



First Session - Thirty-Seventh Legislature

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

**Official Report  
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Speaker*



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Seventh Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy	St. Vital	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
ASPER, Linda	Riel	N.D.P.
BARRETT, Becky, Hon.	Inkster	N.D.P.
CALDWELL, Drew, Hon.	Brandon East	N.D.P.
CERILLI, Marianne	Radisson	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DACQUAY, Louise	Seine River	P.C.
DERKACH, Leonard	Russell	P.C.
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GILLESHAMMER, Harold	Minnedosa	P.C.
HELWER, Edward	Gimli	P.C.
HICKES, George	Point Douglas	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LAURENDEAU, Marcel	St. Norbert	P.C.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
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MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
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PENNER, Jim	Steinbach	P.C.
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SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Joy	Fort Garry	P.C.
SMITH, Scott	Brandon West	N.D.P.
STEFANSON, Eric	Kirkfield Park	P.C.
STRUTHERS, Stan	Dauphin-Roblin	N.D.P.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 15, 2000

The House met at 10 a.m.

### PRAYERS

### ORDERS OF THE DAY

**Hon. Steve Ashton (Deputy Government House Leader):** Mr. Speaker, could you please call, first of all, Bill 28 for second reading, and I will advise the House of the next aspect of the agenda following that. Bill 28 for second reading.

### SECOND READINGS

#### Bill 28—The Northern Affairs Amendment and Planning Amendment Act

**Hon. Eric Robison (Minister of Aboriginal and Northern Affairs):** Mr. Speaker, I move, seconded by the Minister of Highways and Government Services (Mr. Ashton), that Bill 28, The Northern Affairs Amendment and Planning Amendment Act (Loi modifiant la Loi sur les Affaires du Nord et la Loi sur l'aménagement du territoire), be now read a second time and be referred to a committee of this House.

#### *Motion presented.*

**Mr. Robison:** Mr. Speaker, the purpose of this bill is to clarify the relationship between The Northern Affairs Act and The Planning Act with respect to northern Manitoba for the ease of its users, the Aboriginal and Northern Affairs communities.

Since taking office last fall, our government has made addressing the needs of the North a priority. We have brought forward a number of measures to restore balance and to give opportunities to northern Manitobans that were missing over the last several years. Fundamental to this commitment is allowing northerners the opportunity to take charge of their own future, their own destiny, if you will. The 51 Northern Affairs communities are all increasingly taking

more control over their own development, and this legislation will facilitate that.

Currently, some elements of planning in northern Manitoba are in The Planning Act, while some are in The Northern Affairs Act. In this bill, the references in The Northern Affairs Act regarding planning are being consolidated in The Planning Act. Now, the intention of the legislation, Mr. Speaker, is that The Northern Affairs Act provides for the Minister to have the powers of a municipality, while The Planning Act details those powers that a municipality has respecting planning decisions.

Within the Northern Affairs jurisdiction, there are some communities with only one contact person, some with community councils, and most recently one incorporated community, that being in South Indian Lake. All the communities share many similar realities, but the varying size and history of the Northern Affairs communities makes for different styles of governments and needs. South Indian Lake is, in many ways, a special case, as it is the largest Northern Affairs community and was officially recognized and incorporated last spring, and at the same time negotiations to turn the community into a reserve are ongoing and discussions are ongoing with the federal government with respect to that.

As an incorporated entity, South Indian Lake has already assumed greater control, independence and authority over its own affairs. As was noted in the recent provincial budget, the Province will help 12 more Northern Affairs communities provide sustainable local government services while, at the same time, maintaining community infrastructure.

The legislation and regulations under The Northern Affairs Act deem that an incorporated community council be the same as the municipality for purposes of The Planning Act. As part of a transition of authority, the Minister of Aboriginal and Northern Affairs can, by regulation, delegate to an incorporated com-

munity council the Minister's power to approve Crown land dispositions.

Now, because the majority of the communities in Northern Affairs jurisdiction essentially operate under the Minister's authority and umbrella, provision is made for the Minister of Aboriginal and Northern Affairs to delegate by-law making powers to community councils or local committees for by-laws such as development plans or zoning by-laws. Of course, certain specific rules would have to be followed by the communities in exercising this delegated power.

Now, in this bill, small administrative and process streamlining amendments have been made. These amendments will bring the process of planning in Aboriginal and Northern Affairs communities in line with the balance of Manitoba.

Mr. Speaker, this bill moves all of the references to The Planning Act except for one necessary reference into that act. In turn the changes to Part 9 of that Act clarify the rules for northern communities operating under The Northern Affairs Act. Currently every disposition of a surveyed lot within a community requires the prior approval of the Minister of Northern Affairs.

Under this Bill, a provision is made to permit delegation of that prior approval to a community. This will help to speed up the process of obtaining Crown land disposition such as a lot to purchase. For the incorporated community councils, the planning process to be followed is almost the same as any municipality, except that the incorporated community council does not have to go to the Municipal Board for certain decisions in cases of dispute.

Now, for all communities in northern Manitoba, the basic processes of planning administration are identical to those followed in southern Manitoba. This means our community people will now have the same legislation applicable to all of the province. Northern communities are looking forward to taking a greater role in management of available lots within their communities.

Finally, Mr. Speaker, the changes in Part 9 of The Planning Act not only bring northern communities closer to southern municipalities, but recognize the unique situations experienced in the north. As such, I recommend this legislation as a significant and important step forward in our efforts to improve the viability of northern communities.

Our government strongly supports good governance by community councils through planning, fiscal management, and the delivery of municipal services and accountability to northern Manitoba. We believe that Bill 28 supports all these goals. Thank you, Mr. Speaker.

**Mr. Frank Pitura (Morris):** Mr. Speaker, I move, seconded by the Member for Turtle Mountain (Mr. Tweed), that debate now be adjourned.

*Motion agreed to.*

\* \* \*

**Hon. Steve Ashton (Deputy Government House Leader):** Mr. Speaker, could you please call debate on second readings followed by report stage on Bill 11 and Bill 20.

## DEBATE ON SECOND READINGS

### Bill 5—The Wildlife Amendment Act

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Conservation (Mr. Lathlin), Bill 5, The Wildlife Amendment Act (Loi modifiant la Loi sur la conservation de la faune), standing in the name of the Honourable Member for Lakeside (Mr. Enns).

**An Honourable Member:** Stand.

**Mr. Speaker:** Is there agreement to let the motion stand? [*Agreed*]

### Bill 6—The Water Resources Conservation and Protection and Consequential Amendments Act

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Conservation (Mr.

Lathlin), Bill 6, The Water Resources Conservation and Protection and Consequential Amendments Act (Loi sur la conservation et la protection des ressources hydriques et modifications corrélatives), standing in the name of the Honourable Member for Arthur-Virden (Mr. Maguire).

**Some Honourable Members:** Stand.

**Mr. Speaker:** Is there agreement to leave it stand? *[Agreed]*

**Bill 7—The Protection for  
Persons in Care Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Health (Mr. Chomiak), Bill 7, The Protection for Persons in Care Act (Loi sur la protection des personnes recevant des soins), standing in the name of the Honourable Member for St. Norbert (Mr. Laurendeau).

**Some Honourable Members:** Stand.

**Mr. Speaker:** Is there agreement to leave it stand? *[Agreed]*

**Bill 8—The Enforcement of Judgments  
Conventions and Consequential  
Amendments Act**

**Mr. Speaker:** On the proposed motion of the Honourable Attorney General (Mr. Mackintosh), Bill 8, The Enforcement of Judgments Conventions and Consequential Amendments Act (Loi sur les conventions relatives à l'exécution des jugements et modifications corrélatives), standing in the name of the Honourable Member for Lac du Bonnet (Mr. Praznik).

Is there agreement to leave it stand?  
*[Agreed]*

**Bill 10—The Cooperatives Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs (Mr. Lemieux), Bill 10, The Cooperatives Amendment Act (Loi modifiant la Loi sur les coopératives), standing in the name

of the Honourable Member for Steinbach (Mr. Jim Penner).

Is there agreement to leave it stand?  
*[Agreed]*

\* (10:10)

**Bill 12—The Public Schools  
Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Education and Training (Mr. Caldwell), Bill 12, The Public Schools Amendment Act (Loi modifiant la Loi sur les écoles publiques), standing in the name of the Honourable Member for Fort Garry (Mrs. Smith).

