THE LEGISLATIVE ASSEMBLY OF MANITOBA 8:00 o'clock, Thursday, April 17, 1975

COMMITTEE OF SUPPLY CONSUMER, CORPORATE AND INTERNAL SERVICES

MR. CHAIRMAN: I refer honourable members to Page 15 of their Estimates Book. The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, when we left off before supper the Honourable Minister was stating that they'd been preparing a report on the computer. Have they that report prepared, and could they table it? Could it be tabled, so as it could be looked at by members?

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, the matter referred to, resulting in a reduction of 30,200, was as a result of the completion of a study, and consequently because it was complete the lack of need for further moneys. The study itself though was an examination of computer utilization within the government service, and I do regard it as an internal document, and consequently I would not normally want to table it.

MR. HENDERSON: Was this the Phoenix Data that did this work for you? Phoenix Data, this MDC, Manitoba Development Corporation one that went broke, is this the one that was working for you?

MR. TURNBULL: Mr. Chairman, the Member for Pembina seems to be somewhat confused between the departmental responsibilities of Consumer Affairs and the responsibilities of the Manitoba Development Corporation which reports to the Minister of Mines. There is, as far as I know, no link between Phoenix and the computer study that was undertaken by various line departmental and Crown corporations. The Phoenix operation, as I understand it, provides service to the private sector and to the Department of Education, which in turn makes the Phoenix CBC computer available to the school system.

The study I am talking about was an administrative study, a study of computer use within the government, and a study of how those computers could best be administered. Now there is no connection between Phoenix as a computer operation providing service to the private sector and to the Department of Education and the study that I referred to.

MR. HENDERSON: When you're making these remarks, are you referring to other expenditures, or are you referring to salaries. I notice that salaries are down too. Has there been staff dropped on account of the study being completed?

MR. TURNBULL: Perhaps we'd better get the order by which we're going to proceed straightened out, Mr. Chairman, we were on vote (1)(b)(2) Other Expenditures, and now I understand the member wants me to go back to (1)(b)(1). Is that (1)(b)(1)? We were on (1)(b) (2), which was Other Expenditures and that's what I'm pointing out to you, Mr. Chairman, he now wants me to go back to (1)(b)(1), and I await your ruling on that.

MR. HENDERSON: Well if we went back to (b)(1) it was because you answered (b)(2) when I put a general question that was really referring to (b)(1).

And talking about reports I think I should remind the Minister that when he was making his opening remarks he stated that the report had been filed or had been given to the Legislature of the Consumer and Corporate Affairs Branch, and after he did that I went over to him and asked if I could have - that I hadn't got it, and I said could I have it. Well he said it was filed about a month ago or tabled about a month ago, and I went around looking for it. I was in about four different offices and we couldn't find it. And finally I found out that the only one that had a copy of it was the Clerk of the House, and I think that it really should be an obligation of the Minister if he's going to table any report to give the opposition parties a copy of it because in this particular case we didn't have any access to it.

MR. TURNBULL: Mr. Speaker, I would have thought that a report tabled in the House was available, not only to members of the Legislature but to the public at large. However in response to the Member for Pembina yesterday, I did have sent to the Conservative Caucus a copy of the Consumer Affairs Report, and his caucus didn't seem to have a copy. It was filed as Sessional Paper No. 50, as I recall. He's got the report now and if he had wanted it earlier, I'm sure he could have got it from the Speaker's office without any difficulty.

MR. HENDERSON: I'd like to tell the Minister that the only copy that was in this whole Legislative Building that I could get near, and that was after going through all the other offices,

(MR. HENDERSON cont'd) was in the office of the Clerk. I went through my file, and I thought maybe I'd mislaid it, and I asked other members, and I went to the Leaders, and I went to our Progressive Conservative Caucus room, and they didn't have it, and I went to the Library and it wasn't . . . And I think just through courtesy that when you table a report that the Opposition parties should get a report.

MR. CHAIRMAN: Resolution 35 (b)(2)--pass; 35(b)--pass; (c)(1) -- The Honourable Member for Assiniboia.

MR. PATRICK: Yes, Mr. Speaker, I would like to ask the Minister at this time, when there's a petition for a bankruptcy does he make any investigation in this area at all, or not? There's been times when people have prepaid their tuition fees for different items - a few years ago there was the problem of the health spas which have collected premiums and then they were closed, and the companies have filed petition for bankruptcy and were declared bankrupt. In many of these instances, Mr. Chairman, it's the wages that really concern me when a company goes bankrupt. Does the Minister at any time make any investigation to find out if the bankruptcy was legitimate, and is there any protection or has he given any consideration to protecting the employees of any company when such a thing happens?

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Once again, Mr. Speaker, I realize that the Department of Consumer Affairs and Corporate Affairs can be involved in many many areas. The Bankruptcy Act is an Act of the Parliament of Canada. It's administered by the Federal Government, consequently I would not normally undertake or direct my staff to undertake an investigation of the bankruptcy filed under a federal statute. I would assume that if an investigation was in order that it would be undertaken by federal civil servants and not provincial civil servants.

