

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:00 o'clock, Monday, June 3, 1974

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 21 members of the Presbyterian Church of South Dakota, who are our guests, and their leader Mr. Parsons. On behalf of all the honourable members of the Legislative Assembly I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. SIDNEY SPIVAK Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Attorney-General. It relates to the publicity that's now developed with respect to the two members of the Public Trustees Office, who I believed were charged with respect to costs being credited to them and being asked to be paid for by the public that were not so. I wonder if he can indicate whether the procedure followed here was the first, the Provincial Auditor's involvement and the information being supplied to . . . department, in which case the action took place.

MR. SPEAKER: The Honourable the Attorney-General.

HON. HOWARD PAWLEY Q.C. (Attorney-General) (Selkirk): Mr. Speaker, the auditor brought to the attention of my department certain information which gave reasonable cause that a probable offense had been committed under the provisions of the Criminal Code, and as a result of that information the matter was referred to the Royal Canadian Mounted Police, which force then recommended charges be laid - which happened; the matters were dealt with in open court.

MR. SPIVAK: I wonder if the Attorney-General could indicate the amount involved and whether restitution occurred or not.

MR. PAWLEY: In the one case, Mr. Speaker, the amount involved was a series of false vouchers which had been submitted for payment, vouchers for accommodation for evenings spent in a motor lodge, when such accommodation in fact had not occurred in reality. The amount there involved had been \$264.00 over a six month space, and the other case there was only one false voucher submitted for 8 or 9 dollars.

MR. SPIVAK: Was there restitution? Was there restitution provided by the . . .

MR. PAWLEY: In the larger one, the one dealing with the sum of \$264.00 the sentence of the court was that conditional discharge upon repayment of the sum of \$264.00, or within that neighbourhood, which was the amount that was involved in the defrauding. In the other instance, it was an absolute discharge.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Finance. I wonder if he can indicate whether it's the practice of the government when the Provincial Auditor brings to his attention false vouchers by any civil servant to immediately refer it to the RCMP?

MR. SPEAKER: The Honourable Minister.

HON. SAUL CHERNIACK Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, as I understand it - and I shouldn't say as I understand it, it's clear - the practice of the auditor is that he doesn't refer it to the government direct, he refers it directly to the Attorney-General's Department. Whenever there is any fear, any belief on his part that a crime may be involved, he doesn't convict it himself, if he feels there's anything that is fraudulent or criminal nature he immediately refers it to the Department of the Attorney-General and not to government as such.

MR. SPIVAK: Yes. I wonder if the Attorney-General can indicate whether these are the only references the Provincial Auditor has given to him with respect to false vouchers?

MR. PAWLEY: Mr. Speaker, these are the only references that have come to my personal attention of false vouchers submitted for payment.

ORDERS OF THE DAY, GOVERNMENT BILLS - SECOND READING

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Yes Mr. Speaker, I wonder if we can proceed now to the Adjourned Debates on Second Reading starting with Bill No. 64.

MR. SPEAKER: Thank you.

MR. GREEN: The Minister of Labour . . .

MR. SPEAKER: The Honourable Minister of Labour.

MINISTERIAL STATEMENT

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): The Industrial Relations Committee is meeting this evening to consider among other things a bill to amend the Workmen's Compensation Act. I intend to propose at that meeting this evening an amendment dealing with the maximum average earnings level for Workmen's Compensation, which requires a message from His Honour. I believe the Clerk has that message for me now and I understand that it's necessary for me to do this before they can consider the estimates, so I want to suggest, Mr. Chairman, to you that I will be making this amendment. I have one copy here and now I have the message from His Honour accordingly.

MR. SPEAKER: We may now proceed to Second Reading, Bill 64. Bill No. 67 the Honourable Member for Minnedosa (absent). Bill No. 69 the Honourable Member for . . .

MR. WARNER H. JORGENSEN (Morris): I believe that the Member for Minnedosa had adjourned that debate for the Member for Pembina, who is now here and prepared.

MR. SPEAKER: The Honourable Member for Pembina, Bill No. 67.

BILL NO. 67

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Speaker. Mr. Speaker we've looked this bill over and I've been in consultation with several people in connection with it. We don't see anything in there that looks too alarming but we may have other comments to make when it goes to Amendments, but we are at this time prepared to pass it.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, we too also reviewed the bill and in fact we feel it will improve the operation of the Queen's Printer, and we have no reason to hold the bill up. We are prepared to let it go to Law Amendments.

QUESTION put and MOTION carried.

MR. SPEAKER: Bill No. 69. The Honourable Member for La Verendrye.

BILL NO. 69

MR. BOB BANMAN (La Verendrye): Mr. Speaker I stood this bill for my colleague the Member from Pembina.

MR. SPEAKER: The Honourable Member from Pembina.

MR. HENDERSON: Thank you very much, Mr. Speaker. We've also looked this one over and we are very puzzled as to why it's being changed over to another department. By what I understand this is the only province outside of Ontario that has it under a different department other than the Minister of Health, and we're wondering why that change. Other than that we'll leave it to Law Amendments and see if there's any representation and we may have other remarks to make at that time. Other than that we're prepared to pass it.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 73. The Honourable Member for La Verendrye.

BILL NO. 73

MR. BANMAN: Mr. Speaker, I stood this Bill for the Honourable Member from Rhineland.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. As you know I've been asking quite a number of times during the course of the session that when this bill was coming up some of the people in our area have really been looking forward to this bill, and I believe that we do not have any opposition to the bill except that we are rather opposed to the fact that nothing is spelled out in the bill; there are no rules or regulations set out.

BILL 73

(MR. BROWN cont'd)

I was checking the Saskatchewan Bill over the weekend and I found that over there all your regulations are spelled out. Now it seems to me that the Minister is wanting us to sign a blank cheque, approve this bill, and the Minister is going to put in all the rules and regulations without us getting any chance to debate this. So I would very much like to see if the Minister could give some clarification as to what rules and regulations he is intending to enforce. Thank you, Mr. Speaker.

MR. SPEAKER: Is it the pleasure of the House to pass the motion?

The Honourable Minister of Labour.

MR. PAULLEY: I think, Mr. Speaker, I should make a comment or two. I want to thank the honourable members for their general support, or support in general for this bill. I might say that I have had representations made to me already indicating firm support in the industry for introducing this bill as being long overdue in the province.

Now my honourable friend the Member for Rhineland who just spoke on the bill expressed his regrets that the regulations are not part of the bill, and of course the way we operate in this province is different than Saskatchewan. The regulations are passed by Order-in-Council of the Government. And this is such a detailed matter that time did not permit from the time of consideration of this bill having fully defined the regulations under the Act. But I do want to assure my honourable friend and honourable members that before the regulations are approved full consultation will take place, or as full as possible, will take place between the industry and the officials of the department before they're actually passed by way of Order-in-Council.

Sorry that I was not here when the Honourable Member for Sturgeon Creek spoke. He raised a few questions; I believe that the honourable member indicated that the only appeal, courses of appeal were to the Minister. I would point out to him one of the sections provides for the first appeal to the Minister in the form of a hearing, and then the agreed parties can be represented by counsel at this hearing; and then a second course of appeal is to the Court of the Queen's Bench.

My honourable friend from Sturgeon Creek mentioned the City of Winnipeg and the 1970 National Building Code, and there were changes suggested there. I'm informed that my honourable friend appeared to be assuming that the City of Winnipeg would be covered under this Act. Actually this isn't a great point because regardless of whether Winnipeg is included or not we would recommend one of the first duties of the Building Standards Board, which will be set up under this Act, would be to review the work done by the City of Winnipeg for the purpose of incorporating all work relevant to the province as a whole. So there will be fairly close co-operation, Mr. Chairman, between the City of Winnipeg and ourselves.

I understand that the City of Winnipeg has just recently reviewed the 1970 National Building Code and are recommending some changes, and then it was indicated to me that in 1975, less than a year from now, there will be a review at the national level of the 1970 code, so there will be changes made there.

So all in all I do say, Mr. Chairman, and I appreciate the concern on my honourable friend from Rhineland, but I indicate to the House that there will be full consultation with the industry before the regulations are finally adopted.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 75. The Honourable Leader of the Opposition.

MR. SPIVAK: Stand. (Agreed)

MR. SPEAKER: Bill No. 77. The Honourable Member for Gladstone.

MR. SPIVAK: Stand.

MR. SPEAKER: Bill No. 82. The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I beg the indulgence of the House to have this matter stand.

MR. SPEAKER: Thank you, Bill No. 84. The Honourable Leader of the Opposition.

MR. SPIVAK: Stand.

BILL NO. 88

MR. SPEAKER: Bill No. 88. The Honourable Member for Morris.

## BILL 88

MR. JORGENSON: Mr. Speaker, the bill that is currently before the House dealing with amendments to the Liquor Control Act has had a lengthy gestation period. It, I think, originated with the bill that I introduced during the course of the last session which died on the Order Paper, and has carried over until this time. Naturally, Sir, I am not going to take exception to those sections of the Act that purport to deal with the same situation that the bill I introduced was intended to take care of. I think that perhaps the method by which the Attorney-General has chosen to deal with the similar situation is perhaps more universal in its application than in the instance that I brought before the House, which was an isolated instance and perhaps the only one in the Province of Manitoba. So for that reason I think that we can approve that particular section of the Act.

One other aspect dealt with by the Minister was the problem that arose in Steinbach when a group of women decided to take matters into their own hands and have appealed to the Human Rights Commission to have that particular section of the Act corrected to comply with the rights, to the rules of the Human Rights Act, and the Minister I think has covered that particular situation in the bill that is now before the House.

The other amendments that are being proposed purport to deal with other matters that he has decided require some adjustment and updating and I don't intend to quarrel with most of them.

There is only one section that I want to deal with, one that I feel is in conflict with - certainly must be in conflict with his own department, the Office of Law Enforcement and with the Department of Highways, in that they intend to allow beer vendor establishments to remain open after the hours of the closing of drinking establishments has taken place.

I think, Sir, now, though I don't have any statistics to back me up I'm sure they must be available, that this would be a mistake because the tendency would be for people who have tanked up somewhat in the drinking establishments if they have that opportunity then to run to the beer vendor and pick up a case of beer, and that is always hazardous to driving. It would be better if they closed a half an hour sooner rather than a half an hour after. It seems to me that also - and perhaps I say this with tongue in cheek - the government who are now talking about the need for establishing near banks are doing a disservice to those people who have established near drinking establishments, such as our friends who have served the Manitoba community throughout the years from the early days, particularly during prohibition. I'm talking of those free enterprisers, Sir, who without asking any favours from the government have endeavoured to make ends meet and to provide for themselves a living by the manufacturing and distilling of illicit liquor. It seems to me that if a case can be made for near banks, then a case can be made for the bootlegger as well. Not very many people stand up in this Chamber and defend them, and I feel that the Opposition is negligent in its responsibilities unless they defend with some vigor the minority groups in our society.