Is there agreement to leave it stand?  
*[Agreed]*

**Bill 14—The Provincial Railways  
Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Highways (Mr. Ashton), Bill 14, The Provincial Railways Amendment Act (Loi modifiant la Loi sur les chemins de fer provinciaux), standing in the name of the Honourable Member for Carman (Mr. Rocan).

Is there agreement to leave it stand?  
*[Agreed]*

**Bill 15—The Water Rights Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Conservation (Mr. Lathlin), Bill 15, The Water Rights Amendment Act (Loi modifiant la Loi sur les droits d'utilisation de l'eau), standing in the name of the Honourable Member for Arthur-Virden (Mr. Maguire).

Is there agreement to leave it stand?  
*[Agreed]*

**Bill 16—The City of Winnipeg  
Amendment Act (2)**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Intergovernmental

Affairs (Ms. Friesen), Bill 16, The City of Winnipeg Amendment Act (2) (Loi No 2 modifiant la Loi sur la Ville de Winnipeg), standing in the name of the Honourable Member for Seine River (Mrs. Dacquay).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 18—The Labour Relations Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Labour (Ms. Barrett), Bill 18, The Labour Relations Amendment Act (Loi modifiant la Loi sur les relations du travail), standing in the name of the Honourable Member for Springfield (Mr. Schuler).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 21—The Water Resources Administration Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Conservation (Mr. Lathlin), Bill 21, The Water Resources Administration Amendment Act (Loi modifiant la Loi sur l'aménagement hydraulique), standing in the name of the Honourable Member for Arthur-Virden (Mr. Maguire).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 22—The Court of Queen's Bench Surrogate Practice Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Attorney General (Mr. Mackintosh), Bill 22, The Court of Queen's Bench Surrogate Practice Amendment Act (Loi modifiant la Loi sur la pratique relative aux successions devant la Cour du Banc de la Reine), standing in the name of the Honourable Member for St. Norbert (Mr. Laurendeau).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 23—The Jury Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Attorney General (Mr. Mackintosh), Bill 23, The Jury Amendment Act (Loi modifiant la Loi sur les jurés), standing in the name of the Honourable Member for St. Norbert (Mr. Laurendeau).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 24—The Personal Property Security Amendment and Various Acts Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Consumer and Corporate Affairs (Mr. Lemieux), Bill 24, The Personal Property Security Amendment and Various Acts Amendment Act (Loi modifiant la Loi sur les sûretés relatives aux biens personnels et d'autres dispositions législatives), standing in the name of the Honourable Member for Seine River (Mrs. Dacquay).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 25—The Interpretation and Consequential Amendments Act**

**Mr. Speaker:** On the proposed motion of the Honourable Attorney General (Mr. Mackintosh), Bill 25, The Interpretation and Consequential Amendments Act (Loi d'interprétation et modifications corrélatives), standing in the name of the Honourable Member for Seine River (Mrs. Dacquay).

Is there agreement to leave it stand?  
[Agreed]

#### **Bill 26—The Court of Queen's Bench Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Attorney General (Mr. Mackintosh), Bill 26, The Court of Queen's Bench Amendment Act (Loi modifiant la Loi sur la Cour du Banc de la Reine), standing in the name of the Honourable Member for Carman (Mr. Rocan).

Is there agreement to leave it stand?  
[Agreed]

**Bill 27—The Correctional Services  
Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Attorney General (Mr. Mackintosh), Bill 27, The Correctional Services Amendment Act (Loi modifiant la Loi sur les services correctionnels), standing in the name of the Honourable Member for St. Norbert (Mr. Laurendeau).

Is there agreement to leave it stand?  
[Agreed]

**Bill 29—The Health Sciences Centre Repeal  
and Consequential Amendments Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Health (Mr. Chomiak), Bill 29, The Health Sciences Centre Repeal and Consequential Amendments Act (Loi abrogeant la Loi sur le Centre des sciences de la santé et modifications corrélatives), standing in the name of the Honourable Member for Seine River (Mrs. Dacquay).

Is there agreement to leave it stand?  
[Agreed]

**Bill 31—The Electronic Commerce and  
Information, Consumer Protection  
Amendment and Manitoba  
Evidence Amendment Act**

**Mr. Speaker:** On the proposed motion of the Honourable Minister of Industry, Trade and Mines (Ms. Mihychuk), Bill 31, The Electronic Commerce and Information, Consumer Protection Amendment and Manitoba Evidence Amendment Act (Loi sur le commerce et l'information électroniques, modifiant la Loi sur la protection du consommateur et la Loi sur la preuve au Manitoba), standing in the name of the Honourable Member for Seine River (Mrs. Dacquay).

Is there agreement to leave it stand?  
[Agreed]

**REPORT STAGE**

**Bill 11—The Winnipeg Stock Exchange  
Restructuring and Consequential  
Amendments Act**

**Hon. Ron Lemieux (Minister of Consumer and Corporate Affairs):** Mr. Speaker, I move, seconded by the Minister of Highways and Government Services (Mr. Ashton), that Bill 11, The Winnipeg Stock Exchange Restructuring and Consequential Amendments Act (Loi sur la restructuration de la Bourse de Winnipeg et modifications corrélatives), reported from the Standing Committee on Law Amendments, be concurred in.

*Motion agreed to.*

**Bill 20—The Farm Machinery and  
Equipment Amendment Act**

**Mr. Jack Penner (Emerson):** I would like to propose an amendment to Bill 20, so I move, Mr. Speaker, seconded by the Honourable Member for Turtle Mountain (Mr. Tweed),

THAT Bill 20 be amended by striking out the proposed section 16.1, as set out in section 5 of the Bill and amended in Committee, and substituting the following:

**"Mainline vendor" defined**

**16.1(1)** In this section, "mainline vendor" means a vendor who

(a) manufactures or distributes new combines and new tractors with engine capacities of 100 horsepower or more; or

(b) is a member of a related group of vendors

(i) at least one member of which manufactures or distributes new combines, and

(ii) at least one member of which manufactures or distributes new tractors with engine capacities of 100 horsepower or more.

For this purpose, two vendors are related if one or more distributes new tractors with engine

capacities of 100 horsepower or more. For this purpose, two vendors are related if one is controlled by the other or they are controlled by the same person or group of persons.

**Application of sections 16.2 to 16.12**

**16.1(2)** Sections 16.2 to 16.12 apply to every dealership agreement with a mainline vendor

(a) whether entered into before or after this section comes into force; and

(b) despite any provision to the contrary in the agreement;

and do not apply to any other dealership agreement.

\* (10:20)

I am wondering, Mr. Speaker, whether you can give me some advice on this. I have a second amendment which will be dealt with a bit later.

**Mr. Speaker:** The Honourable Member for Emerson, we will deal with amendments one at a time.

***Motion presented.***

**Mr. Jack Penner:** Mr. Speaker, we on this side of the House realize that the Government is attempting to bring forward a legislation that would appear to address a dealer issue in this province, and many of the dealers and others have expressed concern about the power of mainline manufacturers and the powers that they have over the dealerships via agreement and some may be even not by agreement.

We concur that legislation dealing with this matter should be proposed before the House. We note that the Province of Saskatchewan has in recent years dealt with this same matter. The matter in which they have dealt with this issue appears to be supported by virtually all the key relevant players that are affected by this bill. It would appear to us when we listen very carefully to presentations made in the House, when the Bill came before Committee, that virtually every presenter without exception said this is a bad bill. Bill 20 is not what we had hoped for or what we had asked for.

When I talk about the players, I talk about the farm organization. The farm organization clearly in a letter to the Minister described what they would like to see in the Bill, and that is dealing with the powers of the mainline manufacturers and in the area of preventing mainline dealers from selling shortline equipment in their dealerships, and that is the issue.

The issue is should the rights of a dealer, of an individual, that wants to set up and do business in this province be impeded by the powers of very large corporations? It appears to me, Mr. Speaker, that Bill 20, the way it is drafted would do for the small manufacturer exactly the same as they would for the large manufacturer. In other words, they would relegate the manufacturer in this province that would employ two or three people to the same status as the multinational large-machinery manufacturing conglomerates.

It somewhat baffles us on this side of the House why this NDP party that is in power today would want to relegate the little manufacturer that operates mainly in this province or in other provinces in western Canada to the same status and give the same rights of operation to the huge corporations that these people have always given us an indication that they are the people that we should be caring about. I believe that the care should be given and we should listen very intently to what the small manufacturer said in committee.

Their association appeared before committee and made it very clear that this legislation that is being proposed by the Minister is not the kind of legislation that they were seeking. The dealers came before committee and, through their association and without exception, said: This is not the kind of legislation that we were seeking in Manitoba for the protection of our dealers.