MR. PATRICK: Mr. Speaker, I understand the Government in British Columbia under their Trade Practices Act have taken very active part in this area, and is the Minister indicating to the House that it is completely beyond his jurisdiction or that he hasn't got the necessary legislation. But I do believe they do take action in British Columbia.

MR, CHAIRMAN: Resolution 35 (c)(1). The Honourable Member for Pembina.

MR. HENDERSON: Yes. Mr. Chairman, I'd like to pursue that a little further. I don't think we should pass right on without getting an answer from the Minister on it because it used to be that bankruptcy meant that a person was ruined and that their credibility was drawn completely. But now we have companies that set up different, or individuals that set up different corporations and often bankruptcy to the public looked like a way or getting out of paying their creditors and not paying up their debts. And I really think this is something that we should be thinking about a lot more. And if it's a federal responsibility, who draws it to the attention of the federal people, because I feel there's a lot of bankruptcies which are almost planned bankruptcies.

MR. TURNBULL: Mr. Chairman, the Member for Pembina may wish to make allegations about those individuals who file in bankruptcy. I would not do so. If he is suggesting that the Provincial Government of Manitoba has search jurisdiction over the field of bankruptcy, that is something I am not at the moment contemplating.

And in answer to the Member for Assinibola I would say that what is happening in British Columbia is really not a concern of the Legislature under the particular item that we are considering in the estimates of this department.

Now as I said earlier, sir, there are a number of areas in Consumer and Corporate Affairs that are divided between the federal and the provincial jurisdictions, and if we are to proceed in debate here about federal jurisdiction, British Columbia jurisdiction, etc., we will never get through these estimates. But if I need to reiterate what I said, if I need to reiterate what I said about bankruptcy being a federal responsibility, I can do so. If in fact what the Member for Assiniboia is concerned with is whether or not a proposed Trade Practices Act in this province would involve the Provincial Government in examinations for bankruptcy, or examinations after the fact of bankruptcy, that is a matter of policy and I'm afraid he will have to wait until such time as the legislation is brought before the House.

MR. HENDERSON: Well, Mr. Chairman, this is the concern of many people, what is the Consumer Branch doing in Manitoba? Are we wholly dependent on the federal people, and how good is the communication, because we sometimes wonder? I know the budget in one sense actually isn't too large but then we're getting very little, you know. So what do you do? This is the point, what do you do? And how is your communication with the federal people on this?

MR. TURNBULL: . . . with the federal people on bankruptcy, there has been no communication between my office and the Federal Government on bankruptcy. If he was talking about the communication of my office with the Federal Department of Consumer and Corporate Affairs in other matters, then there are a number of letters that have been written, there are a number of communications that are ongoing, continuous, between the staff of this department and the staff of the Federal Government. But most of the things that the Department of Consumer Affairs communicates with the Federal Government on are of concern to the department and are administered by the department under the statutes. I can read the statutes to the member if he wants. There are 21 statutes, many of which involve the staff of the department in communication with the Federal Government. But on bankruptcy, bankruptcy legislation, bankruptcy administration, there has been no communication between my office, as I say, and the Federal Government.

Now, Mr. Chairman, there are a number of other areas that the department has been involved in. I did, I thought, go into some detail in the opening remarks that I made with regard to the nature of the complaints that the bureau handles in the course of its day to day business. It is a bureau geared to response to the citizens of Manitoba, their response of course is varied, depending upon the nature of the concern to the consumer.

Now the Member for Pembina, I think is familiar with the Landlord and Tenant Act. I can give him the statistics indicating the workload of the bureau; I can give him the statistics indicating the workload of the bureau with regard to the administration of the Consumer Protection Act. If he wants me to table correspondence between myself and the Federal Government on a variety of matters, if he can be specific and ask me what it is that he wants me to table, I can. It was only I think within six weeks of my appointment to this Ministry in December of 1973 that I was in fact in communication with the then Federal Minister of Consumer Affairs, Herb Gray, and with the then newly appointed chair person of the Food Prices Review Board, Beryl Plumptre, about the pending, at that time, pending increase in the price of bread in the Province of Manitoba. And the Member for Pembina may remember that at that time the department did establish an inquiry under the Trade Practices Enquiry Act. And at that time in 1973, I do believe, it was the first time that statute had been used in the manner that I used it then. And in a number of cases since I have contemplated invoking the power of that Act to conduct investigations, and indeed if I thought the results of those investigations could be a restraint in price increases in the marketplace, or even a control of prices in the marketplace, I would use the Act more often. Now if the member is advocating that the Trade Practices Act be invoked more often on a variety of business practices and prices, then, sir, I can take that under advisement and at his suggestion and advice, use the Act more often.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON; Well, Mr. Chairman, the Minister has given me a lot of information about the Consumers' Bureau and the Landlord and Tenant Act, I was talking about the bankruptcies that were going on in Manitoba. And this is the kind of an answer I expected. Now he's jumping away down here to a section I want to deal with further, and I intend to ask questions when we get there. But I'd like to know how many bankruptcies there was in Manitoba, and how many we had last year, and if there is a terrific increase, is the public being cheated out of money that they should have, or his creditors, and how much of an increase is there in this. Because I feel there's quite an increase.