I think, Sir, that the change that is contemplated by the Minister in extending the hours of the beer vendor - and I say this seriously now - is a mistake, because I can't see how it can be anything but in conflict with the intentions of The Highway Traffic Department, how it can be in conflict with his own department of law enforcement.

I suggest, Sir, that when we get into Committee that a very serious look be given to this particular section and instead of extending those hours beyond the normal hours of drinking that they reverse the procedure and close them a half an hour before. After all the purpose of establishing a Liquor Control Commission in the first place was to remove many of the abuses that were inherent, and that could be inherent if the whole thing was just left wide open. If that's the case then the purpose of the Liquor Control Commission is surely to work in conjunction with law enforcement agencies to assist them in enforcing the law and preventing violations of the Act, and also to insure that safe driving habits are encouraged.

I don't see how an amendment of this nature can complement the efforts of the highways people to ensure safe driving, and I would hope that the Minister would have some second thoughts on this particular section because I do believe that it can contribute to more traffic deaths, more violations of the law, and I doubt very much if a good argument can be made for extending those hours, notwithstanding what has happened prior to the change in the hours of opening of the liquor establishment. It seems to me that there should be some consistency in our laws, and that the Liquor Control Commission should be doing something else besides just promoting at every possible opportunity the sale of intoxicating beverages. You can't on

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(MR. JORGENSON cont'd). . . the one hand make grants to organizations for alcoholic education and things like that, and then on the other hand violate the very principle for which those grants are being made. I hope that the Minister in Committee will have a second look at that section and perhaps reverse his stand on that.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. I rise to add my support to the comments of the Member for Morris. I would like to be very blunt about the fact that after somebody has been in a drinking establishment or a bar - I don't prefer to call them drinking establishments - because some of them are very nice, very well kept, and certainly abide by the laws - until 1:00 o'clock at night, there's absolutely no reason that a vendor should be open to purchase more alcohol. Every one of the members in this House know that when people have had a fair amount to drink it's always a tendency to let's carry on, let's have another party, and even in the position of adults I think that some of them should be prepared to go home and probably drink the liquor they have at home, at home at that time, or at somebody else's home, but not to be able to pick up more liquor at a vendors.

Mr. Speaker, Mr. Penner, I believe the pathologist in Winnipeg, the Health Services Centre speaking to a group of people, the Medical Association, I think it was three or four weeks ago, and I'm paraphrasing now, I don't have the exact words, but I remember it coming over one of the radio stations saying that the increase in traffic accidents and traffic deaths - deaths are what he is concerned with - in the younger ages has increased considerably since we lowered the drinking age to 18. That was a statement that I believe that he had made to the Medical Association, or some type of a medical association.

Mr. Speaker, if a group of young people who are riding around in a car, or have come out of a bar or a beer parlor late at night are able to pick up another 24 of beer and continue drinking it all night, and continue driving around in that car, you're asking for a lot of problems, and you're not doing those children any favour, or those young people any favour by allowing it. Any of you who have teen-age young people in your homes, or teen-age children, who know of a group of boys that gather or fool around, the tendency is not to carry on home if there is more available, and some of them have the money to purchase it, and that is also a fact today, they have the money to purchase it. So I think we're doing a very fool-hardy thing, not only it's a danger to the young people, and I think if all of you admitted you've had enough to drink by 1:30 or 2:00, even in the older people, that this legislation is not good legislation and I believe the vendors should be closed before the bars close for the benefit of all of us. Thank you.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that debate be adjourned.

MOTION presented and carried.

BILL NO. 90

MR. SPEAKER: Bill No. 90. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I rise in this debate recognizing that to a certain extent the debate has preceded the introduction of the bill and that both in the Attorney-General's Estimates on Concurrence, and I think on one other procedure, the matter of the Human Rights Commission was discussed. Some of what I have to say has been said before and relates to what appears to be a difference of opinion with respect to the Act in the sense of the -- well dealing directly with the question of the appointment and how the appointments are to be made.

The second deals in general with the legislation as we have it now; and the third matter really will deal with some questions that should be asked, and possibly in committee we'll be able to deal with it at greater length.

This is a new Human Rights Act and it's interesting because I would point out to the Honourable Minister of Mines and Natural Resources that the government in introducing this Act in the first place initiated new procedures and did not follow as an example the experience in Ontario nor the Act of Ontario. Unfortunately for them in introducing new procedures and new initiatives we have had I would think relatively bad experience with respect to the operation of the Act up to the present time, and this is the reason why we are now dealing

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(MR. SPIVAK cont'd). . .with a new Act today, an Act which in many respects now resembles the Ontario Act, and in many respects is almost identical to the Ontario Act.

Now the experience in Ontario I think was a valuable one and the court cases that resulted indicated the problem. I'm not in any way questioning the motives of the government at the time of the introduction of their Act, the first Act, but the initiation or the initiatives taken were not thought out well and like so much of the legislation that we've had to deal with came about very quickly. While the intentions were good, the actual practice that has occurred has resulted in what is now a new Act, which I suggest follows Ontario.

Having said that, I'd now like to deal with the basis of a disagreement between ourselves and the government in the hope of trying to persuade them. The area of human rights and civil liberties is a sensitive area. It's one which I think everyone in this House would want to protect to its maximum. The problem of the responsibility and to whom the Commission is answerable becomes an issue. Every commission that's appointed by the government is independent but nevertheless is still answerable to the government because it is dependent on the government for its appointment. And commissioners are changed, members of the commission are changed over a period of time. I'm not going to get involved in the make-up of a commission now or the decisions that Cabinet have to go through in deciding who should be appointed or not, but I think when we talk in terms of human rights and civil liberties we are talking about an area of such great sensitivity that without question the appointments must be the best, must be free of political control, must be free of any taint of political involvement.

Therefore, Mr. Speaker, I think we've reached the point for one of two or three changes that should be made in legislation in Manitoba where the commission's appointment should be by the government - I recognize that - but should come as a result of an agreement by the Legislature as to who the commissioner should be. The only example we have, Mr. Speaker, is that of the Ombudsman, and while I appreciate the Ombudsman's responsibilities are very different than the commissioner's under the Human Rights Commission, I suggest to you that that procedure in which there is a committee appointed by the Legislature who come to an agreement as to who should be the ombudsman, who in this case could come to agreement as to who should be the commissioner, would clearly, Mr. Speaker, put the Commission above question with respect to a political bias that could enter in the considerations with respect to the appointment and the actual operation of the Commission.

It seems to me, Mr. Speaker, that that brings the other point as to the responsibility, recognizing that the Lieutenant-Governor-in-Council would appoint the commission upon the recommendations of the Legislature as the Ombudsman's case has been. The question of the responsibility of the commission, to the government or to the Legislature, responsibility of the Provincial Auditors to this Legislature, not to the government, but there are procedures in which his day to day operation is really involved in discussion with government at different times rather than to this Legislature. It would seem to me, Mr. Speaker, that we've reached the point where the Commission should be an instrument of this Legislature rather than that of the government. And again because I think the field of human rights and civil liberties is a different field, and is significantly different than other areas of government activity.

So, Mr. Speaker, we will move in committee amendments, as we have before in the Civil Service Act, suggesting that the appointment be made by the Legislature following the example of the Ombudsman. And this brings out a fundamental difference between ourselves and the government and one which they can be prepared to defend but nevertheless based on the experience of the last few years in Manitoba, based on the experience alone would justify supporting our position rather than that of the government's.

Now having said that I'd like to now deal with some new matters brought into the Act itself. Political affiliation, or political beliefs, at least, has been added to the clause dealing with the discrimination with respect to employment. And I gather it's the Attorney-General's intention to place political beliefs of a person in other sections of the Act in addition to that section - I think he made reference to it in his presentation. I find it very difficult, and I understand the intent of the government, but I find it very difficult to understand how a commission or a board of adjudication are going to be able to determine whether someone has been discriminated because of his political beliefs. It will be almost impossible. --(Interjection)-- Well I think not, I think not. Well I think not when the Honourable Minister of Mines and Natural Resources says the same as religion. The Act does not say the political affiliation of

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(MR. SPIVAK cont'd). . . a person, it says political beliefs and political affiliation --(Interjection)-- well political affiliation is a very interesting situation. Political affiliation would mean that if someone is a member of the Conservative Party, New Democratic Party, and the person basically says I will not employ anyone who belongs to the New Democratic Party, and that statement was made, I will not employ anyone who does not belong to the New Democratic Party, or who does belong to the New Democratic Party, or to the Conservative Party, and that person did so, and was a member, there'd be no question, I think, of the ability of the commission and the board of adjudication to determine that an act of discrimination occurred.

When we talk in terms of political beliefs and the person says I will not employ anyone whose political beliefs would mean that the society under which I operate would be fundamentally changed, and the person said that I would believe that under certain conditions armed insurrection would be necessary to correct some of the deficiencies in our political system, well, Mr. Speaker, at that point, you know, what is one person's political belief. As an example if a person said, I will not employ - and I bring this case up only because it's one in which there's been publicity in the United States - I will not employ a SLA member whose beliefs are that of the Symbionese Liberation Army, on the basis of this particular section that employer who would take that position could be prosecuted. Now I mean because he would be preventing someone from a job whose beliefs were that of the SLA.

I wonder, recognizing the intent, and not in any way trying to, you know, at this point suggest that the government's concern is not legitimate, or is not sincere, I wonder whether we really can in this Act deal in that way with political beliefs of that person. I find it - you know, the Honourable Minister of Mines and Natural Resources said with respect to religion or religious beliefs, said with respect to religion or religious beliefs --(Interjection)--

Well, Mr. Speaker, you know --(Interjection)-- Well there's a new definition section in this Act dealing with creed, saying creed means religious creed and that there could be no discrimination in creed, and I think there's going to be some difficulty in the interpretation that will occur there. But I think that the expression of political beliefs of that person is one that will be almost impossible, absolutely almost impossible to define.

I also believe that there are limits, there are limits to even which the government was prepared to go with respect to the right of prosecution against an employer, who at one particular point with respect to a political belief that's expressed and identifiable, would be prepared to suggest that the employer could not exercise his right at that point as to whether he wants someone to work for him or not. And I think that in that case, the case that I've referred to, I think even the government would recognize that the employer who expresses that position should be protected in that stage. For someone who essentially was prepared to use force for their political beliefs, to cause insurrection, to murder, and to harm, and the right of the employer at that point to say no I do not want to employ you because that political belief is repugnant to me and repugnant to the society in which I live, and if the government says, no, there's no limitations on that, the employer is to be prosecuted in that situation, then I don't think that you've thought your position out fairly clearly on this. --(Interjection)--

Well I think what I've brought forward is something which I think you have to consider seriously with respect to the limitations of that particular section, and the answer to me would be, well the likelihood of that section ever being involved in the extreme kind of cases you're mentioning is probably remote. But the problem with the Commission, the problem with the Commission is that the Commission are made up of people who represent the total community, are not necessarily learned in the law, and their involvement in this particular area, simply because of inexperience and with respect to interpretation, can cause I think some serious problems.

