farmers. They'll put into place these additional costs on the farmers of Manitoba.

Mr. Chairman, the honourable member talked about and raised a question about the egg industry and the reason for the change in policy. Mr. Chairman, I gave the member the rationale of why the industry initially was regulated. The market prices were falling so low that the industry was going bankrupt and most producers were leaving the industry, and producers in this province and across this country decided to do something about their industry. They wanted to survive so they did set up a supply manage system to guarantee prices.

Mr. Chairman, what has happened over the last number of years in the egg industry? In the last number of years, there has been an increase of over 60 percent in the number of unregistered producers in the egg industry. In fact, in January of 1984, as a result of the massive increase in unregistered production, registered producers in Manitoba had to reduce their production by almost 430,000 dozens a year. That is what happened to the registered producers. Mr. Chairman, something had to be done. There is no doubt that the desire of many producers to produce eggs is because the costs of production are covered, Mr. Chairman. One can't quarrel with that. But none of the existing producers or their relatives are being touched by this policy. All the existing producers who are in the egg industry are protected on the basis of the original exemptions that were put into place when the egg board was set up.

To recognize the difficulty imposed by increased, unregistered production, the honourable member can't have it both ways. We can't say, we'll have unlimited registered production and, on the other hand - and I'm pleased that he tonight softened his position, because if you had heard him a week ago, Mr. Chairman, what he was continually saying was look, this government is not allowing any new producers into the industry. They are hamstringing everyone. Mr. Chairman, he was advocating the demise of orderly marketing in this country. That was the Conservative policy.

Mr. Chairman, for the first time in the last five to six years, we have almost 20 new producers going into the broiler industry. Mr. Chairman, did it happen while he was the Minister — (Interjection) — well, no thanks to anyone, thanks to our negotiations, thanks to the hard negotiations of Manitoba producers and members of the council in terms of getting the additional quota.

Mr. Chairman, the honourable member cannot — (Interjection) — I believe I said it fairly quietly, but maybe I didn't. I'll allow the honourable member to interject but, Mr. Chairman, almost 20 new producers came into the industry this year. I'm pleased to say, at least in one industry that has occurred.

There was no additional quota while he was in office, Mr. Chairman. I remember the press releases. He made the big allegation. I'll never forget this. "When I am elected and I am Minister, we're going to fight like mad for more quota, and we will not let our producers down." That was the press release. Mr. Chairman, they never got appointed . . . we didn't get any new quota — (Interjection) — where did you get it.

**MR. C. MANNES:** We went from 4.3 to 4.4. So take that back.

**HON. B. URUSKI:** Okay. All right, I'll back off. I'll give them that much credit, Mr. Chairman, for this much quota. Every bit of quota is important. I don't want to deny that. I give full marks to the Honourable Member for Morris to say that we did get some quota. I admit that every bit of new quota is important to the producers of this province.

Mr. Chairman, to have 20 new producers when the honourable member alleged that no one could get into agriculture, where during this term were they able to set up 20 new producers in the broiler industry? None. That didn't happen, Mr. Chairman.

Mr. Chairman, in terms of dairy policy in this province, I just want to put on the record again — (Interjection) — well it's not completely over, because I think honourable members want to forget that for two years we co-operated and tried to consult with the board in terms of dairy policy and quota policy. It was the one major issue.

Mr. Chairman, the board did present to the government in, I think, July or August of 1984 with a marketing plan that did indicate that there will be no value for quota. That has been forgotten by all members opposite. Mr. Chairman, I am very pleased or maybe I shouldn't be pleased that now the spokesman for dairy policy for the Conservative Party is the Member for Emerson, because clearly the Member for Arthur who is their agricultural critic did not discount the statements made by the Honourable Member for Emerson. He believes that there should be value for quota, Mr. Chairman. That is basically what I got from the Member for Emerson, because the Member for Arthur did not repudiate the statements of the Member for Emerson.

