

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2.30 o'clock, Monday, April 21, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery, where we have 65 students of Grade 9 standing of the Isaac Newton School. These students are under the direction of Mr. Rosen, Mr. Ferens and Mr. Glitnak. This school is located in the constituency of the Honourable Member for Burrows, the Minister of Colleges and Universities Affairs and Education.

We also have 15 students Grade 7 standing of the Earl Grey School. These students are under the direction of Mr. Peter Sloan. This school is located in the constituency of the Honourable Member for Crescentwood.

On behalf of all the honourable members, I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

MINISTERIAL STATEMENTS - COMMITTEE MEETINGS OUTSIDE OF THE HOUSE

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Well, Mr. Speaker, I don't have a written statement but I wonder if I can try to confirm arrangement with regard to committee meetings outside of the House. I believe that it is necessary to - the rules call for a resolution, but if I am correct in interpreting that there is general agreement, then perhaps a resolution will not be necessary.

My understanding is that it would be acceptable when the House goes into Supply, and whenever it goes into Supply, that there be a Supplementary Supply Committee Meeting held in Committee Room for designated departments, and that we would start off with the Department of Highways on Wednesday, if we get to Supply on Wednesday; that when the Department of Highways is completed we will review our experience to see how the next committee outside of the House would be scheduled to see whether agreement can be reached.

So briefly, when we move into Supply, the House will be in Supply under the Chairmanship of the Deputy Speaker, and we will have a supplementary meeting in Committee Room to consider the Estimates of the Department of Highways. It will meet concurrently with the Supply Committee in the House; members would be able to attend either of the two committee meetings, and speak at either of the two committee meetings, that if a vote is called in either place, the division bells would ring and members would go to that particular committee for the purpose of the vote; that we would do this for the Department of Highways as soon as we reach Supply from Wednesday of this week on, if we do in fact reach Supply, and that after completion of the Department of Highways we would review the procedure to discuss how the next meeting outside of the House would be held.

Now, I believe I've stated what I believe to be a procedure which the House would be willing to try in terms of giving the effect to the experiment referred to in the Rules Committee with regard to having a Supply, certain departments dealt with outside of the House.

MR. SPEAKER: The Honourable Member for Morris on the same procedure,

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, the suggestion made by the House Leader is essentially the one that was discussed between a meeting of the House Leaders and, with perhaps the exception of one small point, it was my understanding that we were going to try both systems, that we were going to attempt to have two committee meetings simultaneously and then have the second committee, which would be Tourism and Recreation, meeting in the morning, and then to assess which system we thought would be best. Now I don't know if there's been a slight departure from that or not, but I think the understanding was that we were going to try out both systems to see which one we preferred and which one would work, which one would work best.

There's one other point that perhaps the Minister - and I'm not sure just what the arrangements are in this particular instance - and that is in regards to a resolution that he mentioned he was going to have on the Order Paper. If that comes on on Wednesday of course then there will be no Supply outside the House.

MINISTERIAL STATEMENT

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, the honourable member is correct. I said that we should try both systems. That's why I indicated that we would not go on with the two committees simultaneously, one in the House and one outside of the House, after we finish the procedure. I did make the caveat that we would discuss it. I thought that if perchance we liked what had occurred with Highways, we could continue with it. But I believe that that could be decided after we dealt with the Committee on Highways. I'm not opposing what the Honourable member is suggesting that we could try both systems.

With regard to the resolution, the honourable member is quite correct. I indicated in my earlier remarks that if we could agree with what I have said, then a resolution of course would not be necessary, with the unanimous consent of the House. And if that is agreeable, then we will say that if Wednesday we move into Supply, we will move into Supply with two committees meeting simultaneously.

MR. SPEAKER: The Honourable Minister of Health - Ministerial Statements; Tabling of Reports. The Honourable House Leader again.

MR. GREEN: Well I gather that the Member for Morris is not in agreement, but so there should be no misunderstanding, are we agreed that we dispense with the resolution? All the resolution says, that the Clerk has drafted, is that two committees meet outside of the House, and I think that if what I have said is acceptable it will not be necessary to pursue a resolution.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, we have no objection to that course of action. If there is no disagreement in the House and by unanimous consent, the House can proceed along those lines, and I don't think there would be any objection from this side of the House. However, one never knows.

MR. SPEAKER: Is the procedure agreeable to the members? Agreed? Very well. The Honourable Minister of Health.

MEDICAL CERTIFICATES

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I'd like to make the following statement:

On April 15th and 16th, 1975, directives were issued from senior officials of my department to the administrators of the provincially operated health institutions regarding maintenance of services during the current dispute with doctors in the government service. One of the points of the directives concern the signing of medical certificates for employees absent because of illness. Instruction was given that certificates signed by doctors from the institutions who are on strike would not be accepted. This directive was given because of an abnormal situation. We felt we might be unfair to striking doctors on the picket line who might be placed in a compromising position in signing such documents. We have received an opinion from the MGEA that this portion of the directive may be in contravention of Section 20(16) of the current agreement between the province and MGEA. It is my understanding that under authorities of this section doctors and registered nurses employed by the Department of Health and Social Development may sign medical certificates. In view of these factors that portion of the directives dealing with who may sign medical certificates has been clarified today.

I must emphasize however that both the MGEA agreement and the Civil Service Act permits the employer to require medical certificates for employees who are absent for three days or less. That portion of the directive requiring certificates for absence of less than three days will remain in force. In other words, a "no-work no-pay" policy must be maintained.

Another point in the directive referred to the hiring of term staff where necessary and appropriate in order to carry out essential duties. This directive was issued to reduce as far as possible any disruption of service to the patients in an institution because it represents a legitimate effort to maintain essential services to persons in need, it reflects our intent to meet our responsibilities despite the effects of the current dispute.

Rumours have suggested that employees would not receive their pay cheques on April 25th unless they could prove their presence at work each day in the pay period. I can state here that this is erroneous. Pay cheques will be issued normally this Friday; adjustments

MEDICAL CERTIFICATES.

(MR. DESJARDINS cont'd) for unauthorized absence will be made in due course. We will continue to do everything in our power to sustain services in the provincially operated health institutions. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, may I say to the Minister that I'm happy that he's made the statement in the House and found it not necessary to purchase an ad at taxpayers' expense to explain the position to the people of Manitoba. --(Interjection)-- Well I would again - the Honourable Minister of Labour suggests that this is the proper form for statements such as this to be made, and if in fact there is a communication that has to be made to the public, that the appropriate form is within this Legislature, and it's not necessary to take from the taxpayer part of his money and pay it by way of ads.

MR. SPEAKER: The Honourable Minister of Health state his point of order.

MR. DESJARDINS: I've made a statement, and I think at this time the leaders of different parties can comment on the statement that I made, not stand up in the House to bring in something that has nothing to do with this at all. This could be discussed at a further time during my estimates, or other times.

MR. SPIVAK: Mr. Speaker, I think it's very relevant to point out that the procedure that the Minister is following is the exact procedure that he should follow with respect to the communication to the public. And I feel, Mr. Speaker, that in this particular case he's demonstrated a proper handling of his responsibilities. I do not believe that in taking taxpayer's money to in fact place an ad dealing with a matter that should have been dealt with in the House in an appropriate way.

Mr. Speaker, the problem of intimidation with respect to what has taken place, with respect to the particular matters referred to by the Minister, and the dispute that is taking place, is something that has been raised by, raised in fact by the director that has been referred to. And I appreciate the fact that the Minister has given an answer which I think anticipated probably some of the questions that would have come up in the question period.

But nevertheless, Mr. Speaker, it, I guess, begs a number of questions that have to be asked with respect to the doctors and the doctor's strike, and we'll come to that I'm sure in the question period.

But it brings, Mr. Speaker, to the discussion a principle which the members opposite have not been prepared to accept, and that is the necessity for a system other than a strike as a means in vital services to solve a dispute.

MR. SPEAKER: Order please. I do think the Honourable Member is debating the issue and not replying to the statement. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I am replying to the statement. I'm suggesting, Mr. Speaker, that the problem of intimidation is inherent in the remarks that have been made by the Minister, and in the directive that was given, and the problem of the right to be able to provide the hiring of term staff, and the question of what that really means with respect to a labour dispute in which the government is involved, is another issue which is part of the whole labour relations field, and it brings to the table for discussion purposes the problem of a strike in vital services, and the necessity for other means than the means that have operated in the past. And that matter has not been resolved in this House, and that matter should be resolved, and in the present strike the answers of the Minister with respect to the response that has been made so far only indicate that a new direction is needed. And Mr. Speaker, we should be addressing ourselves not only in this dispute but in the general climate in which labour relations exist today, the requirement for a new law with respect to those areas in which we believe vital services are required for the people and must be maintained.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; the Honourable First Minister.

INTRODUCTION OF BILLS

HON. EDWARD SCHREYER (Premier) (Rossmere) introduced Bill No. 37, an Act respecting Disclosure of Interests in Matters of Public Concern and Conflicts of Interests of Persons holding Public Office.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development. I wonder if he can indicate how the government intends to prevent the strike of doctors on April 25th.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I don't think there will be such a thing as a strike because there is no contract with the doctors. Now they might - I think that they are at liberty to withdraw services for an hour a day or a month if they want, but I'll have a statement on the situation probably tomorrow, giving the government's position.

MR. SPIVAK: I wonder if the Minister can indicate whether the government has undertaken a study as to the implications of a strike by doctors in the province.

MR. DESJARDINS: Mr. Speaker, I don't think anybody has to sit down and study and see what's going to happen if the doctors are not at their posts, or not available, at any set time; I think we all know, including the members of the medical profession and the College of Physicians know what will happen if this is the case and I'm sure everybody is quite concerned.

MR. SPEAKER: Orders of the Day. The Honourable Member for Fort Garry.

MR. L.R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Minister of Tourism, Recreation and Cultural Affairs, and I would like to ask him whether in view of the alarming comments made by Mr. Frank McKinnon, and other hockey officials, on Saturday at a seminar on hockey violence at the Convention Centre, whether the Minister will be obtaining any transcript of the proceedings and of the evidence and the testimony given at that seminar, and whether he'll be looking into that condition.

MR. SPEAKER: The Honourable Minister of Tourism, Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I'm informed that some of my officials were present at the meeting. I wasn't able to attend myself, and I do have a meeting with some of them tomorrow morning and I hope to receive a report from them.

MR. SHERMAN: A supplementary, Mr. Speaker. Can the Minister advise whether he will be meeting with Mr. Frank McKinnon himself, the Commissioner of the Manitoba Amateur Hockey Association, and the person who made the strongest indictment of this situation?

MR. TOUPIN: I have no such meeting on my agenda, Mr. Speaker. If that was possible I'd certainly be happy to meet and discuss that problem and other related problems in sports.

MR. SHERMAN: A final supplementary, Mr. Speaker. Would the Minister be willing to follow through on that course of action and consult with Mr. McKinnon personally on that subject?

MR. TOUPIN: Mr. Speaker, I intend to follow through on the lot of points discussed at the convention, at the meeting that I have tomorrow morning.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the First Minister. Can the Minister indicate to this House whether, as a result of his meeting this morning with Mr. Drewry of the Federal Cabinet, whether the Provincial Government is now prepared or is going to accept the offer made by the Federal Government to transfer the Fort Churchill installation to the provincial jurisdiction?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, in the discussions this morning it was mutually agreed that before an offer could be definitively made or accepted that there would be need to explore jointly and definitively what the cost for operating a unit of dwelling accommodation would be. Needless to say the officials of the Department of Public Works, Canada, were not in a position to give us those figures this morning, but there is an arrangement or an agreement whereby our respective officials will be getting that information together in the course of the next few weeks.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the First Minister indicate whether there is any time limit set on the Federal Government's preparedness to offset any demolition programs in Fort Churchill in which time the decision has to be made.

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MR. SCHREYER: There was no indication today by Mr. Drewry as to the time limit that might be anticipated with respect to the current freeze on any demolition at the Fort, and I suspect that Mr. Drewry will be communicating any change in plans or unfreezing of that current ministerial order at the, you know, at the appropriate time.

I suspect it will **not** be until the exercise I just referred to has been concluded, namely, the costing-out of what is involved in maintaining permanent married quarters accommodation at the Fort. I suspect 60 to 90 days perhaps.

MR. AXWORTHY: A supplementary to the First Minister. Could the First Minister indicate whether the Provincial Government is prepared to accept maintenance of the recreation facilities presently at the Fort Churchill installation until such time as alternative recreation of facilities are available in the Town of Churchill itself? Are you prepared to support that until that point?

MR. SCHREYER: Well, Mr. Speaker, the Churchill townsite Development Agreement calls for the construction of the town centre, which is well under construction, and that includes the major recreational component for the Town of Churchill, and until it's completed and ready for occupancy one assumes that the Government of Canada will merely continue the operation of the recreation facilities that exist on the base. They did not suggest to us this morning that the province should be expected to assume responsibility for the continuation by another few months of the recreation facilities at the Fort.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, my question is directed to the Attorney-General. Does the Minister have any comments on the serious confrontation in The Pas last Saturday.