So I put the question of whether you can in this particular situation determine the political beliefs of that person. Now as far as I know, and I've asked the Attorney-General to be able to confirm this, I don't know of any particular human rights legislation that has that. --(Interjection)-- Well then it's just been introduced, is that correct? --(Interjection)-- All right, so this has been introduced in the last year. I wonder then if he can indicate whether any cases have occurred with respect to that particular item. I know that the Ontario Act does not have that, and I think that probably Ontario's had more experience than any of the other provinces in human rights' matters at this point in the course of the operation of the commission. So I raise that as a question to be discussed further, and to be discussed in committee itself.

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(MR. SPIVAK cont'd)

Mr. Speaker, there's a clause dealing with the question of the information of the Commission being considered confidential, and I do not believe that the clauses of the -- and I'm not going to deal with them particularly but there's a principle involved, I'm not dealing with the particular clause - but, Mr. Speaker, I believe that information handled by the Commission has to be considered confidential, and that teeth has to be put in the legislation to prevent those who are the officers of the Human Rights Commission and the Commission itself, from having the ability to be able to draw on that information and to be in a position to use that information during the process of any investigation. We're in a very sensitive area, and with the minority rights and minority problems that we've had in this province, there can and will be serious situations that will rise in which the laying of a complaint and information concerning the laying of a complaint, or an investigation, can have serious ramifications whether the complaint was justified or not, and there can, and may very well be frivolous actions that will be taken with respect to coming to the Commission, and these things can happen, and there has to be, Mr. Speaker, a degree of protection for the people against whom frivolous action has been taken to ensure that those who are responsible in the investigatory work and in the initial period of decision are not in a position to publicly publish, transmit information, and I do not think that that particular, the particular clauses have that teeth in the legislation. And it would seem to me that that is an obligation that has to be put in and it is for the protection of those against whom a particular matter which could have been considered frivolous had been brought to the Commission.

The government will follow the Ontario procedure now with this new Act of a board of inquiry in Ontario, and here it's called a board of adjudication. Now in the Ontario case where a board of inquiry has been appointed, I think in every case it has been one of the judges of the courts who have been appointed, or a prominent lawyer in the civil rights field, that is for the board of inquiry. I think I'm correct on this, and if I'm not the Attorney-General will be in a position to correct, to indicate that to me. Now that's not written in the statute in Ontario, and I'm not suggesting it has to be written here, but I would like some confirmation from the government that that would be their intention to follow that practice as closely as possible, because I think it's important, Mr. Speaker, that when we go from the Commission stage of investigation with Commission members, who may or may not be lawyers, into a board of adjudication, which is a board of inquiry into the semi-judicial matter that will then be dealt with, that it be someone who is learned in the law and capable of handling the inquiry in a way that the rights of the individuals of all concerned will be protected. And the practice, as I say, in Ontario has been that a judge or a member of the legal profession has been appointed. And again if not written in the statute, it's a practice that's occurred, and I think it's occurred in all cases, and I would like some confirmation from the government as to what their intention would be. Because, Mr. Speaker, if it's not to be someone learned in the law then I think, notwithstanding the again good intentions of the government, there are problems that can arise, and serious problems that could arise with respect to the nature and the way in which the inquiry is conducted, and the nature and way in which evidence is presented, the nature in which way the interests of both sides, and whatever the case may be, will be represented and protected.

There is another particular section which I think is a correction of problems that arose as a result of the operation of the Commission, and that has to do with the clauses relating to an advertisement for employment. Mr. Speaker, until this new Act the Commission indicated that if there was a determination in an advertisement of the sex of the employee, the request for a particular employee of a particular sex, that that would be a violation of the Human Rights Act, and that created certain anomalies, and I think we are aware of that. As an example, someone advertising for a domestic had to advertise for a person rather than advertise for a young woman to act as a babysitter or to act as a housekeeper, what have you, and that caused some problems and caused an anomaly. The particular sections now would indicate that the - if I'm correct, and I think I am - that the discrimination prohibited in advertising will now in this respect, in this particular anomaly has been corrected. Now that's my understanding of the sections of the Act and I would like that confirmed so that, if I understand this correctly the exception to the Act will apply to this particular situation and to others, so that some of the anomalies that existed will have been corrected.

Wel, Mr. Speaker, I don't know whether anyone will appear before the Law Amendments

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(MR. SPIVAK cont'd). . . Committee with respect to this situation. I think that one of the very sad, really sad situations in this province is that the Civil Liberties Association for all intents and purposes has been dormant over the years and that the executive director is now working for the government - and who had left the Civil Liberties Association, and probably because they couldn't afford his salary at the time, will not be available; nor will the association itself have examined this, nor do I believe that they have brought any particular pressure because I think it's been fairly dormant in this province - and I think, Mr. Speaker, that is a sad situation. I think the fact that we do not have an aggressive dynamic civil liberty association, having nothing to do with the Human Rights Act per se, but it's very important with respect to the concern for human rights and civil liberties and the ability to bring to government many situations that government may not be aware of; and to the commission is a very sad situation and reflects really, Mr. Speaker, on the non governmental leadership and non governmental agencies concerns with respect to the province. Because the field of human rights is a serious one in this province. We have a substantial minority, we have substantial minority problems, particularly that of our native people; they are matters that are brought to light now and then, but I think in all seriousness we recognize them as a continuing problem in every part of this province, whether it be in the urban areas or in the rural areas of the north, and without a private agency dealing with this matter of concern being prepared to come forward it makes it very difficult for the commission itself to be as aggressive as it should be. It also makes it impossible for the commission to be able to deal with an agency that should take on and assist and help in basically joint ventures with the commission in the educational program that should be undertaken with respect to the whole problem of human rights and civil liberties.

I think it's therefore a very sad commentary on our society in Manitoba and a sad commentary on the non governmental organizations that make up our community - and God knows we have enough of those, and we have them in all social, religious and ethnic backgrounds with respect to the organizations; that there really is not an overall group concerned about pressing for this matter. And I think it would be important because again, even in those areas in which there may be conflict between the Civil Liberties Association and the Human Rights Commission, that it would be a good thing to have that clash and pressure in those situations in which there may very well be disagreement. And my understanding again, in the situation in Ontario, is that their experience and their position is very different, that is, the Civil Liberties Association or its equivalent; the Human Rights field and its equivalent is very different than in the case of Manitoba.

And so, Mr. Speaker, we'll let this bill go. We're agreeing with this in principle, we think that the government has recognized the problems that it has; the main problem, that the Commission before was both an investigatory body and also the body that made the determination, and the problem of bias and prejudice existed. We believe that it's in the interest of the carrying out of this Act that serious consideration be given to the changing of the appointment procedure so that the Commissioners will be appointed by the Lieutenant-Governor-in-Council, but on the recommendation of the Committee of the House, and that that would remove it from possible political patronism, patriotism, patronage not patriotism. Well, I bring patriotism up for a reason - I think that people who serve on this Commission in the main will serve on this on the basis of being public spirited people recognizing the very sensitive and crucial area of responsibility that they have undertaken - and to a large extent there is an element of patronism in serving on this particular matter. But I do believe that it's necessary to insure, and to insure in every way possible that the appointments be made of people who are substantial and have an ability to be able to understand the nature of the problem and to be able to administer the Act. That does not mean, Mr. Speaker, that so far as the Commission is concerned it has to be all lawyers, it has to be all university graduates or what have you, I don't suggest that at all. But I think it's necessary that in selecting a cross section of the community which is necessary to make up this commission, that it be based on trying to get the best person possible; and I believe that the best way of determining that would be by the procedure that I've suggested rather than by the procedures that are now followed, with the Commission being responsible again to the Legislature, reporting to the Legislature, being able to come before the Legislature and being in a position to be examined on their course of conduct without getting involved in any particular detail of any particular investigation.

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(MR. SPIVAK cont'd)

Having said that, Mr. Speaker, the other changes that I've referred to we'll deal with - with respect to the teeth in the Act, as I've said, with respect to any disclosure of confidential information. And I would put it to the Attorney-General, that the question of the determination of the political beliefs of the person has to be discussed I think even more than he did in his own presentation, and some basis has to be given to believe that the commissioners are going to be able to have an ability for a perception of what the political beliefs of a person would be to be able to know how to administer this Act. Otherwise the words are meaningless, and otherwise the purpose is meaningless and there will be nothing but frustration in the attempts to try and administer and to deal with this Act.

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

MR. D. JAMES WALDING (St. Vital): Thank you, Mr. Speaker. I don't rise to reply to the Leader of the Opposition and I don't expect to be too long, but I did have just one point that I wished to bring up in the House and I hope that the Attorney-General will listen to what I have to say and maybe be able to give me an answer whether the particular concern that I have is rectified in the new Bill 90 or not. I'm hoping, too, that maybe I can enlist support of the Honourable Member for Morris who said a few minutes ago that it was the opposition who should be speaking out in support of minorities. This is one rather small minority that came to my attention about a year ago, and which I felt was being discriminated on as in conflict to the spirit if not the actual wording of the Human Rights Act as it stood at that time. It appears that as of last year by ministerial order that the Government of Manitoba decided that in order to teach in Manitoba's public schools that you had to be a Canadian citizen, no matter how many years that you had taught before that and had not taken out your citizenship.

Apparently as the regulations stand, in order to get a permanent teaching certificate a teacher has to be a Canadian citizen. Until that time occurs, that a teacher can take out his citizenship, which is five years under the Federal Regulation, teachers are issued interim certificates. By the decision made in 1972, this was limited to a total of six years, so that any teacher who is a landed immigrant after six years was forced either to take out his citizenship or to lose his job, because by that action his right to teach in Manitoba's public schools was thereby taken away. I don't object for one minute to the advisability of all landed immigrants becoming citizens. I think it's very desirable and that the situation should be such that it becomes a desirable thing to do, that a landed immigrant should want to take out his citizenship after being here the required five years. What I object to is attempting to force someone into doing that by threatening to take away his or her livelihood. There may be any number of reasons why a landed immigrant may not wish to take out his citizenship at that time; there can be as many reasons as there are landed immigrants. I am suggesting to you that this is a provision that we do not force upon any other occupational group. We do not suggest that you're a better truck driver if you're a Canadian citizen than if you're a landed immigrant. We do not require - in fact we do not require members of this House to be Canadian citizens, we require only that they be commonwealth citizens or British subjects, which is practically the same thing.

