

LAW AMENDMENTS COMMITTEE
10:30 a.m., Friday, June 14, 1974

CHAIRMAN: Mr. D. James Walding.

MR. CHAIRMAN: Order please. The Committee will come to order. First bill before the Committee this morning is Bill 86.

BILL 86

MR. CHAIRMAN: I have about three, four amendments indicated. The first one is on Page 1. Page by page until we get to the amendments. Bill 86, an Act to amend The Highway Traffic Act. 1--pass; 2--pass — Mr. Pawley.

MR. PAWLEY: Mr. Chairman, that Bill 86 be amended by adding thereto immediately after Section 2, the following section:

2 (1) Clause 218 of the Act is repealed and the following clauses substituted therefor:
18 Farm truck means a truck owned by a farmer.

And I gather that this relates to the name and address as being on a truck. Mr. Dygala would probably expand on that.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, the intent of the amendment is to, along with another amendment that we'll come to later on — which amends the existing provisions requiring all trucks to have names painted on the side of their trucks. The proposed amendment to Section 50, which is in this bill, will delete that requirement except in the case of trucks in excess of 14,000 lbs. That is all trucks, 1/2-ton trucks, 3/4-ton trucks, and up to 1-ton trucks, will no longer have to have their names painted on those vehicles.

A MEMBER: Hear hear.

MR. DYGALA: To make that consistent, the section defining a farm truck needs to be amended by striking out reference to names on such trucks.

MR. CHAIRMAN: Agreed (Agreed) Mr. Jorgenson.

MR. JORGENSEN: Mr. Chairman, on a point of order. I don't want to object to the — I want to make it clear I'm not objecting to the clause, as a matter of fact we welcome it. However the proposed amendment is not contained in Bill 86. And I think that in order to observe the proprieties that leave be asked to introduce this amendment since it is not contained in the original bill, and we'd be prepared to give leave if that is asked for.

MR. CHAIRMAN: Leave has been asked for and granted. The proposed amendment agreed. Balance of Page 1--pass. (Pages 2 to 5 were read and passed.) Page 6 -- Mr. Pawley.

MR. PAWLEY: On Page 6, That the proposed Subsection 46.3 (2) and (3) of The Highway Traffic Act . . . set out in Section 22 of Bill 86, be struck out, and the following subsection substituted therefor:

Front fork.

46.3 (2) No motorcycle shall have a front fork longer than 32 inches . . .

MR. CHAIRMAN: Order please. Mr. Pawley.

MR. PAWLEY: . . . measured from the lowest point of the lower triple tree to the centre of the axle. And where a motorcycle is equipped with hydraulic front forks, any extension of the front forks shall be of 1-piece construction.

A MEMBER: Could we have an explanation of that, Mr. Chairman?

MR. CHAIRMAN: Mr. Dygala, Mr. Dygala.

MR. DYGALA: Mr. Chairman, the original amendment that was drafted and is in this bill was circulated to a committee that was set up to study this whole question of alteration of motorcycles, height of handle bars, and so on, and the committee agreed that it was satisfactory. When the bill was printed they came back to us and said that it isn't, for the simple reason that you cannot have a 1-piece extension on all motorcycles. It would apply only to motorcycles equipped with hydraulic front frames. So the amendment was necessary for that reason.

MR. CHAIRMAN: Before we proceed, Mr. Pawley, I think there's another paragraph to that motion, to the amendment.

MR. PAWLEY: I'm sorry. There is under:
Frame.

(MR. PAWLEY cont'd)

46.3 (3) No person shall alter the steering neck angle of the front frame of a motorcycle, by cutting and rewelding, or otherwise, from the original form and dimensions of the steering neck angle of the front fork as supplied by the manufacturer to the 1st purchaser of the motorcycle. Please don't ask me to explain it.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, even I'm going to have trouble explaining this one. This is a recommendation that stems from that same committee. They were very concerned about the fact that some motorcyclists in attempting to extend the, essentially the handlebars, the height of the handlebars, would do the welding themselves, and the welding was oftentimes imperfect with the result that the handlebars simply came off, and there have been accidents as a result of that. Not many, but there's been some. The representation that was made to the committee - that chap was a member of that committee and he was the only one opposed to this amendment, as he still is. The balance of the members of the committee felt very strongly that the one part of the frame that should not be altered in that fashion and rewelded is the steering neck, or the part of the motorcycle frame. Again as originally drafted it would have prohibited absolutely the alteration of any part of the frame, and that wasn't the intent. And hence the amendment.

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Mr. Chairman, I have a question for the Minister in regard to this amendment. Does that rectify what seemed to be desired as a grandfather clause in regard to those motorcycles that have been purchased, sold, and repurchased again, and that have had since sold by the manufacturer alteration to the frame? Would the amendment solve some of the, say the bicycles that would have to be taken off the road, as indicated by representation?

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTNIAK: Well, Mr. Chairman, perhaps Mr. Dygala would know how many bicycles of this type there are. I don't know if we have a record of this kind of a situation or not? Mr. Dygala informs me that there are approximately 200 that have been sort of remodelled on their own by the owners, and I think that most of us have seen cases where they have been remodelled to the extent where they have become ridiculous. And I think that for the safety point of view, I don't see how based on the remodelling of these bicycles where the front wheel is away up about five feet in front of the driver, and the likes, I don't think that this is any good for the control of the bicycle and for the safety itself. I think that if we don't do anything about this then I think they'll continue to remodel these bicycles, and perhaps they may have to be taken off the road, those that have already been remodelled.

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Well, Mr. Chairman, in all due respect to my colleague I guess it's sort of difficult to indicate, you know, what this amendment, what effect this amendment will have on bikes that are now on the road that are altered and are considered to be safe, at least by some. And yet you know whether it would have helped if a grandfather clause was inserted instead of this, or plus this amendment.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, no. The amendment as presently worded I don't think, and the Legislative Counsel can comment on that, provides for a grandfather clause. Not only that, there's a further amendment which was necessary to bring in line the amendment to this section, a prohibition section that we'll come to later, which absolutely prohibits any person from operating a motorcycle on a highway where the steering neck has been so altered. So that in effect these motorcycles could not be operated on a highway.

MR. TOUPIN: Well, Mr. Chairman, if I may, then the estimated 200 motorcycles that are now being operated, if I read Mr. Dygala right, would indicate that they would have to be taken off the road.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: In response to that, Mr. Chairman, the indications we have, and I'm no motorcycle expert, but the information that I've got from members of that committee, and this is why they felt so strongly, was that the motorcycles that have been so altered could be re-altered to the original condition in most instances. Now there are some, there will be a few where because of their vintage it's difficult to get the original part. How many I don't know, and I don't think anyone does. But in most instances it will be possible to change them back to the original condition and the motorcycle is not a loss.

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Mr. Chairman, then could I ask of the Minister, Mr. Chairman, if it would be possible to hold this section say upon proclamation allowing enough time for those involved in, say alterations to their forks, that that be done without penalizing those that are now operating motorcycles with forks that are not acceptable with the amendment before us.

MR. BURTONIAK: Mr. Chairman, we're just checking here as to which sections of the Act it will be upon proclamation. -- (Interjection) -- I'm informed by the legal counsel here, Mr. Chairman, that this section is not listed to come in force upon proclamation, but it could be added onto that section.

MR. TOUPIN: Mr. Chairman, could I so move?

MR. TALLIN: When we get to Section 97.

MR. TOUPIN: Okay, Section 97.

MR. CHAIRMAN: Mr. Graham.

MR. GRAHAM: Mr. Chairman, dealing with the same subject matter and carrying the debate a little further, is it going to be the intention of the department to inspect these alterations and to, in their estimation, okay or refuse to accept work of certain quality in this alteration program?

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, if I might. We have not been planning on carrying out an inspection of every motorcycle where the neck of the thing has been altered. What we have been thinking of however is to call in for inspection, along with other motor vehicles that we inspect during summer months, spring, summer and fall months, motorcycles at random, and check them out to make sure that they . . . But we are not going to - we haven't got the facilities at the moment to inspect every one throughout the province.

MR. GRAHAM: Mr. Chairman, another question then to the Minister. Has the Government contemplated making restitution to those owners of bicycles for the cost of the alterations that must be carried out to conform with the change in the legislation?

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTONIAK: Well, Mr. Chairman, when these alterations were made they were made on the owners' own initiative, and I suppose there were certain costs involved to make the alterations, and I don't think that we should take the position that we should reimburse them for going back to the original.

MR. GRAHAM: Mr. Chairman, I believe the matter goes a little further than that. Maybe the owners did not make those alterations and those bikes were legally roadworthy at that time. If Government in its collective wisdom decides that that type of bike is no longer licenceable in this province perhaps they should consider making some settlement or, as the Member for St. James suggests, maybe they could be purchased by the Export Trading Corporation and exported on a foreign market.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: I wondered perhaps, on a matter of clarification, just how much time will the amendment proposed by Mr. Toupin, how much time will that give the owners of these motorcycles to bring them back within the legal time. I was thinking about if we could not say 90 days, or so many days, from the time that this bill is enacted to allow anybody so many days, or a month, or two or three, to bring these motorbikes within the bounds of this clause.