Even the large manufacturers, Mr. Speaker, said they were baffled by the intent of the Bill. They questioned the Minister whether she was truly aware of what the impact was of her bill to the industry. So without question, the numerous letters that I have received from manufacturers all over western Canada, indeed letters that have



come from as far away as Alberta, small manufacturers in Alberta and Saskatchewan, indeed I believe virtually every small manufacturer in Manitoba has written letters to the Minister and to myself and to my colleagues in opposition and have voiced their concern about the heavy-handed approach that this government is displaying by appearing to ram this kind of legislation without any support from anywhere.

I had a phone call as late as last night saying: Jack, can you tell me why this government would be so intent on demonstrating their heavy-handedness in this kind of legislation? That is why we are putting forward the amendments. We are putting forward the amendments that would speak to the correction in the Bill and would give this bill the same kind of powers in Manitoba that are currently prevalent in the Bill and the legislation in Saskatchewan.

I was told yesterday that the Province of Alberta is bringing forward similar legislation, Mr. Speaker. The Minister tried to portray in committee that the Province of Alberta was really going to probably mirror the proposed Manitoba legislation. Well, it was made very clear to me yesterday by people from Alberta that they had no intention of mirroring Manitoba's legislation. The people that spoke to me thought the reason for not mirroring Manitoba's legislation was, and I quote from a presentation made in committee by one of the industry people, that this legislation was "too draconian." It just demonstrates and displays a heavy-handedness by government that none of us truly can understand.

I want to also express the views of the farm organization in its presentation where they clearly identify that the Minister should address the amendments to The Farm Machinery Act, address the amendments to the mainline manufacturers and that the amendments should exclude the shortline manufacturers. They cannot understand, nor can many of the individual farmers that I spoke to during the last couple of weeks understand why the Minister is so adamant in proceeding with this bill. Nobody can understand this. As a matter of fact, some of the people are asking me whether this is a

demonstration of what is to come from this administration, Mr. Speaker.

*Mr. Conrad Santos, Deputy Speaker, in the Chair*

I say to you they are asking me whether this is the kind of dictatorial approach that they can expect from here on in on virtually all the other legislation, and I said to some of the people that made presentations to myself and some of my colleagues that we would be very vigilant. We would be very vigilant in ensuring that the public would be made aware of what kind of dictatorial powers this NDP administration was going to foist upon the people of Manitoba. Indeed this bill is much broader than just affecting Manitobans. This deals with dealers operating in Manitoba, but it causes a differentiation in the operational ability from one side of the border to another between Saskatchewan and Manitoba, and it confuses us. It confounds us into wondering why, because they are both NDP administrations, except the one NDP administration would recognize the operational differentiation at the border, and the other would not. There is a naiveté here, Mr. Deputy Speaker, that is being demonstrated by the mover of this bill and the promoter of this bill, and I really do not think many of her colleagues understand what is being implied here.

\* (10:30)

Basically what they are saying, Mr. Deputy Speaker, is that our small manufacturers are going to have to operate exactly the same way as the huge, huge corporate conglomerates that some of our dealers have to deal with, and that is something that totally confuses us because until now the so-called social-conscious NDP party, or at least that is how they portrayed themselves until now, have always told us that they look after the little guy. They want to look after the little guy.

Well, this bill clearly demonstrates how wrong we were in our perceptions of the NDP party and how mistaken they were in telling people and how misleading they were in telling people that they are the protectorate of the little guy, because the little guys have called me and asked why are we being put in the same barrel as

the large international corporations are. Why are we being coloured with the same orange brush that all the others are being coloured with now? Why are the NDP protecting these huge corporations? Would it have something to do with their association with the unions that operate within these large corporations and that donate money to the NDP party?

We have on record exactly how much the large unions contributed to the NDP campaign in this province. We are wondering, I am wondering, Mr. Deputy Speaker, whether it is the large union bosses that pay the salaries of the NDP organization, whether they are the ones that are driving the agenda here and the small manufacturer that very often is not unionized might be the fall guy here and they are trying to demonstrate and wield power this way.

Mr. Deputy Speaker, I say to you that you are falling into a trap here that I do not think you want to be in, because this piece of legislation, Bill 20, has some fairly broad-ranging application that I do not think the NDP party has properly assessed and analyzed. I think our Premier (Mr. Doer) is demonstrating clearly that he will prove that he has the power.

This bill is the first bill that demonstrates that dictatorial power that he is going to impose upon the people of this province. He is clearly demonstrating that this will be a dictatorship, that we will not listen to the people. There will be no listening to the people.

I say, to the members opposite, some of you were sitting in committee listening to the presentations. If your party and if your leader truly is what you have constantly and forever put yourself off as being, the protector of the little guy, the protector of the little manufacturer, then why would you not have listened to every presentation that came before the committee, every letter that has been written to the Minister.

I say to you, Mr. Deputy Speaker, I have not seen one letter, not one letter in support of this legislation. That is unusual and that is rare. Normally, during the course of debate in committee, you have supporters of a piece of legislation and you have detractors of a piece of legislation. At the end of the day, the Minister or

the Government has to sit there and weigh the balances and then make the decision. Does this fit? Do the presentations fit our agenda?

Mr. Deputy Speaker, quite frankly, every presentation I heard clearly indicated that this is not on anybody's agenda but the Premier's agenda. If the Premier is not going to intervene, it demonstrates clearly that it is his directive, his dictatorial directive, to ram a piece of legislation down the people of Manitoba's throats that I think will not stand us in good stead when we ask machinery companies or whether we ask businesses to come settle, to come make Manitoba their home. That is the essence of this piece of legislation. This clearly demonstrates that there will be dictatorial powers used to foist upon industries or businesses a will of government, not for the people but for the power of the party ruling. I think that is sad.

Mr. Deputy Speaker, till now we have had many different stripes of political parties governing. I go back to Mr. Schreyer, who put himself off as an NDPer, who, I very often think, was one of the best premiers that we have had dealing with the right-wing program in this. I am pleased the Opposition is applauding because Mr. Schreyer had a right-wing agenda.

If we look at the agenda of this NDP party and compare it to the agenda of the Schreyer NDP party, there are some vast and immense differences that are becoming very clear now. I mean, I always gave Mr. Schreyer credit for going out to the public and listening to the public and really doing what the public wanted. He was quite good that way. These people had numerous presenters, had the whole industry, the whole machinery manufacturing industry come before them and said please do not do it. We beg you not to do it.

They had the whole farm organization come before them and said please take great care to ensure that we do the delineation between the large corporations and the little manufacturer, recognize the difference. We had the dealers come before this government and beg to make the difference, identify the difference. And are they listening? No, they are not, Mr. Deputy Speaker, they are not listening. That is the

difference between the then-NDP party and today's NDP party.

\* (10:40)

We heard during the last election campaign—time and time again the advertisements said the new NDP party. We know now what that means. We know now exactly what that means, the new NDP party. This new NDP party clearly has taken some elements of the old NDP party under the Pawley administration, and we know what happened to that administration. They had so much dissension within their own ranks because some of the old, old party were still there from the Schreyer administration and then there were the new-old NDPers, and now we see the new-new NDPers with an element of the old.

**An Honourable Member:** You are yesterday's Tories.

**Mr. Jack Penner:** The Minister of Highways (Mr. Ashton) says: you are yesterday's politicians. I say to the Minister of Highways that I would rather be yesterday's politician that listened to the people than having the new agenda of the NDP and the dictatorial powers that they are demonstrating in this piece of legislation. I would rather be the old PC Party that demonstrated a clear conscience for the people because that is what we did, and I am very, very proud of that.

We had an ability to listen, and we were known across this country as a party that clearly listened to Manitobans. I say to you, Mr. Deputy Speaker, that was the reason why Manitobans supported our party for 12 long years. That is why they supported our leader who was there who was the longest-standing political leader in this province. That is why the people supported him because he listened to the people. But this new premier that we have now, the new NDP, clearly indicates he has no use for the people, clearly demonstrates he has no use for the people. And I think they will find out.

You, Mr. Deputy Speaker, I think know the difference. You see what is happening, and I see your smile on your face because you recognize the difficulty you are going to have next election explaining these kinds of dictatorial powers that you are foisting on people who do not want

them. They do not want them. It is clearly the industry's will.

You know, I have a letter from a manufacturer who has operated in this province for a number of years. He started as a very small manufacturer. He has become probably one of the larger manufacturers in this province. His name is Johnny Buhler. I know him as Johnny because he is a good friend. He is a very good friend. He is an excellent businessman.