He said, we called the agriculture committee - that's what he said - to discuss dairy policy, but he never indicated that his policy is no longer valid. By virtual silence, the honourable member, the Conservative Party now is prepared to go and sell quota, Mr. Chairman. That's what their policy is and the implications with it.

Mr. Chairman, his statements and he wanted clarification on provincial policy vis-a-vis supply management. Mr. Chairman, there is no doubt that, if a supply management system in the production of hogs came into being in this country, there would have to be a drastic cut-back in production. There is no doubt about it. That would be the natural occurrence in terms of the Canadian market — (Interjection) — Mr. Chairman: "The Manitoba Hog Marketing Board . . . "- and I'm reading, I think, from the same chairman's letter - ". . . and the Government of Manitoba are supportive in principle of the new tripartite stabilization plan."

**MR. J. DOWNEY:** No.

**HON. B. URUSKI:** Which one are you talking about?

**MR. J. DOWNEY:** Back about the third paragraph.

**HON. B. URUSKI:** One, two, three. I'm reading the third paragraph, unless it's another paragraph.

**MR. J. DOWNEY:** Fourth, that's right, the fourth.

**HON. B. URUSKI:** Fourth paragraph. Okay, just a minute. Well I want to say that we are in support of the tripartite stabilization plan, but the legislation — (Interjection) — "The position of the Manitoba Hog Marketing Board, the large majority of individual hog producers and the Government of Manitoba is definitely opposed to a national supply-management system being introduced to the Canadian hog industry. As you are aware, this concept is mentioned from time to time throughout the industry in the main provinces from Eastern to Western Canada."

Mr. Chairman, there is no doubt that, on the basis of discussions with producers, and I said that to the

honourable member, we have no hesitation of that decision on supply management being handled by the producers. It is basically a producer decision. Mr. Chairman, as I've indicated, supply management in terms of the hog industry would necessitate a cut-back in production. There is no doubt about it, Mr. Chairman. There is no doubt about it that supply-managed commodities can and should broaden their horizons in terms of marketing and marketing a product.

In fact, a number of producers this year marketed product in the United States, and process product in the United States, Mr. Chairman, and producer groups. We have supported that measure, as did my honourable friend. There is no difficulty there in expanding the horizons of international marketing, whether it be supply-managed commodities or other commodities promoting the product. But for the honourable member to suggest that there is unlimited scope of expansion of production because of international markets, Mr. Chairman, I think that's pie in the sky.

Mr. Chairman, no producer is willing to put a life's savings into investment just on the hope that there will be international markets with no basic quota there with him in terms of having some guarantees within the production of that product that he has, whether it be supply management or any commodity, whether it be special crops. No producer is going out and totally saying I'm going to bankroll this year's farming operation totally on one commodity in the hope that the international markets exist. That isn't the case and will not be the case, and for the honourable member to suggest something there is I believe talking in the wind.

Mr. Chairman, I don't know whether the Conservative Party has changed its position on quota values. I know that the Member for Arthur, when he was Minister, approved a number of areas in which there were no quota values in turkeys, in broilers and in vegetables. I believe changes in those marketing plans were made during his term in office with no value for quota. I didn't hear him tonight state that he clearly supports that policy.

Mr. Chairman, we support that policy. We support his earlier policy of 1978. I do as Minister, and this government does, of no value for quota.

There has been no clear statement coming from the Conservatives whether in fact he sticks by that position. If he is now saying that the Member for Emerson speaks for that party, then let it be clear, but he certainly hasn't repudiated the comments of the Member for Emerson on quota values. He has talked around the issue. He has talked about allocation and the like, but he has not talked about the one central issue in this debate, and that is quota values. Where does the Conservative Party stand?

**MR. J. DOWNEY:** Mr. Chairman, producers in this province clearly know the Progressive Conservative Party, who they stand up for. It's the producers, the small producers, the producers of agricultural commodities, we speak loudly and clearly when it comes to the defence of those people. We are clearly on the record and we will continue to carry out that policy.