MR. SPEAKER: Order please. The question is very vague but if the Minister wishes to give a very brief vague answer, he's entitled to. The Honourable Attorney-General. --(Interjection)-- The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I don't question your opinion but I think if questions were along those lines that we'd get along a lot faster.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker arising out of the incidents referred to by the Honourable Member for Swan River, which events occurred on Friday evening the 18th of April, 1975, eight persons were arrested and the resulting charges were possession of offensive weapon, the assaulting of a peace officer, creating a disturbance in a place to which the public has access. Several more arrests were later effected on Saturday night, the 19th of April, 1975. Approximately 20 persons were held in custody from the time of the incidents themselves, and I understand that all of them appeared in Court this morning, in the Provincial Judges' Court in The Pas before His Honour Judge Martin, and that's about all that one can say under the present circumstances because the sub judice nature of the proceedings.

MR. BILTON: A supplementary, Mr. Speaker. I wonder if the Minister would advise us as to whether or not the conflict was Indian on the one hand and Metis on the other.

MR. SPEAKER: That's asking for an opinion. The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture. I posed a question to him a number of days ago in regard to the applications sent in by hog producers for their \$5.00 bonus. The Minister indicated they would be acknowledged as having received them. I would like to say that a number of farmers have sent these applications in . . .

MR. SPEAKER: Question please.

MR. EINARSON: . . . two months ago. My question is, how much longer will these farmers have to wait for an acknowledging of receiving those applications by his department.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I believe the last time that the question was put I indicated to the member that these applications are being processed. And I presume that that is where they are at this point in time.

MR. EINARSON: A second question to the Minister, Mr. Speaker. Is the Minister able to advise this House as to when the farmers can receive payment, those who qualify?

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MR. USKIW: Well, Mr. Speaker, I presume that as they are being processed that cheques will go out at the same time, but not all at the same time.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Speaker, my question is directed to the Honourable the Attorney-General in connection with the incident at The Pas. I wonder if he could confirm to the House that the Chairman of the Liquor Commission will be instructed not to charge those found on the premises after closing hours.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Well, Mr. Speaker, I would have to certainly enquire into the nature of the basis for the Honourable Member's question. I would think that the Chairman of the Liquor Control Commission would use his usual wise and reasonable discretion in dealing with matters of this nature.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, my question to the Attorney-General again. I wonder if he has any information as to whether or not on the one hand it was Indian people and on the other hand Metis people in this conflict.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I have noticed that there appears to be conflicting versions in respect to the reports that come out of The Pas as to the racial nature of the disturbance.

I'm obtaining a full report in respect to that particular nature of the incident. I understand that it - well, that motorcyclists, a large number of motorcyclists were in the main involved in the fracas in The Pas. But I am obtaining more factual information.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Health and Social Development, and relates to the strike of the doctors who normally provide out-patient psychiatric care from the Brandon Mental Health Centre. My question to the Minister is: Has there been some alternative source of care provided for the out-patients of the Brandon Mental Health Centre during the cessation of the services of the psychiatrists?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Well, Mr. Speaker, the doctors themselves decide what is an emergency, what they feel in conscience, the service they must provide, and of course this is left to them. There's nothing that can be done by the government on this, and so far I think that they've been doing just that. There is no doubt that some people are being inconvenienced. After all there is a strike. There are some doctors that aren't working, it's a skeleton staff. But all in all I think that the emergency care is being taken care of by the doctors of the different institutions.

MR. MCGILL: A supplementary question to the same Minister, Mr. Speaker. Inasmuch as there is a considerable caseload of children who are emotionally disturbed in the area that are normally served, is there any specific action being taken by the department to ensure that these children are receiving the kind of care that's necessary.

MR. DESJARDINS: Mr. Speaker, after all there is a strike. All that I could say in fairness is that we have been assured by the doctors and the Medical Director of each institution, and the Chief Medical Consultant of the Department, that everything possible is being done to provide the emergency service. I certainly am not qualified to discuss what the emergency services are. This has to be left to our experts in this, and they're telling us that everything possible is being done. I must take their word for it.

MR. MCGILL: Mr. Speaker, I wonder if the Minister could tell the Legislature how many certified psychiatrists are available for duty at the Brandon Mental Health Centre at the moment.

MR. DESJARDINS: I don't have this information with me, Mr. Speaker, I'll have to get that and provide it as I think this has fluctuated and as soon as I get the information I'll pass it on.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I'd like to direct my question to the Minister of Mines and Resources, and ask him if there has been any change in the predictions of flooding

ORAL QUESTIONS

(MR. JORGENSON cont'd) along the Red, Assiniboine and Souris Rivers since his last report to the House?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, if there is a flood report it wasn't on my desk at 11:30 this morning. There may be one now and I'll look into the Honourable Member's question.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Lands, Forests and Renewable Resources. I wonder if he can indicate whether he has in his possession or has received the third annual report of the Co-operative Loan and Loan Guarantee Board of '73-74.

MR. SPEAKER: The Honourable Minister of Co-operative.

HON. HARVEY BOSTROM (Minister of Co-operative Development) (Rupert's Land): I don't have the report on hand, Mr. Speaker. I'll take the question as notice.

MR. SPIVAK: By way of a supplementary, I wonder if the Minister can indicate when he intends to table it in the House.

MR. BOSTROM: I will also report to the member on that when I bring the answer, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Attorney-General. Can the Minister inform the House whether he, or members of his department, have taken any initiatives in bringing together Officers of the Court or Crown Prosecutors, police officials, and lawyers, to discuss changes in procedures dealing with rape victims in this province?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: No, there has been no arrangements made of that nature, Mr. Speaker.

MR. AXWORTHY: Mr. Speaker, could the Minister tell us whether he or members of his department have taken any action to look into the present security precautions or protective devices in apartment buildings and downtown buildings to provide greater protection for potential victims of rape in this city.

MR. PAWLEY: Mr. Speaker, certainly these matters are always under review as to whether any specific studies have been made in that regard by the department. I would have to take that part as notice. I want to indicate to the honourable member though when he speaks of procedures and method and of dealing with rape cases in our courts that that area of responsibility rests with the Federal Minister of Justice as to whether any changes are warranted in the present handling of court cases and evidence relating to rape victims.

MR. AXWORTHY: A final supplementary, Mr. Speaker. Has the Minister, or his department, any intention or plans to undertake programs of public information or counselling, or other forms of education, that would provide a greater degree of awareness in the public of the dangers involved, and some of the protections that may be enacted to bring about some form of security for women in this case.

MR. PAWLEY: Mr. Speaker, I would think that would be a responsibility that most instances would be better left with the police, whether it be the Royal Mounted Police outside Winnipeg, or with the Winnipeg Police Department themselves. What he is dealing with is certainly a very delicate area and if it's not handled I would think by those that are involved in police work, it could be greatly misinterpreted and could lead to unfortunate misunderstandings. So I'm not aware of any specific effort insofar as the department is concerned to provide the type of information, distribution type of service that he is suggesting.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable the Minister of Health and Social Development, and I'll stretch out the preamble to give him time to get back to his microphone. It arises out of a statement that he made in the House a few moments ago, Mr. Speaker. I wonder if the Minister could advise members of the Chamber just precisely what he means, and what is meant by the terminology "term staff" which is referred to in his statement. I'm sorry, Mr. Speaker, on Page 2 of the statement which the Minister read to the House, delivered to the House early this afternoon. There is a reference to another point in the directive referring to the hiring of "term staff" where necessary in the current medical dispute.

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MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: What I want to make quite clear, Mr. Speaker, is that we do not authorize at this time certainly the hiring of any doctors, that is anybody that is on strike will not be replaced. Now any other employees if they're somebody that for some reason or other, and that is not necessarily only in time of strike, if somebody is sick and if you need people to do extra work, and so on, you can hire people on terms to drive a truck, to clean, to do anything at all, and this is what we're saying that we have to provide the services, and we give permission to the administrator of our institution to hire the term staff if they are needed.

MR. SHERMAN: A supplementary, Mr. Speaker. Presumably they would only be hired for the duration of whatever work stoppage or disruption occurred, and that would be a condition of their hiring on. Would it . . .

MR. DESJARDINS: They would be there for time time they're needed, but this is not a question of replacing anybody or anything like that. This could not be done unless people resign, or quit, or were fired, and this is not what this clause is talking about.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, would you please proceed with the third reading of Bill No. 9, and then the second readings in order . . .

MR. SPEAKER: Thank you. Bill No. 9. The Honourable Member for Brandon West.

BILL NO. 9 - THE BRANDON CHARTER

MR. MCGILL presented Bill No. 9, an Act to amend the Brandon Charter, for third reading.

MOTION presented and carried.

MR. SPEAKER: Proposed motion, second reading, the Honourable Attorney-General, Bill No. 13. The Honourable Member for Rhineland. (Stand)

Bill No. 15. The Honourable Member for Fort Rouge. (Stand)

BILL NO. 16 - METALLIC MINERALS ROYALTY ACT

MR. SPEAKER: Bill No. 16. The Honourable Member for St. James.

MR. MINAKER: Thank you very much, Mr. Speaker. I would like to start out by saying that, as the Honourable Minister stated when he introduced the bill, that it is a very complex bill and we will make no attempt at this time to get into the full detail workings of the 9 complex formulas which are contained in this particular bill, and I would like to comment that the honourable colleague from Lakeside made comments after the bill was introduced, primarily to indicate to the Honourable Minister that we were glad to see that at least there was some changes would appear to be from what the former bill was presented last year. However, one cannot compare Bill 16 to Bill 82, because Bill 82 was never really presented for debate or passed as a law, so one cannot compare a law before us with a law that never existed, or was never brought into being. When the Honourable Member introduced the bill, if I understood him correctly, he said there was no hurry because the amount of revenue that would be gained by this particular bill, this legislation before us, would be more or less equivalent to that which the government presently receives with the 23 percent royalty tax which is now in existence. I also understood the Minister to state that they would be open to amendments, that if the bill wasn't a working animal that they would look towards amendments.

In addition he indicated that there was no desperation in passing this bill, that they could live with the royalty tax they presently have, that that wasn't their main objective in this bill, that they weren't desperate, the government wouldn't rise or fall if they didn't get the bill passed at this session.

Then one heard the Minister explain the principles and objectives in this bill, and if I understood the Minister correctly he said, what we are after, the government is after, is a fair return for the people of Manitoba on the economic grant. Any super profit that the

BILL NO. 16

(MR. MINAKER cont'd) industry would make because of scarcity of a mineral, a non-renewable mineral or scarcity; further, the bill was intended to give a fair return on the investment that the industry itself had in the province, and that they, the government, decided a fair return would be 18 percent profit.

Further, if I understood the Minister correctly, there would be a fair return for the investor based on that, that people in Manitoba or outside Manitoba, that had money invested in the mining stocks, in the industry, deserved a fair return, and that way they would have a very sound principle, a sound base for taxation that would encourage the continued growth of our industry in Manitoba . . .

MR. GREEN: No no.

MR. MINAKER: . . . and that the basic principle behind the bill was a higher tax on excess profits which resulted from economic rent. I believe I'm correct that that is the fundamental basis that this bill is based on, that higher taxes on higher profits from economic rent, and one would conclude that anything above 18 percent profit on an investment was higher profit and therefore should get the incremental royalty tax.

I would also conclude that in the government's objectives in this particular bill would be that these higher taxes should be paid by those who can afford it. I would gather that's the basic thinking behind the bill, that if somebody is making a higher profit than what the government thinks they should make, that there should be a higher tax. And I would think this is a fundamental underlying tone or objective in the particular bill. And again I repeat that I understand from the Minister that there was no hurry, really no hurry, because we're going to get the same revenue this year when the bill is passed, if it is passed, as we are presently getting from the 23 percent; if anything it might be a little high, he said, just to be a little safe.

And as I indicated earlier, Mr. Speaker, that we have not had time - it's been impossible because of the complexity of the Act to thoroughly review the implications of the Act, not only on the mining industry but other industries, and it's obvious that the Budget Speech on Thursday night will form an integral part of this bill. I would understand the Minister indicated in his introduction that there would be some indication of the present problem of where the mining industries cannot deduct the royalty tax from their operating costs when they pay their federal tax. So at this time we won't get into a more thorough review.

But I might point out that because of the complexity of the bill, and it would appear to be a bill that's an integrated tax policy as well as an integrated mining policy, that it's, I believe, in the best interests of the government to let the experts in the particular industry have a chance to present their briefs to the Legislature in the committee, because we are MLA's, we're not tax experts, we're not mining experts. We believe that it has an impact on the industry that warrants that this particular bill be handled in committee so that we on this side, and I would think the government members, would have an opportunity to really find out what kind of an impact it will have on this particular industry, because there are particular changes being - if our interpretation of the Act - and as I indicated, I'm not an expert in taxation or mining - but if our interpretations of the Act are correct, that there are some particular changes, new taxations being imposed on this industry, and possibly maybe on other industries.

The major questions are, is this an integrated mining policy or is it a new integrated tax policy? Because I recall sitting in the House last year when the question of mineral acreage, or mineral rights on acreage tax came up, and I think the Honourable Member from St. Johns, the Minister of Finance at that time, stood up and said, "Well you agreed in principle when you passed it last year or the year before." We would not want this to happen in this particular bill, that we as the opposition look at this particular bill, a mining bill, as it applies to the mining industry, and then have upon us a year later, or two years later, that you agreed to that taxation principle, you agreed to royalty tax on processing profits. These are certain items that can be brought forward and we would want it clearly defined from the Minister, is this an integrated mining policy and that's all; or is it also an integrated taxation policy that we're passing here, and we are opening the door possibly to new taxing methods for other industries.