He wrote a letter to the Minister and copied it to myself and copied it to the Leader of the Liberal Party. He says: Buhler Versatile Inc., along with other Buhler companies, is a shortline niche manufacturer of various agricultural equipment and is located in Winnipeg and has been in business since 1933. Our company, he says, currently employs 750 people in small manufacturing companies and is expected to exceed 1000 employees before the end of the year, 1000 employees by somebody who started in Morden in a very small welding shop. Does that not demonstrate an ability? Does that not demonstrate a business acumen? Does that not demonstrate some wisdom? And we are not listening to him. Your NDP Government, Mr. Deputy Speaker, is not listening to him.

He is saying: We do not understand how our industry can be singled out for such intrusive, damaging legislation as is contained within the proposed changes to Bill 20. We would like to state—*[interjection]* I find it somewhat interesting that the Member for Rossmere (Mr. Schellenberg) would sit there and ask: Did you write the letter for him? I would like to say to the Member for Rossmere that you have many businesses in your constituency that are quite capable of writing these kinds of letters, that are quite capable of representing their interests and the interests of their employees, and they are very, very capable of determining whether this kind of dictatorial government should be in power three years from now or not. They will tell you, the Member representing Rossmere, whom they want to represent Rossmere.

So let it not be said that I have written this letter for Mr. Buhler. I think Mr. Buhler is quite capable of writing this kind of letter himself.

I will continue, Mr. Deputy Speaker, with the letter: We would like to state on behalf of our employees—now listen to this. I know they like to natter, but I would ask them to listen because this is very important. This does not speak about the industry. This speaks about the employees. He said: We would like to state, on behalf of our employees and the other 20 000 employees of PIMA, the Prairie Implement Manufacturers Association member companies, that this legislation, as proposed, is bad for our industry and for agriculture as a whole. We would request that a full review of Bill 20 be undertaken prior to passage and significant changes be made to better protect the interests of all stakeholders involved in agriculture in Manitoba.

Saskatchewan has recently—*[interjection]* Now, listen. I know the Member for Brandon East (Mr. Caldwell) does not like this kind of presentation. He calls it brutal. Well, Mr. Deputy Speaker, I say to you that if Mr. Buhler's letter is brutal, let us wait three years from now and find out how his electors will deal with him. I think he will find out what brutal really means.

I want to continue, Mr. Deputy Speaker, with the letter. He requests that a full review of Bill 20 be undertaken prior to passage and significant changes be made to better protect the interests of all stakeholders involved in agriculture in Manitoba.

Saskatchewan has recently passed legislation which, we feel, is equally as effective in addressing the problem of dealer purity. However, the Saskatchewan legislation does not restrict the entire manufacturing industry, as your proposed changes will.

We give merit to the attempt to help our dealers address this problem. However, this bill as proposed will inadvertently apply the unnecessary restriction, delays and costs on shortline manufacturing in selling their products through agricultural dealers in Manitoba. Why are you not listening?

I would suggest that dealers would also reiterate the unnecessarily wide-sweeping ramifications of the proposed changes to this bill.

Thank you for your careful consideration of this matter that affects so many jobs and businesses, both manufacturing and retail, in Manitoba. Signed Johnny Buhler of Buhler Versatile Inc.

Now, I do not know how much more clear a manufacturer and a distributor could be than that letter is. How much clearer do you want anybody to be in expressing the disappointment, Mr. Deputy Speaker, of this bill amongst the entire industry?

I have another letter that I think is equally important. This is from a smaller manufacturer, and this manufacturer employs 150 people. It is from Brandt Industries. It says: Brandt Industries Ltd. is a shortline manufacturer of agricultural equipment located in Regina, Saskatchewan. We have been in business since 1938. Our company currently employs 150 people in Saskatchewan and sells our product through 15 dealers in Manitoba.

We would like the Committee considering Bill 20 to know that we do not agree with its content and consider it to be damaging to our company and employees. Furthermore, we believe that it is in the best interest of our industry as a whole for any legislation passed to be harmonized with other Prairie provinces.

\* (10:50)

To the members of government, I say that the amendment that I am proposing, and my colleagues are in support of, clearly would do that. It would harmonize the legislation of Manitoba and Saskatchewan, and my information says that Alberta is about to move in that same direction to do a piece of legislation in harmony with Saskatchewan.

We on this side of the House find it absolutely unbelievable that this government would stonewall and display an ignorance that we find unbelievable as to what they are really doing with this bill and how this bill applies to the producer, to the small manufacturer, to the dealers, and to the large manufacturers. We do not understand why this government is so intent on applying this kind of legislation, and we

certainly cannot comprehend why the industry would do this.

*Mr. Speaker in the Chair*

Here is another letter, Mr. Speaker, that I would like to put on the record, and it is addressed again to the Minister. It says: MacDon Industries Ltd., a shortline niche manufacturer of agriculture equipment, located in Winnipeg, Manitoba, has been in business since 1949. Our company currently employs 450 people in Manitoba. We do not understand how our industry can be singled out for such intrusive and damaging legislation. We would like to state on behalf of our employees, and other 2000 employees of PIMA, the Prairie Implement Manufacturers Association member companies, that this legislation as proposed is bad for the industry and for agriculture as a whole, and we request that a full review of Bill 20 be undertaken before it is passed, given final passage in this Legislature.

Mr. Speaker, I beg you and your government to seriously reconsider before this House gives final passage to this bill. I seriously beg you to reconsider the hugely damaging effect that this legislation will have and that you soften your hearts and listen to all the presenters, listen to the people, listen to the employees, listen to the manufacturers, listen to the small manufacturers, listen to your constituents because the manufacturers that I have letters from come from Brandon, come from Winnipeg, come from Dauphin, come from Altona and Winkler and Morden. All these industries have indicated a dismay at the contents of this legislation and how it will impact their industries. They simply cannot understand nor can they comprehend why any government would want to foist that kind of dictatorial powers on an industry, especially the employees that work in these industries.

I have one more letter, and I want to read a part of this letter because I am not sure that I would have—can you tell me how much more time I have? Five more minutes? Maybe I can read this letter in its entirety into the record in five minutes:

The Keystone Agricultural Producers, which is the major farm organization in this province

would like to speak in favour of Bill 20, The Farm Machinery and Equipment Amendment Act and commend the Government for proposing this legislation. This amendment addresses the issue of dealer purity which is a serious concern for our producers.

And here is what I want you to listen to, Mr. Speaker: Recently mainline manufacturing equipment companies have been forcing their dealers to restrict their equipment lines to only those sanctioned by the mainline companies. This practice has some very disturbing implications for Manitoba farmers. The equipment manufacturers by shortline companies and offered for sale through the network of Manitoba farm equipment dealers is an alternative to mainline equipment. Having alternatives in mainline farm equipment choices puts the competition into the system, which helps to meet farm equipment prices more effectively than they would otherwise.

The dealers who carry shortline equipment also provide parts and services for that equipment. If dealer purity was to be forced on them, producers would have no access to parts or services for the equipment they presently own. The farm equipment business is a competitive and demanding business. Loss of shortline equipment franchises would remove a component of a farm equipment dealer's business which helps to keep him viable in a very tight economic climate.

Because of limited numbers of implements produced by shortline manufacturers, a dealer dealing strictly with those products would not have enough business to make him viable. Having shortlines of equipment handled through mainline dealerships is the most effective way of making those equipment alternatives available to producers. Many of the shortline implements were manufactured on the prairies for our soil, our climate and production conditions. They are more ideally suited to our type of agriculture, and limiting their availability would have a detrimental effect on our ability to manage our crop and livestock production in the most effective and economical manner.

It is for those reasons that we support the component of this legislation which prevents

equipment companies from applying dealer purity restrictions in their agreements with farm manufacturers and the dealers.

I think, Mr. Speaker, that this is clearly an indication that they would like to have the restrictions applied to the mainline manufacturers and not to the shortline manufacturers. They say that we believe that the application of this legislation will also benefit the Manitoba economy beyond the farm gate. Manitoba is home to a number of shortline manufacturers which generate jobs and other economic activity in our province. This legislation would ensure that they have a network throughout which they can sell their products, helping to maintain their presence as important components of Manitoba economy.

We are pleased to see that this legislation is retroactive. Dealer purity has been written into a number of dealership agreements in the past. This legislation makes it possible for those agreements to be revisited and for a shortline franchise to be re-established in those communities which have lost them.