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTONIAK: Mr. Chairman, I don't think there's any problem there, I don't think that we have to rush with this, as we could go at even six months. I think in the meantime early after this bill has gone through, then we could probably send notice to these owners of bicycles that had been remodelled that this is coming into effect, and we can give them as much lee-time as six months, even if we have to.

MR. ADAM: Well I think that would be advisable, and that would also give those motor bike owners time to sell them to Guatemala themselves instead of selling them to . . .

MR. CHAIRMAN: Mr. Boyce.

MR. BOYCE: Well, Mr. Chairman, through you to the Minister. I wonder if we shouldn't consider the two amendments proposed in juxtaposition. The one that's coming up to 186.3. I personally see a problem with enforcement with bikes coming into the province from other jurisdictions, but yet I don't think there is any disagreement on the committee what is intended, so that if we proceeded with 46.3, about the altering, now I wonder if the control

(MR. BOYCE cont'd) mechanism shouldn't be in the licensing rather than the operating. This would give you the lee-time and then give a grandfather type of protection, that if you pass the amendment prohibiting alteration of the bicycles, or the bikes rather, the motor-bikes, that will accomplish that. But then in future licensing, because in the licensing these provisions apply to the first purchase of their motorcycles, so it refers to somebody that's going to be licensing that bike for the first time, so that should we not consider controlling it in the licensing rather than in the operating, because if you try and control this at the operating I really don't see how you're going to enforce it with bikes coming in from other jurisdictions, because they would be unfamiliar with the provision. So rather than proceed with 186.3 is there not some other section that we should attend that would prohibit licensing of these bikes. And I think that would accomplish the concerns of all members of the committee that there is a grandfather type of protection but yet it moves in the direction that . . . should take care of the concerns.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, it's virtually impossible to regulate this kind of thing at the time of registration of vehicles because vehicles, including motorcycles, are registered at different times of the year and at different places, through agencies and branch offices, and so on. No vehicle is inspected at the time of registration, so that, you know, you simply would have no means of determining at the time application for registration was being made whether or not that particular vehicle complied with the requirements of the Act. That's been the problem, and this is why there is vehicle inspection because it isn't possible to inspect vehicles at the time of registration. Insofar as motorcycles coming in from other jurisdictions are concerned, my understanding is, and in fact I've talked to a number of people from the States, and the Canadian provinces, that in a fair number this kind of alteration is now prohibited, not in every state, or every province, but it isn't sought, and the move apparently is in the direction of prohibiting this kind of thing so that ultimately you'll have perhaps uniformity on this. In fact this is a subject that will be discussed by all the provinces next week in Regina to attempt to attain uniformity, not on this but a number of other things.

MR. CHAIRMAN: Mr. Adam. Mr. Boyce.

MR. BOYCE: I understand that it would be creating a problem of inspection that - licensing in the first instance, but nevertheless I think that that can be overcome by changing your application form to include a provision under regulation that the applicant certifies that this bike has not been altered. Then the onus is on that individual. In changing this to an operational type of prohibition they transfer the onus of seeing that the intent of this Act is carried out from the licensing branch to the police department. Somebody is going to have to see that these bikes aren't altered to become a hazard. So that with all due respect to Mr. Dygala - I don't want to cause him any more problems than he has already - but nevertheless if through regulation you change the licensing application that the person who applies for a licence certifies that this bike conforms to the Act, then the onus is on that person.

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTNIAK: I'd just like to point out one thing perhaps that's been overlooked. Don't forget too that once the motorcycle is licensed, registered, they can alter them after that anyway, so therefore you're not really going to solve that problem that way either.

MR. BOYCE: Well now, you know, I don't want to get into the legal debate on this particular point, but nevertheless I think the difficulties could be solved by regulation with the provision that I suggested, because if on application the person certifies that this bike has not been altered then that would be one protection; then if he alters it subsequent to that he would void his insurance. This could be provided -- here again I don't want to get into a legal debate because I'm not a lawyer, but nevertheless if a person alters a car or something to make it unsafe, then I would say that the case could be made that that person voided his insurance. So that I think you can accomplish what you want under a licensing restriction rather than an operating restriction, because I don't see how you can enforce an operating restriction on bikes that come into this province from outside.

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTNIAK: Mr. Chairman, I wonder if we could agree to pass these amendments as they are, and perhaps something that Mr. Boyce suggests could be taken into consideration say a year from now.

A MEMBER: Before proclamation.

MR. BURTNIAK: Or before proclamation, yes.

MR. BOYCE: I think that would be acceptable because if what I say is correct, then it could be done under regulation, you wouldn't need an amendment to the Act.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you. I believe Mr. Dygala pretty well answered what I wanted to inquire about, and that is motor bikes coming from other provinces. We are going to prohibit Manitobans from modifying motorcycles but I'm not sure under this clause whether outsiders may not be able to come in and use modified bicycles here. On the point raised by Mr. Boyce, I think it may be a valid suggestion because myself as a farmer, a farm operator, I have to sign an affidavit indicating that I operate a farm in order to have a farm licence, and the way we're doing now we are leaving the onus on the law enforcement officers to start stopping every motor bike, and have a tape measure in his pocket to measure that the fork is not more than 30 inches, or 32 inches, whatever the case may be, and I think that this would maybe relieve some of the onus on the enforcement authorities. I think it's a valid point.

MR. CHAIRMAN: 22 as amended--pass; Section 23--pass; Section 24 -- Mr. Pawley.

MR. PAWLEY: I move that Section 24 of Bill 86 be struck out and the following subsection substituted therefor: Subsection 50 (1) replace substituted 24, subsection 50, subsection (1) of the Act is repealed and the following subsection substituted therefor: Names required on trucks. 50 (1) Subject to Part 8, Every truck the gross vehicle weight of which exceeds 14,000 pounds shall have displayed on both sides thereof in conspicuous place and manner the name and address of the registered owner thereof.

MR. CHAIRMAN: Agreed? (Agreed) (Pages 7 to 11 of Bill No. 86 were read and passed.) On Page 12, 186.3 - Mr. Pawley.

MR. PAWLEY: That proposed subsection 186.3 of The Highway Traffic Act as set out in Section 48 of Bill 86 be struck out and the following section substituted therefor: 186.3 No person shall operate or permit to be operated upon a highway a motorcycle the steering neck angle of the front frame of which has been altered from the original form and dimension of the steering neck angle of the front frame as originally supplied by the manufacturer to the first purchaser of the motorcycle. I so move.

MR. CHAIRMAN: Mr. Adam.

MR. ADAM: Thank you. I believe this is the section that would exclude the motorbikes coming from other jurisdictions. Is that correct?

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Mr. Chairman, I would like an explanation of this amendment please in regards to again the possibility of having the provisions of proclamation on this section equally again to allow for lee-time, and so on.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, this section would also have to come into force on proclamation and the amendment necessary to achieve that would be the Section 96 when we come to it. -- (Interjection) -- Yes, 97.

MR. CHAIRMAN: Mr. Boyce.

MR. BOYCE: What is the original section? I haven't got the Act in front of me.

MR. DYGALA: Mr. Chairman, again the amendment . . .

MR. BOYCE: No, the statute rather, not the bill.

A MEMBER: Adding something new.

MR. BOYCE: I'm sorry. The sheet I have in front of me says that something be struck out and the following section substituted therefor.

MR. TALLIN: The wording was the same as the old wording for the frame construction. "No person shall operate or permit to be operated upon a highway a motorcycle the frame of which has been altered from the original form and dimensions of the frame as originally supplied by the manufacturer".

MR. BOYCE: All this is doing is including the nuance of the steering angle and . . .

MR. DYGALA: Yes. Just restricting it to that.

MR. BOYCE: It's no worse than it was but nevertheless I don't . . .

MR. CHAIRMAN: 48 as amended--pass; Section 49 - Mr. Adam.

MR. ADAM: Could you explain the "unless he is wearing a helmet that complies with standards prescribed in the regulations"? What standards?

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, there are standards in existence now, CSA standards, that have been developed, and have been adopted by every province and every state in the United States. The CSA standard for motorcycle helmets is equivalent to the Snell standard, which is another standard, and the Zed standard which is a British standard, and notwithstanding what was said before the Committee here, the CSA standard is identical to those other standards, and in fact is reciprocal in the sense that any motorcycle helmet that meets the CSA standard with respect to impact, resistance, and visibility, and hearing, and all the other characteristics, also complies with the standards which some of the American states have adopted, because some have adopted the Snell standard and some have adopted the Zed standard, so that there is complete uniformity as far as that standard is concerned. What is proposed here is that this section would come into force on proclamation, and before it would be proclaimed that the standards for motorcycle helmets would be adopted by regulation.