Mr. Chairman, what we have now is a total inconsistency by the Minister of Agriculture under the

no-development tough-time NDP party times. That's, Mr. Chairman, what we are dealing with. He fully agrees. He fully agrees with the hog producers - we will agree that there should be no supply management system - fully quoted in the hog marketing report.

Yet the dairy producers in this province have clearly announced to him, met with him five times, tried to make the point with him what they want. But the Minister says no, it's not what you want as producers; it's what I want as the Minister.

Where does he stand, Mr. Chairman? Where is his consistency, Mr. Chairman, in dealing with agricultural policies? The hog producers, he says, what the hog producers want, it's okay with me; what the milk producers want, it's not okay with me. He's not, as I have stated, trying to accommodate a compromise in the middle.

Mr. Chairman, I have no difficulty in saying that we are now in a time in our agriculture production with the dairy producers in this province where they in fact have the position put forward where they want to deal and have quota. Mr. Chairman, it's a reality; it's there.

I say to the Minister: does he remove any value on quota by saying to a dairy farmer that you have to sell the whole farm now? You have to sell all the cows now; that if you sell it all, you have certain value. Or is he saying: your dairy farm now, if you want it 300,000, because I think there is quota there, we'll make you sell it for 200,000. Is that what he is doing? He is really not solving the problem. Regulating this industry, regulating the producers in the way in which he has does not solve the problem.

He says he wants us to state clearly. I have stated clearly what our policy is, Mr. Chairman. Our policy has been demonstrated in the dairy industry over the last few years in our administration, Mr. Chairman. However, times have changed in the dairy industry because the NDP times are tough times. There have been a lot of people pressured into milking, increased their herds to increase their efficiencies, and now there appears, coming from the producers, that there is value developing in the quota system.

Well, Mr. Chairman, I could stand here tonight and say clearly that it should be recognized and should be accommodated, and I have no trouble in working to that end, but I think we have to hear both sides of the story. I want to hear the total dairy industry as well as the consumers. What is the matter with that position, Mr. Chairman? Firstly realizing that you have value on quota, firstly realizing it's there, and the other thing is to deal with it appropriately, honestly and fairly; that's what this government and this Minister aren't doing.

He says what are our policies? Mr. Chairman, he is the Minister that has to administer the policies and promote the policies of his government. What are they? What are his policies? How is he going to get out of the impasse that he now has the dairy industry in? Again I go back and state if he had had any vision, if he had had any foresight, he wouldn't have operated for three and a half years with the system which was in place and working well under our term. Now in the eleventh hour he says no more transfer of partial quota, no more partial cow herd transfers. It's stopped; you have to sell your dairy herd.

Well, Mr. Chairman, that's not the dairy industry's fault; that's not the dairy farmers' fault. That's this

Minister of Agriculture's fault because he lacks leadership ability. His government lacks foresight and leadership ability, Mr. Chairman, and he hasn't stated what his policy is. That's what we are asking him.

What are his policies? What we are telling this committee are the feelings of the dairy farmers because they haven't been able to publicly say it, Mr. Chairman, to the agriculture committee, to an agricultural hearing. There is nothing wrong with a process like that. It's the process that we have to go through to hear what the consumers want and what the producers want.

Why is he depriving us of that? Why is he depriving the producers and the consumers of that, Mr. Chairman? Because it may embarrass him and his government? Yet he says that the hog producers, whatever the producers want, he is in agreement with; but the dairy industry, he apparently doesn't want to hear from them. He apparently can't handle them; he can't deal with them, Mr. Chairman. They are too much for him. The job is too big for the Minister. Yes, Mr. Chairman, the job is too big for the Minister.

He says, what are your policies? How would you deal with it? Mr. Chairman, the dairy industry feels confident and can trust the Conservative Party. I don't think they can feel confident and trust the New Democratic Party, demonstrated time after time after time. I am extremely disappointed, Mr. Chairman, in this Minister's approach to the whole business of marketing and the marketing council.

I know my colleague from Morris has several questions and I have some more dealing with other areas in a few minutes, Mr. Chairman.