We support that. We believe that the Keystone Agricultural Producers organization in their letter clearly demonstrate that they would like the distinction to be made from the large manufacturer to the shortline manufacturer and that dealers be given the exemption of dealer purity from the large manufacturing corporations.

Again, we would clearly hope that this new NDP government would set aside its dictatorial agenda and would recognize what every aspect of the industry has requested. That is simply to make the distinction and put in place legislation that would mirror the Saskatchewan legislation. We believe that Alberta is on that same path. That would give western Canada equal legislation throughout western Canada. The companies would be able to move freely and they would know what the rules are.

Mr. Speaker, I thank you for the amount of time that you have allotted to put my comments on the record.

\* (11:00)

**Mr. Larry Maguire (Arthur-Virden):** Mr. Speaker, I rise in the House this morning to speak to Bill 20, The Farm Machinery and Equipment Amendment Act.

My honourable colleague representing Emerson has put forward an amendment to Bill 20 that we believe will address the needs of all of the players in the agricultural industry here in Manitoba, be it the manufacturers, the small manufacturers, the farm community. I would make the case that it would even address some of the issues of the large dealers that we have today in the province of Manitoba.

We have heard from a number of the relevant companies in regard to this bill. We have a handful of companies in Manitoba who would be defined as small manufacturers. We have heard presentations before the committee from some of these players. They have made strong representation that they are in disagreement with Bill 20 in its written form.

So, therefore, the amendment that my colleague from Emerson has made in regard to the definitions of mainline vendors are most pertinent to the agricultural industry as a whole in Manitoba, but particularly to the future development of our agricultural industry, to the survival of many of the machinery dealers in the rural area of Manitoba and to the farming community as a whole.

I would make the case that a number of these businesses might be forced to go out of business if, in fact, they are restricted from being able to sell the small manufacturers' products in the province of Manitoba out of some of the mainline dealers that we presently have today. We have a situation where we only have roughly 23 000 farms in the whole province of Manitoba, including the part-time farmers, if I might add, that farm in this province as well. A very small portion of these farms would be of the capacity and the size to continuously turn over their mainline combines and tractors, the horsepower, the size of the vehicles that they have over the 100 horsepower in this area. Therefore that restricts the amount of capacity to generate new trades on an annual basis in this province of Manitoba.

I would argue that many of the mainline manufacturers in Manitoba today, while they do an excellent job with the parent companies that they are working with in the province of Manitoba and many of them have excellent relationships with their mainline manufacturers, they have made the case that they want the opportunity to be able to continue to sell short-line equipment, if you will, or the smaller pieces of machinery that we have in Manitoba needed in the agricultural industry today, out of those dealerships without having to set up a whole new building, without having to set up a new sales operation, without having to hire new staff to set up a separate entity and a separate business in the province of Manitoba to sell this equipment out of.

I would make that case because of the size of the volumes of farming done in the communities in Manitoba today. Many of our small communities survive. I know of several in the constituency that I live in that have the opportunity to create large amounts of employment in some of those rural communities. They are the main employer in many of these communities, and, therefore, they deserve the opportunity to protect their investment, if you will, by being able to sell more of the products that have been outlined by my fellow member for the constituency of Emerson this morning.

These products are not always manufactured here in the province of Manitoba, but we do have a small manufacturing base in Manitoba that does provide thousands of jobs in this province. I would say that a number of them are right here in the city of Winnipeg, from which the governing party of the day has approximately 90 percent of its members. I cannot understand why a government that is trying to protect the jobs of the citizens of Winnipeg, particularly this case, as well as trying to put forth legislation that would help the farming community in Manitoba, would not pay attention to the fact that they may be jeopardizing some of the workmen that they have on a daily basis in this city, in this centre of activity in the province of Manitoba.

It behooves me to put forward the argument to the Government today that they should very much take a serious look at the type of legislation that has been put forward and

redesign it to include some of the amendments that have been put forward by my colleague. They heard these arguments from these small-line manufacturers during committee, and we listened very closely to them. My colleague has read letters into the presentation today that will be in *Hansard* outlining the comments that these manufacturers made in the province of Manitoba. He has also read the letter from the largest farm organization in Manitoba, Keystone Agricultural Producers, that very much outlines support of changes and that new amendments be put forward in this bill.

I would say, Mr. Speaker, that it would only be a minister who would not understand the activities that are taking place or a government in Manitoba that does not understand the importance of the agricultural community and the manufacturing industry and the economic activity created through the sales force in the province of Manitoba that would bullheadedly go ahead and put this kind of legislation forward without making the proper amendments to put it more in line with the kinds of legislation that has been developed in other provinces, not for the sake of being the same as those other provinces, but for the fact that it is the right way to go.

My colleague has spoken about the types of legislation in the farm machinery act that is present today in Saskatchewan and that which is forthcoming in the province of Alberta, but it is our understanding, or my understanding from the work that I have done in other jurisdictions before I was elected to the Legislature, that we need to continue to reduce the trade barriers between provinces in all of Canada, but it is of particular importance to do it right here in the Province of Manitoba.

I would contend, Mr. Speaker, and put forward that by accepting some of the amendments that have been put forward here in the definitions of "mainline vendors" in this bill by my colleague, the Member for Emerson (Mr. Jack Penner), that it would go a long way towards not only helping the farm community, the manufacturers, the mainline dealers in the province as well, but it would also increase trade along our provincial borders with our neighbouring province to the west in Saskatchewan

and make it much easier instead of more difficult to enhance trade.

Because I just happen to represent a constituency along that border, Mr. Speaker, it is of greater concern to me than perhaps some others because we do not want to set up a restrictive zone along that border whereby myself and the Member for Russell (Mr. Derkach) and the members further north, the Member for Dauphin-Roblin (Mr. Struthers) as well should be concerned about the kinds of activity and trade that can take place when differentials occur along a provincial border of this nature.

This may lead some of our farming community to shop at—we would like them to shop at home, Mr. Speaker, but it may lead some of the farm community to shop in other jurisdictions. That is not what we should be trying to design and not what we should be trying to do with this type of legislation. We should be trying to enhance our ability to move that trade along in Manitoba and keep as much of it here as we can.

Mr. Speaker, the kinds of dealerships that we have in Manitoba depend largely on the amount of machinery that they can sell. Obviously, as I have said earlier, there is a restricted amount of combines and tractors over the 100-horsepower range that can be sold on an annual basis in a province that only sustains roughly 23 000 total farm numbers and 10 000 to 15 000 commercial farms today if we look at it on that basis, according to Statistics Canada.

Therefore, we need to be very cognizant of the fact that these dealers have an opportunity to not only look after their own needs but to meet the needs of the farm community by having a representative sample of the products and types of machinery, whether it is grain augers or snowblowers or cultivators or haying equipment for the forage industry, that their mainline manufacturer may not, at the present time, handle. Many of them might have to make grave changes to their business structure if this type of legislation is put forward. That is why we have come forward with the types of legislation that we have got and the kinds of amendments at least to this legislation that my honourable

colleague from Emerson (Mr. Jack Penner) has put forward.

\* (11:10)

We need to listen to people like John Buhler and Scott MacDonald and a number of the people in this industry that are trying to create jobs on a daily basis here in the province as well. Certainly they are trying to survive as business-people in a very competitive industry, but they are the leaders in creating economic activity in their field in this province. When they come forward asking the government of the day to put forth the kinds of amendments that are being proposed, then we think it is only sound business and sound management and only something that a caring government would do. We have listened to these people. We have heard their concerns. We have put these amendments forward as a means of dealing with their concerns and hoping that it will add some to the whole situation of trade in the province of Manitoba and in continuing dealer establishments as they are structured in the province of Manitoba today.

Mr. Speaker, it is an eye-opener I guess to see a government that will continually push this kind of legislation forward. Even in the Committee, where these amendments were first discussed, to have seen them make no effort to move any amount towards accepting these kinds of amendments, which are really common sense, disturbs me as a former and present farmer. I guess in the community of Manitoba, in the constituency of Arthur-Virden, because it will have a great impact amongst a number of the dealers in my own constituency. Many of them sell shortline equipment. Trades have been made.

Amalgamations continue to take place in the farm equipment industry. We have a very, if you will, small number of mainline manufacturers that are carrying on business in the world today. Most of the people in that industry that I know of have a very good working relationship with their parent companies, but they do want to continue to be able to sell some of the equipment from the relationships that they have already established with other manufacturers and machinery companies that are out there selling product today.