At the present time, for example, it is possible to go into a store and purchase a helmet which meets no standards, and in fact we have had cases where standards of our motorcycle helmets which have been purchased, some of which have been equipped with the face mask of a blue tint, and in fact the previous Minister of Highways made an announcement on this point because we had received a complaint from the mother of a young lad who crashed into the back end of a vehicle. He claimed he could not see the brake lights through this face mask. The red light didn't filter through; it was just blocked off completely. We made investigations and we found this to be true. The red light is completely filtered out. You just can't see it, and this would apply not only to brake lights it applies to traffic lights.

We wrote to the manufacturer and they have withdrawn this now. In fact there was quite a keffuffle over that. The manufacturer and representatives protested that action taken, and so on, but in any event they have been withdrawn. The youngsters are now exposed to buying helmets which meet no standards. They can pick one up for twelve bucks and that type of helmet, I agree with the representations, doesn't protect anybody. They are spending \$12.00 for nothing, except lining the manufacturers' pockets, because it affords no protection. The design of some of these helmets certainly do restrict vision, and they certainly diminish hearing, but the motorcycle helmets which meet the standards do none of these things, and the best proof of that, Mr. Chairman, is the fact that the Winnipeg Police and the RCMP for years - in the case of the Winnipeg Police for 16 years - as a result of a fatal accident - they investigated it and they came to the conclusion that had the constable been wearing a helmet the chances were that he would not have been killed. He likely would have been injured but would not have received fatal injuries. Since then they implemented a departmental policy that every constable riding a motorcycle must wear helmets. As Neil Clarke said to me, you know, for the first two months he heard all kinds of flack. Now if the policy was reversed nobody would ride a motorcycle, because they've had any number of instances where the constable would have either been killed or suffered serious injuries, and all you have to do is look at the helmet. That tells the story in itself. Had it not been for the helmet those kinds of injuries had been sustained by the head instead of the helmet, that constable wouldn't be alive.

So the arguments that, you know, it restricts vision, it diminishes hearing, and so on, that it is uncomfortable, and perspiration drips down one's forehead into the eyes and in the process of wiping that out you know you have an accident, there's just no evidence of that. If you look at all the statistics, including our own, there is a reduction in injuries and deaths by those wearing helmets. Now if the contrary were true, that if indeed the helmets were a hazard in the sense that they diminished vision or hearing, and restricted vision, and there's all these other things, you would expect an increase. Now I don't know about the New York statistics and California statistics that were cited here. I rather suspect that they were based on different premises and therefore the results are different. I don't know. But any other data that I have seen, including medical research - the best study of this was done in England - and the conclusion was inescapable that helmets do indeed save lives and reduce injuries.

MR. CHAIRMAN: Mr. Marion. Mr. Adam.

MR. ADAM: I would ask one more question on this particular section. Will there be any provisions for certain occasions where a group of riders may not want to have helmets? Will they be able to obtain a permit, or something?

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTNIAK: Well, Mr. Chairman, I think that in this case - I can cite many other cases of other vehicles, such as snowmobiles, and what-have-you, where under certain

(MR. BURTNIAK cont'd) conditions, or certain occasions, and I think I know what the Honourable Member for Ste. Rose is referring to, we have parades, and what-have-you, and certainly I don't think we can legislate for everything. I think it's a matter of common sense that a parade is under control, and they're not speeding, and I think those things can be granted, those requests can be granted without having any legislation, because you run into all kinds of situations where things are under control, as I say, and I don't think we can list all those things as they come up from time to time, and I think it's a matter of common sense we can permit them to carry on a parade, for example, without the wearing of helmets.

The same thing as snowmobiles are not allowed on our highways, but because of certain circumstances we do provide police protection, and so on, to go across the highway or down the highway for so many miles.

MR. CHAIRMAN: Mr. Marion.

MR. MARION: Mr. Chairman, it certainly wouldn't be my purpose in intervening here to encourage or incite debate. But I think that one of the basic points that I can't get rid of is the fact that if there is a responsibility on the Minister now, it is the responsibility of developing, or helping to develop, or encouraging someone to develop in an adequate helmet. Because I have been very very intent on all of the cases that have been put before us, both for and against helmets, and if there's one thing that I think there is unanimity on, it is the fact that helmets today are not scientifically built, are not adequate protection, and a great deal of improvement should be made on them.

Now, Mr. Chairman, it would seem to me that the Minister should take it upon himself to do all that he can in his power to encourage those people who are properly equipped, the laboratories that are properly equipped, to devise and develop this kind of a protective apparel. It would seem to me that it is his responsibility on behalf of Manitobans to take up the cudgels in this respect.

I have been from the outset a proponent of wearing the helmet. I make no apologies for this. I think that straight common sense - and I don't mean to be insulting when I use that term - would imply that surely the helmet has some protective features. Why do people wear hard hats in a construction project? Surely it's not because it's comfortable; it's not because it enhances the appearance of the person wearing it; it's because it has a very real effect on protecting injury. Why do people wear hockey helmets? And believe me, I think that all of the cases I will cite now have a similarity. There is a purpose for the item being worn. Why do people wear hockey helmets if not to protect themselves? Do we recall the incident that happened when a young Winnipegger just about lost his life, and where it was definitely ascertained that had he been wearing a helmet the injury would have been greatly minimized. Why do baseball batters wear helmets? Because it will not help protect them? Do we recall some of the incidents that happened where batters were struck by a ball and killed? We have not had that kind of an injury since, and you will recall that there was a bean ball thrown and it struck the batter in the box, and although he was injured . . .

A MEMBER: On the head.

MR. MARION: On the head, yes, but it did not, it did not mortally injure the batter. I'm sure glad that we're taking this seriously. Why do lacrosse players use helmets?

A MEMBER: Don't let him get you.

MR. MARION: I won't, I won't. Why do lacrosse players use helmets? And here again it's a different kind of an activity but the head can be struck with the lacrosse stick. It would seem to me - I will use as another case, Mr. Chairman, auto racing and motorcycle racing. Now the young man that appeared before us, Mr. Robertson, made an excellent case. I thought he was dispassionate, and he was really presenting his views as he saw them. But he did agree that both auto racing and motorcycle racing made it mandatory that the participants wear helmets. Now this is not done for the sake of fun, it's done because there is a measure of protection. I go back, and I agree, that perhaps the measure of protection is minimal but it is there.

I will talk of a sport that I participate in and that is snowmobiling. And I would venture to say that if 30 to 40 percent of cyclists today wear helmets on a voluntary basis, 95 percent or more of the snowmobiller wears a helmet. Again that is not an adequately prepared helmet. It is heavy, it is cumbersome. Perhaps it does impinge on the peripheral vision, but all in all it adds to the safety and the well-being of the person who uses the helmet.

I think, Mr. Chairman, that no one can rationalize that the helmet itself is not in one

MR. MARION cont'd) sense or another a protective device that legislators in Manitoba should encourage and impel people to use. I don't think that it is infringing upon the liberty of the person but just as other laws, other traffic laws, help make it safer all around, I think that helmets are devised and should be doing this work. In closing I would say the Minister has this additional responsibility of making sure that helmets are not only safer but are better adapted to the protection that they should be giving.

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTONIAK: Mr. Chairman, I appreciate the comments made by the Honourable Member for St. Boniface. I do agree with his comments. I would like to say though that sure when we talk about standards, I think we can ask the Standards Reviewing Committee to review the helmet situation at the present time and to come up with the kind of standard that perhaps would be suitable to all, but I would like to also say that when he referred to hockey helmets, you know, there were all kinds of helmets sold on the market everywhere and they were all not CSA approved. And as a matter of fact not too long ago, if you will recall, that there was a survey made and a lot of these helmets were taken off the markets because young boys especially were buying them because they were cheaper, but they certainly were not giving the kind of protection that was expected. So therefore I think that the same thing applies here. There are all kinds of helmets right now for the motorcycle riders that are not CSA approved and therefore they don't perhaps give the same kind of protection that they ought to be giving, and I think that perhaps we should have another look at the helmet situation or the standards of helmets. I believe that up to now those that have been approved are a bit more expensive but I think they've given a little more protection.

MR. CHAIRMAN: Mr. Toupin, Mr. Marion.

MR. MARION: Mr. Chairman, if I may, for just a second. I think that in essence the Minister is really saying the same things I'm saying but there have been, particularly in the case he used, there have been tremendous improvements in hockey helmets because the manufacturers, the sporting goods people who manufacture these things, were made aware of the weaknesses of them. What I'm really saying is, it's incumbent upon this Legislature to bring forth to the manufacturers, the sporting goods people, the weaknesses of the helmets that are presently in use. I know that they're aware of them, but I think that we're merely bringing forth a very important and a very forceful case by saying it is the responsibility of those who manufacture, just as those who legislate, that they be improved as was the case in, for instance, the hockey helmets and the goal keepers' masks.

MR. CHAIRMAN: Mr. Toupin.

MR. TOUPIN: Well, Mr. Chairman, I don't intend to repeat the remarks that I made in the House on second reading but I do want to make a few points here. Basically I agree with Mr. Marion in regard to a standard and quality control mainly by the Department of Highways, by the Department of Consumer and Corporate Affairs, in regards to helmets that could be devised in the future by the industry that would be safer to use in regards to many of the points raised by members of the House for and against the proposed section.