I have found only one requirement in our statutes where citizenship is a pre-condition for the job, and that is with barristers or lawyers and solicitors, where they are required to be British subjects in order to practice law. This I believe can be justified since they are officers of the court and have an administrative capacity on behalf of the province. But I really fail to see why citizenship should be a requirement for any other occupation. A teacher, the same as any other occupation, does not get to teach our children unless he has the necessary educational qualifications - and I suggest to honourable members that that should be the only criteria, how well he can do his job. I don't see how there can be any suggestion that our children can be in any way corrupted or injured physically or mentally by having a teacher who is not a Canadian citizen teach them. In any case we are allowing these teachers to teach in our public schools for six years before this becomes a necessity in any case. So if they are acceptable to teach our children for six years, why should they not be allowed to for the seventh year and the eighth year and so on?

I was somewhat disappointed in the Manitoba Teachers Society, to whom all of these teachers have to belong, in that they or their administration apparently acquiesced or even encouraged this regulation to be brought in in the first place. I feel that as a society representing

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(MR. WALDING cont'd) . . . . those immigrant teachers as well as the native born Canadians, that they owed the same responsibility to those teachers as to others; that having paid their dues they are entitled to the same protection from the Manitoba Teachers Society as any other teachers. I don't know why this attitude should be taken by the MTS, whether they were a little sensitive that there are a number of teachers who are without employment this year; maybe they felt that to get rid of a few teachers would, you know, give employment to some others. But it seems to me a very poor way of seeking employment for members to try to force someone else out of a job. On the other hand if this measure should work as it was designed to do, by forcing landed immigrant teachers to take out their citizenship, then the whole exercise of finding jobs for teachers would be thwarted in any case.

I should point out also to members, that most of the teachers that are in this position came to this country in the 1960s, at a time when Manitoba was short of teachers. And at that time, a very active selling job was done in other countries to attract teachers to Manitoba and to Canada. In fact, I believe that at one time up until very recently, immigrant teachers were given an income-tax-free year or two as an additional incentive by the Federal Government to come to this country. So most of these teachers came here when the rules were different, when we were actually begging them to come to Manitoba and teach in our schools, when we were taking advantage of their training and of their experience and of their job skills, paid for at some other country's expense, that we could bring into Manitoba and employ in our schools. Now we have changed the rules; we want them either to take out their citizenship or leave teaching altogether.

Mr. Speaker, under our present federal system, immigration policy and citizenship policy are quite clearly the responsibility of the Federal Government. If immigration policy is to change or if our citizenship policy is to change, then it is clearly the responsibility and the duty at that federal department to make those necessary changes. It is not up to this government or a department of this government to make changes in immigration or citizenship policies at the local level. The Department of Education has the sole responsibility for teaching standards, and so it should do, so that our children should be protected against inferior or incompetent teachers, that they should not be in a position to make citizenship regulations or policy.

As I mentioned a few minutes ago. I haven't found any other occupational group where this matter of citizenship is a criteria for employment, And to look through the old or the present Human Rights Act, quite obviously the spirit of the Act - if not the actual words, although it could be read that way - would prohibit such discrimination on the grounds of citizenship; and in the research that I did in one particular case, I contacted the Human Rights Commission to make inquiries in this particular case and I found that they had several other cases before them of a similar nature. They told me that they had sought legal opinion as to whether this particular instance came under the bill as it stood, and that they were advised that it did not, that the legal opinion that had come apparently from the Attorney-General's Department had said that nationality and citizenship are two different things. Now maybe there is a specific legal meaning to "nationality" and to "citizenship", although I really cannot see how you can be a national of one country without being a citizen of that country or how you can take out a citizenship in a country without having nationality in that country. However, that was one reason that was given to me as making the Act non-applicable in that particular case.

I was also told that the present Act, somewhere within the Act, made an exception in the case of teachers or employment conditions within the school system - and I'm not a lawyer, and I read through the Act several times, and there was one section there that had made some reference to it, although it seemed that the particular exception was written in there for some other reason, for private schools or private organizations of different natures. I believe it was Section 4 (4). I was told when the present Act was being drawn up that that particular provision was being changed and that there was now a provision in the Act which would allow the Act now to apply to teachers to give them the same protection that other groups are having. However the exception section within the new Act is worded so similarly to the exception section in the old Act, that maybe it changes or maybe it doesn't change, and I hope that the Attorney-General when he speaks again on this will make it clear to me whether or not this does apply to teachers or whether it does not; or whether we're going to have to wait for another legal opinion from a department of government, or whether we'll have to wait until it

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(MR. WALDING cont'd) . . . . goes to the court and get a legal opinion there. I suggest to honourable members, Mr. Speaker, that this is the place where we decide on the principle of bills, and if we decide that the protection and the provisions of the Human Rights Act should extend to teachers the same as it does anywhere else, then we should put it right into the bill without any legal language that is subject to a decision by the court or legal opinion by anyone else. It should be put in there and made quite clear that it does apply to teachers. And if it needs amendment at Law Amendments Committee, I hope that at that stage we can put it in.

That has been the one concern of mine with this Act and with the human rights field in general, and I would hope to get some expression of opinion from other members on this matter. It is as far as I'm concerned a very deep matter of principle, whether we are to let this matter of citizenship creep in as a condition of employment or whether we're to recognize, as Chief Justice McRuer found in his report on civil rights in Ontario, that it should not be a precondition for employment in the professions, nor could he see it being a condition of employment in any other field. Thank you.

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 60 young Boy Scouts from Detroit Lakes in the United States. They are under the leadership of Mr. R. J. Bauer. On behalf of all the Honourable Members, I welcome you here today.

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

MR. GEORGE MINAKER (St. James): Mr. Speaker, I would like to make a few comments on the bill, particularly dealing with the principle that looks at the situation of pre-employment inquiries, the principle of whether or not discrimination should be applied in any of the areas of sex or age and so forth. I'm wondering, Mr. Speaker, if the principle that's put forward is practical in regards to application of employment where you will not allow the employer to inquire the age of the individual when they are proposing to possibly employ an applicant. Why I put this forward, Mr. Speaker, is that I know in certain situations, if we look at police and firemen, that these particular associations have requested early age of retirement and are always seeking to improve the retirement age - and I'm wondering if it becomes practical to restrict, we'll say the City of Brandon or the City of Winnipeg, not asking a potential employee what his age is, if in fact the applicant is over the age of retirement, which could quite possibly happen. And I'm wondering if the government could not review this principle, that there should be some indication at time of applying for a job what the applicant's age is. We appreciate that it would not be the intent to discriminate intentionally but is it practical to ask, say, the City of Brandon or City of Winnipeg not to inquire the age of someone applying for a policeman or a fireman? And I believe at the present time some of these cities have a policy that for practical reasons it's not either healthy for the individual or sensible to hire a person that's say over the age of 40 or 45 for a policeman's job.

So that I question, Mr. Speaker, whether the principle of not allowing the employers to at least inquire how old the individual is when they're applying for the position. By putting that into the Act, I can see where it will create many problems, not only for the employer but also the employee - and I would hope that the government would review this particular principle and give into consideration that the associations and large companies and I would presume the MGEA, they have certain retirement ages, yet the way that I understand the Act is written would not allow the province to ask a potential employee how old he or she was at the time that she's applying for a job. And I think that the government may have gone too far in proposing this particular restriction and identifying it as discrimination because I feel, Mr. Speaker, that that particular question on an employment application form is not discrimination, it's just practical information that is required to make hopefully a proper decision, not only for the company but also for the employee that's applying. I would hope the government would look at that particular principle and possibly revise it and amend it.

The other item I would like to comment on, Mr. Speaker, is that there has been no mention of discrimination on language. And we are in a province which has bilingual districts, and we also are a province where the Crown corporation employees people who work in our

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(MR. MINAKER cont'd) . . . . province who possibly cannot speak both official languages but they might speak two languages; they might speak German and English, they might speak Ukrainian and English, they might speak French and German, yet there is no mention in the Act in regards to discrimination against individuals applying for a position because they may not be able to speak both official languages. I'm wondering, Mr. Speaker, if the government has purposely not included this in the Act or given it consideration, but I have talked to some of my constituents and people who live in Manitoba and they feel that at times this is discrimination; that it's mandatory in certain jobs in the Crown corporation, the Federal Government, that they speak both official languages - and if that is not discrimination then I don't know what is, Mr. Speaker. Because I am sure people would be prepared to possibly learn the second official language, yet may not have the opportunity because they do not have those particular qualifications at the time that they were applying for the job; and as I indicated earlier, that there are sections of our province that are considered bilingual districts, but surely the whole province is not considered bilingual and yet this particular type of discrimination could happen and might possibly be happening today with the Federal Government agency hiring people right in Manitoba to work in Manitoba, that the only way they will hire them is if they speak the two official languages. And I say again, Mr. Speaker, that there are many of our citizens of Manitoba who have the capability of speaking two or three or possibly four different languages, but not necessarily French and English, the official languages of the country. So I would hope that consideration might be given and discussion take place on that particular principle that appears to have been left out of this Act. Thank you.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that debate be adjourned.

MOTION presented and carried.

BILL NO. 71

MR. SPEAKER: Bill No. 71. The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne) presented Bill No. 71, an Act to amend The Consumer Protection Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. TURNBULL: Mr. Speaker, I hear some members of the middle and back benches here saying that the bill can be passed and I hope that is the consensus of the House, but for members opposite on the opposition benches I would like to give some brief explanation, because I am sure they would like some explanation of the provisions of this rather technical amendment to the bill. --(Interjection)--Pardon me?--(Interjection)--I would like, Mr. Speaker - well the Leader of the Opposition says, "I've been waiting all year." If he would like to pass the bill, I will sit down. Perhaps he could give me an undertaking. Would you like to pass the bill without an explanation? Would you like--I'm asking the Leader of the Opposition - would you like me to explain the bill?

MR. SPEAKER: Order please. Order please. Would the honourable member address his remarks to the Chair and we'll get along very well.

MR. TURNBULL: Well apparently, Mr. Speaker, he does want me to explain the provisions of the bill.

Mr. Speaker, there are amendments to The Consumer Protection Act contained in this bill which are designed to offer further protection to the consumer in four major areas. One, in the area of mobile homes; secondly, in the area of insurance sold with credit agreements; thirdly, with the provisions to protect the equity that a buyer has in goods which are repossessed; and fourthly, in disclosure to the buyer of any benefits that accrue to a seller who arranges a credit agreement with the purchaser.