MR. TURNBULL: If the Member for Pembina wants statistics about the number of bankruptcies under the federal statute in Manitoba, that information can be obtained. Obviously, because the branch, the corporate branch, does not administer the Act, they do not have that kind of information at their fingertips. But I will undertake to get the information from the Federal Government and save the Member for Pembina the effort of phoning the Federal Department of Corporate Affairs.

MR. CHAIRMAN: Resolution 35(c)(1)-- The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I have a question for the Minister. I wonder if the Minister could advise, is it unlawful for a manufacturer in Manitoba to sell goods in the stores, the retail outlets, without both French and English labelling on it.

MR. TURNBULL: Mr. Chairman, I understand that there is a Federal Statute, as the member for St. James well knows, which among its other provisions, does require that labelling be in both French and English, although as I understand there is no necessity of giving

(MR. TURNBULL cont'd).... prominence to the French labelling over the English. If the Member for St. James is asking whether or not there is a provincial statute that makes advertising or labelling of products in languages other than English illegal, then I can answer him, no.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Chairman, we're only one or two items down the estimates so far and all that we've heard about every item we've touched is that it's a federal responsibility. I wonder if the Minister feels that this Department is really necessary, or could it be administered at the federal level more effectively.

MR. TURNBULL: Mr. Chairman, I draw the Member for Minnedosa's attention to the British North America Act.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I just have a question for the Minister in the way of getting some information. Can the Minister tell me whether the responsibility for administering the Narcotic Control Register whereby pharmacists are required to have individuals who purchase drug goods which may be considered poison to sign a form to that effect. Is that in fact administered by your department?

MR. TURNBULL: Mr. Chairman, again - and I suppose the members could play this game for some time - again this matter is within federal jurisdiction, and certainly within my department again there is no statute which requires the procedure outlined by the Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wasn't asking for a lecture on constitutional rights. I was simply asking for a matter of information as to who in fact deals with pharmacists who are retail personnel in the Province of Manitoba, in terms of some control over the sale of specific drug goods, packaged drug goods in pharmacies, and whether that in fact is in any way administered or looked after by provincial authorities.

MR. TURNBULL: Well there is, from what the Member for Fort Rouge has said, an area here of some substance. I would like to deal with it in a similar manner, in a substantial manner, but it is a matter for federal jurisdiction, it is within the Food and Drug Act, as far as I know, and is administered by federal civil servants. Now I don't wish to presume to lecture to the Member for Fort Rouge on the British North America Act, but I did think that when I responded initially that I had answered his question in the negative.

MR. AXWORTHY: Mr. Chairman, if the Minister will spend a moment, the reason I ask is this, and I think it's a fairly serious one. I want to determine whether there is any opportunity or availability of provincial authority to provide some closer regulation of the sale and dispensation of packaged goods in pharmacies. And let me give a specific case in point. I received some communication which is quite distressing, and that is that there is presently a growing problem in the city, and I suppose elsewhere in the province, where people are becoming addicted to things like 222's, and Sominex, in other words drugs such as this which have a high degree of codeine in them, and that the addiction problem for many people is becoming very severe. There really is no treatment facilities, and obviously one of the solutions, or requirements, would be to take such packaged goods which presently do not require prescriptions and move them back off the shelves, or out of the area of normal transaction where a consumer has a choice. I'm trying to determine whether there is an area where we should be investigating the possibility of taking some action, because I simply want to underline, I have had some communication from constituents of mine and it's a problem of really until I began investigating I didn't realize how wide-spread it is where both adults, older, particularly I gather senior citizens and younger people are increasingly purchasing goods such as 222's, using them really as a form of addictive drug or chemical, and there seems to be no way of controlling them as the Federal Non-abusive Drugs Program doesn't really deal with it directly, and I just wonder if the Minister feels he has any competence to try to - and I don't mean that in a personal way, I mean competence under the jurisdiction of the province to begin regulating the availability of such packaged drug goods which include codeine, so this problem at least would be handled in some way, and particularly, I gather, that there is a requirement for pharmacists normally to have people who buy goods which are labelled poisonous to sign a register, which is not taking place. That particular application seems to have gone by the boards. I am wondering if the Minister, either in terms of formal jurisdictions or even

(MR. AXWORTHY cont'd) in an informal way, could begin to investigate or look into this problem, so that we could deal with what is, I gather, a very growing social problem for many people.