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(MR. MINAKER cont'd)

Now, Mr. Speaker, I will attempt to raise questions as to whether this bill is workable or not. The Honourable Minister has indicated that he has confidence that this is a fair bill, it will form a model for other provinces to follow; it might even form a model, if I understood him correctly, for other industries. There again we raise the question: Is it just a mining royalty tax bill we're dealing with, or is it another type of tax bill in general principles? And if I remember correctly, the Minister said in his promises as we opened, in the introduction, that they would get the same revenue as 23 percent would get. And if you specify the basic profit levels to reasonable rates of return - I understand this is the objective - that you would specify the basic profit that you feel, the government feels, would be a proper rate of return for the investment. And if I understand the government correctly, or the Minister when he introduced the bill, that the government promised a basic profit level, more or less similar to that rate, that 15 percent was applied to it. In other words, on the 18 percent which the government has agreed to, or are putting forward as a proper level of profit, if I understood the Minister correctly, he said that we feel that the royalty rate should be about the same as it was prior to any change, about 15 percent, so therefore we're going at 12 1/2.

And also, if I understood the Minister correctly, he said the other objective was that any new incremental royalty would only apply on the economic rent; if you're getting up above that level then it would only apply on the economic rent - this is what I understood the Minister to put forward, that the incremental royalty tax would only apply on the economic rent and that's why you arrived at this 18 percent, you felt this was about the right level to apply the old royalty rate at. Now we question, Mr. Speaker, if these objectives will be met, or whether or not the bill will in fact achieve its own objectives that it stated, because one of the basic changes or principles in the bill as we see it - and if we're wrong we hope the Minister will advise us so that we can be corrected on this - is that the bill fails to carry over losses from year to year, and what happens, Mr. Speaker, is that - an example might be, if a mine lost a million dollars last year and this year it made a million dollars, and if when you went through the complicated formulas that you found out that the average basic level of profit that was agreed upon by the formula was \$500,000, then that mine would be taxed at 12 1/2 percent on the 500,000, and then it would be taxed 35 percent on the remaining 500,000 that year, yet in those two years of operation that mine hasn't made a cent. Now I question, Mr. Speaker, how that relates to the basic objectives of this bill. Does the investor get paid anything? No, he loses money; he has to turn around and pay the basic royalty rate, but not only that, he has to pay a supercharge because he's been able that particular year to make more profit than the government feels is the level. So that I see, Mr. Speaker, that the bill fails to make that objective in that particular case; there's no carry-over of losses, so it's quite conceivable that the investor loses money, he's no further ahead and the mine is no further ahead.

Mr. Speaker, there's a variety of additional policy changes. And, Mr. Speaker, this is why we are very concerned, because it appears that there's an attempt to introduce a new tax legislation here, with several changes in philosophy.

The other area that we are very concerned about is the taxation of processing profits. It's my understanding, Mr. Speaker, that in the past a royalty tax was charged because a company or a person was given the right by the Crown to make use of minerals in the ground. And the concept behind the royalty tax was that the individual was making a profit out of having the right to take that mineral out of the ground, whether it be nickel, copper, iron, whether it be oil, they would pay a royalty on it. However when it got down to taking that ore, grinding it up, refining it and processing it, if you made a profit in there, it didn't pay a royalty tax, it paid a corporation tax but not a royalty tax. Now all of a sudden there's introduced here a philosophy that you take the ore out of the ground, you refine it, sell it, you not only pay a corporation tax on your profit but you also pay a royalty tax on both. Now what does this mean, Mr. Speaker? What does it mean to Manitoba and the north? I would suggest that this is the fact and this is the case, and I understand it to be true from the explanations given by the Minister, we are discouraging the development of refinement of ore in the north, because our neighbor to the east of us has done the reverse. He's tried to put incentives, the Ontario government has tried to put incentives into the processing aspect of it and have allowed them, I believe, to increase their proportions from 6 to 30 percent.

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(MR. MINAKER cont'd) So, Mr. Speaker, I would suggest that the government if they would review this part of the bill, will discourage our mines to refine here; they will send the ore out either in concentrated form, not in refined form - and we know what the mining industry means to our north, we know what it means to our south as well, it creates many jobs, many industries - and yet this particular bill has turned around and said we will now charge a royalty on processing. Now where and how did the royalty tax originate? My understanding was it was a right to use the ore. And, Mr. Speaker . . .

MR. GREEN: Would the honourable member permit a question?

MR. MINAKER: After, if the Honourable Minister wouldn't mind. I'm sure he knows I never interrupt with questions, I always ask at the end.

Mr. Speaker, then I would suggest - and I haven't been able to check this out but to my knowledge it doesn't apply - but does that mean that in the oil industry where we pay, where the producer pays a royalty tax on wellhead price, does that mean when the oil is shipped by crude either by truck or by pipeline to a refinery, and if the refinery happens to be in Manitoba, that they will tax a royalty tax on the profit made from processing that oil? Does that mean if this bill is passed that in the paper industry that if they pay a royalty for the cutting rights on the trees and they make it into pulp, that they'll be charged a royalty on the profit they make from the pulp, or they'll be charged a royalty on the paper that they manufacture? Mr. Speaker, does that mean that if we have a farmer and we have land as a resource, does that mean that when he creates a bushel of wheat, or he grows a bushel of peas, and he sells it to Morden that Morden will be taxed a royalty and the farmer will be taxed a royalty on his product? Is this what we're introducing? Because that's what's being introduced in the mining industry and we can see it's going to be a disincentive for the mines in the north to create processing and refinement plants. And if I'm wrong - I hope I'm wrong - that if it's right, then, Mr. Speaker, I suggest that there's something out of order here.

Mr. Speaker, the other area that I could see concern for is the penalties relating to failure to husband resources. It's not quite clear here if there's any warning or how this would be enforced, what kind of appeal would be had. Would they just advise them that they haven't lived up to their husbandry commitments and they be fined? I don't even think in one portion of the Act - I can't remember the particular area - that there isn't even a right for error, or for provision for failure to recognize. All they say is that if there's an error, you shall be fined. And I would hope that if there is an error in your royalty claim, or your production that you'd be charged royalties on, that if there's an error found you'll be guilty. --(Interjection)-- I'm sorry, Mr. Speaker, but in this particular section of the debate I don't think we can refer to specific sections of the Act, so . . .

The other area that it introduces, Mr. Speaker, which I think is important relating to taxation, is that if I understand the Act correctly, there's a ten percent depreciation applied every year on your assessment, and also that you could . . . The particular book value of your investment will be used as your basis to calculate your 18 percent profit on. Well it could be that mines that are in existence for 10 or 15 years could have relatively low book values, yet they may have made only five percent profit the year before, 6 the year before. And, say, we're comparing two mines, and the other mine may have made 25 percent profits every year, yet both of them will be taxed in the same light; they will only recognize what their profit is for the year, and not only that they will be assumed that prior to the coming about of this Act, prior to the coming about of this act, that any profits before then must have been super profits because the day the Act comes into play they will pay their 18 percent on their book value - and it might be very small value - then they'll pay 35 percent, so that they've assumed that anything before was super profits. So there's something falling down with the basic principles that the Honourable Minister put before us when he introduced this bill, that they cannot differentiate between those who earn high profits and those who don't. There seems to be a failing in this if I am correct in my interpretation - and I am open to correction if I am wrong, and I hope possibly that I am in error, but the way I read it, it appears this is what's happening.

The other situation that can occur, Mr. Speaker, is that there's no lower limit to what the depreciation can apply, it's just the mandatory, every year you depreciate 10 percent. And then presumably it will be elevated with the inflationary times. Well one can see if the inflation doesn't keep up with the depreciation that you will be sliding into that super tax level

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(MR. MINAKER cont'd) pretty quick. And one also can see that if you have a small company, and this type of approach is applied to it - a big company, that you're going to get up into that super tax level, quicker than the big mines.

Now to me, Mr. Speaker, that's a reverse of the whole principle of corporation tax federally. --(Interjection)-- It seems to be tax the poor or the little greater than you tax the big or the richer. Because if you look at the federal corporation tax any company that makes under \$100,000 pays, I think, 26 percent, anybody that earns over \$100,000 pays 50 percent. This seems to be the reverse, Mr. Speaker, so we're wondering is this the philosophy of the taxation that this government is proposing, or is there somewhere an error in what they thought this particular bill might do. Because the way we interpret it at the present time that it would appear that we're going to hit the little guy but not the big guy.

So I would hope that the Honourable Minister would look into this particular area because it would appear that with that 10 percent depreciation, and the book values, and the inflation rates, if they get out of kilter - I haven't had a chance to look at the complex formulas - but one can see where this could happen, and I would think would happen immediately.

Mr. Speaker, as I indicated earlier, there's two basic questions we're dealing with here, there's one relating to the operable or the ability for this Act to function as it's proposed, and also the philosophy on taxation that is being put forward to us, because all of a sudden we have the decision to put royalty tax on processing. As I indicated earlier, does that mean that we are going to now have a new tax applied to the paper industry, the farming industry and the lumber? Because if it is, then we are greatly concerned and we question whether we could support this type of taxation legislation without being fully aware of its implications and its impact.

The other thing is, what effects on future development does this mean to our northern area? Because in the integrated mining policy is a statement, or through the Mine Regulations Act, there's a 50-50 participation by the government. Does that mean by discouraging the mining industry, or other industries, to refine the natural resource or the base commodity that that gives the government the opportunity to go in and then develop? Then we would be against that because we've seen what's happened with the MDC companies where they have tried this. It's obvious that their record surely does not promote any indication that they would be successful.

And these are concerns that we have, and for this reason we had held off debate for some time on this. We were quite surprised that the Liberals were quick to jump in and start to make their comments about the Act. We are even somewhat surprised that the mining people have commented in the way they have, and if it was with regards to the comments the First Minister made and the Honourable Minister of Mines and Resources Environment made, is this what they based them on, I don't know.

But we have these concerns, not only for the mining industry but other industries, the investors, for the people of Manitoba, because we feel that this is a very important bill that's being put forward. It may well be a wedge into a new form of tax laws that could change our whole social and way of life in Manitoba, and again give the government more say in our everyday life, more taxes, more moneys. And for this reason we have delayed up until now to comment on it. And I would reflect back to the great concern that we have. We would not want it to be a bill that all of a sudden was jammed down our throat and passed without hoping that the government would explain some of these questions that have been raised, because we feel they're serious questions. They don't only relate to the mining industry because of what the Minister's comments were in his introductory remarks that it could well be the model of taxation for other industries, and for this reason at the present time we have great concern of supporting such a measure if that is what the hidden intent of this bill is.

I sometimes wonder, Mr. Speaker, that - I have great respect for the Honourable Minister of Mines, and I would think probably he is a very good chess player. And one could see where --(Interjection)-- So, it used to be mine, too. I could see where one could open their remarks and say, "We'll be open to amendments" and leave particular areas where amendments are obvious so that we will be attracted to that - distracted - and then turn around and get the House to pass this legislation, and then rub his hands and say, "Ah ha, we now have our first step towards a new tax plan for our province."

So, Mr. Speaker, we have great reservations on this particular bill. We will be looking

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(MR. MINAKER cont'd) forward to the budget, and we hope that the Minister will give consideration to the possibility of having this bill in committee so that the mining industry, the experts, can advise us of the impact on the industry, and if some of our points that we have raised are in error, fine; if some of them are correct, then we think that they look and deserve having been looked into.

And I could not support the principle where you take more from the little guy, or poor, than you do from the rich guy or big guy, and it appears at the present time that if we interpret this legislation correctly and with the right set of circumstances, this will happen. There's no doubt about it. We could not support the processing and the refinement of natural resources if that was to be discouraged, because of this new concept of placing a royalty tax on processing profits. If that will discourage that type of growth, then we would have difficulty in supporting such a bill. And we cannot conceive where a new tax law is a reverse to what has been generally accepted for a federal income for corporations where the little guy gets the break and the big guy pays a little more, like about twice as much on that that comes over.

And I'm just wondering, Mr. Speaker, that if we cannot get the Honourable Minister to have this bill before the committee, possibly he would consider it before a special committee where resources people could come and assist, because as I indicated earlier this is a very complex bill. It could be a very far-reaching bill that would have implications for all of Manitoba, for all Manitobans, and we think it's important enough that at this time that full consideration be given to the full workings of the bill, and we as MLAs are not experts in - and I'm sure the Honourable Minister would agree that he's not an expert in every field - and it would be in the best interests of the people of Manitoba to look towards that approach to deal with this particular and important bill.

MR. SPEAKER: The Honourable Minister of Mines asking a question or closing debate?

MR. GREEN: Yes. I'm putting the question. I am sure that the honourable members would not all be seated if I suggested that I was closing debate.

The Honourable Member has indicated that a royalty is normally a tax on what is taken away, such as the oil royalty. Is the Honourable Member advocating that we have a tax on the concentrate that is taken away - for the mining industry?

MR. MINAKER: Mr. Speaker, I'm not advocating anything. I'm just pointing out to the Honourable Minister what we are concerned about in the particular Act, and if it is explained to us, whenever he chooses to explain, the questions that are raised, then we will give consideration at that time, and if we were the government I'm sure we'd make certain recommendations we well.