Mr. Speaker, the Consumers' Bureau has been handling over the past two years a substantial number of complaints regarding mobile homes, which arise largely from faulty construction, from inadequate service or faulty appliances. And by the strict interpretation of this Act, which is now in existence, the Bureau does not have authority to deal with these complaints. The reason for that is the Act as it now reads does not cover goods where the cash

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(MR. TURNBULL cont'd) . . . . price is in excess of 7,500, and the Bureau I think as members opposite know, has made every effort in the past to mediate these complaints of consumers with a view to obtaining relief for the buyer of the mobile home. However, we don't feel that that is adequate for protecting the consumer and consequently we are amending the Act to bring mobile homes under its provisions. By including mobile homes under the Act the credit sales of these units will be subject to the disclosure requirements of The Consumer Protection Act. The buyers will receive prepayment privileges and will have access to the protection afforded for relief against acceleration, forfeiture and repossessions. Perhaps most importantly, Mr. Speaker, the provisions of Part 6 of the Act providing for statutory warranties will apply to these mobile home units. That is the first change in the bill, Sir.

Another major alteration in the bill will require that the terms, the conditions and the costs of any insurance sold in connection with the credit agreement will have to be approved by the Superintendent of Insurance. Mr. Speaker, the Superintendents of Insurance of Canada pointed out in 1973 that frequently the premiums being charged for credit, health, and accident insurance, were considered in excess of premiums for similar insurance available to insurance buyers, and they claim that the higher premiums enabled the insurance companies to pay substantial rebates to the seller who prepared the conditional sales contract. And because of that, Sir, and because also the Consumers Association of Canada has asked all jurisdictions to take steps to eliminate abuses in the sale of such insurance, we are passing or introducing rather, the alterations in the Act.

We did in the Bureau conduct a survey of credit life and credit health and accident insurance policies, and it was found during that survey that some companies are charging exorbitant premiums and then paying substantial remunerations to the seller who prepared the conditional sale contract.

Mr. Speaker, under some of the arrangements that now exist in the marketplace, a buyer may prepay his contract and would not be entitled to a rebate of the unearned premium. Not all of the companies have made adequate provision to assure that such premium rebates are in fact refunded to the insured buyer. So we are requiring, Mr. Speaker, that the terms and the conditions, as I said, of the costs of any insurance sold in connection with credit agreements will have to be approved by the Superintendent of Insurance of the Province of Manitoba, and we hope that by doing that - which by the way, Mr. Speaker, is very similar to the method used by the Federal Department of Insurance and their administration of the Small Loans Act - we will enable purchasers of such insurance policies more adequate protection.

Another general provision in the bill, Mr. Speaker, is that of enabling a creditor who repossesses goods, rather requiring a creditor who repossesses goods to notify the debtor of the estimated resale value of the goods. If the debtor considers the estimate to be too low, he can apply to the Courts for a review of the estimate, and the courts may confirm or vary the estimated value as it sees fit. Under the provisions of the Act, a creditor cannot seize goods under a conditional sales contract and sue the debtor for any deficiency if the goods do not sell for enough to settle for the debts. A creditor must pay any excess if the goods sell for more than the debt, plus repossession costs, repair costs, and a 20 percent sales commission. Right now though, Mr. Speaker, there is no actual requirement that the creditor make every conceivable effort to protect any real equity that the buyer may have in the goods; and as many members here know, I think, under a Chattel Mortgage a creditor may seize collateral goods and sue the debtor for any deficiency. So we are introducing a change which will require that the creditor make every effort to protect the debtor's equity.

This change, Mr. Speaker, is one that relates to an article that appeared in a column of Val Werier some time ago, and I would like to relate just the kind of thing that was occurring in the marketplace as it does point out why this change has been introduced. Some time ago Mr. Werier reported a case where a loan company had seized all of the household effects of a family, including all of the major appliances. They sold all of the goods for \$135.00 - now that's all the goods of the family - and there was a net credit to the debtor's account in the amount of \$50.00. They then threatened to sue and proceeded to garnishee the debtor's earnings for a deficiency in excess of \$3,400.00. Now, Mr. Speaker, by amending the Consumer Protection Act we hope that that kind of practice will not be carried on and will be made exceedingly difficult to carry on in the future.

Mr. Speaker, another major protection that is in the bill will be one relating to the

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(MR. TURNBILL cont'd) . . . . disclosure of finance charges that a seller of goods shares, or disclosure of benefits that the seller receives, when he assigns a credit agreement to a financial institution. As it is now, Mr. Speaker, I understand that when a man or a woman enters into a store to buy goods he may be convinced to buy those goods on credit, and the seller of the goods then having arranged a credit transaction assigns the credit agreement to a financial institution for some kind of consideration; and we feel that any prospective purchaser should know that the seller of the goods might benefit from arranging a credit agreement and then assigning it to a financial institution. We don't think this is going to be an onerous requirement on business, Mr. Speaker, but certainly it is one that will bring all practices relating to the credit agreement above board and enable the consumer to make his choice on the basis of the information that is put before him.

There is also provision in the amendment, Mr. Speaker, for restitution - we can get into that in more detail in Committee - but there is provision that where a person is found guilty of an offence under the Consumer Protection Act, the court may order restitution, and at present there is no such provision for restitution of either moneys or anything else that a consumer might lose because he was dealing with someone who violated the terms of the Consumer Protection Act.

Mr. Speaker, those are the major provisions of the amendment to the Consumer Protection Act. I think that they extend protection to the consumer in several significant areas, and I hope that we can find a ready acceptance among members of the Opposition who, I am sure, would like to see the rights of the consumer protected.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Speaker, I move, seconded by the Honourable Member from St. James, that debate be adjourned.

MOTION presented and carried.

. . . . continued on next page

BILL NO. 83

MR. GREEN: Bill No. 83, Mr. Speaker.

MR. SPEAKER: Bill No. 83, The Honourable Minister in charge of Public Insurance Corporation.

HON. BILLIE URUSKI (Minister responsible for the Manitoba Public Insurance Corporation) (St. George) presented Bill No. 83, An Act to amend the Automobile Insurance Act, for second reading.

MR. URUSKI: I am informed that the bill will go to Law Amendments Committees.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Thank you, Mr. Speaker. At the end of my remarks I would like the pages to distribute some explanatory notes of the amendments in brief as prepared by my staff to explain some of the technical amendments that are in the bill, or we can distribute now. That's fine.

Mr. Speaker, in presenting this bill for second reading there are several main principles to the Automobile Insurance Act which in essence will alter the title of the Automobile Insurance Act to the Manitoba Public Insurance Corporation Act; amend certain sections relating to the law on the automobile insurance plan; and permit the Public Insurance Corporation to transact fire and casualty insurance business in competition with private insurance companies. The speech from the Throne opening this current session, Mr. Speaker, indicated that the government would be introducing legislation to permit its entry into the general insurance field.

There are many reasons why the government deems it necessary to take this action; primarily the private insurance insurers have obligations to provide an adequate insurance market with adequate coverage and at reasonable rates. This is an obligation which they automatically incur, and a responsibility they should fulfill, otherwise government intervention is inevitable. Sir, I would suggest that many private insurers have failed to live up to this responsibility.

Rural insurance agents and the smaller urban agents are experiencing difficulties in finding an insurance market for their clients. The handful of larger brokers and agents can, and do, exert tremendous pressure on private insurance companies and so they do not have this type of problem. But the smaller agent does not possess this cult or this influence, and the results are painful to him and his client. Since the advent of the automobile insurance plan numerous agents have expressed their grave concern over the deteriorating situation in the province and the dwindling market facilities available. As a matter of fact even in some instances, Mr. Speaker, agents were compelled to approach the Saskatchewan Government Insurance Corporation for insurance on Manitoba risks because a competitive market could not be found in Manitoba. The members of the Opposition may, Mr. Speaker, attempt to dismiss this problem as a non-existent one. But, Sir, I would suggest to them to go out and really speak to the rural agents; the problem is a very real one.

In July of 1973, Mr. Speaker, this was publicly confirmed by the then President of the Insurance Agents Association of Manitoba, a person whom, Mr. Speaker, I might add was, and I presume continues to be, against the principle of government entry into the insurance field. And I would like to quote his exact words. "The Manitoba Government entry into the general insurance area might even turn out to be an advantage especially for some rural agents. They are presently facing problems of market that the urban agent with his greater contacts doesn't seem to have. Likely the market will even be improved by the government's entry on the local scene, and for a lot of agents there will be market they don't have right now." That was spoken by the past President of the Insurance Agents of Manitoba. Sir, here is a spokesman for a segment of the insurance industry publicly admitting that a vacuum does exist, a vacuum which the government can fill.

Then we have the insurance problems encountered by people living in northern Manitoba and other outlying areas. With only a few private insurers soliciting business in these areas, the premium rates at times really tend to be what the traffic will bear. Government insurance should ease this situation by providing a market which is more willing rather than the present approach by private insurers, which can best be described as either reluctant or demanding. Indirectly this government participation should also lead to some rate stabilization in northern and rural Manitoba.

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(MR. URUSKI cont'd)

I earlier stated that private insurers had an obligation to offer adequate insurance protection; that they failed to live up to their responsibilities was very clearly demonstrated recently when after the severe rainstorms in Winnipeg thousands of homeowners discovered to their dismay that their insurance policies did not protect them for water damage caused by backing up of sewers. What is far more damning is the fact that even if the homeowner wished to purchase this kind of protection at an additional cost, it was not available. Mr. Speaker, the members of this House will be interested to know that residents of Saskatchewan who insure with the Saskatchewan Government Insurance Office do have protection against this kind of loss. --(Interjection)--Because they are one of the few, if not the only company which makes this coverage available. --(Interjection)--

MR. SPEAKER: Order please. Order please.

MR. URUSKI: He's waiting, Mr. Speaker, he's waiting.

It is, Mr. Speaker, the intention of this government to direct the Manitoba Public Insurance Corporation to seek ways and means of insuring that some form of protection to the average householder is available if the homeowner wishes to purchase this protection against this kind of loss.

Sir, in an effort to discredit and discourage the government from entering the general insurance business, we will hear much meaningless argument that because Autopac had a deficit of \$10 million last year the government should abandon its plans for general business. This argument, Mr. Speaker, is spurious and has as much credibility as the people who put it forward. It should be remembered, Mr. Speaker, that in 1972 Autopac showed a profit and reduced its rates by five percent. It should not be forgotten that 1973 was the worst year for insurance companies across Canada. The insurance industry lost some \$132 million, with one private insurer losing 26 million on approximately \$23 million of premiums written. As a matter of interest one of the locally based insurance companies had a loss ratio greater than Autopac, Mr. Speaker. I think the Member for Souris-Killarney should be able to expound on that.

I made no apologies, and I make no apologies for last year's deficit. It was a matter of simple arithmetic. You cannot have a 35 percent increase in claims in one year with a corresponding increase in costs per claim and expect to make a profit. The motoring public sets its own rates and unless there is a dramatic reversal in the claims experience this year, another rate increase will be inevitable. But Autopac is not alone in this area, spokesmen for private insurers across Canada have already forecast heavy rate increases in automobile insurance in other provinces. Mr. Speaker, what is very meaningful and I will repeat again to the honourable members that while private insurance companies require approximately 35 to 40 cents of every dollar to pay for all their administration expenses, Autopac requires only 15 cents, and this is the proof of the streamlined administrative efficiency of the government insurance plan in this province.