MR. TURNBULL: Well, Mr. Chairman, the Member for Fort Rouge has hit upon what is indeed a major social problem in modern Canadian society, and I am well aware of it, from a social point of view. If he is asking about the jurisdictional competence of the Provincial Government to legislate in this area, I would have to say that likely there is no jurisdictional competence of the Provincial Government in this regard because I assume that many of the products he is talking about are listed under various federal statutes, on the charts or registers of various drugs coming within those statutes. However in terms of the marketing of the goods at the retail level, that does, sir, strike me as an area that my department might examine to determine if in fact there would be a feasible way of the Provincial Department of Consumer Affairs enforcing perhaps, or reminding, reinforcing first of all the maintenance of a register of poisonous drugs, or commodities that are sold, and examining whether or not it would be possible if there is no proper maintenance of that register, if it would be possible to have it enforced. Certainly I'll take this particular matter under advisement and see what we can do as a department, or what we can do in conjunction with other provincial departments or what the province can do in conjunction with the Federal Government.

MR. AXWORTHY: Just one final question, Mr. Chairman, and I thank the Minister for his undertaking to look into the problem. I wonder if he would also be prepared to negotiate or discuss with his colleagues – I guess it would be the Minister of Corrections who I believe now has control over problems of addictions, and so forth – to determine whether in fact there would be any program or instruction to the agencies in the city, who are presently dealing with addiction problems, to determine whether they could take some action to cope with the problem and at least meet it, and might convene some forum where that particular part of the problem could be discussed to see if again if there's areas of provincial initiative in the area.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Well, Mr. Chairman, just a passing comment on the last exchange. I don't wish to minimize the importance of the problem raised by the Honourable Member for Fort Rouge, nor do I wish to defend the Minister in any way, but it's my understanding that it's very difficult if not well nigh impossible in certainly many drug stores that I'm familiar with - I don't know about the drug stores in Fort Rouge - but certainly in the drug stores in Fort Garry, you can't walk into a drug store and obtain a medication that contains codeine without going to the pharmacist, without going to the operator or the senior person in the drug store at that point to obtain it. They're not obtainable just off the shelves. If you want something with codeine in it, you have to go and ask the senior person in attendance for it.

Now that may not apply everywhere, but it applies as I say in the drug stores that I come in contact with in my own constituency. I presume it's supposed to apply everywhere, and I would hope that, you know, that some sort of regulation of that sort would be sufficient without getting into too much bureaucratic red tape, and too much policing of the consumer and the consumer's activities. I just wonder whether the - as I say, I don't want to minimize the problem raised by the Member for Fort Rouge, but it surprises me that he should raise it and give it the note of urgency that was implicit to me anyway, in his remarks. I thought the problem was being dealt with in the manner that I've already suggested.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I thank the Member from Fort Garry for suggesting that there may be an answer. I've looked into the problem to the extent of my resources, and I think that first the problem was brought to the attention by people who have indicated that there is a requirement for any purchase, for example, of 222's to be made on request, but there's no control, as such, so that any person could walk in as many times in one day as they would want to be able to obtain a package of 222's which has a substantial volume of codeine in it, and that there is really no control on that purchase. It's not done by prescription or by any other kind of register; and that secondly, because such packaged goods are often on display and available to public sight, then they become part of an advertising display. I was simply raising with the Minister - I realize that there is that requirement to make a request for it. But the request is almost, as I gather, almost a nominal one. If you ask for 222's it's like

(MR. AXWORTHY cont'd) asking for aspirin or something, you're just given it as a matter of purchase, and I think that the - without getting into individual cases, because I don't feel at liberty to go into that in the House - but certainly the cases that have been brought to my attention indicate that there is a high degree of license in the purchases of such goods and that they are increasing, and as I gather even more seriously talking to some people who are working in the field, that as there is an increasing control in other areas of addictive-forming chemicals, young people, and so on, are especially using these, or beginning to fall back on - I think there's a sleep tablet called Sominex, or something, which also has a degree of addictive forming elements in it, and that becomes a replacement for other drugs which are no longer as easily available. So I think that the member is right, but I'm just asking really about the implementation and enforcement of it as a way of coping with the problem.

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

MR. MINAKER: I wonder, Mr. Chairman, if the Minister could advise us what role his department plays where they receive complaints from citizens in Manitoba relating to federal jurisdiction – I'm thinking of in this instance the bilingual labelling, also say child-proof tops on bottles – if the Minister's department gets a complaint from a citizen to the effect that the law isn't necessarily being obeyed, and we find it's a federal law, what role does his department play, and what jurisdiction do they have?

MR. TURNBULL: Mr. Chairman, the jurisdiction of course if it's a federal matter, none, as I've said tonight. But if the matter comes to the attention of the staff of the bureau, or myself, that particular subject matter is taken up with the Federal Government people, either regionally located or in Ottawa, and I try to maintain as rapid a communication with them with regard to these types of problems as I can.