MR. GREEN: I take it the Honourable Member is making suggestions. Whether he is the government or not he wants to be in government. Now in wishing to be in government, would you advocate that we have a tax? Would it be of less concern to you if we had a tax on the concentrate which is being taken away, such as we have in the oil industry, which you referred to, you said the oil industry, the pulp and paper industry. Would you advocate a tax on the concentrate that is taken?

MR. MINAKER: Mr. Speaker, I mean we could play monopoly here all day in hypothetical situations, and I'm sure that we will be able to do the same conversation when we're in the Committee of the House. So we can debate at that time.

MR. GREEN: I take it that if we go into the Committee of the House that the Honourable Member will tell me whether he wants a tax on the concentrate that's taken away. --(Interjection)--

MR. SPEAKER: Order please. Is it the pleasure of the House to adopt the motion? The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I move, seconded by the Member for Swan River, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 17, the Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): May I have this matter stand, Mr. Speaker?

MR. SPEAKER: (Agreed) The Honourable House Leader.

MR. GREEN: Mr. Speaker, given the fact that they're not going to tell me whether they want a tax on concentrate, I move, seconded by the Honourable the Minister for Urban Affairs,

(MR. GREEN cont'd) . . . that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - CONSUMER, CORPORATE AND INTERNAL SERVICES

MR. CHAIRMAN: Resolution 36 (a)(1)--Pass? The Honourable Member for Fort Garry.

MR. SHERMAN: When debate concluded at 4:30 on Friday afternoon we were just discussing with the Minister, Mr. Chairman, the kind of approach that he intended to bring to the question of wage controls, price and wage and profit restraints and controls in this provincial community, in our own provincial society, and just what the approach of his department would be, and what initiatives and activities he has undertaken, or plans to undertake, to ensure that the kinds of things the First Minister is talking about are, in fact, achieved. I refer to the frequently expressed ambitions of the First Minister in recent weeks to bring prices, wages and profits under control, at least under substantial restraint in Canada, for a specific period of time in order to enable the country and the taxpayer to catch up with the spiral of inflation and the cost of living.

It's my impression that the First Minister has had to backtrack substantially on the kind of approach that he was espousing. It's my impression that organized labour, specifically in the form of the Manitoba Federation of Labour, specifically in the form of Mr. Len Stevens and some other labour leaders of the province, have made it quite clear in recent days and weeks to the First Minister that they're not prepared to stand still for that kind of action or activity. And they're certainly not prepared to stand still for those kinds of preachments because we had the First Minister espousing the cause of wage and price restraints, and controls, pretty widely for a period of several days and weeks; and in fact, we had him hailed as the Saviour of the Canadian Economy because he was talking about some things that the National Leader of the Progressive Conservative Party was talking about and was criticized for, and was in large part vilified for less than a year ago.

When the National Leader of the Conservative Party was talking last spring in the Federal Election Campaign about the need for wage and price controls, it was regarded as a destructive approach. Now the First Minister of this province, and presumably his colleagues, and presumably the Minister of Consumer, Corporate and Internal Services agrees with him. He has said in fact, on the record in the debate on these estimates of his department that he does agree with the position that the First Minister has taken. Now we have that First Minister, and presumably his colleagues like the Minister of Consumer Affairs, hailed as forerunners of a bright new age for Canada, as saviours of our economy and our society because they're talking about wage and price controls, and profit controls. --(Interjection)-- Exactly. Wage price and profit controls.

A MEMBER: And people control.

MR. SHERMAN: Well, I think we need some explanation. The Minister's colleagues on the other side, Mr. Chairman, seem exercised by the fact that I posed this question, and posed what constitutes a major dilemma for this Minister, and for all his colleagues who are sitting there asking me what I'm getting at. What I'm getting at is: How is the Minister going to do it? What's he doing about it? And, in fact, does he and the First Minister really mean what they say when they talk about wage, price and profit controls, wage price and profit restraints? The last thing we heard and saw was evidence tantamount to a pretty major withdrawal by the First Minister in the area of wage controls, in the area of wage restraints. He pointed out that labour and wages in the labour field have lagged somewhat behind increases and other elements of the index in Canada. And I think that statistical evidence is acceptable; we don't challenge that. But the challenge facing this government is to try to bring some semblance of rationalism to the price wage costs, cost of living spiral, in concert with their colleagues across the country. The Minister has preached this doctrine widely. He has lately seemed to soften up, seemed to ease up in the area of challenging labour to accept wage restraints, wage controls, and to participate as fully as other segments of the economy in this campaign. And I'm asking the Minister of Consumer Affairs how is he - and he's charged with protecting the

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(MR. SHERMAN cont'd) . . . consumer in this province, he's charged with looking after the interests and the future of the consumer - how is he going to meet the number one challenge, the number one problem that he faces, and that is the protection of the consumers purchasing power, the protection of the consumer's buying power, the protection of the consumer's income, be it salary, be it pension, be it fixed, be it whatever, how is he going to meet that initial primary responsibility as the protector and the champion of the consumer of this province? Does he have a philosophy? Does he have an approach worked out with his department, with the First Minister, with his colleagues, and if so what is it? Is he going to advocate price wage and profit restraints, or is he just going to advocate price and profit restraint? Is he going to ask management, government, and labour, to participate equally in this battle, or is he just going to ask management? Is he going to impose through his department, and through his influence with his colleagues, what influence he can in restraining runaway government spending, and ask government to shoulder its fair share in this battle? Is he going to have the courage along with his First Minister, and is his First Minister going to have the courage, to stand up and insist that the ultra-important element of the economy comprised by labour, comprised by the industrial working force, participate to the full extent of the responsibility that the Minister earlier suggested it bore in this campaign, or is there a backtracking? Is there now a tendency to perhaps minimize the role that labour should play in this campaign and heap the heavy end of the responsibility on management alone? Is there a philosophy and a program and an initiative worked out for restraint in the area of government spending?

I suggest, sir, that all these questions and the total enquiry that I'm directing at the Minister at this time is valid and legitimate on this particular resolution, because we are dealing here with the operations of the department and the spending of the department that is under the administration of the Minister responsible for looking after the welfare of the consumer. That means he's got the protection of the financial well-being of one million Manitobans under his administrative supervision. And I think that the majority of those one million Manitobans certainly those sitting on this side of the House - are anxious for an answer on that question. What is the Minister of Consumer Affairs doing for the consumer in that battle to hold down the cost of living and the spiralling inflation that has assailed all consumers in the last few years in particular?

The other question that I've put to the Minister really goes back to some questions that I left with him in the middle of the week, last week, when we first got on to his department when we talked about some of the things that needed to be done, perhaps in the area of persons of senior age for the most part, on fixed incomes, who face difficulties in respect to increases in rents, many of which increases they find coming at them with little notice and with little justification. The Minister at that time said that if he saw any evidence of exorbitant rate increases he'd be quick to invoke Section 121 of the Landlord and Tenant Act. But the basic question I think, Mr. Chairman, is, what does the Minister mean by exorbitancy? What is exorbitancy in respect to the individual cases that come to the attention of MLAs like myself on frequent occasions?

The Minister responded to questions that were raised in that area by saying that the government, he and his colleagues, had done a great deal to protect tenants, and had done a great deal to protect senior citizens, persons on fixed incomes, had made housing available to them. In other words, he said, in effect, that most of these problems were anticipated by him and his colleagues; most of them had been met head on, and most of them had been overcome.

In effect, he was saying there no longer is any problem. Well, if there no longer is any problem why are there enquiries and complaints and worries and concerns coming to MLAs in this Chamber on frequent and regular occasions? The problems have not been overcome. The communications, the information that the Minister has referred to, which he says is available to people to tell them about their rights as consumers, to tell them about their rights as tenants, is not reaching those consumers, is not reaching those tenants, is not reaching the people involved; which is a question that I think can lead us into some interesting inspection of the operations of another branch of his department when we get further down in these estimates into the Resolution on Public Information Services.

There are many persons who the Minister is supposed to be protecting and looking after as consumers and as tenants, who have no knowledge of the kinds of protections which they are

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(MR. SHERMAN cont'd) . . . supposed to have, no knowledge of the recourse they can pursue when they feel that they have had an injustice effected upon them, or when they feel that they are being treated unfairly. The Minister has said that the Rentalsman is one source of solution, one source of satisfaction for tenants in particular who feel that they are being unfairly treated. Certainly the Office of the Rentalsman has been set up to fulfill that kind of requirement. But the fact of the matter, Mr. Chairman, and by the Minister's own admission, is that there is no provision under the legislation establishing the Office of the Rentalsman for rolling back rents, and there's no provision therefore for direct financial recourse to a tenant's problem.

There are influences, and there is a certain amount of moral persuasion that can be brought to bear in situations of injustice or unhappiness, but there is no hard and fast recourse that the affected tenant can look to. And in the majority of cases most of those persons don't even know that there is even that kind of an office such as is constituted in the Rentalsman's Office for an airing of their questions and their problems.

So it's not good enough for the Minister to suggest that these problems have been anticipated by his colleagues, they've been met head on, they've been overcome by some of the actions already taken by the government; and it's not good enough either to suggest that there is a wailing wall in the form of the Rentalsman's Office to which they can go if they've got a problem. Because they don't know in the majority of cases, that that wailing wall exists, and when they do know and get there and find that it's nothing more than a wailing wall, that's a frustrating and a bitter and a cynical experience for them by any definition.

So I think that the fact of the situation confronting the Minister at the present time is that there are real problems, particularly as I've suggested, in an area in which I'm specifically concerned, and that is the area of the person on fixed income. In most cases those are senior citizens, but not always. But I don't bring the criteria of the senior citizen into the argument as a specific. I prefer to cite for the Minister's attention the category of the Manitoban on fixed income, no matter in what age group he or she falls. Those are the people who, it seems to me, are the most badly crippled by the kinds of exorbitancies that have crept into our economy, and those are the people who should be the first that this Minister is trying to defend and protect. That's what makes his battle against runaway inflation and cost of living all the more urgent, and unless he has developed and undertaken the challenge of trying to work out with his colleagues some consistent kind of approach to bring those runaway costs and expenses under control, insofar as that is possible in our province, then he's not fulfilling his responsibilities of acting for and championing the cause of the consumer.

So I would like to put those questions to the Minister at this juncture and hopefully he'll deal with them before we conclude this section of his estimates.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Order please. Before we proceed I'd like to draw to the attention of the Honourable Members to the gallery on my left where we have 19 students of the Frontier Collegiate. This group are in the Occupational Entrance Course, and are Grades IX, X and XI. They're under the direction of Mr. Tony Kustiak and Mr. Ian Hall. This collegiate is located in the constituency of the Honourable Member for Flin Flon.

On behalf of all Honourable Members I bid you welcome this afternoon.

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MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I rise on a series of questions I'd like to pose to the Minister, in part raised by the Member from Fort Garry, but I'm afraid providing somewhat contradictory evidence to that he produced, and I suppose it may be just a different location or a different perspective, I'm not sure which. But I would like to pose to the Minister some, what I consider to be serious problems that the Rentalsman is presently encountering in simply handling the volume of work they must face. The Member from Fort Garry said he didn't think anyone knew about it. I think that there is evidence, quite the contrary, that if I understand it, the Rentalsman is now presently coping with upwards to 300 calls a day; and that in the month of January, if I understand the statistics, there was over 6,000 enquiries to the Rentalsman's office, which I think indicates that there is more than enough action being

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(MR. AXWORTHY cont'd) . . . stimulated in that area, mainly because of the nature of the Act. But what I find very disturbing is that the number of people employed by the Rentalsman Office, as I gather it, has declined from its original number, that while there are something like eight positions provided for there's only about five of them being filled; that we have lost several of our senior staff people in the Rentalsman Office to other Rentalsman areas in, I gather, the Province of British Columbia, where they go for higher money or better working conditions. And one of the serious difficulties we face is that many people are now frustrated all right, but they're frustrated mainly because they can't get through on the phone lines; they can't get the action they need; and it just takes too long. Let me simply say this, Mr. Chairman, that I have had many dealings myself with the Rentalsman on behalf of constituents and have found without exception, without exception, that in each case the individuals we are dealing with were of the first quality, that we've received nothing but co-operation in every kind of instant.

So this is no reflection at all upon the individuals in the office, but I am suggesting to you, that first you don't have enough of them. Those who are there are vastly overworked for the kind of load that's being placed on them; and that that just simply shows either that the Minister hasn't been looking after his homework properly or that he's got very stingy colleagues in the Cabinet who aren't prepared to live up to the spirit of the bill that they set up establishing the Landlord and Tenant Act. Because he has placed in the Act a number of very major kinds of requirements that both require the investigation of the Rentalsman Office, prolonged negotiations between landlord and tenant, as well as, in some cases, the enforcement of certain actions, and frankly it's not happening with anywhere near the kind of efficiency that's required. I would like to hear from the Minister what he would propose to do to bring the Rentalsman office up to a level of effectiveness so that it can cope with the really very heavy volume of enquiries that it has to receive. It has without question become one of the major offices of the government; I think an important office, one that is doing a good job, but one that is vastly overworked, and I think subject to a tremendous amount of stress and strain, and as a result it doesn't cope with the problems in the way it should, and that creates a high degree of frustration and perhaps the cynicism that the Member from Fort Garry suggested.