Another important aspect, Mr. Speaker, is that with Autopac the government has a ready-made administrative structure which will require a minimum of additional expense to broaden the scope of its operations. The corporation already has a computer systems department, an accounting department, an administrative department. With these facilities already in existence only minor additions to the staff will be necessary to cope with the additional workload. This makes the government's entry into the general insurance field not only a viable proposition but also makes sound economic sense.

The Leader of the Opposition, Mr. Speaker, has said that he objects to the government entering the general insurance business because money from this business would be utilized to subsidize Autopac. Mr. Speaker, this is utter nonsense. Does he believe, really believe this to be true? Because if he does he must also then believe that the present general insurance business is an extremely lucrative proposition. He must also believe that the existing premiums in general insurance have so much fat in the rate structure that some of the cream can be skimmed and siphoned off elsewhere. If this is so, why did the private insurance companies increase their rates last year, and again in 1974?

In any event, Mr. Speaker, the proposed legislation has a built-in safeguard. The law will require that the Corporation maintain separate books for the general business and for the compulsory automobile plan. This government's entry into the general business will result in

(MR. URUSKI cont'd). . .no loss of revenue to the provincial treasury. The proposed bill will make provision for payment of the normal premium tax of two percent which is assessed on the insurance companies. In addition the legislation will ensure that the Corporation will turn over to the treasury any profit realized from the general business over a stated percentage.

Mr. Speaker, the legislation before this House will seek authority for the Manitoba Public Insurance Corporation to transact all classes of general business other than life or hail. Insurance companies issue very few policies, Mr. Speaker, which cover the risk of fire only. Today insurance is sold in packages. This makes sound administrative sense. Take for example a typical insurance policy on a house. It covers the risk of fire, robbery and theft, and personal liability for negligent acts of the owner and his family. In much earlier days if a homeowner desired this kind of protection he would have had to purchase three different policies as each risk fell under a separate class of insurance. It is necessary for the government Corporation to have authority to transact the various classes of business in order that it can provide a complete package and remain competitive in a competitive market. It is this government's intention that the agency force will be an integral part of the insurance operation. While the existing Autopac agents will be utilized to market the product, it does not necessarily mean that every Autopac agent will be granted a general insurance agency, nor does it necessarily mean that lack of an existing Autopac agency will automatically disqualify a person from being licensed by the Corporation to sell its product.

Mr. Speaker, fears have been expressed by the Manitoba based companies that the advent of the government into the general insurance field will result in their extinction. Mr. Speaker, this is just another red herring tossed around to create controversy. Sir, it's a well known fact that the insurance business in Canada is largely controlled by foreign companies. To be factual, Mr. Speaker, in 1972, which includes Portage Mutual, Wawanesa, and other Manitoba based companies, approximately \$51 million was generated in premium income in general business in Manitoba, excluding automobile and hail insurance. Of this \$51 million Manitoba-based companies wrote only about 14 percent of this business, Mr. Speaker, 14 percent. I would suggest that given the right direction from within, Mr. Speaker, - and the members of several of the boards sit here in this House - these Manitoba-based companies should have more than ample opportunity to further expand their business and become leaders in the insurance field in this province, Mr. Speaker. Some of the members of the boards of directors should have some insight in this and they should know what percentage of the business their companies write, Mr. Speaker. There is also another well known fact that insurance rates and coverages for Manitoba are set by underwriters based in Toronto and Montreal, according to board decisions made in New York, Hartford and London.

Mr. Speaker, a complaint heard all too often these days--(Interjection)--. . .

MR. SPEAKER: Order please. Order.

MR. URUSKI:. . .even of large brokers.--(Interjection)--Mr. Speaker, a complaint heard all too often these days, even from the large brokers, is that the existing private insurance offices in Manitoba, Mr. Speaker, are just order takers. That's all they are. If the risk to be insured is out of the ordinary or a little complex, it is invariably referred to the east with the ensuing delay. Very few, if any, major decisions are made in this province, Mr. Speaker.

In 1970, this House passed The Automobile Insurance Act. During the past three years various sections in the Act have been invoked and the government now deems it necessary to amend certain provisions to eliminate certain inequities for the better administration of the Act. These amendments are included in Bill 83, and I would like to highlight some of the important amendments.

According to the existing legislation an innocent victim has to obtain a judgment against an insured who is in breach of the Act or regulations before the Corporation makes a payment. The amendment will permit the Corporation to compensate the victim without the necessity of going to court. The Corporation will retain the right of reimbursement from the insured by due process of the law. This amendment will enable the innocent victim to receive compensation from the Corporation without any delays. It also preserves the Corporation's right to be reimbursed by the insured who was in breach of the contract.

Another amendment relates to drinking and driving. Conviction under the Criminal Code for driving while ability is impaired, or for the refusal to take a breathalyzer, or for .08, will now be construed as conclusive proof that the person at the time of the accident was driving

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(MR. URUSKI cont'd). . . under the influence of intoxicative liquor to such an extent as to be for the time being incapable of the proper control of the vehicle, and thereby in breach of the policy. Under the existing law it is necessary for the Corporation to prove the breach in court regardless of the conviction under the Criminal Code.

The time limit, time limitation in which an insured or an innocent victim may sue the Corporation will now be extended to two years from the existing period of twelve months, Mr. Speaker.

The proposed legislation will make it mandatory upon the Corporation to make payment of benefits to a person who is permanently incapacitated from working despite the fact that such person was in breach of the Act or regulation.

The existing legislation confers only discretionary powers to the Corporation. For the proper administration of the Act, it will now be mandatory, Mr. Speaker, for the police to forward copies of accident reports to the Corporation. At present the accident reports are withheld by the police if there is a possibility of a police prosecution. This very often can prejudice the position of the Corporation as it may not have the names of witnesses for purposes of further investigation.

In the 1972-73 fiscal year approximately 65 percent of every dollar spent by the Corporation went towards repairing of motor vehicle damage. With the ever increasing costs of repairs the Corporation will seek authority to establish and maintain one or more repair shops to investigate, study, and apply techniques used, or to be used, in the repair of motor vehicles, and to analyze the cost of repairs. I should emphasize, Mr. Speaker, that these repair shops will be experimental research shops.

With the role of the Rates Appeal Board, Sir, being expanded to hear and determine appeals on accident surcharges and fleet surcharges, the proposed amendments will authorize regional sittings by - any one member of the board designated by the Chairman. In addition authority will be requested for payment of some remuneration to the members of the board.

Mr. Speaker, the passage of Bill 83 will not only empower the Manitoba Public Insurance Corporation to enter the general insurance field but also update and streamline the automobile insurance plan.

The proposed entry of the government in other lines of insurance will alleviate some of the insurance problems encountered in rural and Northern Manitoba. It will relieve the problem that many rural agents, and through them the public in Manitoba, face in locating adequate markets for the insurance requirements. And, - Sir, it will bridge many of the gaps prevailing today and will offer Manitobans the opportunity of doing business with the Corporation which will be tuned in and responsive to their needs; Sir, a corporation in which they will have some voice through all their elected representatives in this House. And I recommend the bill to the House.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, there is probably no issue that divided this House more evenly and in which there was an expression of a difference of opinion philosophically and in the practical application of governmental power, than the auto insurance debate of a few years ago. Mr. Speaker, we deal now with a debate on the amendments to the Act and the introduction of fire insurance, and it's important that we recall some of the statements that were made at that time and relate it to the Minister's statement today.

At the time that the auto insurance bill was introduced, Mr. Speaker, the government's position was that it had to be a monopoly; the government's position was that auto insurance was a utility; and the government's position was advanced that without its monopoly powers it was unable to accomplish the objectives that it had set forth, and it listed its objectives.

We argued at the time two things. One, that it was capable through the regulatory power of government to regulate in such a way as to provide for any correction or adjustments that had to be made that government felt was necessary in the interests of the people and the consuming public. And we suggested that those regulations could have been enacted, and further that if the government felt that it was necessary to enter that it should compete, and as a result of its competition it would give the people the benefit of the freedom of choice of one or the other. And the government's position at the time - it's not its position today - was that freedom of choice could not be given.

The Honourable Minister stands up and has the gall to suggest that in the northern areas

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(MR. SPIVAK cont'd). . . where the premiums are either not available or are too high that the government insurance will ease it. He suggests that they will make a profit, and the profit will be transferred to the government general revenue. Mr. Speaker, he's suggesting that he's prepared to go into the areas in which the private industry, in his terms has not covered - that's a question that we can argue about in a few moments - and somehow or other he's going to be able to offer premiums which will be cheaper, and that this will be handled without any kind of subsidization from any source whatsoever.

He talks in terms of the recent flood situation, and he indicates that they're prepared to consider or work out ways. He didn't give the kind of commitment, Mr. Speaker, that says that they will, because as a matter of fact if Saskatchewan had it to do today they would eliminate the flood insurance, and I think that their experience this year has been very severe for them and from the information that I have.

But the thing that concerns me about all of this is that the government now stands up in this House and says, we want to enter into the fire insurance to fill a vacuum, and, Mr. Speaker, like the treasury branches, and so much of the other legislation, they don't provide or prove a case, they make a statement. The industry has failed to live up to its responsibilities, Mr. Speaker, every dictator, every autocratic government that has trampled on a minority has basically suggested that they failed to live up to their responsibilities. You know, Mr. Speaker, it is the easiest thing in the world for a government to say about anybody, whether it be a corporate citizen, or a person, or a group of people, you have failed to live up to your responsibilities. It's another thing, Mr. Speaker, to prove it. It's another thing, Mr. Speaker, to prove it. In fact it's very hard, particularly if you haven't done your homework and you're committed ideologically to something, and you're prepared come hell or high water to do it, and it doesn't make any difference.

Mr. Speaker, the thing that irritates this side, and the thing that has constantly, Mr. Speaker - yes he used - for the benefit of the Minister of Mines and Natural Resources - he used the words "failed to live up to their responsibilities." But the thing that irritates this side is the arrogance of the members opposite and their ignorance in suggesting that because they think, because of their own prejudice and bias, that a course of action is right, they are prepared to proceed without in any way laying a foundation for the basis of their case. --(Interjection)--Yes. Mr. Speaker, the fact is that what the Minister had to do and what he failed to do, and what the government has failed to do, is to prove its case conclusively. He has to be in a position to indicate the kind of studies and the information that he had available. He has to indicate the number of complaints the Superintendent of Insurance has had to deal with which would justify the government entering into this vacuum. --(Interjection)--Well you're going to do that. It's like the Minister of Mines and Resources saying that on the treasury branch, I'm now here presenting the Act, and I'll respond to anything that you have to say. --(Interjection)--I'm sorry, the Minister of Finance, I'm sorry, the Minister of Finance. I keep confusing the two, and I don't know why, I don't know why.