Mr. Chairman, we are on the Administrative Services and Companies Branches, and many of these questions that I am now taking really relate to the Consumers Bureau, and if members have further similar questions perhaps when the Director of the Consumers Bureau, Mr. Mason, is here, rather than Mr. Snider, who is the Director of the Companies Branch, we could deal with these questions relating to consumer products, and responses to complaint of consumers, and matters relating to safety of consumers.

MR. CHAIRMAN: We're on (c)(1). The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I wish to go back to the bankruptcies and I did not get a - I'm not satisfied with the answer I got from the Minister. I believe that the exploitation of people by the unscrupulous is still a very unhappy misfortune in this province, and in this country, and if the Minister would only contact his own Minister and colleague, the Minister of Labour, he would know how serious this problem is. And I know he says, "Well, you have to talk to the federal people." Well I wish to be just as critical of the federal people as well, because when you talk to the federal people they tell you, that we're working very closely with the provincial people, and we're sort of working with the provinces with their consumer legislations, and we're working very closely. And it appears to me by listening to the Minister, it's not happening. So somebody is not giving us the facts, and I think it's very unfortunate.

The other point is, I wonder what is the Minister doing about deceptive, unconscionable transactions in this province. Is he doing anything? Has he got the power to do anything about these circumstances? So surely, do you provide any legal rights for the consumers in these cases? We talked about it last year, and I am concerned, and the answer I got from him is not satisfactory.

MR. CHAIRMAN: I think if we're dealing with Consumer Affairs, would the honourable member wish to deal with that under Administration (a)(1) under 36.

MR. PATRICK: Mr. Chairman, I'm dealing with the bankruptcies, and if you tell me that I cannot deal with bankruptcies I won't deal with it. But we are under the Companies Act.

MR. CHAIRMAN: . . . you're talking about consumers I thought you were under Consumer affairs.

MR. PATRICK: So I would like to hear from the Minister on the questions I raised.

MR. TURNBULL: Mr. Chairman, I think when you referred to the Member for Assiniboia's comments with regard to unconscionable transactions, you were asking him to deal with it under the Consumers Bureau when the Director of the Consumers Bureau was here, and I think that would be a more satisfactory way of dealing with those particular questions.

With regard to, again to the Federal Bankruptcy Act, it is a federal statute, as I have

(MR. TURNBULL cont'd) indicated there is discussion, meetings, travel, communication, letters, etc., between the staff of the Companies Branch and their equivalents in the Federal Department responsible for the Bankruptcies Act. Now I hope that answers the Member for Assiniboia's question.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, since the Minister is going to get me some information on the bankruptcies and the number, I wonder could he break them down into personal bankruptcies and corporation bankruptcies, and are both of them federal responsibilities?

MR. TURNBULL: If I heard the member correctly he was asking whether personal and company corporate bankruptcies are federal? Yes.

MR. CHAIRMAN: Resolution 35(c)(1)-pass; (2)-pass; (c)-pass. Resolution 36(a)(1) - The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, we're now dealing with the Consumers Bureau and I think probably there are several questions that we'll be really wanting answers to, and I just think probably I'll try and place them one at a time, and I think probably it has to do with, shall we say, advertising that's deceptive. And I wonder if it's his bureau's responsibility to check on people such as, even like Autopac when they advertise that there'll be a certain increase, a certain rate, and then it turns out to be another. Now don't you think that this is your responsibility, too, when there's deceptive advertising done?

A MEMBER: Ask him if he's had any complaints from the public.

MR. TURNBULL: Mr. Chairman, the matter of deceptive advertising is of concern. He is the Minister responsible for the department and it is of concern to the Director of the Consumers Bureau and the staff. If there is deceptive advertising which we justifiably think is really deceptive, it will be brought to the attention of the Federal Government, who, I must say, is usually on top of these situations, if in fact it is deceptive advertising.

Now, if he is asking me if there is statutory authority for us to enforce advertising of a particular standard, there is not, in our Consumer Protection Act as it is presently written. But often with these matters of advertising, there is an Advertising Council of Canada, which the director and myself have been in communication with. I believe that in many cases such as this, and even in cases where advertising is not perhaps in good taste, that that Advertising Council will bring to bear pressure on the person who is paying for that ad and the ad will be altered.

Now, as I say, the Federal Government in my opinion acts with precision on these matters where in fact they have jurisdiction, but we do not have statutory authority here in the province.

MR. HENDERSON: Mr. Chairman, I find it very difficult to see that the Federal Government is really responsible for the Provincial Government of Manitoba when they do deceptive advertising. And to pass it off by just saying well that's the federal people to check up on the Manitoba people all the time, it just doesn't seem right. Now if anybody else in business had advertised that they were selling something at a 14 or 19 percent increase and then when the people went to purchase it it turned out to be about in the neighbourhood of 30, they'd be hauled over the coals for deceptive advertising. And there's not complaint in your department when a part of the Manitoba Government do it.