Now if we start giving examples, Mr. Chairman, of the good or the bad effects of helmets, we can discuss this all day. You know I can cite you a lot of examples for and against the wearing of helmets. The fact of the matter is I believe that we have a joint responsibility in first of all having a helmet devised that would be safer, that would be safer in a lot of ways in regard to side vision, in regard to impaired hearing, in regard to impact, and so on. Then we have a second responsibility, Mr. Chairman, in advocating the use of those types of helmets for all types of purposes, whether it be for snowmobile riders, whether it be for motorcyclists, and whether it be for any other sports, contact sports, hockey, and so on.

But I equally believe, Mr. Chairman, that we have to use a lot of common sense in legislating either for or against. I would not be prepared, Mr. Chairman, to vote to pass a section that would forbid people to use quality-controlled safety-controlled helmets. And I'm not in the position to vote for a section that would make it compulsory for motorcyclists today to wear helmets, that I believe sincerely, do not meet the specifications that I believe they should. I would rather do everything in my power in influencing people to devise a helmet that would be a better quality, a better safety helmet itself, and then encourage people to use it, and at the same time use common sense. If I happen to go, say, from one door to the other on my motorcycle, and if I'm stopped by a peace officer because I haven't got a helmet, I don't think that I should be penalized for that, no more than I should be penalized if I decide,

(MR. TOUPIN cont'd) say, to go from my place to down the street and I haven't tied my safety belt, or if I haven't got a roll bar in my convertible, or, say on the tractor on the farm.

I see that, Mr. Chairman, more of an educational process and upgrading of what we now have on stock pertaining to helmets, and I would certainly, Mr. Chairman, encourage all of my colleagues to vote against this section.

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Mr. Chairman, I simply wanted to get a clarification of the statement made by Mr. Dygala regarding the statistical evidence pertaining to Manitoba. I would like him to clarify whether he was referring to accident statistics collected by the department, that these are accident statistics that are officially collected and tabulated, and whether he was saying that the data, if this is the case, that the data on those people driving motorcycles who were involved in accidents, that the data shows that those who had the occasion to wear helmets and versus those who did not wear helmets, and is there that breakdown available; and does the evidence show that those who were wearing helmets at the occasion of the accident had fewer injuries, and perhaps less serious injuries, than those who did wear helmets on the occasion of the accident.

MR. CHAIRMAN: Mr. Dygala.

MR. DYGALA: Mr. Chairman, the statistical data we collected with respect to accidents involving motorcyclists for the year '69, '70, '71 and '73. 1972 was missed; it wasn't missed, we had a disaster with the computer. It got wiped out. The whole accident file got wiped out. At least that's what I hear, so we don't know what the figures are for that year. But very briefly, Mr. Chairman, the facts - and I don't have the figures right in front of me here but I recall them - 30 percent of the motorcyclists involved in accidents were wearing helmets, the rest were not. We also had some indication how many passengers were wearing helmets, but since the accident report did not specifically ask the question, "Was the passenger wearing or not wearing a helmet?", that information was not reliable and therefore we didn't even use it. But insofar as the rider himself, the operator himself, is concerned, of the 30 there were only half the deaths amongst those wearing helmets as opposed to those not wearing helmets. The injury rate - and again we don't have a fine breakdown as to how serious the injuries were, because we can't get that kind of data. In fact there's a discussion on this right now to try and collect this kind of information through hospitals, doctors, and so on, to be able to more precisely measure the kind of injuries that occur, not only in motorcycle accidents but other types. The injury rate is consistently lower by a fact of about eight to nine percent as between those wearing helmets and those not wearing helmets, for every year. Now when a motorcycle is involved in an accident there is almost inevitably an injury of some kind - and the injury as defined for purposes of reporting an accident could be a scratch, a bruise, and so on. So he's injured, but the fact is that there is a consistently lower injury rate for motorcyclists who wear helmets.

MR. CHAIRMAN: Mr. Jorgenson.

MR. JORGENSON: Pardon me, Sir. I'll try and be very brief. The statistics that are being quoted by Mr. Dygala can be used by those who are opposed to the use of helmets to prove exactly the opposite point. And Mr. Dygala's statements do not convince me one way or the other, convince me that wearing of helmets reduces the number of accidents. Indeed, a case can be made that because a person was wearing a helmet the accident was caused in the first place. I don't want to refute the statements that were made by Mr. Marion but he used the example of helmets for hockey, helmets for work, and helmets for other sports, and I don't think there's any question in anybody's mind that the use of the helmets do protect the player. But at the same time the use of the helmet does not impair his ability to play, no way at all. And so therefore I don't think that the example he used was a comparable one insofar as it applies to the wearing of helmets for motorcyclists. When the department, or when we have established a standard of helmet that removes the objections that were given to us by Mr. Robertson here the other night, and other people, when we have devised a helmet that removes all of those objections, and removes the possibility of accidents being caused by wearing of helmets, then I'm prepared to accept this, I am prepared to accept the motion that is now before us. But at the present time we do not have that kind of regulation, that kind of a standard, I'm convinced that the evidence that has been produced indicates that there is as many accidents caused by the use of helmets as there is by those people that do not wear helmets. Therefore I intend to vote against this particular section.

MR. CHAIRMAN: Mr. Burtniak.

MR. BURTNIAK: Well, Mr. Chairman, Mr. Jorgenson used the term that he doesn't agree with Mr. Dygala - that's his prerogative of course - saying that statistics that were quoted do not impress him because they could be taken either one way or the other, and he also said that - or maybe he didn't say this, but I gathered then - I'd like to reply to Mr. Jorgenson by saying this, that by the comments made by Mr. Dygala could also be - the other comments made by Mr. Robertson could be interpreted the same way. I don't believe that what Mr. Robertson is saying is that these helmets are a nuisance rather than a help. And I also would like to say that there are standards. Every province in Canada have certain standards of helmets for motorcycles, or whatever, also in some of the states, and we have these standards, but there is also an awful lot of helmets on the market, as I said before, which are not approved. I think if we can make these people buy the kind of helmets that are approved by the Standards Commission, or the Association, then I think probably our problems will be solved to a certain degree. But until such time as this happens when there are other helmets on the market, then there's nothing much you can do about it.

MR. CHAIRMAN: Are you ready for the question?

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

MR. CLERK: Yeas 6; Nays 10.

MR. CHAIRMAN: The section is defeated.

Does the Committee give the counsel permission to renumber the following sections as required?

MEMBERS: Yes.

MR. CHAIRMAN: Balance of Page 12--pass. (Pages 13 to 22 were read and passed.)
Page 23 - Mr. Toupin.

MR. TOUPIN: Mr. Chairman, on Page 23 I'd like to propose an amendment, that Section 97 of Bill 86 be amended by adding thereto immediately after the figures 18, where they appear in the first line and again in the fourth line, in each case the figures 22, and by adding thereto immediately after the figures 46, where they appear on the first line and again in the fourth line, in each case the figure 48.

Mr. Chairman, I would suggest that Mr. Tallin explain the reason for this. It's in regard to the proclamation of certain sections.

MR. CHAIRMAN: Agreed? (Agreed) 97 as amended--pass; Preamble--pass; Title--pass; Bill be reported.

Mr. Hanuschak would you use the microphone please.

MR. HANUSCHAK: Yes, Mr. Chairman, just on a point of order as related to the order in which we are dealing with the bills. Yesterday we dealt with the bill amending the Civil Service Superannuation Act and there's a - it's not really a companion bill but it deals with very similar issues, and that is the Teachers' Pensions Act. I'm wondering if we just couldn't tidy up the Committee's Order Paper by disposing of it. It's a relatively short bill. There are no amendments other -- (Interjection) -- Yes, Mr. Tallin tells me there's a minor one just dealing with a correction. -- (Interjection) -- So is my staff.

MR. CHAIRMAN: What is the will of the committee? Just as a point of information there are four bills remaining before the Committee.

MR. HANUSCHAK: I think the bill would just take a matter of two or three minutes, and my staff is here; it shouldn't take too long.

MR. CHAIRMAN: There are four bills remaining: 74, 75, 83 and 92. What is the wish of the committee?

A MEMBER: Let's deal with them.

MR. HANUSCHAK: 92.

BILL 92

MR. CHAIRMAN: Bill No. 92, an Act to amend The Teachers' Pensions Act.

MR. HANUSCHAK: Proceed, Mr. Chairman.

MR. CHAIRMAN: Page 1--pass; -- (Interjection) -- Page 2--pass; Page 3--Section 6, Mr. Pawley.

MR. PAWLEY: That the proposed new subsection 58 (1) (e) of the Act as set out in Section 6 of Bill 92 be amended by striking out the words "who is contributing" in the second line thereof and substituting therefor the words "whose employees are eligible to contribute".

MR. CHAIRMAN: Agreed? (Agreed). 6--pass; balance of Page 3--pass; Page 4--pass; Preamble--pass.