A MEMBER: Because we know who's running the government.

MR. SPIVAK: Yes, we know who's running the government. But the fact is, Mr. Speaker, there is an obligation which the government fails to discharge in this Act, which it failed to justify in the others.

Now, Mr. Speaker, I want to go through the history of what's really happened. The government announced initially that there would be a separate Crown corporation for fire insurance. Those declarations have been made by the Premier and others, including I think the Minister as well. We said at the time that the intention of the government realistically in entering fire insurance is to blur, to camouflage and confuse the financial position of Autopac because it's in such a disastrous state. We said that what the government is looking for is a blending of the two to be able to present it in such a way that within a year or two, or by an election, it will be impossible to be able to distinguish and relate the financial position of their mismanagement. And, Mr. Speaker, because we know that if they did that they would be able to conceivably hide, or would be able to hide--(Interjection)--yes, hide, hide, hide the true pattern of what occurred.

Now, Mr. Speaker, the government said initially they would not, they set up a Crown corporation, a separate Crown corporation dealing with fire insurance, and they have not done that in the proposal that's come forward. They say that they are prepared to compete--(Interjection)--No, I have to perpetuate the bureaucracy. What I'm concerned about is some accuracy

(MR. SPIVAK cont'd) . . . . in how this matter will be handled. What I am concerned about, Mr. Speaker, is the inability for the public to understand exactly what will be taking place. Because, Mr. Speaker, as it happens if we were to relate the auto insurance debate and the statements that were made on that side, on this side, most of what we said is borne out to be true; most of what the government has said has not borne out to be true. And in spite of the fact that the Honourable Minister of Mines and Natural Resources, and I've got him right here, will stand up - and in spite of the fact that he'll say everything that I've suggested has happened and the public interest has been protected and we have a volume, and the control of the moneys and premiums have come true, the fact is that auto insurance has been of very little benefit to the government and to the people - and with respect to what has happened, it is a cost that is going to be borne over the years because of the incapability and the mismanagement and the waste that's been exemplified by the government.--(Interjection)--

MR. SPIVAK: Rubbish nothing. Rubbish. The Honourable Minister is now admitting that there'll be a deficit for next year.

A MEMBER: So what?

MR. SPIVAK: So what? There's no problem about the deficit, so what? All we have to do is ask the public to pay over and over and over again. And, Mr. Speaker, if we have a deficit with a monopoly, think of what we're going to have with a government with competition. Think of how high that deficit will be, particularly where they're going to go into the areas in which there is a vacuum and they're going to provide insurance which will be more reasonable than the insurance price that's offered now. Where is the hidden subsidization going to come from? Where is the cost subsidization going to come from? Where is the taxpayer going to get dunned so that he won't know what's happening to him? How is the government going to hide it?

MR. ENNS: Tune in next week.

MR. SPIVAK: I ask the Honourable Minister in charge of the Auto Insurance Act, and I ask the House Leader, are you prepared to allow the auto insurance corporation to compete? Are you prepared to --(Interjection)-- Oh yes. Are you prepared to -- --(Interjection)-- Oh, only a stupid question. We've got a monopoly now, the monopoly is losing money, we can compete in the fire insurance field, we can't compete in the auto insurance field.

Mr. Speaker, I indicated this before and I'll say this again. The government has not got the mandate it suggests to continue to go into business. If there's one fear that the people in this province have, it's the government's entry into business, because every time the government enters into business it costs the taxpayer money, and there is absolutely no reason to believe, in fact there is no reason to believe on the basis of the presentation of the Minister that this will not be the case again. He presents no studies; he presents no statistics; he presents no argument; he presents nothing specific, and stands up and says as I say an autocratic dictator would, that this minority is not living up to its responsibility. And the problem with the Honourable Minister, and I must say this, is that he and some of the other members opposite do not think that there is any validity to the position on the part of the government that they have an obligation to prove a case. They have an obligation to make a case before they enter into this field, before they start another venture, before they start another disruption within the economy.

Mr. Speaker, I don't believe that the election gave the government the opportunity to do everything it wants. I don't think that the election, Mr. Speaker --(Interjection)-- Yes. Well, Mr. Speaker, if they had an election, if they had an election, and if they believed that that election gave them the justification for this, then I think they're misleading the people by not giving the information of the exact extent of Autopac's deficit at the time the election was held; no one at the time of the election knew that there was a \$10 million deficit predicted and nobody...

A MEMBER: Nobody did.

MR. SPIVAK: Yes, and you did so. Somebody did.

A MEMBER: You did.

MR. SPIVAK: Are you kidding?

MR. SPEAKER: Order please.

MR. SPIVAK: Are you going to suggest to me that the members opposite . . .

MR. SPEAKER: ORDER !! Let me suggest - I realize the honourable members all have a real affinity for each other but I suggest that they keep their intimate amours to themselves and not embarrass the Chair while they are proceeding. The Honourable Leader of the Opposition.

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MR. SPIVAK: I just want to tell the members opposite. Are you going to suggest to us that the principles of your Cabinet, that the Leader and the others who were involved in the auto insurance matter did not know that during the election period, did not know from their officials the probability of the deficit? I don't believe that, I must tell you, I just do not believe you if you say that. I don't believe that at all. Mr. Speaker, there is no reason why that information would have been hidden from you and if the Honourable Minister in charge at that time was unaware then I, you know, Mr. Speaker, I would say that the degree of inefficiency that the government, has characterized the government, would even be worse than anything that I could predict.

Mr. Speaker - you know, Mr. Speaker, if the general manager could come before the committee today or last month and predict a deficit on the basis of the operation right now, and if the Minister on June 3rd today can stand up in the House and now predict a deficit, then I suggest the Minister on June 3rd last year knew there was a deficit. And, Mr. Speaker, the argument by the government that now is advanced, that somehow or other the people of Manitoba as a result of the election gave them a mandate to enter into this business, is false. Mr. Speaker, it does not wash now because the people - if that argument is a legitimate argument, and I'm prepared to argue that in a few moments - if that argument is a legitimate argument, the people did not have all the facts. And if the shareholders have approved the Board of Directors' actions then, Mr. Speaker, and the Board of Directors withheld information that was germane to the decision making of the shareholders, they would be guilty of a criminal offence to begin with and they would be liable to civil action and, Mr. Speaker, you would be able to set aside the decision made by the Board of Directors or by the shareholders on the basis of the misinformation given by the Board of Directors. The misinformation, Mr. Speaker --(Interjections)-- the misinformation directly. How could the people of Manitoba be expected to support the government's position with respect to fire insurance without understanding fully the implications of what happened to the auto insurance? Because, Mr. Speaker, the people of Manitoba do not want the government to continue to go into business and to cost them money. They do not want to pay one way or the other the taxes that are being levied by them because of the waste and mismanagement. And, Mr. Speaker, they also want, they want the freedom of choice that was not provided for in the Auto Insurance Act, that is going to be provided here, but they want the freedom of choice, Mr. Speaker, on the basis that the competition that government will be offering will not come as the result of a hidden subsidization or a cross subsidization by the government.

And, Mr. Speaker, in what I consider was the dishonest way in which the government handled the auto insurance issue in the last election, there is no reason to believe that they will not be dishonest in the handling of the fire insurance in the next period of time. Now dishonesty is a serious word, and I quite recognize that. Mr. Speaker, from the very beginning the arguments that have been advanced by the government, you know, the arguments that have been advanced by the government have not washed. You know, the argument that somehow or other auto insurance is a utility and the government had this obligation to enter; and that the government has an obligation to enter into the fire insurance business in competition, you know, based on the need that occurs in other areas, goes against the full regulatory power that the government has in so many areas within our society. Why hasn't the government entered into the food business? Why hasn't the government entered into the clothing business? --(Interjection)-- Yes, sure. I mean, if we are going to look at the areas of need; if we're going to be, you know, honest about the problems that people have today with respect to the cost of living; if we are going to recognize the places in terms of assisting everyone, why hasn't the government entered in the other areas? --(Interjection)-- Yes. Why hasn't the government entered into it? Why hasn't it entered into the distribution of milk, in the manufacture of bread? You know, the basic staples of life. Why haven't they entered into the manufacturing of shoes as they did in Saskatchewan? Mr. Speaker, why haven't they entered into those areas in which the individual is affected directly? They enter, Mr. Speaker, they enter into the area in which they can identify insofar as they're concerned the easy area for them to become involved in. I, Mr. Speaker, would suggest that the entry today into the fire insurance field is based on a number of considerations, and I've made reference before and I want to repeat that again. The considerations, Mr. Speaker, are as follows:

First, the government accepts that the insurance industry is one corporate citizen whose

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(MR. SPIVAK cont'd) . . . . public relations vis-a-vis the individual is such that politically they can be hammered away almost as successfully as a mining company can in today's society. And so, Mr. Speaker, it's easy for them to kick them around because the reality is that the political effect will be beneficial for the party.

Number Two, for many on the other side whose ideology realistically is to get the corporation, the insurance industry stands as the most vulnerable today, and so therefore we get them. That's why, Mr. Speaker, the minority have to receive the brunt of the attack on the majority on the basis that the argument is they've failed to live up to responsibility. And that, Mr. Speaker, is why in listening to the arguments, in hearing the presentations, there is such a resentment on our part. We talked about a Human Rights Act a few moments ago and the protection of minority rights, you know, and they speak you know, with the greatest terms about civil liberties of individuals. But, Mr. Speaker, with respect to the other area, we go after whoever we can, to exercise whatever power we can; and we feel justified because not only the insurance industry but others have to be hit, and at least by hitting them we've accomplished something.

Now, Mr. Speaker, you know this isn't true of all. I think that with respect to some there may be consideration that they will be able to somehow or other get within their control and grasp a substantial sum of money and somehow or other that will work for the people; thirty million dollars of premiums, \$35 million or \$40 million of premiums, that will work for the province. If I'm correct, Mr. Speaker, the only roll-over money that they have is about \$7 million, and by the time they --(Interjection)-- Well, it's 15, which would be half, but then they sub-insure - and my understanding is it's between \$7 million and \$8 million. Now that isn't a substantial amount of money, Mr. Speaker. It's certainly not the kind of money that they represented to the public that they were going to have within their control. And one has to measure, Mr. Speaker, the extent of damage that they did to the people who were affected, to the people who had to move out, to the - you know, the work that was taking place in this province and is now taking place elsewhere to measure specifically, Mr. Speaker --(Interjection)-- Well, Mr. Speaker, you know the Minister of Finance says, do I believe the propoganda? Well I want to tell the Minister that I know people who were friends of mine who have moved out of this province. Yes. Mr. Speaker, I know people who were in the insurance . . .

MR. SPEAKER: Order please. Order please.