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

MR. MINAKER: Thank you, Mr. Chairman. I wonder if the Minister could advise with regards to liquor advertisements on TV does the federal jurisdiction control that with regards to indication of whether or not alcohol or the way that beer is advertised on TV? I believe the Chairman of the Liquor Board indicated he was not pleased with some of the ads that were on TV where it indicated in order to have fun you had to have a bottle of beer in your hand. Would that come under federal jurisdiction or does that come under your own provincial? And how do you handle that?

MR. CHAIRMAN: The Honourable Minister.

MR_o TURNBULL: Mr. Speaker, it comes under the Liquor Control Act and the regulations passed pursuant to that Act and it's administered by the Attorney-General. And if the Member for St. James had questions about the administration of that Act, the proper place to have asked it would have been during the Estimates of the Minister responsible for the Liquor Control Commission. Now I have attempted to deal in a straightforward way with the question.

(MR. TURNBULL cont'd) I'm sure the Member for St. James has some other point relative to this matter that he wants to make. I can't say that I've had discussions with media people about the nature of beer and wine and liquor advertising in the province, but the responsibility for it is with the Liquor Control Commission.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Well, Mr. Chairman, to come back to the Autopac advertising practices. Has the Minister had any complaints about them, number 1? No. 2 what has he done, has he referred the complainants to another agency? Could he expand on that?

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: I have had one letter to my department that I can recall offhand, Mr. Chairman. I recall it, because I met the gentleman I believe that wrote the letter tonight at the Chamber of Commerce dinner which we have all just returned from, and the Chamber did write complaining about the advertising practices of Autopac. I have a draft letter in response to that on my desk and I have had people in my department who are familiar with advertising examine it and they have not found that the advertising per se was deceptive. But if the Member for Portage la Prairie does feel that there is deceptive advertising, apart of course from deceptive newscasting, then if he feels it's deceptive advertising he should feel free to get in touch with the Federal Government. But those people within my department who are familiar with advertising do not think that Autopac ads, their advertising, has been deceptive.

MR. G. JOHNSTON: Did I understand the Minister, Mr. Chairman, to say that Autopac had released deceptive news releases? Is that correct?

MR. TURNBULL: Mr. Chairman, the Member for Portage la Prairie does not understand what I said correctly. I did not say that Autopac released deceptive advertising, I said there may have been deceptive newscasting and I think that there is quite a distinction there.

MR. HENDERSON: . . . responsibility on deceptive, would you turn this letter on.

MR. CHAIRMAN: Order please. Order please. If members will wait until they are recognized they can be sure that their remarks will be transcribed in Hansard. The Honourable Member for Pembina.

MR. HENDERSON: I'm sorry, Mr. Chairman. I'd like to ask the Minister in this case when he got a letter about deceptive advertising did he forward that one on to the federal people for their handling?

MR. TURNBULL: Mr. Speaker, if I had been given assurance from the staff that I referred it to that there was in fact deceptive advertising I most certainly would have referred it to the federal people. But I must point out to the Member for Pembina that it is my understanding that citizens of the province have in fact forwarded that advertising of the Manitoba Public Insurance Corporation to the federal department responsible for this area and I would think that that federal department will act with due dispatch in dealing with the charge. And I hope that the Member for Pembina will at least give credit to the federal department for acting as rapidly as possible on this and other matters relating to advertising.

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MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHINSTON: Thank you, Mr. Chairman, I'd like to follow this along just a little further and I'm going to try to be a little more specific as to the advertising. This is the brochure we have here, and it says, "Autopac reduced costs, by Peter Carlyle Gorge. Winnipeg, Manitoba motorists saved an average of about 15 percent on their Autopac in 1971-72 versus what they would have paid under private insurers rates, period." I specify "period," not several periods or anything else like that. Financial Post, May 19, 1973.

In the Free Press of January 29, it was pointed out, in this paragraph, at the extreme left the average person begins reading, is a quotation from May 19, 1973 edition of Financial Post. It reads, "Winnipeg, Manitoba. Winnipeg. Manitoba saved an average of 15 percent under Autopac". The spelling is Autopac not the Financial Post's. "Versus what they would have paid under private insurers rates." It would appear that the Financial Post made a blunt statement of fact. However an examination of that issue of the newspaper shows that the statement does not end with a period, there is a comma followed by the words "according to an Annual Report issued by Manitoba Public Insurance Corporation for the year ended October 31, 1972." Then there is a period and the words "Autopac is quoting itself". In other words Autopac is quoting itself.

Mr. Chairman, I do have a constituent who was one of the people who wrote to Mr. Rogers the head of the investigation of the Combines Act in Manitoba and he also wrote to Mr. Bertrand, a copy to him. He sent a copy to his MLA and his MP. I happen to be his MLA as I said.