I would like particularly to bring to the Minister's attention that this is not something that can be put off for another day, that, as he probably well knows, about 40 to 50 percent of rental agreements come due at the end of April and May 1st, and in the spring period is the major time of the change of rental agreements in this city, and if 40 or 50 percent of them are coming due then I expect the 6,000 and some odd amounts that we're coping with, will be even more frequent. As a result I think that the ability of that office to perform the duties it's supposed to do will become even more snarled and unable to cope with it.

So I would hope that the Minister could first advise us as to presently what are the problems in the staff arrangement? Why we haven't brought the staff up to complement? Maybe he can explain whether he feels, in fact, there are sufficient resources to do the job that's being put upon it, or if, in fact, there really is a split between himself and members of the Cabinet in trying to provide for a proper execution of this job.

MR. CHAIRMAN: Resolution 36(a)(1). The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, I wish that sometimes that the Opposition could get it all together and tell the members of the government what it is that they really want the government to do, or what they think the government should do. Because on the one hand we hear constant wailing by members such as the Member for Fort Garry that more should be done by this department, and for that matter, all departments of the government. There should be more research according to members opposite. There should be more planning. There should be more staff. There should be more telephone lines. There should be more of everything that is possible for a government to have, and there certainly should be more programs to satisfy the demands of consumers.

Mr. Chairman, that is precisely what every minister of every government in every province of the country would like to do, increase his budget, increase spending, and carry out the mission of his particular department to its ultimate conclusion. But the members opposite don't seem to be able to get together that fact that if you do these things, government spending does rise.

The trick of administration, as I'm sure some members opposite anyway must realize, is to carry out the mission of the department with the resources that are available, and that is

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(MR. TURNBULL cont'd) . . . what has been attempted with the Bureau of Consumers Affairs. They are, in other words, Mr. Chairman, these members of the Opposition caught in the horns of their own dilemma. On the one hand they want to criticize the government for its spending, and on the other they want to criticize the government for not doing enough. Well, Mr. Chairman, they can't have it both ways. There has been an increase in expenditures. There has been an attempt to keep the departmental expenditures on a par with the rise in the cost of living, and there has been an attempt to keep the staff that are in the Consumers' Affairs Office and in the Rentalsman Office up to par.

There is no reduction in the establishment of the Rentalsman's office. There are advertisements now out for Consumers Services officers. We have had a great number of applications as far as I know for those jobs, and people will be hired, and the department will be brought up to its established complement very shortly.

The remarks of the Member for Fort Garry I found particularly strange. Not only was he wailing about the lack of government spending here, but he seemed to imply that people of Manitoba did not know what their rights were under various Acts; and more significantly for the administration of the bureau, he seemed to imply that Manitobans did not know where to call to find out what information they should know about their rights. I think in the last while there have been tens of thousands of calls that have come into the Consumers' office. The figures are very high. I mentioned them when we went over my introductory remarks earlier. The number of calls is nothing short of fantastic. It is, in fact, as the member for Fort Rouge indicated, a problem in that so many calls seem to be coming in that the phone lines virtually are plugged up. So I would say to the Member for Fort Garry that the people of Manitoba know their rights, many of them, that they certainly know where to call because tens of thousands of them have called, and there is every attempt to meet their demands when they do call, through the work, the mediation work of the Rentalsman and the Consumer Services officers.

Now, the other point mentioned by the Member for Fort Garry was the problem of Manitoba citizens on a fixed income. All people on a fixed income in a time of inflationary pressures are in a difficult position. This government has recognized that. This government has introduced tax rebate plans and a cost-of-living tax credit plan, which does much more to offset the squeeze of inflationary cost increases than perhaps any other single program that a provincial government could introduce. I have seen statistical analyses of the impact of increases in bread prices, for example, and increases in the price of milk and the impact that they would have on family budgets, a family of four, and the fact is that the increases - I'm speaking on the increases in these two commodities and in others - it could be concluded, are far less than what the person on a fixed income or a low income would receive by way of rebates under the Property Tax Credit Plan and under the Cost of Living Credit Plan. Those two schemes do more to put money in the pockets of people on low income and fixed income than anything else that could possibly be done by a provincial government, and I want to remind members opposite that that tax, property tax credit plan, was voted against by them. They voted against it. And yet at the same time they are advocating that more spending, more programs be introduced by the Department of Consumer Affairs to attempt to cope with the problems faced by those on low income.

Mr. Chairman, the way in which wages and profits and price controls might be implemented is one certainly of concern to all governments. I don't think it is any secret that wages have tended to follow behind price increases. And so, when the Member for Fort Garry asks me, what do I have in mind when I talk about profit, price and wage control, I am talking about profit control first, followed by price control, followed by restraints on wages, and all of these restraints of course would be restraints that would be designed to give the investor a fair return on his income and the employer a fair return for his increased productivity and a means of catching up with the accelerating prices that he has to pay.

I want to point out also to the Member for Fort Garry that government intervention of this kind would be massive; it would certainly be an attempt to provide some means of lessening the impact of inflation, but that it is a massive intervention only if it is decided that government should intervene. And I am not overly convinced that government should intervene in this way, but if it did, if there was government intervention to control profits first, prices and then wages, then clearly it could only be done if there was a co-operative effort by all the provinces led by the Federal Government. Without that kind of co-operation, without that kind of

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(MR. TURNBULL cont'd) . . . co-operation on a national scale, the attempt of any kind of restraints or controls on profits, wages or prices is just not feasible. It certainly cannot be done within the context of a small provincial government. And rather than that kind of intervention, co-operative and led by the Federal Government, I would prefer to see property tax credit plans and cost of living tax credit plans that are designed specifically to give relief, to give assistance to those people who are on fixed incomes and low incomes when they are faced with inflationary pressures in the economy.

Mr. Chairman, to the Member for Fort Garry I must say to him that the attempt to deal with inflation within the provincial context is a problem so big, so large, that this department alone has not attempted to deal with it. What has been done is to adopt policies of the Provincial Government to deal with inflation.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, in response to the Minister's last remarks, the Minister has attempted to make the point that members on this side of the House, and notably myself, in addressing ourselves to the Estimates of his department are advocating more government spending, and I don't think I ever used the term "more government spending." If he infers from my remarks that that's what I was suggesting, then he has drawn the incorrect inference. I never suggested there should be more government spending. I never used that term. What we have consistently said is, "Justify the jobs you are doing. Justify the programs you are doing or else reduce government spending." What we have asked in this department is, what is the Consumer Bureau doing essentially with respect to its No. 1 job, which is protecting the consumer? And the biggest problem facing the consumer today are these things we've talked about in terms of increases in the cost of living, whether it be rent or whatever element or area of the cost of living is involved. And what we've asked for is some tangible evidence of just precisely what the Minister is doing through the influence of his office, with his colleagues, with his First Minister, to develop a program that will perhaps put into action some of the things that the First Minister has been talking about.

Now I'm not saying that he can do it without co-operation. I've never suggested that one province could do it alone. Certainly there has to be co-operation between all provinces, but there's been an awful lot of buck passing on that topic ever since this country got caught in a cost-of-living squeeze. All down the line people have said, "But we can't do it here. It can't be done in Winnipeg, It's got to be done in Ottawa." In Ottawa they say, "It can't be done; it's got to be done in Washington." In Washington they say, "It can't be done here. It's got to be done in Bonn," or somewhere else. The point is that there has to be some kind of initiative undertaken somewhere at some level, of the administrations under which we live, and this Minister and the First Minister can't shirk their responsibility in that area simply by saying a province can't do it. A province, in concert with its fellow provinces, could do it if a strong enough initiative were taken.

Now the First Minister has said that he was going to head up a drive to bring these things under control. He raised people's hopes. He got himself front page coverage all over the country by advocating something, as I said, that my national leader advocated a year ago and was widely criticized for, and now the First Minister has backed down in the face of some criticisms by organized labour and said, well, there are certain things we're going to do but we're really, you know, we may not ask labour to go all the way on this thing. And I'm suggesting to this Minister that you can duck these questions and hide behind the kinds of information programs and the ten thousand phone calls into the Rentalsman's office all he wants to. His basic job as Minister of Consumer Affairs is to get hold of this thing and try to give the consumer some assurance of protection. And he's in office; he's getting paid for his job in the seats of the mighty; let him take some initiative, let him pin the First Minister down as to what the First Minister means when he talks of wage price and profit restraints and when he talks about perhaps having to back off a bit on the demands he's making on labour. If you can't do it, then say you can't do it, and pack up the department. I'm not asking you to spend more money. I'm asking you to justify what you're doing.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Speaker, that's . . . I suppose I'd like to bring a little gentle breeze after the tornado we've just had exploding, but the Minister raised a point which I think is important to try to discover, and he said that we're creating a dilemma, dealing

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(MR. AXWORTHY cont'd) . . . particularly, say, with the operation of the Landlord and Tenant Act. It's my simple understanding that it was the government that passed the Landlord and Tenant Act. It was the government that decided what particular pieces of legislation would be included in that, what enforcement procedures would be included, what particular requirements would be placed upon landlords and tenants, not voluntarily ones but ones that are required: the security deposits, the whole question of, if one wants to expel a tenant, there's a whole number of steps that are required under the Act for both tenants and landlords to take. What I'm suggesting is that I don't think members, at least in this group, are saying that "we didn't pass the Act; it was your Act; you built up the expectations; you built up the requirements; you built up the obligations." Now we're simply trying to determine whether in fact you're prepared to live up to it by providing the people that are required to make the act enforceable. If it's not enforceable then change the Act. That's pretty simple. Or clean it up. Take out those areas of the Act which aren't enforceable or which are too complicated and which require too many people to handle.

So I'm simply posing to the Minister in this case that I frankly don't hold him responsible for inflation in this country. I think there are things this Provincial Government could be doing and I think if one looks at the way the economy operates in this country, it's important to recognize that there are differences of function between federal and provincial governments, and perhaps the most important area in which a provincial government can infect inflationary problems in its own jurisdiction is by unblocking bottlenecks, by trying to increase supply of products at lower costs. And one doesn't do that by restraints, frankly.

Restraints are counter-productive. We made that case in the last federal election and the Liberals were right. We won it and people agreed with us. I suppose you have to keep fighting old battles because there's old horses who keep sort of rearing themselves up on their hind legs to try and get back in the race again. Well, the battle was fought last federal election and Mr. Stanfield lost it very clearly, very decisively, because it makes good economic sense not to have the kind of restraints he was talking about and which the First Minister is talking about. Those kind of restraints simply lead ultimately to the restriction on supply, the restriction on production, and at some point or other, some time in the future when they're released, they simply explode. You build up pressures inside the economy and they explode, and then the prices race. I think that every single country in the industrial world that has tried some form of enforced restraint, whether it's United States, or Sweden, or Great Britain, or France or whoever it may be, who have tried to control the economy by the way, have ended up in absolute disaster. Because all they simply do is, at first it doesn't control inflation, and secondly, it even accelerates it after a certain point and then they must be forced to the kind of Draconian measures that are even required now in the United States and in Great Britain.

So, I mean, for goodness' sake, let's quit this kind of nonsense. I mean, we're talking sort of economics; sort of, you know, really on the level of Classic Comic Books or something. I think it's about time we began learning some of the lessons of a very difficult period and that if we are going to be talking sort of what can a province do, what is within the range and capacity of a provincial government to do in affecting the problems of jobs and inflation - and the two are tied together - then the most important thing it can be doing is to unplug the bottlenecks of supply and unplug the areas - as we've pointed out in this House from our group, two areas in particular. Housing and manpower are two areas where the provincial economy is gummed up right now, where there is no movement and there's no supply and there's no production, and it needs a stimulus to unplug them and we have proposed, as some members of this House might recognize, a number of alternatives for doing that. That's the way you deal with the problem within the range of capacity, and I would only say to the Minister of Consumer Affairs to, I guess, extort him in my own way, that I think within the limited range of his ministerial responsibilities but certainly as a member of the cabinet, that should be the major impetus that he takes, is to try to convince the colleague that sits next to him, or who is supposed to be responsible for housing but which is not doing anything in this province at the present moment, to unstuck the absolutely frozen supply of housing which is just having reverberations in every single sector of the market to the point where we are now really facing close to a housing catastrophe. If he can add his own persuasion to those members of the Opposition who are trying to get the Minister of Housing to do something, then it would be

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(MR. AXWORTHY cont'd) . . . most welcome. But I think it is important to point out that if we're going to sort of talk about inflation in this House, then let's talk good sense and let's not fly high simply for the sake of the exhilaration it might give one.

But I would suggest to the Minister to go back to the original point, that if he is pointing fingers of responsibility for programs, then all we're simply saying to him is that if it's not possible for this government to effectively enforce the Landlord and Tenant Act as it is presently written, with the manpower he has at his disposal, then we would suggest that he scale down that Act or look at it carefully to see how we can eliminate many of the hurdles or obstacles that are presently contained within it and which provide for a very time-consuming procedure. I think he should do it for the sake of his own civil servants, who must try to implement the Act and are finding that it takes a great deal of time, as well as for large numbers of people who are frustrated by the fact that they can't get the service which they are required to have under the Act itself. And I think that is the basic point that I would sort of like the Minister to deal with.

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MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just while the Honourable Minister is thinking about some answers to comments made by the Honourable Member for Fort Rouge and the Honourable Member for Fort Garry, I rise at this time to ask a question that has bothered me for some time with respect to Ministers of Consumer Affairs generally - he and that other Minister of Consumer Affairs, the Minister of Consumer Affairs in the federal scene, and that is the role that he plays with respect to his colleagues and the influence that he has, the concern that he may share, particularly when he confers with his colleague the Minister of Agriculture and the whole question of restrictive trade practices with such an important commodity as the production of food.