MR. SPIVAK: Yes. Well with the exception of the general manager who is upstairs, who moved in from Saskatchewan - I'm not sure how many others moved in. The fact is, Mr. Speaker, I must tell you I know people whose lives were disrupted by the government, who made a contribution and who paid taxes here --(Interjection)-- Yes, yes. Yes, I do. Oh yes.

Mr. Speaker, let's now examine again the purpose with respect to it. Auto insurance, Mr. Speaker, has not lived up to what the honourable members opposite suggested. The premium control, the amount of money within their possession, is very limited; the jobs with respect to the industry, part of the industry have moved from this province; the general atmosphere in the economic climate has been affected directly by what they've done - and have they accomplished anything for the taxpayer? Have they accomplished anything more than could have been solved by regulation? Well I don't think so, Mr. Speaker. As a matter of fact the problem we now have, is that the government auto insurance has to come under the regulation of a supervisory body independent of government, because you can't trust the government now. And either the equivalent of a Public Utility Board, or someone else, has to be in a position to approve, Mr. Speaker, auto insurance's rates in premiums. Because, Mr. Speaker, unless there is going to be an independent body that will be in a position to do the assessment that has to be done of auto insurance - and by that I mean a detailed assessment so that they would have to justify the raising of their premiums - then there is no way, Mr. Speaker, because of the political reality of this issue and the way in which the government's handled it, that anyone can be sure at this point that the figures even presented by the government are an accurate reflection of what -- by the auto insurance board - are an accurate reflection of what really has happened. And, Mr. Speaker, without that independent inquiry, no one can be sure as to the exact extent of what kind of premium increases are really required now and in the immediate future to be able to take care of the kinds of deficits and the kinds of costs that have to be borne. And so, Mr. Speaker, it's not just the private insurance companies who should have been put under this regulatory body, which would have had the effect of providing the protection for the individuals

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(MR. SPIVAK cont'd) . . . . now based on the performance of the government operation, it's necessary that the government auto insurance agency be provided on this.

Now, Mr. Speaker, there have been statements made by members on this side that if the government wants to go into competition, that this side would welcome the ability of the government to go into competition and to be in a position to compete, compete and let the people have the freedom of choice. Now there's no inconsistency in that position with the position that we're taking today because we still say, Mr. Speaker, having said that, that it's necessary that the government prove its case. The entry into business for the sake of entering into business, you know, accomplishes a number of things. Well, first of all, it takes the attention of the government and their energy; it takes the resources of the government both in terms of management capability and funds that are necessary to set it up - and, Mr. Speaker, it can have the political effect of clouding the issue with respect to the whole range of social problems that the government is not even tackling. And so anything they do has to be examined on that basis. Now, Mr. Speaker, with respect to auto insurance now that we know the position of the deficit, we must now recognize that it also may very well be the opportunity to cloud and to confuse and to camouflage the records so the exact extent of costs will not be known. Mr. Speaker, if the Honourable Minister would have said okay, we're going into the fire insurance business, and we're going to allow the private insurance companies to compete with us in Autopac, because we know that we can do it better than they can; we know that we're efficient; we know that we provide service better than the industry; we know that we can go to all the areas of the province, and we're going to be able to compete, then, Mr. Speaker, we have no argument. Then we'd say to them, fine, you're living up to the motto that you're prepared to compete; we know that the competition will mean that you have to be efficient; we know that the check and balance for the public isn't these few hours that we cover this matter in this Legislature, that the check and balance comes as a result of the direct competition between the agents for the government and the agents for the private insurance company when the individual makes the freedom of his own -- when he exercises his own freedom of choice, and makes his own decision. Well, Mr. Speaker, that's not going to happen in auto insurance. Not at all. No, it's impossible for it to happen in auto insurance now because the government had to have the monopoly position.

Well, the other statement, Mr. Speaker, is that the government will see to it that any profit from the fire insurance field will be transferred to the general revenue, and I think that's what the Honourable Minister said. And I guess that's pretty laudatory if there is a profit; it should go to the general revenue. What he didn't say, is that the government will see that any losses will be paid for by the general revenue. --(Interjection)-- No losses will be paid for by the general revenue. All right. So now any profit that will be will come. The Minister also indicated that all the private insurance companies were losing money, and he indicated that they weren't prepared to cover flood insurance.

A MEMBER: He never said that.

MR. SPIVAK: Well he made reference initially as to what the losses were.

A MEMBER: Auto, auto, \$132 million last year on auto.

A MEMBER: You wouldn't admit that, no. A hell of a lot higher in fire than it is in auto, but you wouldn't admit that.

MR. SPIVAK: Well, Mr. Speaker, the government has announced that it intends to fill the vacuum; it intends to go into the remote areas; it intends to go into the remote areas.

A MEMBER: You'd never admit the truth, that's for sure. The truth is beside the point.

MR. SPEAKER: Order.

MR. SPIVAK: The government has indicated that it's prepared to go into the northern areas; it's prepared to go, or at least, be prepared now, and I had to say to the Honourable Minister that I would hope his words will be a little bit stronger, but we'll try and draw that out of him.

But I'm assuming that the government now is going to go into selling insurance which would be referred to as sewer backup and flood insurance.

A MEMBER: Hear. Hear.

MR. SPIVAK: But he didn't say that. They're prepared to look at --(Interjection)-- No, no, Mr. Speaker, I want to get this established. The government is prepared to go into --(Interjection)-- You're going to look at that? Well, look into it. Well, Mr. Chairman, you know, with all the detailed information that was presented to this House justifying your going

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(MR. SPIVAK cont'd) . . . . into fire insurance in the remote communities with the same kind of attention that you paid to that I think in about a minute you could basically say to this House, that you're now prepared to go into the sewer and to backup sewer and flood insurance.

A MEMBER: Ways and means.

MR. SPIVAK: Ways and means.

A MEMBER: You condemn the company. You condemn the company for not having a . . .

A MEMBER: But they have the right.

MR. SPIVAK: Mr. Speaker, there will be no surplus available for distribution in fire insurance, and no one seriously could even think that there will be. There will be losses that will have to be absorbed . . .

A MEMBER: Staggering losses.

MR. SPIVAK: . . . and there will be this sort of cross subsidization that we've talked about.

A MEMBER: Bridge financing.

MR. SPIVAK: Mr. Speaker, I want to go back to the point that I made with respect to the actions of the government. From the very beginning, and I think from the first time that they took office, in the first speech that I made in this House, I indicated that the thing that was appalling to me was the fact that they were so committed with respect to the areas of social reform that it was hard for me to understand how their attention was going to be directed to the areas in which, if anything, it would be questionable whether what they were doing was any reform at all, and if it was considered social reform it was really of a minimal kind on their part.

Mr. Speaker, the province faces a whole range of problems. There are serious problems of social reform in the urban area of greater Winnipeg which require attention, which require the ingenuity and initiative of leadership on the part of government; which require the expending of substantial sums of money, which require study and research and review and consultation. There are problems with respect to the whole development of the economic and social structure in the province of requiring.

And the government's position, and it has been this throughout the five-year period that they've been in power, is to deal in areas of activity which create certain headlines which gives them an impression of reform, and which in reality means very little in this form. They have always talked the language reform and to the extent that the auto insurance and fire insurance issues are part of it, they have tried to talk that these are the major kinds of reforms that are being undertaken by them in which they are somehow or other improving the quality of life and improving the quality of Manitoba.

Now, Mr. Speaker, auto insurance did not improve the quality of life in Manitoba one iota. (Applause) Mr. Speaker, auto insurance did nothing for the people of Manitoba. Auto insurance has cost the people of Manitoba, and auto insurance has been a substitute which is a hog-wash substitute for the kind of reform of a government that was prepared to deal in social issues and to deal with reform. The fact is, Mr. Speaker, that auto insurance was a means to avoid dealing with the issues of the day, and fire insurance and its involvement is a means by the government to avoid dealing with the social problems of the day. Mr. Speaker, we can finish this session and they can walk out and they can stand up and say, well, we went into business in the fire insurance field; we went, and we're opening up treasury branches, and we've had tremendous great reforms, and now, Mr. Speaker, we can spend seven months doing nothing. They're doing absolutely nothing with respect to the problems of urban renewal, to the problems of the native people with respect to the City of Winnipeg, and in the other major communities in this province. We do not have to do anything with respect to the kind of reform and education that should be taking place. But we can say, Mr. Speaker, that we've reformed our society by dealing with the fact that somehow or other we've gone into business in these two areas. --(Interjection)-- Yeah, Mr. Speaker, I said that last June. But the only evidence that I did not have at the time was the exact extent of what auto insurance had cost the people. And that was hidden. And therefore, Mr. Speaker, I reject any argument that says that the mandate given to the government is a mandate that's given to them, Mr. Speaker, because of the election. Because the people at the time of that election did not have the facts and the people did not know the exact extent of what has happened.

Mr. Speaker, it is an absolutely inconsistent and contradictory position on the part of the government to suggest today that they will allow freedom of choice for fire insurance but

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(MR. SPIVAK cont'd) . . . . would not allow it for auto insurance. It is the greatest sign of the hypocrisy on the part of the people opposite . . .

A MEMBER: You never understood.

MR. SPIVAK: . . . never understood. Yeah, never understood. You can attempt to rationalize as best you want to. But the fact is, Mr. Speaker, that I don't care what you said, I'm now talking about the kind of intellectual hypocrisy, intellectual hypocrisy --(Interjection)-- Yes, which characterizes the members opposite . . .

MR. SPEAKER: Order please.

MR. SPIVAK: . . . to suggest that somehow or other in the case of auto insurance you couldn't offer freedom of choice but you can here. And, Mr. Speaker, --(Interjection)-- We don't understand anything. I'll tell you, Mr. Speaker, you know, we understand very well and for the Minister of Finance to sit there and say, we don't understand, it's ridiculous. We understand very well; we understand everything. And, Mr. Speaker, so do the people of Manitoba. They understand very well. (Applause) Mr. Speaker, the people of Manitoba understand that they have been cheated, they have been cheated by the government . . .

A MEMBER: Hornswaggled.

MR. SPIVAK: . . . they have been cheated by the government in the sense that the choice that they had to make was based on misinformation. Mr. Speaker, the concept at this point that somehow or other there is a mandate given to the government is not one that can wash. It's not one that can wash for the simple reason that the information was available. We've gone over that. But, you know, it'll be interesting to hear the logic that the members opposite will present that somehow or other in the case of auto insurance no freedom of choice could be allowed; in the case of fire insurance it could be allowed; in the case of auto insurance it was a utility; in the case of fire insurance it is not a utility. --(Interjection)-- Approve our inability. There is no inability.

MR. SPEAKER: Order please. The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 2:30. But just before I say go the Honourable Member for Radisson wants to say something.

COMMITTEE SUBSTITUTION

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, by leave, I wish to make a substitution on the Public Accounts. Bostrom for Johannson. Thank you.

MR. SPEAKER: The House is now adjourned.