Mr. Chairman, Section 37 of the Combines Act reads as follows: "Publications of false advertisements. (1) Everyone who publishes or causes to publish an advertisement containing a statement that purports to be a statement of fact, but that is untrue, deceptive or misleading or is intentially so worded or arranged that it is deceptive or misleading, is guilty of an indictable offence and is liable to imprisonment for five years if the advertisement is published (a) to promote directly or indirectly the sale or disposal of property or any interest therein, to promote a business or commercial interest." And Autopac basically is a personal interest because they do compete in the open market for insurance on the extension, so they are a commercial entity.

Mr. Speaker, if I read correctly the article of the Financial Post which I have looked up, I haven't just taken the word of the Free Press article, if I read this advertisement correctly it looks like somebody has purposely lifted, it's obvious that it was purposely lifted the way Autopac wanted it to sound and put in their advertising. And to me that is misleading and I'd like nothing better than to see the Minister go to jail for five years for it.

My concern is that the Department of Consumer and Corporate Affairs or the Minister's Department whether he wants to stand in this House or not and tell us that everything that he does in his department is basically Ottawa's jurisdiction I would suggest that I would hope his department when they see something wrong according to federal legislation would take considerable action on this part. I'm a little disappointed in the Federal Government as well, because Mr. Bertrand did answer my constituent's letter. Mr. Chairman, he says thank you in his first paragraph, naturally it preceded the second paragraph, "Your suggestion that this Provincial Crown Corporation's advertising be examined in relation to misleading advertising provisions of the Combines Investigation Act has been noted. As a creation of Manitoba Legislature the Corporation however would appear to be one of the eminations of the Crown which are generally exempt from the provisions of the Statutes such as the Combines Investigations Act." It's very nice to know that the Federal Government says that the Provincial Government is above the law. "It is doubtful therefore that legal proceedings under the Act could be initiated against this agency." Isn't that a wonderful thing. Our Minister of Autopac's not going to go to jail. Yet he can go and put out misleading advertising.

You see, irrespective of the foregoing comments because of the compulsory nature of Autopac insurance it is also questionable that the brochure could be considered as an advertisement within the meaning of Section 37 of the Combines Investigation Act. Isn't that marvelous, isn't that marvelous. Now that you have a compulsory or an organization that kicks everybody else out of business you now can do anything you like under the Investigations Act of Canada. You know isn't it marvelous that we're living in this wonderful society of Big Government being able to kick people around and not be responsible the same as other people.

(MR. F. JOHNSTON cont'd)

"I enclose the information letter which describes the scope of Section 36 and 37 of the Act and outlines how they are enforced." Next paragraph: "My predecessor and I have always considered Government departments of Crown agencies who engage in advertising have an obligation to maintain a standard of truthfulness at least as high as that required of the private sector." Well that's not really expecting too much of the Minister of Autopac is it? I would ask the Minister of Consumer Affairs is that too much to expect from the Minister of Autopac? Maybe you should slap his handies once in a while. Mr. Speaker, in the past where concern has been raised in this regard and the matter was not subject to provisions contained in the enabling legislation, corrective action was usually taken as a matter of public policy on the part of the respective agency. I haven't seen an apology from Autopac, and I haven't seen the Minister of Consumer Affairs asking for one.

MR. DOERN: Don't hold your breath.

MR. F. JOHNSTON: No, I won't hold my breath, when I know of people that would put out unprincipled advertising like this there's no reason to hold my breath. I'd go purple before they'd apologize. "While it is unlikely therefore that formal action under the Combines Investigation Act can be taken in the matter you have raised, I shall bring it to the attention of the appropriate provincial officials for consideration in the light of the comments I have made above." I wonder if he has. I don't know whether he has brought it to the attention of the Minister, but I would certainly like to know and when it does come to the attention of the Minister of Consumer Affairs, because the Combines Investigation Act does not believe they have jurisdiction over a Government entity, which is all powerful apparently and above the law, whether our own Consumer Affairs Minister will say anything in even a nice way to the Minister of Autopac that he has probably misled the people of Manitoba and that the Minister of Consumer Affairs would maybe take upon himself to take his responsibility in this respect because the Federal Government doesn't seem to want to, and speak to the Minister of Autopac.

I intend to answer Mr. Bertrand's letter and say that's not good enough. I believe he has the responsibility. I want an answer from him yes or no is that misleading advertising, and I intend to get it. I intend to get it if I have to ask my federal member in the House to get it. I don't intend to see people of Manitoba misled this way and I'm damn sorry, Mr. Chairman, that the Minister of Consumer and Corporate Affairs is satisfied to see people of Manitoba misled this way.

MR. CHAIRMAN: The Honourable Minister of Consumer, Corporate and Internal Services.