**HON. B. URUSKI:** Mr. Chairman, our position on quota values is very clear. I guess the problem that I face dealing with the milk industry is that we have consulted too long. We are now being criticized because we let this matter go on too long. I guess it's a damned if you do and a damned if you don't situation.

Because we tried to work co-operatively with the board over the last number of years and work with them to develop and assist them in developing the policy, offering help of staff, offering help of a third party, offering help of the council to develop their no-value-for-quota policy, and the board itself putting into place a marketing order last summer - no value for the quota - I guess we were too co-operative with the board. As the honourable member says, it's now three years down the road and we're at an impasse.

It's true, Mr. Chairman, there is an impasse in terms of that one issue in the industry. There are more side issues involved in the industry, but to suggest that we haven't consulted or discussed with the industry and we will continue to work with the industry to deal with this one major policy.

But, Mr. Chairman, it is not my intention, as Minister, to interfere in the day-to-day operations of marketing boards. It is their responsibility to allocate quota, to deal with the routine business. Our national agreements and value for quotas are the only two issues that the government has been involved in and has staked out a policy.

Mr. Chairman, I am pleased that the Honourable Member for Morris from his seat indicated that their policy is law. At least, he saw that their quota policy

in terms of value-for-quota policy is law. I'm pleased that he made that statement from his seat, because that clearly indicates that what the Honourable Member for Emerson was stating is not Conservative policy. They don't agree with it, Mr. Chairman.

The Member for Arthur wouldn't say it, but at least the Member for Morris did say that from his seat. I'm sure that, if I misread him, Mr. Chairman, he will get up and correct me. Their policy, in terms of quota transfer policy, is law today - that there is and should be no value for quota.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNES:** Mr. Chairman, it is with some sadness that I have to join in this verbal flogging of the Minister of Agriculture with respect to the whole issue of value quota and many other issues.

Mr. Chairman, the Minister is trying to draw from us some indication of policy. He seems to feel there is some difference of opinion between some of the members. For the record, our position at present is the law, and that states there should be no value for quota. Nevertheless, let it be said, we're listening to the same representations as the Minister of Agriculture. Nothing is cast in stone forever. Certainly it isn't cast in law forever. We will continue to listen to the various representations that come forward, do our own analysis on other systems in place and after that decide what is in the best interests of the industry and the producers of the Province of Manitoba.

Mr. Chairman, it goes without saying, of course, usually when you do the best things for the interests of producers, it's synonymous with doing them for the best interests of consumers. At least, it is in my definition of how economies should work.

Mr. Chairman, I would ask the Minister, who has access to the Minutes of the Natural Products Marketing Council? Can any citizen of Manitoba gain access to those Minutes?

**HON. B. URUSKI:** Mr. Chairman, I don't believe so.

**MR. C. MANNES:** Mr. Chairman, I am glad the Government House Leader is here because, when we were engaged in discussions, I believe the Premier laid before us and tabled the document which, from the perspective of the government, indicated that the former Minister, the Member presently for Arthur, had taken a certain stance on the subject. It was indicated by the Government House Leader at that time that this was public information, available to all. Is that correct? I'm talking about the Minutes of the Natural Products Marketing Council.

**HON. B. URUSKI:** Mr. Chairman, I don't believe that the Minutes of the Natural Products Marketing Council are available to all citizens — (Interjection) — The Honourable Member for Arthur from his seat indicates, why were they tabled in here. Mr. Chairman, when the honourable members make accusations which are not accurate in terms of the law of the day and the changes of position, what do the honourable members expect? Do they expect everyone to sit silent and not to respond, to show what the record is and the policy to be?

Mr. Chairman, the honourable member should be aware that Minutes have been sent to either members or former members of council at one time or another, but are not generally available to the general public.

**MR. C. MANNES:** Mr. Chairman, is the Minister not concerned about the appropriateness of his action, having the Premier of the province bring forward these types of Minutes, bearing in mind that there are citizens-at-large who serve in the interests of the province on those councils particularly and who, through discussion with other members on that council in question, reach various decisions? At no time, in my understanding, are these to be made public.