It is not only the corporate relationship that they have, Mr. Speaker, it is the relationship they have with their own communities, the relationship they have with their own farmers, the relationship they have with those farm families that are in the industry today making the changes that are required on an annual basis to continue to drive more competitiveness, if you will, and survival instincts into the farm community and provide these people with the opportunity to carry on a viable farming business.

These dealers listen very closely to what the farmers are telling them. They adapt their farm businesses to provide them with the opportunity of supplying them with the products that those farmers need. This is the manner in which those businesses survive, and it is a vast requirement that, on behalf of these businesses today, they require, in many cases for survival, the opportunity to be able to continue to sell these other products.

As our industry continues to change in the province of Manitoba in the agriculture community, and as we continue to need more and new pieces of machinery in a specialized manner for not only the forage industry—I mean, Manitoba has made many switches in the kinds of products that it is growing since 1995 when the Crow benefit was taken away. We have specialized machinery required in the bean industry. We have specialized equipment required in compacting forage products. We have new machinery being developed all the time in crops like corn and lifters for the various pulse crops that we have in the province as well.

We have many manufacturers in small communities that have developed efficient equipment to be able to meet the needs of the people that are in those niche markets for those products. Mr. Speaker, most mainline companies, most of the, if you will, parent companies that we have today have research and development divisions within their own companies. But I contend to you that most of those companies are dealing with farm machinery that can be mass produced, that can be handled on a world-wide basis nowadays, not specifically designed for niche markets of

development that are needed for survival in many of our farm communities.

These companies have done an excellent job in developing the products that they need in combines, tractors, in sprayers and cultivators. But let us not forget that most of those, even to some extent some of the tractors, were designed on farms. They were designed by people who were using the product on a daily basis in small communities around Manitoba, across Saskatchewan, in the province of Alberta, to meet the needs of the prairie farmer, and other regions of Canada have developed it for their own requirements.

Sometimes those pieces of machinery are relevant to the needs of the people in a different jurisdiction, and sales get expanded. But many of these products exist today because of a need to develop on an on-farm situation, and those farmers, being the innovators that they were, took it upon themselves to build those pieces of machinery that were required by themselves. If they worked well, they were asked by their neighbours to build another one, and build another one, and that is how you develop an industry. This has been done many times in the province of Manitoba.

We only have to look at the short line and right down to the fact that we sell a lot more snowblowers in Canada and Manitoba than they do in the southern states. These are the kinds of specialized pieces of machinery that are required for the nature of our industry, and many of them are to deal with the storage of grain and the unique situation that we have here in Manitoba and in North America as well and in the southern prairie region, I should say, Mr. Speaker, which is quite different than that of other jurisdictions.

So that is why I ask the Government of today to tackle the amendments that have been proposed by my colleague in a very serious manner to look at what they can do for the positive development of agriculture in not only the province of Manitoba but in sales beyond our provincial boundaries. The acceptance of these products through the amendments that my colleague from Emerson has put forward will augur well for this province, for it is not just for the farmers, not just for the small equipment

manufacturers nor for the large dealers. It will augur well for the citizens of Manitoba and the gross domestic product that we can generate out of the future sales of these kinds of products. My colleague indicates also that that enhances the whole jurisdiction of the labour force that we have in the province of Manitoba right from border to border.

So if the Government is truly concerned—and we are encouraged by the fact that they brought forward The Farm Machinery and Equipment Amendment Act, as my colleague from Turtle Mountain brought forward the private member's bill. I had the opportunity to sit with him in the Legislature when we had the motion on his private member's bill put forward; in fact, actually not the motion, Mr. Speaker, but the news conference that we held back in the winter to bring forth the member's concerns about the whole area of farm equipment sales and the amendment to The Farm Machinery Act. It would be very sound of this government to proceed with legislation that is very closely aligned with the Province of Saskatchewan.

**Mr. Speaker:** Order. The Honourable Member's time has expired.

\* (11:20)

**Mr. Frank Pitura (Morris):** Thank you, Mr. Speaker, for allowing me to put a few comments on the record with respect to Bill 20.

Mr. Speaker, I just want to go back to the early winter, and my colleague from Arthur-Virden was addressing the fact that our colleague from Turtle Mountain had introduced a private member's bill back in the wintertime. At that point, it was to bring forward this piece of legislation in the interests of the farm equipment industry, with ultimately it being a better system, a better industry for farmers to utilize in this province because, after all, it is the producers in this province who produce the food that feeds not only this great country of Canada and this province but people around the world. So it is important that they have the proper tools to be able to produce the food necessary to feed the populations.

But, Mr. Speaker, when my colleague from Turtle Mountain introduced the legislation, he

introduced it with one very important fact when he did introduce it at a news conference. The fact was that the legislation would mirror that of the Province of Saskatchewan so that there would be consistency between the two provinces with respect to the farm equipment dealerships in terms of their licensing by mainline manufacturers and allowing them to carry small-line items with their dealerships.

I think that was a very important point, that the legislation from Saskatchewan be utilized in Manitoba because then so many of our small microline manufacturers in both provinces would have the same legislation to operate under right across the majority of the prairies.

However, this Bill 20, being introduced by the Government here in Manitoba, is taking this legislation to what I believe is to be a negative step which would make it much more difficult for small-line manufacturers to establish themselves in Manitoba and to operate in Manitoba.

So, Mr. Speaker, the industry in Manitoba, if we could just spend a little bit of time on that, historically there were many dealers in Manitoba that all sold mainline equipment. The microline or the small-line equipment was really not that important a part of this entire process.

Over the years, though, as equipment dealers rationalized and merged and became larger equipment dealers, that then prompted them to be able to balance off the kinds of equipment they offered for sale to producers with the addition of the small-line manufacturers, such as the augers, such as the rotovators, such as cultivators, such as air seeders, swathers, et cetera, that were added to their list of available equipment that could be sold to producers, giving the dealerships a broad balance of the products and services that they could offer to farmers in their area.

Ultimately what they did, Mr. Speaker, is they did not just offer a set line of equipment, but if a particular piece of equipment had merit in their area, that is a piece of equipment that they would bring onto their lot to sell to the producer, and these were these small-line manufacturers, and this was something that they always had access to for many years.

However, as time went by that the larger equipment manufacturers kept purchasing some of the small-line manufacturers, eventually they got to the point where they were establishing and selling what they thought was a complete line of equipment. Then what happened was they would go to their dealerships and tell them: You can only sell our line of equipment; you cannot any longer sell the shortline pieces of equipment that are available that are not our brand.

This put a lot of pressure on dealers at that point in time, because a lot of their sales were generated through the sales of the shortline equipment, and many of the pieces of equipment that were produced by the mainline manufacturers were not pieces of equipment that producers in their particular area were akin to or were satisfied with using. Therefore they wanted the other shortline pieces of equipment.

So this is how that whole process has evolved, and so the reason for this legislation. Now, most of Bill 20, I do not think there is any problem. Our side of the House supports the intent of the legislation, no question about it. But when it comes to the breaking down of the legislation to the point where the Government legislation is encompassing everybody into the same group in this legislation, what we are saying is, no, do not do that. Define the mainline manufacturers because that is who the legislation is intended for. Take the shortline manufacturer and leave them out of the legislation, so that they are not affected, because they are the ones who are struggling to penetrate the market, not the mainline manufacturers.

So what we have introduced here as an amendment is basically the breakdown of the definition between what a mainline manufacturer would be and what a shortline manufacturer would be. By definition, we define what a mainline manufacturer is, and then the shortline is thereby defined by not being in that definition.

The point I guess I would like to make is the fact that as legislators, our intent, of course, is to bring in good legislation for the benefit of the public, and we do it with the best of intentions. However, we have to also be realistic about the fact that if we bring in legislation that is not in the best interest of the public—and we were told

that by the public, that we should make some changes to ensure that the legislation addresses the needs of the public, and when this bill was at committee, the Committee was hearing representations from a variety of groups who indicated to the Government that this legislation was going too far in terms of protecting the industry, that we are actually harnessing and shackling the industry by the essence of the legislation, and this is not the intent. The intent was only to allow dealerships to be able to carry a broad line of equipment for sale to producers.

So I guess I could also share an example with the House of a dealership. I know that some of my other colleagues would like to speak to this as well, so I will give them that opportunity. I would just like to give you an example of a dealership who handled two, what we would call, mainline pieces of equipment. That dealership was instructed by both, one or both, I am not sure, that in order to continue to operate and to continue to sell the equipment of both lines, they would have to establish two separate dealerships in a small community of about 150 people. They said, well, there is no point for us to build another service shop and tool it for servicing equipment. There was not much point in us even considering dividing up our dealership into two branches. Therefore, Mr. Speaker, today it is an empty building. It is a closed dealership. The dealer just gave up and walked away.