Despite the comments of the Honourable Member for Fort Rouge, with the open connivance and planning of the federal Liberal party in government, and your colleague, Mr. Minister of Corporate and Consumer Affairs, there has been of course a tremendous move made towards highly restrictive trade practices in this very important consumer area, namely the production of food. And really, when Mrs. Plumptre is left so very much alone, a very good Minister of Corporate and Consumer Affairs, Mr. Herb Gray, finds himself having to resign and leave the federal cabinet because he happens to take his job relatively seriously, that, you know the Minister of Agriculture is there to look after agricultural concerns, the Minister of Corporate and Consumer Affairs is there to look after consumer affairs to the best of his ability and obviously within recent months the situation in the federal cabinet was such that it caused one federal minister to resign his seat - he now sits in the backbenches and makes a reasonably good contribution on the very subject that I'm talking about - I think, Mr. Chairman, it's a fair question to ask this Minister of Corporate and Consumer Affairs just where does he sit and what does he say when his Minister of Agriculture says we have to kill or gas ten thousand pounds of turkeys this month in Manitoba to keep the price of turkeys at the proper level. We have to agree to the national decision of destroying 10 or 15 or 28 million dozen of eggs to make sure that the consumer doesn't get his eggs too cheaply in this day and age. What is the counsel that the Minister of Corporate and Consumer Affairs . . . where is his influence when these decisions are arrived at in his Cabinet? And I think, you know, they're decisions that I would think that he would think long and seriously about.

Now, Mr. Chairman, I speak as a rural member. Certainly I speak for reasonable returns to the primary producer. Certainly I hope that the primary producer be not the sole, you know, person or segment in our society to have to carry, you know, increasing costs of food production on his shoulders. But, Mr. Chairman, there is a real problem area developing here which says, on the one hand, that we employ all the best possible imagination, techniques, innovative techniques in the ever-increasing, you know, search for increasing food production and in increasing it efficiently and passing on those benefits to the consumers, and the Canadian farmer, unlike any farmer - indeed the North American farmer, I would have to say - unlike perhaps any farmer in the world, has managed to do this to a far greater degree than is exhibited anywhere else in the world, the problems of the old cost-price squeeze cry and concern that you've heard from agriculture which has been with us for decades, long before this Minister came to office. It was there when I was in office and it was there when previous Ministers were in office. The fact that producers have been able to . . .

MR. CHAIRMAN: Order please.

MR. AXWORTHY: I was wondering if the member would accept a question, as to whether he would agree with consumer representation on marketing boards, producer marketing boards, such as the Milk Control Board.

MR. ENNS: Mr. Chairman, I believe . . . You know, I have problems with establishing these boards that have very vested interests, you know, that serve only that one purpose. I have supported and do support the concept of broader representation on different boards, whether they be professional, medical, law, what have you. I also accept the fact very definitely that consumer interests should be represented on agricultural producer boards. I believe it's essential that they be represented. I say this with the greatest deal of respect to my agricultural colleagues, that there nonetheless is a tremendous danger or trap to see just the story from that particular group that you happen to represent. So I, despite the fact that the question was perhaps out of order, Mr. Chairman, in the sense that I'm not a member of the Treasury Bench and can't be asked questions on his Minister's estimates, I welcome the question and

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(MR. ENNS cont'd) . . . respond to it in that way.

But, Mr. Chairman, I'm simply saying that, you know, the Minister has been sometimes - and I don't want to be overly harsh on this - but he's been very quick, for instance, to set up inquiries in the raises of price of bread when they've gone up two or three cents, and he's reported back to us certain results. He's been very fast to quip about how to deal perhaps with the rising price of sugar when it was raised by an honourable member from this side, and that something ought to be done about it. Well I'm asking him, you know - and he sits around that Cabinet table, you know, I assume as equal with his colleagues - what is he doing when his colleague the Minister of Agriculture goes down to Ottawa to figure out a scheme whereby we will curtail the production of eggs - like we'll only produce so many eggs in this country - to make darn sure that they're not available to the working people or the people of low income at a reasonable price? That we will dump milk into the sewer, we'll dump milk into the sewer before we let any processor get it for 50 cents a hundredweight less? That's what he told us just a week ago on his Estimates, that we dumped 18,000 lbs of milk in the sewer in one weekend when a dairy, a processor, was prepared to buy it for 50 cents, 50 cents a hundredweight. I'm not talking about 50 cents a quart - 50 cents a hundredweight. You know, we could make some maybe cheaper cheese, some maybe cheaper cottage cheese. It was processed milk.

Now, you know, we're very worried, we're worried about the moment that I think you assume your job to be concerned about any misleading advertisement, any abuses in the system of that kind. But I suggest, Mr. Chairman, that the Minister of Corporate and Consumer Affairs, having been established as such, having been established as a watchdog of consumer affairs, there's a tremendous area, a tremendous area of influence that the Minister should exercise and be prepared to exercise within the council of his Cabinet. And, quite frankly, you know, I've said this before and I think it has to be said louder, that within the councils of this province and within the national councils, the Ministers of Corporate and Consumer Affairs have to wield a considerably greater influence than they have been in the past. So in that sense perhaps I'm plugging for an increase in your budget.

MR. CHAIRMAN: Order please. In accordance with Rule 19 of our House Rules, I am interrupting the proceedings of the committee for Private Members' Hour and shall return to the Chair at 8 p. m. this evening.

IN SESSION - PRIVATE MEMBERS' HOUR - RESOLUTION No. 6

MR. SPEAKER: Order please. Private Members' Hour. The first item is Resolution 6. The Honourable Member for Sturgeon Creek has six minutes.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. I don't intend to take six minutes. I said pretty well everything I wanted to say on this resolution when it was up the last time. But I'd just like to really bring to the attention of the government the enforcement of this resolution and that the competition be allowed in the automobile insurance field in Manitoba.

Now it's fairly obvious that the inefficiencies of the automobile insurance in Manitoba is caused because you have a monopoly, and that is something that most people realize, that a monopoly makes people inefficient, and they also, when they know that the profit picture doesn't have to be there, they have a tendency to spend more money than they should. And it's very easy to do that when all you have to do is come into the Legislature and vote yourself more money to keep things operating. And the only way - and it's been proven, and I say definitely proven, because government businesses totally across the country have generally lost money or built up a large bureaucracy, always voting themselves more money to keep going is what has happened to government businesses - and the way you will overcome that is that if you have to be competitive in what you're doing with other people within the same industry and also people that are required to operate their industry in a businesslike manner, a proper-like manner for the benefit of the people, and also if necessary come under the jurisdiction of the Minister of Consumer and Corporate Affairs, if all of the businesses were under his, not jurisdiction, but under his watchful eye, then I am sure that the government would have to show more efficiency if they had good competition.

The Autopac to be treated as a Crown corporation, quite frankly I look across the way, Mr. Speaker, and I see Ministers in charge of the Telephones, I see Ministers in charge of

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(MR. JOHNSTON cont'd) Hydro, I see Ministers in charge of Manitoba Housing and Renewal Corporation, many different things that the government have operating, and certainly the Autopac should be basically the same way. If it's going to be a Crown corporation it should be treated as other Crown corporations, and we should be in committee the same way as we do with those, and there is absolutely no need to have one Minister, you know, who is sitting there as Minister of Automobile Insurance or Autopac. It's the most ridiculous thing I've ever seen in my life. It is not a necessity. The Minister is really . . . As the Attorney-General said when he made some remarks about Autopac, it's the General Manager that makes all the decisions anyway. The Minister is completely void of any knowledge of the insurance business, completely void of any experience in it, and is proving very rapidly he hasn't learned anything in it. So Mr. Speaker, why not have it under a Minister as the other Crown corporations?

So, Mr. Speaker, the efficiencies will come with good competition, and when we have that and we place it under the same Crown corporation setup as other Crown corporations, then maybe we'll see the light of day in Autopac and not keep losing \$10 million a year.

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

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I find the honourable member's remarks rather amusing. He keeps telling us, Mr. Speaker, that government is inefficient, that government operations are inefficient, that it's competition which creates efficiency; he said that monopolies make people inefficient and it's competition that creates efficiency. Actually, Mr. Speaker, the Attorney-General put forth most of the major arguments and a lot of this debate is simply redundant, but I would like to bring to the attention of the Honourable Member for Sturgeon Creek an article that just appeared in the Globe and Mail, April 16, 1975. Now this may shock him. But the heading - and this is from the business section of the Globe and Mail - the heading is, "Five Auto Insurance Companies Pulling Out After 1974 Losses."

Mr. Speaker, these companies were engaged in competition. And what do we find out? What's been happening in this paradise of free competition in the rest of the country in the auto insurance industry? Mr. Speaker, what does the Globe and Mail say? At least five property and casualty insurance companies in Canada have terminated or plan to terminate operations in the wake of the industry's overall underwriting loss of about 290 million in 1974. Let me repeat that, Mr. Speaker, just in case the honourable member didn't hear it. About \$290 million in 1974. It's the worst loss in recent history.

Now, Mr. Speaker, also, the industry had a loss of, it's reported, roughly 136 million in 1973. These are, Mr. Speaker, these are the great managers. These are the fellows who can really operate the insurance industry and make it work and make a profit. And Mr. Speaker, what's happening? They're losing money. Five of them have pulled out of the operation in 1974, or are planning to pull out. They're losing money. Private operators losing money.

In addition, several companies have been cancelling a number of their independent agency outlets. These are the companies, Mr. Speaker, who appeared before Public Utilities Law Amendments Committee when we were considering Bill 56. These were the companies who appeared before our committee in defence of agents, the poor little agents, who we were going to destroy. And now they're eliminating agents. --(Interjection)-- This article doesn't mention compensation. They're eliminating agents in order to save money because they've had losses.

And what other measures are the companies taking, Mr. Speaker, these companies who are so efficient, who never lose money? What else are they doing? More than a dozen companies have implemented additional interim premium rate increases of an average of ten to 12 percent this month for automobile insurance on top of an earlier interim increase of about 10 percent in January-February. So it was ten percent more in January and February as an interim measure, now we have another ten to twelve percent, and company sources said industry-wide auto insurance premium increases may rise as high as 25 percent in June and July when annual rate increases are made.

Mr. Speaker, here is a private industry which is so efficient, which doesn't lose money, which one would think, judging by the Opposition across from us, never makes rate increases. They've made two interim rate increases and there'll be a larger rate increase in the middle of the year. --(Interjection)-- That may well be, Mr. Speaker, that may well be. We may raise rates again next year, and I would not be too sensitive about that in the least, because we do have to balance the books. There's no question about that.

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(MR. JOHANNSON cont'd)

But, Mr. Speaker, again let me quote the industry, which is defending its rate increases. A Mr. A. J. Horsford, who is the president for Canada of Royal Insurance Group, Canada's largest auto insurer, says that he does not see any way in which premium increases can be avoided as long as inflation continues unabated. Now, Mr. Speaker, when we advance that argument, the Opposition doesn't accept it. There's no question that with inflation being what it is today, a public corporation or a private corporation in this province would have to raise its rates. There's no question. The books have to be balanced. But one would judge, listening to Opposition members, that it's okay for a private company but not for a public company.

Again I quote Mr. Horsford. He said that the industry has been faced with rising claims costs for many months in injury and disability claims, which are increasing at about twice the rate of increase in wages and salary index and in car repair costs as the result of increases of around 20 percent in labour and replacement parts costs. So the industry has suffered immense losses and the industry is raising rates, not once a year, but we know now for this year they will raise rates at least three times.

You know, Mr. Speaker, I should have brought my fire insurance policy. I just have to renew my fire insurance policy and I can't wait until July because my policy runs out before then. But I have to renew it, and I find, Mr. Speaker, that my rates have risen by 50 percent.

You know, Mr. Speaker, the Annual Report of Autopac is before us, and honourable members have it; and it's interesting the change that occurs. After the first full year of operation by Autopac, there was an Annual Report placed before the House, which showed a profit of - what was it - \$700,000 or \$900,000? But there was a profit, and that Annual Report contained a statement by the Provincial Auditor certifying that the books were . . . There'd be a financial statement, there was a fair financial statement, and this one also contains an Auditor's Report, but I can recall the debate in the House that occurred at that time. You people accused us of cooking the books. You said that the books were dishonest, even though the Provincial Auditor certified that they were fair financial statements. You said, at that time, because the Auditor's Report didn't happen to support your position, you said that the books were cooked. Now, of course, that the Auditor certifies that there's been a nine or 10 million dollar loss, now you accept it. --(Interjection)-- You don't accept it? You don't accept the Auditor's Report? I'd like to hear you comment on that. Are you implying that the Auditor is certifying something that is cooked? I'll be interested in your comments.

The honourable members have also stated, and they continue repeating this, that that we're intending to subsidize Autopac. They continue to repeat this. We maintained when we brought in Autopac that it would stand on its own two feet, that it would not be subsidized, and it hasn't been. And if you look at the Annual Report, it shows, for example, that we are amortizing organizational expenses - there's no subsidy there; we are paying grants in lieu of taxes; we're paying the equivalent of 100 percent of municipal taxes. Premium taxes are being paid by Autopac just as they were by the private industry. And the work that is done through the Motor Vehicles Branch is accounted for, and Autopac's share is paid. There's no subsidy.