They're available to the Minister for his perusal. There is no difficulty with that. But, Mr. Chairman - and I can think of when I was on the council - the decision to grant the Minutes to the former chairman who was going to use them in some teaching capacity at the University of Manitoba, that made good sense. I had no difficulty with it. But are we at the time now when those Minutes are freely available to be used in a political sense by the Government of the Day? If they're not, how does the government decide when it has crossed the barrier of impropriety in using Minutes that I don't believe are to be used in the public forum?

My question, Mr. Chairman, is - when are these Minutes to be used in a political sense? The Minister says, he only used a page. Well, Mr. Chairman, it used to be done, I know, in legal size; they were 14-inch pages; they contained an awful lot of material. So I can't accept that argument. Again I ask the Minister, specifically, who makes the decision to bring those Minutes into a political debate? Secondly, what criteria are placed to determine or to decide when they should be brought forward?

**HON. B. URUSKI:** Mr. Chairman, I would expect that, if I was arguing a position in this House which my council something opposite to which I had directed when Minister of my council - I would expect honourable members would raise that kind of an issue here.

Mr. Chairman, I don't know whether one tables a sheet or one tables an excerpt, whether it is right or wrong. Let us understand what is dealt with in many of the decisions made by council. Most of the decisions of council ultimately are public decisions which are used as reference points for all the supply managed commodities, whether it is a decision on an appeal, whether it is a discussion on a policy dealing with appeals on a process, those decisions are ultimately communicated to those boards in the Minutes. What is not communicated I'm sure in terms of Minutes and I don't even see the Minutes, Mr. Chairman - I want to tell the honourable member that as a matter of course the Natural Products Marketing Council - maybe I should look at them and request them. I have not as a matter of course gone through the Minutes.

Where the information in the Minutes would not be normally made public would be discussions of a national policy in terms of negotiations going on with particular commodities. That I see likely not coming out, but ultimately, those discussions and that information would be conveyed to each board. So what in the Minutes, Mr. Chairman, and I don't know, likely down the road

that Minutes may in fact be released or at least decisions are now released on individual decisions with the Freedom of Information Act, Mr. Chairman. That is one that I'm sure in terms of decisions of the board are now released.

So it would be discussions on policy issues, Mr. Chairman, that I would see being debated and discussed if those issues were brought into this House if the occasion does arise. I would expect, Mr. Chairman, that if I was in opposition and I would be arguing a point opposite to the position I took when I was Minister, I would expect honourable members in terms of policy positions to point out very clearly to me in whatever form that I was tooting my horn in one particular direction at one point and today I'm changing that position, Mr. Chairman. That precisely was the issue dealing with the allegations made by the Honourable Member for Arthur with the milk policy. Policy issues are the issues that I could see in fact being brought out. It would not be individual appeals. It would not be negotiations dealing with national agreements that are detailed in nature. It would be clearly major policy issues in terms of governmental policy that would be brought forward.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNESS:** Mr. Chairman, the Minister attempts to defend the indefensible.

I guess I could ask him firstly, who searched out the Minutes? Was it the Minister's recollection? Did the Minister see the Minutes sometime previous? Who searched out the Minutes, on whose authority? What was the basis of the search? What was being looked for? I'm intrigued as to how the Minister or a civil servant would make the decision to look into the Minutes to bring out material to be used in a political fashion to be used against a member in this House.

Mr. Chairman, I was a member of that council for roughly three years. I have roughly three years of these council Minutes at home. I don't believe that I have the right to use those on political forms, to go out on farms in Manitoba wherever I speak, to drag the decisions of council and how individuals may have argued. I don't believe for one moment that I have the right to do that. — (Interjection) — well, we have a sensitive Minister of Northern Development, Mr. Chairman. But the point is, at whose insistence were the Minutes reviewed and — (Interjection) — Mr. Chairman, I don't find this a very humorous subject at all. I think it is very serious and I think that it is incumbent upon the Minister to answer my questions.