\* (11:30)

Now, this legislation would duly help that dealership had he still been in existence today, but it goes too far with respect to putting everybody into the same room as manufacturers. It is very important that this definition be redefined, so the amendment we have put forward proceeds to make that definition and to split it. Not a big change, all it says is let us define what a mainline manufacturer is, and by doing that, we then eliminate what would be the shortline manufacturers from having the hassle of going through the legislation that is proposed here in terms of trying to having to get a court order to close down a dealership so that the shortline manufacturers are really blocked from attempting to put product in with a dealer because they know that, if they do not like that

dealer, or they do not want to continue to have that dealer sell their equipment, they are going to have to go through the same process as a large mainline manufacturer. So it really is legislation that is putting blocks, road blocks in the way, and I think that the Government should realize, although its intent is honourable, that there are some minor changes that can be made to it, and it will be a very, very effective piece of legislation.

What we are saying is that we are not suggesting that the legislation be thrown out and that there are 500 amendments or whatever. We are just suggesting a couple of amendments. We are not asking for the world, but we are asking for some understanding that the legislation should be good, effective legislation and do what it is supposed to do. The way it is written right now, it is not going to do what it is supposed to do. It is going to be just the opposite. It is going to actually put a thorn in the side of a lot of shortline manufacturers who would like to get penetration into the market, who will find out that now they are not going to go to dealers and put their equipment on their lot and then say, well, no, you cannot handle our equipment because you are not selling it, you are not promoting it, and then they have to go through a whole court process of being able to get out of that deal. It is going to cost them too much money, so they are not going to establish a dealer network that this legislation was really intended to allow them to do, is to keep selling their equipment on farm equipment dealers' lots.

Just to give you another small example, when I was farming, Mr. Speaker, I bought a small 45-horsepower tractor, and for that tractor, I could have purchased the mainline manufacturer's piece of equipment although not all were available. I wanted a rotovator *[interjection]* A rotovator. *[interjection]* Just like a rototiller. It is like a rototiller except it is a little bigger.

I will tell you, this happened to be a Case IH tractor, so Case IH did not have a rotovator available for that size a tractor, so I had to go to a shortline manufacturer. Where did I get the shortline piece of equipment from? A manufacturer in Morden, Manitoba, who manufactured those rototillers. So that manufacturer supplied that size of rotovator for that size of the

horsepower tractor. There are other things such as cultivators, mowers or blades that are produced by small shortline manufacturers that are available for the specialized pieces of equipment that farmers would have.

This legislation will prohibit and prevent and put blocks in the way of a small dealer such as the small manufacturer, such as the one in Morden, from placing their equipment on a whole host of dealers' lots throughout the province, because if they do not want to put that equipment there in the future and want to take it away, they have to go through the courts to get it back. Why would they want to even start? Because they cannot afford the legal process. So those shortline manufacturers should be outside of this legislation; just the mainline manufacturers.

I hope that there is a bit of a message there that the Government side will understand and appreciate, and I hope that they are willing to take that honourable step and accept the amendment and produce what will be some great legislation for the farmers of this province. Thank you very much, Mr. Speaker.

**Mr. Mervin Tweed (Turtle Mountain):** Mr. Speaker, I am pleased to put a few words on the record, too. When this side of the House presented a bill or suggested that we were going to bring a bill forward into this session, the idea was to create some sort of a balance between Manitoba and Saskatchewan. We were hoping that Alberta would follow in the same legislation to create an even and fair playing field for all the machinery dealers across western Canada but also just the fact that it was going to be of a benefit to the shortline manufacturers.

When we met with the Minister to talk about the legislation that she was going to propose, our comments, and they are on the record, said that we supported the idea in principle and that the intent of the Government was very similar to our intent, was to eliminate the ability of a mainline manufacturer to create a purity contract which could be used over time to discriminate against the dealer. That was something that the dealer networks had told us all across Canada that they felt was unfair and unreasonable, and therefore that was the reason that this side in Opposition

we were prepared to present a bill that mirrored the Saskatchewan legislation.

We support the intent of the Bill of the Government. I do not think that we are opposed to what they are trying to do. I guess we have some strong considerations based on feedback after presenting the Bill to the public as to how to make the Bill better. I think that it is unfortunate that the Government of the day would not consider the amendments that were made in the Committee stage, again, very similar to the amendments that we are seeing here today with the idea being if it is good legislation and we can make a couple of amendments to make it better to satisfy the people that it was intended and directed at to improve their ability to do business in the province, why would we not consider it?

I have to say I am a little bit disappointed in the Minister and in the Government for taking a closed-minded approach on this particular issue. Member after member on this side has stood and said that we believe the legislation is good legislation. All we are suggesting with amendments and from talking to the public is how do we make it better, how do we make it more in line with what the shortline manufacturers are telling us, what the implement dealers are telling us and what the people of Manitoba are telling us.

I think that when governments do not listen to people that agree with what they are saying but are suggesting that they have ways of making it better, that it is unfortunate. I would hope that it is not a closed-minded position that the Government will not look at and will not reconsider and will not take as serious the amendments that we are offering today.

The intent of the original bill that the Opposition were prepared to put forward was to deal with mainline manufacturers. I think anyone who is involved in agriculture to any degree will fully understand that there are not many mainline manufacturers anymore in North America, or in the world for that matter. What has happened is that over time with the amalgamations and mergers of major corporations, we have gone from probably 10 to 15 major mainline manufacturers in Canada and in North

America to 3. When you have such a limited availability, companies that are manufacturing these products tend to strengthen their agreements with their dealers to a point where sometimes the dealers feel handcuffed and feel a little bit boxed in, in the sense of their ability to expand their business, to grow their opportunities, which in turn creates employment opportunities for Manitobans. It creates opportunities for communities to grow and provide employment, provide the infrastructure to small communities that is so often needed in today's world and probably more so in today's world than ever before in the past.

I think that we have to look at any rural community in Manitoba right now that has an implement dealer in their community. What do they represent? Well, they represent investment in the town or in the municipality in which they are set up in. They represent jobs, which we all know are good. They represent probably one of the highest taxpaying groups of people within those communities. Having had some experience in the farm equipment side, I can tell you that the taxes that are paid by that group of people, by the farm machinery dealers in the province of Manitoba, I would suggest to you, is substantial.

\* (11:40)

I do not think that legislation should be brought forward that hinders their ability to compete but also to be successful. I think the intent of the original legislation was to do just that, to protect them from the mainline manufacturers, who in their agreements had a statement that basically said upon the whim and wishes of the major-line manufacturer that they could come in and make certain requests of a dealer, and if the dealer failed to comply or would not comply, then the ability to terminate that dealer without any recourse or without any discussion could do so within 14 days with written notice.

I think the Bill that is being presented by the government of the day is certainly trying to affect that ability of the manufacturers, but what they have done in their attempt to address that issue is taken it one step further. We have heard from all the shortline manufacturers in the province of Manitoba that this would be a

detriment to their business and to their ability to do business. It is something that I think all governments and all people—sometimes we try and do the right things for the right reasons; we sometimes tend to go a little too far thinking we are doing the right thing.

All I would suggest to today's government and to the people in the benches opposite is that they reconsider and look at the amendment that is being presented today. The people who made representation and presentations to the Committee support the amendment that we are putting forward. They have studied the Bill. They have accepted with open arms the legislation in Saskatchewan and have asked the province of Manitoba to mirror that legislation, not go beyond it but to mirror it, because it creates a level playing field across two provinces and hopefully the third province in Alberta. For some reason, in the translations and in the discussions that the Minister has had and that the Government has had with other people, they have chosen to take it one step further.

I think that the shortline manufacturers in the province have come forward in saying: We agree with what your intent is; we agree with what the principles are. We would just suggest that you look at this area of the Bill and how it affects us. If we can offer an amendment to make it better, please listen to us.

I think our amendment today is suggesting to the Government that we were all at the same committee meeting. We all heard the same presentations, and this is something that we have gleaned out of those presentations that would make it a better bill for all Manitobans.

The last thing I think this government wants to do, and that we want to do as opposition, is to put restrictions on shortline manufacturers in our province that restrict their ability to grow and develop new markets. Unfortunately, with the added description or definition in the Bill presented by the Government, it does just that. I think that is unfortunate, and I do not suggest that it was done intentionally. I think the Bill was presented, and there was maybe some discussion around the table that said: Well, maybe we should include all manufacturers in the agricultural industry and present it that way.