MR. HANUSCHAK: Mr. Chairman, before we come to the preamble, you will recall that yesterday there was a delegation from the Manitoba Teachers Society appearing before the Committee expressing its concerns about some teachers who had war service, who had served in the Armed Forces, and who for a variety of reasons - when I say variety I do mean it literally because it is, in fact is a variety of reasons - it's believed at the present time, they are inequitably denied credit for such war service. Now I would just like to tell the committee, Mr. Chairman, that there has been a task force dealing with the question of pensions, both Teachers Society pensions and the Civil Service pensions, and there is desirability to, you know, to maintain some parallel between the provisions of the two Acts, and the Act has been in fact corrected to some extent, last year you will recall, when the period between the date of termination of teaching service and enlistment was extended to 12 months to take care of those who may not have gone directly into the Armed Forces from teaching, and those were taken care of. There are others that the Teachers Society believes are not taken care of but who in their opinion should be.

The Task Force on Pensions is continuing its work, and it is my hope, Mr. Chairman, that next year if there should be evidence of any inequities that ought to be corrected, that legislation will be brought in next year to correct such inequities.

MR. CHAIRMAN: Mr. McGill.

MR. MCGILL: Mr. Chairman, I was listening to the remarks of the Minister in respect to the submissions of the teachers on war service allowance within the Pension Act. I understand that in Saskatchewan the amendments to the Teachers' Pension Act do include those features which the Manitoba teachers are now proposing to the department. I wonder if the Minister is familiar with the amendments that have been made this year in the Saskatchewan Act to include war service on the same basis as the teachers in Manitoba are requesting.

MR. HANUSCHAK: Yes. And I am familiar, Mr. Chairman, with the proposal of the Manitoba Teachers Society of a possible amendment that would correct the inequities of which they are complaining. This I have received this morning, and upon perusing it I find that it may create a host of other inequities - it may correct some but create others - because the way it reads it could lead to double credit for war service. But as I have indicated before, Mr. Chairman - and I wish to thank the Manitoba Teachers Society for making this proposal to us, and this the task force will take under advisement in its further deliberations and consideration of further revisions and improvements to the Teachers' Retirement Allowances Fund Act.

MR. CHAIRMAN: Mr. Boyce.

MR. BOYCE: I appreciate the Minister's dilemma - you know, pensions are a thing that creep up on all of us - but there are some problems coming in as we move towards full vesting and portability. The concept of credit for service outside of the parameters of service for which a person is receiving credit, for example, in this particular instance it's war service relative to teachers. You know - not to delay the deliberations of the Committee, rather than proceed by way of a resolution before the Assembly, which is really the only instrument that a private member has to bring this to the attention of the Assembly - I wonder if the Minister wouldn't undertake to perhaps consider with his colleagues in Cabinet whether or not a task force, such as has been looking at teachers pensions, perhaps could be expanded to take into consideration some of these nuances that as per when we're moving to vesting and portability, the transference of credit of service where it's not really -- maybe in many other areas it's not applicable, and also the nuance mentioned by the Minister of double credit; the three things, double credit, portability and vesting as far as service outside of the service for which a person is receiving a pension, it should be looked at. I had assumed that we had with last year's amendment to the Teachers' Society Act, you know, corrected some of these anomalies, but apparently we haven't corrected all of them. I understand that there's still about 30, which are kind of in unicorn country relative to this aspect, and I wonder if the Minister wouldn't take that under advisement.

MR. HANUSCHAK: Yes, Mr. Chairman, I will draw the matters raised by Mr. Boyce to the attention of the task force.

MR. CHAIRMAN: Thank you, Mr. Patrick.

MR. PATRICK: Mr. Chairman, I have a question for the Minister. Can the Minister tell us how many teachers are affected, the number, and has he got any idea of what the cost

(MR. PATRICK cont'd) would have been if they would have been included? The other point perhaps he can explain. What did he mean if they would have been included, what did he mean that there would be a double credit for these teachers since they're not included? I can't understand what he meant by a double credit.

MR. HANUSCHAK: I was referring specifically, Mr. Chairman, to the proposal made by the Manitoba Teachers Society in defining the eligible teacher, or a teacher who may be eligible for credit for pension for war service. On the proposal made by the Teachers Society, which reads as follows: "Service in the forces of Her Majesty" and then it lists four categories: "1914-18; 1939-45; any military peace-keeping operation, etc., shall be counted as teaching service for all purposes." Now what I am saying is that if we accept that as proposed, then one could run the risk of double credit because a person upon discharge from the Armed Forces could obtain employment in some other field, the pension plan in which may also give credit for war service, and then he may quit that job, come into teaching, comes down to a TRAF office and presents his credentials showing evidence of war service, and then gets credit again for his teacher's pension.

Now the number of teachers, the Manitoba Teachers Society's estimate, I believe, is somewhere in the order of 30 teachers - and I'm sure that the number is quite small; whether it is exactly 30 or not, I don't know. At a rough estimate, well - and this would be a very rough estimate - if we think in terms of 30 teachers times maybe an average of two or three years of credit, at about 2 percent per year or so; that's insofar as the teachers are concerned. But as I had also indicated, Mr. Chairman, I'm sure the committee would want the provisions of both pension acts, the Civil Service Pension Act and the Teachers, to be parallel wherever there is need to maintain parallel provisions, and one would not wish to introduce provisions into one Act that may create problems in another, which it very well may, in the Civil Service. For example, one of the concerns that the Teachers' Society has is about the individual who may have obtained a teaching certificate prior to enlistment but did not in fact teach prior to enlistment, but entered teaching after his discharge. Well now, you know, personally I can sympathize with that individual but if we were to include him, at the moment I must admit we have no way of knowing how many civil servants that may affect - professionals, engineers, architects, what have you, who may have graduated before enlistment and got their degree, upon their discharge obtained the job with the Civil Service. Then of course there will be those coming in wanting their credit for war service, and this is the reason why, Mr. Chairman, I'm suggesting that this is a matter that the task force ought to continue studying and come forth with legislation at the next session that would adequately deal with all the anomalies that presently exist.

MR. CHAIRMAN: Mr. McGill.

MR. MCGILL: Mr. Chairman, on that subject, I think it will be encouraging to the teachers to know that there will be, as the Minister says, some attempt to deal with this matter by legislation at the next session. I would just point out that we have a group of a known size, approximately 30 teachers, and there is, Mr. Chairman, some urgency about this matter for these teachers, who are obviously going to be in the upper age brackets and either perhaps eligible for pension right now, if they knew the status of their war service, they may be in the position of having to continue to teach another two or three years until this matter is definitely resolved. So I would hope that the Minister will place it in that priority category in view of the age of the veterans who are now in the teaching service.

MR. HANUSCHAK: Yes, Mr. Chairman, that is another reason why the task force would be most anxious to deal with this matter as quickly as it can because, as I've indicated before, any variation of the teachers' pension legislation may necessitate variation of the Civil Service pension legislation. They are in the same age category, the same age group, as the teachers are.

MR. CHAIRMAN: Mr. Boyce.

MR. BOYCE: Just in this double credit thing, in my own for instance, we have another bill before us that's an amendment to The Legislative Assembly Act. We contribute to a pension and it excludes us for gaining pensionable credits and drawing a pension if we continue in public service for the Federal Government or the Provincial Government, but I'm on leave of absence as a teacher; so if I go back into teaching, all I have to do is contribute for the number of years that I didn't contribute as a teacher, I draw my pension as an MLA, and then I draw my pension as a teacher. If you give me credit for my five years in the service from 1941-45 then I will

(MR. BOYCE cont'd) get a further benefit, so that it could be, you know, construed down the road that I would draw a pension of about \$600.00 a month with only 12 years of service. --(Interjection)-- That's right. Really as we move to portability and vesting, then it seems so simple, and I know some of these people that are involved personally and their personal cases. It seems, you know, not just if they don't draw pensions but nevertheless, as the Minister points out, that what we've established as a precedent in this particular Act is relative to the Civil Service and in many other areas, that it is just going to grow. So I think it has to be looked at in total in this regard.

MR. CHAIRMAN: (The remainder of Bill 92 was read and passed.) Bill be reported.

BILL 74

MR. CHAIRMAN: Bill No. 74, Manitoba Trading Corporation Act. Section 1 -- pass?
Mr. Spivak.

MR. SPIVAK: I think, if you don't mind, clause by clause.

MR. CHAIRMAN: (Sections 1 to 3 were read and passed.) Section 4 --

MR. SPIVAK: 4?

MR. CHAIRMAN: Yes.

MR. SPIVAK: Before we commence 4, because I think we want to deal with the powers, I wonder if, in general, if the Minister can explain the purposes. That is, I want to understand very correctly, is it the purpose of the Manitoba Trading Corporation to essentially deal with the exports of Manitoba products, in which case there may very well be barter arrangements in which goods will be traded off for a sale and therefore responsibility on the part of the Trading Corporation to sell those goods either in Manitoba or outside of Manitoba, or is it considered that the Trading Corporation will also buy goods independent of any export arrangements for sale of goods from Manitoba and allow it to be able to sell in Canada or in Manitoba?