**MR. CHAIRMAN:** Order please.

The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, I don't know what the honourable member is advocating. Is it good when you are in opposition to get hold of the Minutes and raise them as the Honourable Member for Swan River does with records and information from Manfor or the Member for Pembina with reports on Health that are stolen out of the Minister's office or some office of Health, is that what the honourable member is suggesting?

**MR. CHAIRMAN:** The Member for Arthur on a point of order.

**MR. J. DOWNEY:** Mr. Chairman, I want the Minister to withdraw the accusation that he just made regarding the records out of a Health Minister's office.

**MR. CHAIRMAN:** Order please, order please.

There is clearly a difference of opinion as to whether or not the documents are stolen. There has been no accusation against any particular member. There is not point of order.

The Minister of Agriculture.

**HON. B. URUSKI:** Mr. Chairman, let it be very clear and I have not accused any member of stealing. What I have said, that the Member for Pembina did have in his possession a document that had been stolen from the offices of the Minister of Health. That is what I did say and that is precisely what happened.

Mr. Chairman, the issue that we are dealing here in terms of Minutes came out only because of the Honourable Member for Arthur, who is the former Minister, who attempted to convey in this House that somehow policy had been changed by this administration and the Minutes clearly showed that it was not changed, that we were following the very essence of the policy that was there, the policy that the Honourable Member for Morris acknowledged tonight, that is law today and was law then, no change and he supports. — (Interjection) — Mr. Chairman, can the two honourable members get together on who's going to say what. One says it is law and it has been for years and the other one says you have changed it. So, Mr. Chairman, — (Interjection) — and then there is the Member for Emerson's position, that's a third position of the party.

Mr. Chairman, in terms of the Minutes, I have clearly put on the record where I felt and what issues would be raised and I would expect honourable members to raise them if in fact I was doing the very thing that the honourable member for Arthur attempted to do.

**MR. CHAIRMAN:** The Member for Morris.

**MR. C. MANNESS:** Mr. Chairman, the Minister didn't answer the question. Who dug out the material in the Minutes and at whose request?

**HON. B. URUSKI:** Mr. Chairman, it was my request. The material was dug out by the staff.

**MR. C. MANNESS:** Mr. Chairman, the Minister says at his request. What led him to believe that there would be any inference to the former Minister of Agriculture that he may have even made mention about that subject that's in the Minutes.

Mr. Chairman, did the Minister feel so weak with the whole subject that he sent everybody on a witch hunt to review all this material? How would he know to look in those Minutes?

**HON. B. URUSKI:** Mr. Chairman, the honourable member should be aware that there is a complete set of Minutes or a file on milk quota transfer policy in

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council office. All that I asked council to do is to let me know what the policy was at the time the honourable member raised these allegations in this House saying that there was a change in policy. And so, all we did, as I asked, what was the policy when he was Minister, Mr. Chairman, from '78 to '81? That's the question I asked the staff and that's the answers they provided me, Sir.

**MR. CHAIRMAN:** The Member for Virden.

**MR. H. GRAHAM:** Mr. Chairman, I note there's no quorum. Would the clerk please record the names of the members present?

**HON. B. URUSKI:** Mr. Chairman, committee rise.

**MR. CHAIRMAN:** Committee rise.  
Call in the Speaker.

## IN SESSION

**MR. DEPUTY SPEAKER, P. EYLER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker.

Before I move the adjournment to the House, I would ask, Sir, that we observe the proceedings of Rule No. 4 which have provided that the Speaker shall take the Chair if the attention to the absence of a quorum is given and that use, Sir, shall adjourn the House for want of the quorum, the time of the adjournment and the names of the members then present shall be inserted in Votes and Proceedings. I would defer then to you to adjourn the House. I will not move that motion, Sir, but I would ask that the names and members present be recorded.

**MR. DEPUTY SPEAKER:** In accordance with Rule 4 then, due to the lack of a quorum, this House is adjourned. The Clerk will note the names of the members present and the House will reconvene at 2:00 p.m. tomorrow (Tuesday).