You say that the gas tax is going to be a subsidy. That's bloody nonsense. --(Interjection) -- In the next financial statement, in the next Annual Report which will come before you next session, there will be an accounting of revenues received from the gas tax. There's no question about that. That will be accounted for. It is not a subsidy. It is part of the income of Autopac and, as the Attorney-General stated, there's no question. Also that each individual driver can easily calculate what insurance he pays through the gas tax. Now, I said before I don't like the gas tax particularly, not because it's inequitable, because I think it makes things a little more complicated, and that aspect I don't like. But there's no question but that it is not a subsidy. It is something that will be recorded. It is something that will be reported to this House. The honourable member laughs. --(Interjection) -- May I remind the honourable member, that will be counted as part of the income of Autopac. It's not a subsidy. It's not hidden. It is part of the premium costs to the drivers of this province --(Interjection) -- No, they don't. But this is part of the regular income of Autopac. There's no question about that. --(Interjection) -- They didn't. They didn't have the power. They simply added surcharges of all types to the insurance policy that they sold. Or in the case of the really bad driver, they cancelled his insurance, didn't give him any insurance, and he had to be looked after by the Assigned Risk Plan and the Unsatisfied Judgment Fund, which had to be paid for by the taxpayers of this province.

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(MR. JOHANNSON cont'd)

Mr. Speaker, I don't think there's any question but that Autopac is a success. The honourable members say that we should make Autopac a regular Crown corporation so there'll be no political interference. Political interference isn't coming from this side; it's coming from that side. You people, you people will continue attacking Autopac because you just can't accept the fact that it is a success. You can't accept the fact that it's here to stay, and you will continue interfering in Autopac, you will continue interfering and that will be the political interference that's going on.

There was a show on Marketplace on CBC just recently, a week or so ago. Some of you may have seen it. It was a very interesting little show. It included interviews with people in B. C., Manitoba. It was an evaluation of the Crown corporations that are operating in B. C. and in Manitoba and in Saskatchewan, and to end the show, George Finstad, the announcer, compared the rate quotes that he got for his own car from every province in this country, and I must say I was slightly disappointed, Mr. Speaker, because Manitoba was not the lowest. Autopac did not quote him the lowest rates. We were only third. There were two provinces that were lower, and those two provinces that quoted him lower rates were British Columbia, which was lowest and Saskatchewan, which was second lowest. That, Mr. Speaker, disappointed me. We weren't the best. But we were the third best, and the other two that were lower also happen to have NDP governments and Crown corporations. And he also said that considering the gas tax, taking that into account, the rates in the provinces that have government-owned auto insurance were still much much lower than those that didn't. The rates in the government-owned systems were much lower than those in the private industry.

So, Mr. Speaker, even though we're not the best, even though Autopac is not perfect yet, there are improvements that can be made, and there's no question that the losses have to be recouped and that we have to balance the books. But even given those factors, I am still convinced that Autopac is a great success and I'm still convinced that, come next election, the people in my constituency and the people in most constituencies in this province will endorse it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Well, Mr. Speaker, I rise very briefly in support of this resolution which was introduced to the Chamber by the Honourable Member for Minnedosa, and I would think, Mr. Speaker, that the resolution deserves better comment and better debate than we've received from the Honourable Member for St. Matthews who just sat down. He basically didn't deal with the subject matter in the resolution, to my knowledge. He again tried to stand up and justify this monstrous creature, Autopac, which the NDP have created, and to try to somehow find ways and means to justify the losses, the enormous losses, the mismanagement of funds, the bungling that's going on over in that office over there, and the crude advertising material that's been foisted on the public right across this country - and the CBC is a classic example, who never even researched their article because they came out that night on that great commentary or documentary that the honourable member refers to, and said that the gas tax was already on in Manitoba, to show you what kind of research we're getting from that. So I suggest that that was planted in the CBC just the same thing as you planted in the Financial Post, and mistreated and twisted it all around such as the article that we read from the editorial comments of Saturday's Tribune where . . . It's got to be, no other way.

The Honourable Member from Sturgeon Creek raised it in the House. That was mismanaged, poor advertising, ill-conceived and ill-timed, to try and foist that type of an advertising on the public to say that the rates were the lowest across the country and put it out in a brochure and mislead the public. That's one reason why we should remove that man from the Chairman of the Board. If he can't run a public corporation any better than he's running it today, with that nasty deceit, this public letter-writing, and all these things that are going on, you wouldn't expect that from the worst corporation in this province. I expect the Minister who is the head of that corporation to stand up as a businessman, meet the public at all levels, and if he's down 20 million bucks, justify it, not on grounds of deceit and trying to foist the blame on somebody else.

So I think it is an excellent resolution, Mr. Speaker, and one that this House and the people of Manitoba deserve to have debated and debated very seriously. Because, after three years, what have we got? Any improvements in that corporation? Have we one iota of evidence that the place is being properly run, that the moneys are being properly handled? No, we haven't.

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(MR. McKENZIE cont'd) . . . We haven't. We have no evidence whatsoever. I have a file here on Autopac, all on Autopac, and if you can show me, Mr. Speaker, any justification that I could stand up and support the management of that corporation today, then I would like to see it. Sure, the Honourable Member from St. Matthews waves around the annual report. --(Interjection)-- Yes, an auditor's report, and we see auditor's reports here on a very regular basis. But I say, do you remember the days when the debates were taking place about the concept of public insurance in this province, and all the statements that were made by the Attorney-General and others who were leading the debate in those days, that this corporation would stand on its own two feet? Now if that is an example of that statement that the honourable member has in his hand of a corporation standing on its two feet, then your interpretation of the business sense and the business world and the business dollar and mine, are two different ball games. I think that that business place should be managed by somebody that, first of all, knows something about insurance, not by a man that came off a turkey ranch and comes sitting in the Legislature here, and all of a sudden he's over there and he's the head of the corporation and he's Chairman of the Board. So who else can we blame? He's the Minister in charge of it, he's the Chairman of the Board, so then he must assume the responsibility for the Corporation, him and nobody else. If he has people in there that are not able to handle that insurance, then it's up to the Minister who is also the Chairman of the Board to have him removed.

So, Mr. Speaker, I do say today that this resolution is a very important one, and one that deserves much better debate than we received from the Honourable Member for St. Matthews.

It goes on and says in the second paragraph of the resolution, Mr. Speaker, "And Whereas experience has proven that this is not the case."

MR. A. R. (PETE) ADAM (Ste. Rose): Point of privilege.

MR. McKENZIE: Now that is a correct and that is a fair statement.

MR. SPEAKER: Order please. The Honourable Member for St. Rose have a matter of privilege?

MR. ADAM: Yes. He's downgrading the farmers and I'm a farmer.

MR. SPEAKER: That is not a point of privilege.

MR. ADAM: He says that a farmer can't run a corporation. He's downgrading a farmer.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please. Before we proceed, I should like to direct the attention of the honourable members to the loge to my right where we have the former MP for Scarborough West, Mr. John Harney, as our guest. We welcome you.

The Honourable Member for Roblin.

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MR. McKENZIE: Mr. Speaker, the second section of the resolution, I'm sure the Honourable Member from St. Matthews has read it: "AND WHEREAS experience has proven that this is not the case," that the corporation is not standing on its two feet - that's a fair statement. That can't be argued with, Mr. Speaker. That's a fact. That is a fact. It hasn't stood on its two feet and we have the evidence. "AND WHEREAS it is not in the best interest of any Crown corporation to have one of its chief executive officers a cabinet minister." That is a fair and a justified statement because he's got it both ways. He can play it politically; he can manipulate it around with government funds. He's the Minister, and how would we know? He has no Estimates before the House. We have a financial statement, right, but what goes on in the back room of that corporation is what I would like to know? Mr. Speaker, I think that is a fair statement.

"AND WHEREAS automobile insurance by its best nature lends itself to freedom of choice." There is a fair statement, Mr. Speaker, and I tell you, if we had freedom of choice in automobile insurance in this province today, Autopac would likely be out of business right now, but quick. Because the man in the street, the public, will not tolerate that type of an operation in their automobile insurance where they're never sure from one day to the next what's going to take place, whether your driver's licence is going to be surcharged, whether you're going to be charged for gas now, two cents on gasoline. Do you mean to tell me that when you look back from the days that the people of this province were promised this great corporation that was going to handle their insurance needs and provide them with these tremendous savings, don't

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(MR. McKENZIE cont'd) you think the people deserve some answers in this province about why it failed, who was the cause of it failing, and why we can't seem to make the thing work. Mr. Speaker, I think that is a fair statement and one that deserves the debate of this House and full consideration.

"AND WHEREAS there is concern by a large section of the public that they are not being provided with fair or factual information on comparative insurance rates." And we sure have lots of evidence of that. We have all kinds. I have letters here from the municipalities out in my constituency about this proposed gas tax, and man, how they're going to be up tight when that bill comes in!

Here's one from the Local Government District of Park. Here's one from some of the municipalities. The Reeve of the Birtle Municipality. "North group opposes Autopac gas tax. "Brandon opposes Autopac gas tax" and on and on. New Brunswick. New Brunswick? What happened to New Brunswick? I was told that they were going to be the next great province that were going to accept this Autopac concept. Somehow it's gone by the wayside. I believe it was the Attorney-General one day, under the stress of debate in this House, who said we'll have to try and keep our eyes zeroed in on New Brunswick because they were the next ones that were going to - and oh yes. Well, of course, Louisiana is old hat now, but Mr. Speaker --(Interjection)-- well I will when I finish, sir. I won't take the full time. He'll have lots of time to question me.

And it goes on the resolution, Mr. Speaker, and says that competition be allowed in the insurance field in Manitoba. Now, first, this government is not prepared to allow for competition because they believe strictly in monopoly. They don't believe in fair competition. There's no such a thing, I guess, in their books, there's no such a thing amongst a bunch of New Democrats as fair competition. It's got to be a monopoly or else. No other way.

MR. SHAFRANSKY: Right on.

MR. McKENZIE: Right on. So we get from the Honourable Member for Radisson that he fully accepts that concept. Right on. He doesn't want no competition in any field. And the last one, that Autopac be treated as a regular corporation without political interference. Now that is a fair statement, Mr. Speaker, that it be treated without political interference. Because it's quite evident now who you're manipulating around. If there's an election on, the rates will go down; in between, jack 'em up.

So, Mr. Speaker, I'm not going to stand here all afternoon to try and convince the members opposite, because the resolution is a fair resolution, the statements are accurate, the statements are correct. I just hope that we can soon get around to vote on it and get it on the record book, where if government stands they support a monopoly that's already lost 20 million bucks and it's likely going to lose ten next year, it's continually going to lose, and when the vote comes I hope that the members opposite will stand up and let us take a real good look at it, and give it some competition and maybe it'll stand on its own two feet as they promised some three or four years ago.

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

MR. JOHANNSON; The honourable member indicated that he would be prepared to accept a question. He mentioned the fact that Louisiana had turned down a similar idea to Autopac. Is he aware of the fact that that Legislature that turned down the concept of a publicly-owned auto insurance company is dominated by insurance agents and lawyers?

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: I'm not that familiar, but I recall in the debates of Autopac that we were led to believe - and I believe the Honourable Attorney-General went down there, or at least some of the New Democrats went down to try and urge those Louisianas with their southern drawl to "get into this Autopac; it's a great thing." Maybe the people down there rose up in arms and they said, "Well look, if we have to get rid of it with lawyers and - what other groups did you say - insurance agents, they took the right avenue and I'm sure that they're much happier and their insurance rates are better for having gone through the experience.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, just to correct an impression. I am not aware of any New Democrats going down to Louisiana to discuss automobile insurance, and if they did, then I'm jealous. I would want to be one of those who had gone and somehow I have been left out of this trip, and if indeed it's true, then I'm going to have something to say about it. My impression

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(MR. GREEN cont'd) is, Mr. Speaker, that the people from Louisiana came up to the Province of Manitoba to look at our automobile insurance program. Or if that's putting it a little bit heavy, people in Louisiana, when they were in Manitoba, looked at our auto insurance program, and I'm really not sure which is which nor do I think that it makes a great deal of difference.

I think, Mr. Speaker, that the thrust of the resolution that is being pursued by the Honourable Member for Minnedosa is that competition should prevail in the auto insurance industry. I believe that that takes it at its strongest position. And, Mr. Speaker, if by some stretch of the imagination, that were indeed a practical result of private automobile insurance, it might be worthy of consideration; it might be worthy of consideration to see what would occur, if there was free competition in the auto insurance industry. And, you know, I've seen some examples of free competition. The few times that I have been to Africa, I saw competition at its freest. You know, I saw, Mr. Speaker, African woman after African woman sitting side by side in rows of virtually hundreds of women in the open market, selling cigarettes, all trying to sell cigarettes at what I assume the honourable member would say is one price being slightly lower than the other, or a smile, or something else that made her a competitive feature of the other.

MR. ENNS: Tell us about the something else, Sid.