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Mr. Chairman, the intent of the bill and Section 4 (1) is essentially to assist in the exportation of Manitoba products and services outside of the boundaries of Manitoba. It is our intention to engage in such activity as purchasing abroad, if necessary, as a technique, of perhaps engaging in some bartering as the honourable member suggested, in order to expedite the exportation of Manitoba products.

The directive will be given that all such transactions will be done on a pre-selling basis. In other words, it is not our intention to build up inventory or to buy for the sake of buying. A market will have been established; a deal will have been made, if necessary, by the Trading Corporation; and having had a firm order obtained, on that occasion the corporation, if required, will purchase the product.

MR. SPIVAK: But again, when you say pre-selling, in other words if there's a product available in a market - a product available in, say, Czechoslovakia, that's available for sale, is it the intention of the Trading Corporation to buy that product if they have the sale of their product in Canada or in Manitoba?

MR. EVANS: With the noise, I don't know whether I heard the entire question. Was it our intention to buy the product from a foreign country if . . . ?

MR. SPIVAK: The thing that I want to establish is, is it the intention of the Trading Corporation to purchase, say, goods even if it's in the process of applying a pre-sell basis rather than a carrying of inventory, but to sell goods that may be available from any particular distributor or from a foreign country for sale in Canada or in Manitoba independent of any related export transaction?

MR. EVANS: I see. Well, this is allowable under the Act that is now before us and there may be cases where we can be of assistance to Manitoba industry in this respect. I'm thinking particularly in the days of short supply, which are the days we are now living in. Two examples come to mind: binder twine, which is in very short supply, and I would hope that some of the salesmen we would have working for us might help Manitoba companies by finding such binder twine abroad if that company's having difficulty. Another example is steel. There's a great shortage of steel. I know one of our largest agricultural implement manufacturers has had to cut back on the level of potential production, has not been able to fill all the orders coming in because of the shortage of steel. And if we can help them through this corporation and buy steel from wherever we have to buy it, certainly we will do so.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Well, I'll wait until Mr. Spivak is finished.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: Well, just take an example. Let's assume binder twine is in short supply and you're in the position to be able - well, let's assume it is, and you're in a position to find that there is a company somewhere in the world that's prepared to sell it. Is it the position now of the Government that we would buy through the Trading Corporation rather than bring the wholesalers and distributors of Manitoba, bring it to their attention and let them negotiate and deal with it? I mean, what is the purpose of the Trading Corporation if there is a shortage of the supply of something and it's identified by some of the officials from the Trading Corporation of the Department of Industry and Commerce, is it not really the responsibility and is it now really the purpose to simply acquaint the wholesalers and distributors and people dealing with it that it is available and let them complete their own transactions?

MR. EVANS: Right. Mr. Spivak, it may be done either way. I would think that it would be better, as you suggest, to bring the buyer and the seller together and let them engage in a transaction. But there may be some cases whereby the seller, the firm or a corporation or whatever it may be in the foreign country, the seller may wish to deal with a government trading corporation. We found this particularly true in Eastern bloc countries and developing countries. Now, what it does is give us a greater option. But I would think in many cases it would be possible simply for our salesmen to locate the material, and it may be very possible for that transaction to take place between the seller of that commodity and the Manitoba purchaser. I would say it would be done whichever is the most expeditious way to achieve -- you know, to overcome the problem.

MR. SPIVAK: Can I ask one other general question before, and I think there are others maybe in the general sense, before we deal in specifics? Can I ask, what is the additional extension to financing of exports that would be undertaken by the Trading Corporation that does not exist in the way in which the Manitoba Export Corporation operates now?

MR. EVANS: Well, thus far, Mr. Chairman, there has been very little given to the Export Corporation in the way of funds, and this has been the case, I believe, Mr. Chairman, ever since the Export Corporation was established, and as the honourable member knows it was established, I believe, under the previous Conservative Government many years ago, and we do make provision, specific provision -- later on you'll see section 10 (1) (2) and (3), and also I think Section 11 - and 5 - 11 (1), 11 (2), where provision is made for the funding of the Trading Corporation. Funds could be given to the Export Corporation now, of course, by the Capital Supply Bill.

MR. CHAIRMAN: Mr. Minaker.

MR. MINAKER: Thank you, Mr. Chairman. My question - there's a couple of them. One is, is it the intention of the Trading Corporation to become the marketing person or division that will buy the MDC-owned companies that are wholly owned by the Corporation? Is it the intention of the Trading Corporation Act, that in the case of, say, Flyer Industries or Saunders Aircraft, that the marketing of these products will be handled by the Trading Corporation in the export field?

MR. EVANS: Well, this possibility always exists, but I would just refer back to my original statements on this matter and say that we want to use this vehicle to supplement that which already exists. We don't want to replace, for instance, the successful efforts of Flyer Industries to sell to the American market - for instance, the \$25 million order to San Francisco. You know, it seems as though they're quite capable of doing it themselves, and I wouldn't suggest that we should interpose ourselves unduly. I would say, however, there may be a case in a developing country where we might facilitate a sale. I mean, we're taking a very pragmatic approach and it is a pragmatic intention of using the -- our intentions are very pragmatic. We'll use the Trading Corporation in the way to overcome some of the obstacles that we seem to be facing at the present time.

MR. MINAKER: Mr. Chairman, again through you to the Minister; there is no intention to have the present sales people and marketing people of these Government-owned operations such as Saunders, or such as Flyer, for them to become part of the Trading Corporation, Department? In other words, any Crown-owned corporation that sells their product in the export field, is there any intention under this Act they would put all of these sales staff into the Department of Trading Corporation as the marketing sales people separately from the manufacturer? Is there any intention of the Government to do this?

MR. EVANS: This is not our intention, Mr. Chairman. I don't think that would be the most efficient way to operate. But having said that, I would hope that some of the salesmen working for the Trading Corporation would be in a position to do some preliminary selling, for example, of Saunders Aircraft in certain foreign markets. But I would say that a company such as Saunders should retain their own sales staff because they're specialized in aircraft, if this is what we're talking about, or whatever the company may be.

MR. MINAKER: Mr. Chairman, one other question. Is it the intention of the Trading Corporation that where it exists in the Treasury Acts that taxes could be accepted in kind? Citing an example of the bill that will die on the Order Paper, the Mineral Act, where the Government could accept kind instead of money - in other words, nickel or copper - is it the intention under the Trading Corporation Act to accept payment in kind for taxes and to sell this kind of product on the export markets in other countries?

MR. EVANS: No.

MR. MINAKER: No intention whatsoever?

MR. EVANS: Absolutely not. In fact I never thought of that.

A MEMBER: Maybe you should have looked into it.

MR. EVANS: Would the honourable member do me the favour of suggesting what the advantage of that would be?

MR. MINAKER: I can see many advantages; if the Trading Corporation is running in the red, that could be made to look very profitable on paper, where they evaluate the kind at a certain level and sell it at a market level on the world market. They could show it as a profit and subsidize other areas in the operation of the company that would be operating at a loss.

MR. EVANS: But you refer to taxes. I don't get the connection with taxes.

MR. MINAKER: Well, in one of the Acts that was before us - and if we understand the Minister of Mines and Natural Resources, he didn't withdraw it, it's still there tabled - there is a clause in there that says that the tax that will be levied against the mining people can be accepted in kind; it's a specific clause in that Act, which to me reads that the Government has the power to accept a commodity in nickel or a copper mineral. So my next question would be: what would they do with it once they accepted it? Stockpile it and store it in Manitoba? They would eventually have to sell it. So that is why I'm asking, Mr. Chairman, through you to the Minister: was it or is it the intention under this Act to sell such products on the export market in other countries, because it could become very advantageous in balancing the books, in my opinion?

MR. EVANS: It was not our intention and it is not our intention.

MR. CHAIRMAN: Mr. Banman.

MR. BANMAN: Thank you, Mr. Chairman. Through you to the Minister. In simple layman's terms, would you not agree that basically what this bill does is it sets up and allows the Government to basically go into what you might call a wholesale company, a distributor, with your own finance company, which will allow you basically to act as a wholesale company - barter, trade, sell, whatever you like, in the province and out of the province?

MR. EVANS: Well, it does enable us to trade, but I want to reassure the honourable member that what we intend to do is to supplement what exists and not to replace normal wholesaling operations. That is not the intention.

MR. BANMAN: I think the concern that we have is, is this another company entering the marketplace? In other words, are you going to supplement the existing businesses? As the Leader of the Opposition mentioned before, will you be facilitating or helping existing companies go ahead and find new markets and create new markets, or will you be competing with them? In other words, will you be looking at that commission that you could possibly make if you handled the particular unit yourself? You can't call it a conflict of interest but I think if you can see that you're going to make a 15 percent commission on a particular item, you're not going to bring two people together on this particular deal.

MR. EVANS: Well, there are various aspects to our trade development program and one aspect which has involved a considerable expenditure of funds over the years has been the whole area of trade promotion and assistance for export by private enterprise in Manitoba - the information on camps, all the regulations that one has to overcome in exporting to a foreign country and so on. So this program, of course, will continue and I hope it will be improved.