Then it covers off everybody. Unfortunately, it is not the shortline manufacturers in Manitoba that are putting these heavy and hard restrictions on the dealer group in the province, and the intent of the Bill was to address just that.

The members on this side of the House have talked today, and, I think, for obvious reasons, many of us represent rural communities, just as the Member for Thompson (Mr. Ashton) represents a mining community. I would expect for him to be able to come to us and have a better understanding of the issues that affect that and present them in a way that we can understand and accept. In the same breath, I would suggest to you that, with the rural representation that is on this side of the House, with many of the farm dealers in our communities—but not only the dealers but the manufacturers, as the Member for Morris (Mr. Pitura) has said. We look at Morden, Winkler, communities around in rural Manitoba that are developing growing industries in the farm equipment side.

Do we want to discourage that? I do not think anybody in this House wants to discourage that. I do not think it is the intent of the Government to do that, and all I would hope is that they would not become stubborn over an issue, whether who brought it forward or who suggested the amendment—that they look at it as a good amendment and an amendment that can work for all Manitobans.

I know the Member for Dauphin (Mr. Struthers)—we have had some conversation, and there has been some discussion publicly about the hemp production plant in Dauphin. No one would like to see it happen more than I, because if it creates opportunities for Manitobans, I support it; but, if there was a regulation or something that could be changed just by listening to them to make it more beneficial, and to their benefit, then I would suspect that the government of the day would want to listen to that and would want to bring forward an amendment that would make it better for them.

That is what this amendment is all about. We agree with what your intent is. We agree with the principles of what you are trying to do; but, after listening to the shortline manufacturers

in this province and to the dealer groups that it has most affected, they have suggested that there should be some small changes. All we are presenting to the Government today is an amendment.

If the Government feels so inclined, let them take the amendment and bring it forward under their own banner as government. We will support it. We will not deny the legislation from passing if the government of the day decides to look at it and present their own amendments. When we brought the legislation forward earlier, it was to kick-start the Government into looking at the legislation in Saskatchewan and trying to mirror it. I think they have tried to do that, but you have gone just probably one step—I would not even say one step too far—probably one step to the side—because you have tried to include groups of people that the Bill was not intended to cover. Unfortunately, the impact on them will be the most detrimental to the province in the development of our manufacturing industries.

The amendment that we have asked for just merely redefines what the vendor is. Is it a mainline dealer or is it a mainline and shortline or a combination? What we are suggesting is that the original legislation that we were prepared to bring forward, the original legislation that Saskatchewan brought forward, which I might remind members opposite, all parties agreed to in Saskatchewan. They had the endorsements of the farm equipment dealers, of the manufacturers. They all sat down at the table and said this will work. The implement manufacturers brought it to Manitoba, to us at that particular time, and said this will work for us all and benefit all Manitobans.

So all I am suggesting is that the Government take a look at the amendment. As I say, if they are prepared to bring their own amendment forward, if that would create the comfort zone that they need, I think it is incumbent upon them to do so because it shows that they are listening to the public, and it would make better legislation for the province.

With that, Mr. Speaker, I will conclude my remarks and let someone else put a few more comments on that should they wish to do so. Thank you.

**Hon. Steve Ashton (Minister of Highways and Government Services):** I move, seconded by the Minister of Northern Affairs (Mr. Robinson), that debate be adjourned.

*Motion agreed to.*

\* (11:50)

**Mr. Jack Penner:** Mr. Speaker, I have a second amendment that I would like to propose to Bill 20. The amendment says that it is moved by the Member for Emerson (Mr. Jack Penner), seconded by the Member for Turtle Mountain (Mr. Tweed),

THAT Bill 20 be amended by striking out the proposed section 16.8 as set out in section 5 of the Bill and amended in Committee.

*Motion presented.*

**Mr. Jack Penner:** Mr. Speaker, the reason I am putting this amendment forward is simply because we believe this adds an unnecessary provision to the Bill. We believe that the access to courts through this bill, we support that section of the Bill that would give access to the courts before termination of a contract could take place.

Much of this bill, by the way, we support. We think this is a good attempt at providing legislation that will protect the dealer and in large part protect the small manufacturers' and the consumers' best interests if the amendments that have been proposed here today would be implemented.

I concur with what my honourable colleague from Turtle Mountain said. We would be quite prepared to withdraw our amendments if the Minister and/or government came forward with their own amendments to bring this bill into similar conformation with the Saskatchewan legislation.

I note, Mr. Speaker, that there is no provision for mediation in the Saskatchewan bill. Saskatchewan really has two bills, one dealing with the responsibilities of the Farm Machinery Board, and there is a provision for mediation in that process, and there should be, I think.

It appears almost to me that the Minister attempted to combine parts of the two bills for the purposes, and we think this simply adds an element of unworkability or a lengthening of the procedure of settlement to this bill that is really not necessary. Many of the presenters have made note of this and questioned why the mediation process is part of this bill. They have identified the Saskatchewan legislation or the two bills in Saskatchewan and how they act in protecting. One of the bills in Saskatchewan protects the interest of the farmer in disputes with a dealer, and the machinery board is, of course, the mediation process there, as they should be.

Their bill allows for a mediator to be appointed when a dispute takes place between the dealer and the farmer, and the mediator then has the ability to negotiate, which I think is fair ball. In this instance, it could be a very large corporation that is in dispute with a dealer that has not got the wherewithal to make the case. In our view, the courts would provide a much better process of settlement mechanism than a court-appointed mediator.

We have simply failed to understand. The Minister has not been able to explain to us why the court should be brought into play and then the court be given the right to appoint a mediator to settle a dispute when, in fact, we think the court already has been given that same authority by the virtue of the Act, and we support that portion of the Act.

We think that that is very similar to what Saskatchewan does, very similar to what Alberta is proposing. Most of the industries said they could live with that portion of the Act. I found it very, very interesting when I listened to all the presentations made at committee stage on this bill, that virtually everybody, whether they were the large corporations—and I noted Case IH had written a letter.

When you read that letter and how they would be affected and why they are not in favour of supporting this bill and when you read the letter of some of the smaller industries, they are almost universal in which aspects of the Bill would affect them negatively. Although I think the large manufacturers would want no part of this bill at all if they had a choice, but given the

choice, they would support the Saskatchewan legislation instead of supporting the Manitoba legislation as currently written, because they said it was fairly simple.

They said to us that it was, and I think they mentioned this in committee, relatively simple to get a court order and to get the courts to make decisions relatively quickly where there is a dispute and where there is reasonable doubt as written into the Act. We commend the Minister and the Government for writing those provisions into the Act, because they clarify where the courts would rule and what aspects of the dispute-settling provisions the court would rule on. We think that is commendable, but there are two aspects of the Bill.

We like to think there should be a provision made in the Bill for the small manufacturers that operate in western Canada, and there should be a differentiation made between the large manufacturers. We did not hear at all from the large manufacturers that they were in disagreement with that, and that is the interesting part. When we have talked to some of the people operating in Saskatchewan about this, they said the Saskatchewan legislation really only provides a process of clarification and spells out clearly what rights large manufacturers have and that they are not allowed to apply purity, in other words, say that you can only handle our line of equipment and nobody else's.

This amendment says virtually the same thing, Mr. Speaker, that all it does is say that the large corporations will not be able to come in and say to a dealer: You cannot sell anybody else's equipment; you must only sell ours. It is a very simple process. We believe that that gives the option then of the small manufacturer in this province to be able to go to a large dealer and say: Would you handle our equipment? If they can come to terms of an agreement, then that gives them an outlet, and very often a very substantial outlet, to a very large customer base.

That, we think, is what should happen, because that is what everybody making presentations to the Committee said. No one at all, none of the presenters, including the farm organization, requested that there be a mediation process established under this act, because I



think they recognize the difference between the responsibility of the Farm Machinery Board and the dispute between a dealer and a customer and how to resolve that, instead of the dispute between a dealer and a manufacturer and how to resolve that. There is a substantive difference.

I think the monetary resource base is also substantially different from a small farmer and a large dealer, for that matter, and that is why I

think Saskatchewan has two bills and why we only have one bill, Mr. Speaker.

**Mr. Speaker:** When this matter is again before the House, the Honourable Member for Emerson (Mr. Jack Penner) will have 31 minutes remaining.

The hour being 12 noon, I am leaving the Chair with the understanding that the House will reconvene at 1:30 p.m.

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, June 15, 2000

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