MR. GREEN: The Honourable Member for Lakeside has as good an imagination as I wanted him to have. The fact is, Mr. Speaker, that I saw that competition and indeed it may have resulted in a farthing off a cigarette as to what the consumer would get, but it did not do anything for the people who were sitting there, and I saw them, Mr. Speaker, sitting there from as early as I got up in the morning - which sometimes was as early as 7.30 in that region - and as late as I stayed up at night, which I'll admit to at least midnight. Now that was this free competition that the honourable member is talking about, that he thinks would do great in the automobile insurance industry, and that we could get our premiums somewhat lower if that were done. And of course the people in the industry, given those rules of free competition, we wouldn't worry about them because we would be getting as cheap insurance as possible. And if I could conceive of the impoverishing the insurance industry to the way I saw those African women impoverished, it might have some appeal to me, Mr. Speaker, but the fact is that the Member for Minnedosa, of all people, knows that that would not happen, knows that this proposition of free competition in the automobile insurance never was, is not now, and never will be, and furthermore knows - and that's why he's putting the resolution - that if the government got into competition in the auto insurance industry, that it would be a service, not to the public of Manitoba, but to the automobile insurance industry. And he knows it. And, you know, I expect that is why he is pursuing the resolution.

Now Mr. Speaker, how does he know? Well I think the frankest admission with respect to that was made by the Member for Portage la Prairie. When we introduced the Throne Speech and said that there will be changes in automobile insurance, the Member for Portage la Prairie, who obviously had been talking to someone who he thought was in the know, and at that time in my imagination I can conjure up who he was talking to from this group who would give him the impression that he was in the know, got up and said, "Well, we now know that the government is really not interested in the public automobile insurance, that they will come in with a program, but it will be a competitive program and it'll exist side by side with the other insurers in the industry." And then he said, "Well, that's not so bad, but if they're going to do that, what good is it? It's another company with other administrative costs, which adds no service to the Province of Manitoba and adds costs to the people."

Now I am paraphrasing. I do not have his words direct, but, Mr. Speaker, that is certainly the import of his remarks, that it would be useless, a useless expenditure of money, a non-necessary service, and it would merely compound the existing proliferation or the existing number of automobile insurance companies. And he also knows, the Member for Minnedosa knows better than anybody else because, Mr. Speaker, heaven forbid that the banking institutions of this country should say that there should be free competition in banking. He knows best of all that that is something that the banking institutions would never permit, never want to live with. And indeed there isn't free competition in banking, Mr. Speaker. It is not easy to get a banking charter and it would be something that the banks, above all, would resist in terms of competition in the banking industry, and, Mr. Speaker, the Member for Minnedosa

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(MR. GREEN cont'd) would say that it would not be a good thing; that if we will go to the United States and see what happens with the proliferation of banks and the number of people who go down and lose money because of this proliferation . . . pardon me? Of course, Mr. Speaker, no Bank Act, free competition, and a worse banking situation. And therefore the honourable member will not sit here and tell me that he is a believer in free competition, unless - and it may be - unless he doesn't agree that there should be a Bank Act. Unless he agrees that it should be, you know, "catch them as you can," and deposit with anybody, and no deposit insurance, and no accountability, and no . . . Well, Mr. Speaker, these are all elements of what the public has done, what the public has done because they recognize the pitfalls and the danger of free competition, which I have described earlier, as it exists in another country.

But Mr. Speaker, that's not the only proof we have. We have the proof of what happened in the automobile insurance. Competition did not exist in a meaningful way with regard to premiums. Competition in the insurance industry - and the Member for Souris-Killarney knows it, and the Member for Roblin who claims to know so much about insurance really knows - was almost solely directed to getting rid of the bad risks. And that's when the public subsidized the automobile insurance industry - not under the present system. The fact that the premium is collected as part of the driver's licence, as part of the premium for the policy when it is sent, or as part of the gas tax when it is paid, does not change its nature of being a premium. If that amount charged to the customer goes into the automobile insurance fund, and that's the amount that it has to deal with, it is not a subsidy.

But it is a subsidy, Mr. Speaker. It is a subsidy when, because the insurance industry will either move people to the assigned risk or else make it so expensive that people cannot get the insurance on the assigned risk, and because the operation of that industry was done in such a way that not everybody was insured, the public came in with an Unsatisfied Judgment Fund and subsidized the insurance industry. And who did it, Mr. Speaker? The drivers who bought licences subsidized the insurance industry, because they put the amount into the Unsatisfied Judgment Fund. And the Province subsidized the Fund as well. The person who didn't have insurance had to pay an amount into the Unsatisfied Judgment Fund and became what was then the worst risk.

But Mr. Speaker, if that's not satisfying evidence that there was no competition in the insurance industry, then we have the report of the Wooton Commission of British Columbia. The Wooton Commission sat down and studied private insurance and they studied public insurance, and they came to the conclusion, Mr. Speaker - and this was before the election of the New Democratic Party government, this was under a Social Credit administration - the Wooton Commission basically came to the conclusion that the automobile insurance was an oligopoly, that it was controlled in large part by a series of big companies, and that the small companies that were in the business merely charged almost or the going rate, and tried to improve their risk by pushing off bad risks to other companies. That was the competition, so why does one suggest that competition in the industry is going to produce a better policy or a lower rate? The insurance industry said exactly the contrary.

Mr. Speaker, when we were in opposition, the Conservative administration set up an insurance committee to study all aspects of insurance, including public insurance. Now, we who are in the know, know that they weren't really studying public automobile insurance. When you hear the Member for Souris-Killarney talk, when you hear the Member for Roblin talk, when you hear the Member from Rock Lake talk, is anybody here seriously of the opinion that the Conservative administration was studying public automobile insurance with a view to instituting it? No. But they put that down, Mr. Speaker, because they were willing to show that their minds were completely open and they were willing to listen to all aspects of automobile insurance. So apparently it is not contrary to your ideology to consider a public program, at least in accordance with the resolution that was then presented to . . . --(Interjection)--

Well, Mr. Speaker, the fact is . . . That's right. The fact is that the Honourable Member for Lakeside, I think, knows very well that this government has indicated that it does have problems reconciling different views with regard to ownership of land and use of land and American foreign ownership of land. Has it not been made apparent in this House that I don't have the same feeling or the same inhibitions or fears of foreign ownership as against other private ownership as other members in this caucus or in the House? So we were putting it on the table to go in search of a land-use policy. It's the Conservative members - and, you know, this is

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(MR. GREEN cont'd) fair game - who said that we're going to make these land use hearings an opportunity to have an attack, not on foreign ownership or land use, but an attack on the government land-buying program.

Now that's okay. I mean, I'm willing to engage in that battle. And, Mr. Speaker, we're going to win that one, because they are so wrong about what they are saying that the more it is spoken about, the more, Mr. Speaker, the suggestion that has been made by the Member for Rock Lake, by other people, that the government of Manitoba is interested in buying all the land in the Province, is so wrong that it cannot be sustained. And therefore the public of Manitoba is going to recognize that that scare tactic was an attempt by the Conservative Party to mislead them. And we are going to win that battle, because they see nothing wrong with a farmer being able to sell his land to the Crown, or to lease from the Crown such as is done in Ontario -- (Interjection)-- Well, I am with you. I hope that we have another 50 meetings, and I'm going to go to all of those meetings and I am not going to, as the Member for Rock Lake says, I'm not going to lose votes on the basis of our land policy. It's they who are going to lose votes for the Conservatives on the basis of their position with respect to that policy.

But let's get back to insurance. And we'll deal with the land policy. Mr. Speaker, I asked this question to every insurer who came before the committee. I said, "You're now doing 20 percent of the business in this province." And they said, "That's right." I said, "Would you like to do 30 percent?" They said, "Yes." I said, "If you did 30 percent, would you be able to offer a better product at a reduced cost?" And they said, "Yes." And I said, "If it went to 50 percent, would you be able to offer a better product at a reduced cost?" And they said, "Yes." And I said, "If it went to 70 percent, would you be able to still offer a better product at a reduced cost?" And, Mr. Speaker, invariably they said yes. One man, and that is the Portage la Prairie - I'm not sure if it was Portage la Prairie or Wawanesa - said that you could go almost up to 100 percent and offer a better product at a reduced . . . But if we got 100 percent we would stop offering a better product at a reduced price because we would become arrogant.

Well, maybe Wawanesa would become arrogant, maybe Portage la Prairie would become arrogant, but the electorate . . . No, not so fast, Mr. Speaker. Mr. Speaker, that is a fact. If we become arrogant, the Member for Lakeside, the Member for Sturgeon Creek, the Member for Souris-Killarney, can show the people what arrogant people they have controlling their automobile insurance, and as you well know, Mr. Speaker, as you well know, because you have had the experience from which that knowledge has come, we would not be here if we behaved that way. And Mr. Speaker, I for one, I for one am trying to stay here, and on the basis of trying to stay here, Mr. Speaker, I am going to deal with the shareholders of the Manitoba Automobile Insurance program in a non-arrogant way. I'm going to deal with them in a way which will demonstrate to them that their ownership of the underwriting capacity to deliver automobile insurance in this province is to their benefit financially, is to their benefit in terms of the product being offered, is to their benefit in terms of the fairness in which that product is being offered, and is most largely to their benefit because the people who are running the company are responsible to them, and if they don't behave properly that the people of this province will remove them.

Mr. Speaker, that was not something that existed with the private companies and it is not something that will exist with the private company as a monopoly . . . of the thing is still there.

Mr. Speaker, I commend to honourable members of this House a book which I picked up almost by accident, a book that's called "The Nationalization of Industry." It was written by a woman by the name of Ida Tarbell, who also wrote the History of Standard Oil. And I picked up the book because the title appealed to me, "The Nationalization of Industry." (Laughter) And, you know, since it had that appeal, I picked it up and I read it. And it will surprise honourable members to know that she was not talking about what everybody in this House smiled about, and that is, state control of industry. Not at all. She was showing how every industry under the private enterprise system was becoming nationalized; that the oil refining industry was becoming nationalized; that the rope binder industry was nationalized; that the steel industry was becoming nationalized; that the nuts and bolts industry was becoming nationalized. And she indicated, Mr. Speaker, how the natural development - and she did not really criticize this; I ask you to read the book to see whether I am not properly representing it - she said that this nationalization of industry was a means of achieving efficiency and was a good thing and was occurring.

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(MR. GREEN cont'd)

Now, I tell honourable members that in many many industries and in the financial industries especially, including automobile insurance, this nationalization of industry is taking place, and will take place. And there's only one question to be answered, Mr. Speaker: whether that nationalization of industry is going to be controlled by private individuals answerable only to themselves and to their shareholders, or whether that nationalization of industry is going to be controlled by the public who are running the industry.

And I am talking, Mr. Speaker, not about every industry, but I am talking about those - and there are numerous examples - which have become either monopoly situations or oligopoly situations. And that was the situation with regard to private automobile insurance. So the guy who is suggesting - the Member for Minnedosa - that we go back to the free competition in the industry, is saying that we move from a publicly-owned and controlled organization to a privately owned and controlled organization. And I believe, Mr. Speaker, that we have demonstrated, and that that is one figure that cannot be denied, you know . . . There is a suggestion here that our corporation lost money and this was done politically that this was as a result of political interference. You know, that hurts me more than it's hurting my business sense, and we all have some pride about our administrative efficiency, but to suggest that we did that in order to lose money politically, that, Mr. Speaker, is a more terrible blow, because you're suggesting that on somebody's political acumen it was decided that we would lose \$9 million in the industry and that this would help us politically.

Well, that's absolute nonsense! The public of Manitoba are not fools. They're willing to pay the rate for their automobile insurance industry. They are willing to pay the rate that will result in the payment of the claims and the cost of administration, and that is what was guessed at. But as I said last year, Mr. Speaker, whether it's private insurance or public insurance, estimating next year's claims is never anything more than a guess. And the honourable members have two arguments lined up. If we showed \$3 million profit, they'd be up there saying that you overcharged the people, and when we show \$9 million loss, they say that you are running inefficiently. --(Interjection)-- Well, how then, do you explain if we are running inefficiently? \$290 million worth of loss in the same industry by the private insurance during the past year.

And the Member from Sturgeon Creek - and I heard him say it - says, "Yes, but that \$290 million is not paid by the taxpayers." Well, who do you think pays it? Who do you think pays it? Do you think that there are some guys who run insurance companies who say, "We lost \$290 million. Everybody chip in. Take \$290 million and put it in the pot"? Is that your knowledge of business enterprise in the insurance industry in this country? I say to you, if that is your knowledge, then it's the Member for Roblin who doesn't know a God-damn thing about insurance. Because that's not the way it works, Mr. Chairman. When they have a \$290 million loss, they increase the premiums and they recoup that loss.

MR. SPEAKER: Order please. The honourable member's time is up.

The Honourable Member for Minnedosa has already spoken on the subject. He'll be closing debate. --(Interjection)-- Anyone else? The Honourable Member for Winnipeg Centre.

HON. J. R. (BUD) BOYCE (Minister for Corrections and Rehabilitation) (Winnipeg Centre): Well, Mr. Chairman, I was so engrossed in what the Member for Inkster, the Minister of Mines and Natural Resources, was saying, that I'd forgotten that I did want to make a contribution on this Resolution when it came up.

MR. SPEAKER: Order please.

MR. BOYCE: I wonder, Mr. Speaker, if it is agreeable, since it is only a couple of minutes to 5:30 and I did want to make a contribution, if we call it 5:30?

MR. SPEAKER: Is it agreed we call it 5:30? (Agreed) Very well, I am now leaving the Chair and the House will again resume at 8 p. m. in Committee of Supply.