In the field of trading, however, we will have to -- you know, we're sort of damned if we do and damned if we don't. You're criticized. I gather that you're a little concerned that we do make a commission and then at the same time you're worried that the books are not

(MR. EVANS cont'd) balanced, or somebody's worried that the books are not balanced.

MR. BANMAN: No, no.

MR. EVANS: That fact is that we've got to take . . .

A MEMBER: The commission becomes the motivation.

MR. BANMAN: Yes, that's right.

MR. EVANS: Yes. Well, the point I wanted to make was that there are very few export agencies per se in Manitoba - those that do exist are really, I believe, in the field of grain handling mainly - and it was not our intention to compete with any that exist. The fact that we don't have such trading agencies here is one reason for having this particular vehicle which is, as I explained in the House, is really an enhancement, an extension of the existing Manitoba Export Corporation, because under the previous Act there is a very omnibus clause, 4 (d). In the previous Act, subject to the approval of the Minister, the Export Corporation could perform such other acts as will assist in achieving the objects of the corporation, which is pretty broad. What we've done is, is narrowed it down, tried to clarify it, tried to make it more specific among other things, and we haven't done this so far.

MR. BANMAN: But would you not agree that if an item that was found, let's say in the United States and that could be used by a Canadian manufacturer or that there is a chance of a Canadian manufacturer selling down to the States, selling a particular item, and you could see a possible 15 percent commission on that particular item, instead of bringing the two parties together, that there might be a tendency on the part of Government to sit down and take that 15 percent commission?

MR. EVANS: Yes. Well, if we can render the service that he can't do himself. Remember, many of the companies we're talking about are going to be medium-sized companies and smaller companies. The large companies can look after themselves very well and they will proceed as they have proceeded, but if we can do a service that they can't do, well then we are going to, you know, levy our charge, but only if we can supplement and thereby assist that particular company. I don't know whether I've answered the honourable member's question, but . . .

MR. BANMAN: One further question. Has there been any correspondence with the Federal Government with regards to the setting up of this corporation?

MR. EVANS: Well, there hasn't been any formal exchange of letters at the ministerial level, but there have been extensive discussions among those officials of the Department of Industry, Trade and Commerce, Federal Department, at the trade commissioner level. We've had extensive discussions with people involved in trade promotion for Canada and there's been a lot of advice received and exchange of ideas.

MR. CHAIRMAN: Mr. Minaker.

MR. EVANS: And incidentally, we've been assured of their co-operation.

MR. MINAKER: Mr. Chairman, through you to the Minister. Is it the intention of the Trading Corporation to establish retail outlets in Manitoba to dispose of any goods that they might accept in barter or import from other countries? Also, is it the intent of the Trading Corporation to set up dealers or representatives in Manitoba to handle some of their products which they may purchase?

MR. EVANS: No. At least no to the first question. I have to repeat the statement that I made earlier, that everything we purchase would have to be presold. Essentially we'll regard the role that we play not to be in the retail field whatsoever, but to facilitate the movement of goods into and out of the province and certainly not at the retail level. The financing required would be a temporary type of financing that we would be using. I don't know whether I answered your second question.

MR. MINAKER: Well, Mr. Chairman, I wonder if the Minister could further elaborate on Section 4 (1) (e) then, please, why there is the need of that power.

MR. CHAIRMAN: We're on 4 (1) (a) right now.

MR. MINAKER: Oh, I'm sorry. My apology. I thought we were dealing in general with 4 (1). Okay.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: I think our concerns are many and I think we can come down to it in this way. If in fact you are going to be operating on the basis of pre-sell, then I think that should be specified as part of the Act. If in fact the, you know, the undertakings that are basically

(MR. SPIVAK cont'd) given by the Minister are the way in which the Government intends to operate, then I think it should be by Act itself, so it should be very clear, because right now I think it can be interpreted in a very modest way to give the Government a carte blanche ability to be able to do anything it wants under any set of circumstances, and I think that the dangers that we are concerned about from our point are not answered just by the references here. It would seem to me that if the Government's really intending to follow that procedure, the procedure of the Minister, then what I think we have to do is build into the sections - if the Minister agrees - the kind of sort of conditions under which he says that they're going to operate. That changes the nature of the bill and that makes it a very different kind of an approach from our point of view. But if we were to leave it, even with the Minister's undertakings, then there is the ability to be able to do everything. And, you know, I think we can go on. I think we could spend hours on the specifics. That is, you know, we could spend hours and I don't think that's necessary if you're prepared to essentially say the manner of operation will be by pre-sell, that in effect it is limited in the way -- there is no intention of opening up retail outlets, and all of these things are spelled out in the bill so it narrows it down and it confines it to the objectives that we mitigate. Otherwise, if that doesn't happen, if we go clause by clause in the other sections, what we do is we approve a whole range of things which really give you the opportunity to do anything, the things that the Member for La Verendrye's already suggested. You know, it could be done, and I think the Government has to make its position fairly clear on this.

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Well, Mr. Chairman, I did make the policy position clear when I closed debate. I stated that it was not our intention to engage in speculative trading, piling up of inventory for the sake of piling up inventory, and that we would also 99.99 percent of the time be engaged in trade where there would be a pre-selling arrangement. In other words, we would not be engaged in a lot of speculative buying. The question of retail outlets, as I've said, has not entered our mind. I don't think that this is the area that this Corporation wants to engage in.

MR. SPIVAK: But are you prepared to legislate what you just said?

MR. EVANS: Well, you know, I'm prepared to give you a commitment and . . .

MR. SPIVAK: No, but . . .

MR. EVANS: . . . and state that this is the policy direction we are taking. And, you know, there will be regulations set out under this Act, Section 16, the normal clause that relates to the regulations. There will be regulations.

MR. SPIVAK: Well, taking objectives and powers, is it not possible to put one additional objective and power which will basically say what you indicate you're going to do by directive? And I'm saying if that's done, if that change is the nature of this bill and it conforms with what you suggest is the position, I think the Legislative Counsel would indicate that the answers really are irrelevant in a court proceeding in which the question could be raised as to whether the Trading Corporation could or could not do anything - it's what the Act says - and therefore if that is the intention, then if we can have that in legislation we then, I think, could arrive maybe at a meeting of minds as to what really is to happen. If we do not have that, then the objective and power stand on their own.

MR. EVANS: Well, Mr. Speaker, I think there's much being made of this retail selling. You know, I just don't think it would be practical for us to be in this. And, you know, this is really way out of line from what was intended and as I explained the Act. I don't think we should -- you know, there's objects and powers set forth in a positive fashion as was the case in the previous Act, and I don't think we need to have any negative clauses in this respect.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: Well, Mr. Chairman, I'll have to hold one or two of my questions until later. I wanted to speak on subsection (l) and, as you pointed out a moment ago, we're not down to it yet. But while we're still on (a) just let me ask the Minister through you, Mr. Chairman, or comment to the Minister, that my main concern really is in the continuing availability of expertise as developed by the Department of Industry and Commerce over the years to aid private industry, and although I recognize what he says about the objects and powers here perhaps differing little in wording from the objects and powers available to the old Manitoba Export Corporation, still . . .

MR. EVANS: Well, no. A clarification. I'm sorry. There is an expansion in the

(MR. EVANS cont'd) specific reference to purchasing of products abroad, which was never in the old Act.

MR. SHERMAN: That's right. There is an expansion and an extension of its powers and I just wondered whether the -- I'd like to be satisfied that the kind of market development research and expertise that has been developed by the Department of Industry and Commerce to aid private industry, assist private industry over the years, will continue to operate at the service of private industry. In other words what I'm saying is, I have fears here that there might be preferential treatment or favouritism which would work to the disadvantage of either private industry generally or to certain specific private corporate enterprises, and I would like to be reassured by the Minister that there's no intention of that and that is not the case. I don't really have that reassurance in the wording of the Act as it presently stands.

So that's a rather convoluted question to put to the Minister, but I'm asking him if he can reassure me and reassure the Committee that there will still be that kind of expertise available on a fair and equal basis, and that there is no intention here to proceed on the level of preferential treatment.

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Yes, Mr. Chairman, I can give that assurance to the honourable member. But, you know, I happened to look at -- when we get to it or you can look at it now, Section 4 (1) (h) and (i) where there's specific reference made to providing Manitoba suppliers with export service and to organize exhibits of Manitoba products and so forth, and indeed, Mr. Chairman, the evidence has it that over the past four and a half years, I guess, in which I've been involved in the Department, we have actually strengthened our Trade Development Branch and are, I believe, providing a greater service now than we did in the past. This is reflected, of course, in the fact that our budget is about twice the size it was in 1969.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: But what happens, Mr. Chairman -- through you to the Minister, Mr. Chairman -- what happens when two producers or more, more than one producer, are competing for a toe hold in a certain market, and one of those producers is, partly by arrangement in corporate equity and corporate partnership, one of those producers is really the Government, then what happens in terms as far as the equality of treatment is concerned?

MR. EVANS: Well, Mr. Chairman, the honourable member is speculating a lot. I frankly don't see too many areas where we have industries that are side by side competing for the same markets. There may be some cases, and in some of those cases they're on their own; they're doing it; they're big corporations. Again I would say that most of our assistance would be to what I refer to as medium-sized and smaller companies who haven't got the ability to get into new and far distant markets. The honourable member poses a dilemma. You know, I just believe that there isn't, you know, that we don't have any other aircraft manufacturer in Manitoba per se, and we don't have any other manufacturer of urban transit buses in Manitoba, and we can't float the Lord Selkirk on the Atlantic Ocean. I don't think. There isn't any other Lord Selkirk. Unfortunately there is no other cannery in Manitoba. There's Morden Fine Foods and that's it. I just don't -- at the moment I can't envisage, you know, this occurring.

MR. SHERMAN: Well, let me put it this way, Mr. Chairman. Presumably the Minister of Industry and Commerce would not be opposed to the operations of another aircraft manufacturer in Manitoba or the operation of another food processor in Manitoba. Presumably, as the Minister of Industry and Commerce, he is interested in seeing that happen; and then what happens when the new private operator and the partly government-owned operator are competing for footholds in overseas markets? At that point is there going to be an equality of treatment or is there likely to be the danger, the vulnerability here of preferential treatment?

MR. EVANS: Well, Mr. Chairman, as I said, this is a very hypothetical problem, but our policy in the past has been to treat companies on an equal and equitable basis. I'm thinking now more in the area of trade but it's a good example. In a trade exhibition, a fair held at some country, and we do have some companies that manufacture similar products -- metal fabricating, for example, and so on. We have attempted to treat them on an equitable basis in this respect. You know, the honourable member does pose a dilemma. I suggest it's somewhat hypothetical and I would think that we would do what was best in a particular situation, and that's a value judgment, I know, but I really don't think we're going to have many problems of that type, in all due respect.

MR. SHERMAN: Well, I hope the Minister's right. Thank you, Mr. Chairman.

MR. CHAIRMAN: Mr. Spivak.

MR. SPIVAK: Well, Mr. Chairman, it's not a question of moving this because we haven't reached . . . but I wonder if there'll be an agreement on the part of the Minister for the inclusion of another clause at 4 (3), and that I think would have a great deal to do with the acceptance of debate on the objectives itself. I'd rather the Legislative Counsel give me the wording and it's subject to some, not only change, I mean the intent has to be made more clarified. I wonder if the Minister can at least listen to this and on the basis of, well, really carrying out the intent as expressed.

It would basically say that there would be a Section 4 (3) which says: "that the corporation shall not (a) engage in the retail sale or distribution of products, merchandise or services; or (b) retain as inventory any products or merchandise that has not been committed to a purchaser before it was acquired by the corporation."

MR. EVANS: . . . it negates?

MR. SPIVAK: No, I don't think it does.

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Well, Mr. Chairman, you know, I'm prepared to give a commitment, as I have given, and I cannot see us entering a retail deal whatsoever. But, you know -- and again you're getting -- I think the concern relates mostly to 4 (1) (1) I believe. When we get to that point I'd like to refer to some examples. In fact, I can discuss them now. Everybody seems to be getting ahead of the sections or the clauses. I don't think it would be practical for us to be engaged in retail selling, but on the other hand, when we talk about (1) I wanted to explain our concern for certain depressed areas of Manitoba where there's significant amount of structural unemployment, where the people locally are making a terrific effort to produce goods but where they are definitely having difficulty in selling those goods in Manitoba and outside of Manitoba. And I refer, for example, to the St. Laurent Co-operative.

Here is a group of people trying to help themselves. They are having difficulty, as I understand, in merchandising. Now really the intent in that area was to assist these people in whatever way we could to help them help themselves, and there may be an occasion, there could be an occasion when we would like to help them and it may somehow involve some retail operation, but, you know, I can't imagine that. I would imagine us acting more as an in-between agency helping them bring their products to the existing marketing outlets, whether it be a large department store or what have you. But there may be a case where somehow or other you end up on a temporary basis or in a very special case, and therefore I would not like to inhibit the Corporation. But, again, you know, I give you my undertaking that 99.99 percent of these operations will not involve that. Likewise with the matter of inventory, because I don't think that's a practical way to proceed. I want to repeat that there was nothing in the previous Act that precluded this Government or any government from buying on speculation, and we did not engage in that. So I think the past experience would indicate that, you know, if we wanted to do that we could have done that earlier; we could have done it previously.

MR. CHAIRMAN: Order, please. We seem to be ranging over a wide area of clauses here and I wonder if it wouldn't expedite the work of the Committee if we got back to the clause by clause, and then, you know, work down to where you want to speak and then we can deal with that and move on.

We're on 4 (1) (a). Any further discussion? Pass? (Pass). (Section 4 (1) (b) to (k) was read and passed.) (1) . . . Mr. Spivak.

MR. SPIVAK: Mr. Chairman, . . . the Legislative Counsel is working out another clause to the amendment that I discussed which would take into consideration exactly what Mr. Evans has discussed - exactly; so that that situation would be capable of being protected. I think our intention would be, and we've voiced our position with respect to (1), we will deal with it by proposing an amendment of 4 (3). If the Government rejects it, then our position is essentially that the Government has the ability, notwithstanding anything that's been said in this Committee, has the ability to do all the things that are of concern to us. So that rather than deal on the debate on (1), we'll deal with it on the basis of the amendment which was before (3).

MR. CHAIRMAN: Right. (1)--pass; (m)--pass; 4 (1)--pass. 4 (2) . . .

MR. SPIVAK: Mr. Chairman, on 4 (2), I am assuming that the promotion in the special situation is the one that the Minister's just referred to. The St. Laurent Co-operative, as an example, is one. Is that right?

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Yes. In the case of the St. Laurent Co-op, and there are one or two other potential examples, we would be helping to make contacts with the existing department stores and outlets and help them with their promotion. This is a very critical area, Mr. Speaker, when you look at the unemployment figures, which are relatively low but nevertheless there is a body of unemployed in Manitoba and it tends to be in certain geographical areas of the province, among other things, and I note that like the people of St. Laurent and the people at Amaranth are very anxious to bring industry to their particular locale, but they do have a merchandising problem. They don't have the wherewithal to compete and so on. I think we can, through this particular section, assist them greatly in this respect. It is not our intention to replace, you know, the existing activities of established enterprises. That is not our intention.

MR. SPIVAK: Okay.

MR. CHAIRMAN: 4 (2)--pass? (Passed) Mr. Spivak.

MR. SPIVAK: I wonder if I can move an amendment here with the Legislative Counsel, that Section 4 of the Bill 74 be amended by adding thereto at the end thereof the following subsection: "Subsection 4 (3). Subject to subsection 4, the Corporation shall not (a) engage in the retail sale or distribution of products, merchandise or services; or (b) retain as inventory any products or merchandise that have not been committed to a purchaser before it was acquired by the corporation. 4, subsection (4) subject . . ."

MR. EVANS: Subsection (3).

MR. SPIVAK: "Subsection (3) does not prohibit the corporation from engaging in the retail sale or distribution of, or the retaining of inventory not committed to a purchaser, of products or merchandise produced by a manufacturer or processor designated in the regulations as a Government-sponsored emerging industry."

MR. CHAIRMAN: Mr. Evans.

MR. EVANS: Well, I appreciate the honourable member's intention and concern. He feels that our policy direction on this, or at least our statement of policy direction may not have been adequate. What I am concerned with is that there may be the odd case. Now, I know reference is made to special circumstances as set out in the regulations for a government-sponsored activity. In some cases it may not be a government-sponsored activity necessarily. You know, it could be a bona fide co-op, although I suppose the co-op may be under the Department of Co-operative Development, and maybe a little later you may argue that it's government-assisted.

You know, there is a wild rice -- there's an Indian Co-operative producing wild rice. I don't know whether we're assisting that Indian Co-operative directly, but that Indian Co-op, we're trying to sell their wild rice in the United States now. It's possible that we might want to do this in Winnipeg. There could be an occasion of an exhibition and we may be engaged in the retail sale of wild rice for this Indian Co-operative, which may not be government-sponsored. I just feel that we should not restrict -- I'm afraid there may be cases where we're going to be restricting the operation of the Corporation, so I would suggest that we don't . . .

MR. CHAIRMAN: Mr. Paulley.

MR. PAULLEY: Mr. Chairman, I don't know if the Committee is ready for this question or not. It's no purpose of mine to bring about closure even sometimes though I'm accused of it. We have to go back into the House in order that we can adjourn at 12:30, and unless there's an insistence on this vote being taken, I would suggest that the Committee rise. I require at least ten members in the House in order that Mr. Speaker has a quorum, in order that the House may adjourn until 2:30 this afternoon. I don't hear any inclination otherwise, Mr. Chairman, so I move the Committee rise.

MR. CHAIRMAN: Committee rise. Okay.

MR. PAULLEY: Will at least 10 members go into . . .