MR. TURNBULL: Mr. Chairman, there's a very interesting point that the Member for Sturgeon Creek makes, and that is that as I understood the reiteration of a letter that he read, there is no charge from the federal people that this advertising is in fact deceptive. And I did say earlier that if the advertising of Autopac was shown to be deceptive by the federal people that I assumed that they would take the appropriate action. I must say, sir, without being in any way derogatory of anyone involved here, that the letter that he just read strikes me as a classic example of red tape, bureaucratic red tape, where someone writes to a government department for information or for action in particular and what they get out of it is a referral back to somebody else and so it goes back and forth. I must say that I sympathize with him and have to express concern about that kind of circular movement of paper between different levels of government. But I will undertake this, that if in fact the Federal Government says that this is deceptive advertising I will take it up in no uncertain terms with the Minister of Autopac with whom I have already discussed the earlier letter that I did receive from the Chamber of Commerce.

MR. F. JOHNSTON: Mr. Speaker, I would just like to explain to the Minister that this is signed by Mr. Robert J. Bertrand, Director of Investigation of Consumer and Corporate Affairs, not a bureaucrat. In that respect he is the head of a department. Secondly, I would also say that it's not bureaucratic red tape, and I would like to suggest that if the Minister cannot see that this piece of advertising was obviously lifted from the Financial Post and put in this advertising the way the Autopac people wanted it to sound, I suggest the Minister is playing blind. With all due respect I suggest you are playing blind. And I would say that you had better do a little more than just talk to the Minister; I think it would be the manly thing. I remember one day the Premier of this province standing up and looking at us over here at the government and saying, "Be a man, admit it." I say the same thing to you right now. Be a man, admit it.

(MR. F. JOHNSTON cont'd) It's misleading advertising, and tell the people you did it. MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, through you to the Honourable Minister. Would the Minister advise if it is his department's policy to interpret the federal law that has jurisdiction and then decide whether in fact the law has been broken, and then make a decision on whether or not the letter should be forwarded to Ottawa.

MR. TURNBULL: No, Mr. Chairman, it is not our usual practice to interpret federal law but if a case is brought to our attention where clearly it is a matter of federal jurisdiction it's referred, and again, if it is clearly, obviously, without any doubt a matter in violation of the federal statutes, again it is sent to the federal department; it doesn't matter whether it's deceptive, or presumed deceptive advertising, or any other matter, it will be taken to the Federal Government and brought to their attention.

MR. MINAKER: Yes, Mr. Chairman, from the Minister's last answer there, then I would ask him why the particular letter that was mentioned that was sent by a member of the Chamber of Commerce, why that was not forwarded to the Federal Government for their information. I understand that you didn't send that. Could I ask the Minister why it was not sent.

MR. TURNBULL: Well, Mr. Chairman, I thought I had answered that. I answered it in this way, that the letter that I had received contained no enclosures. It was a letter saying that, you know, there was some deceptive advertising. I don't even think that they used the word deceptive. I can get the letter and table it if the Member for St. James would like. But it was a very general letter, there was no specific reference to specific words, and on that basis, it's very difficult to presume a charge of deceptive advertising or to presume that there's any other charge that should be pending, when somebody makes a general unsubstantiated allegation. What we heard from the Member for Sturgeon Creek is much more specific, and if that kind of information had been contained in the letter to the Chamber of Commerce, then the course of action I took might have been somewhat different.

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

MR. MINAKER: Yes, Mr. Chairman, then, if I understand the Minister correctly, that when he receives a letter which presumably the citizen has taken the time and is concerned enough to write him about a subject and if it falls into federal jurisdiction, if the Minister or his department determines that in their opinion it's not contrary to the act or a complaint, that it is not forwarded on. I would think, if I understood the Minister earlier in questions, that the Department, when it was federal jurisdiction they communicated with the federal government to make them aware of the problem. Now I understand the Minister give the answer that they interpret whether in fact it's a complaint or not. And I would think it would be a very simple matter when one reads a letter that if it is a complaint, or you know a concern, I would think a concern's a complaint and that they would be doing the people of Manitoba the best interest to forward that on to the Ottawa or the Federal Government agency to draw it to their attention. So I would have to assume that this is not the case and in particular in the case of Autopac.

I wonder, also Mr. Chairman, if the honourable minister when he received the complaint about advertising and so on, and I think he said he talked to the Minister responsible for Autopac, did they review the brochures that were put out and if so did they also check to see who were the people who produced the brochures for Autopac and talk to them?

MR. CHAIRMAN: The Honourable Minister for Consumer Affairs.

MR. TURNBULL: Mr. Chairman, the letter that I received from the Chamber of Commerce was of such a general nature that the draft letter I have on my desk has enclosures with it; and the enclosure is a document that the member for Sturgeon Creek just read out.

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

MR. MINAKER: Mr. Chairman, if I understand the Minister correctly, he did not send that letter to the federal agency to make them aware of the correspondence taking place between the Minister and the citizen. Is that correct, you didn't send anything, any communication to Ottawa?

MR. CHAIRMAN: The Honourable Minister for Consumer Affairs.

MR. TURNBULL: Mr. Chairman, to my knowledge, it was not sent from my office. I assume that the Manitoba Chamber of Commerce has the knowledge to send whatever letters they want to whomever they wish and I hardly regard the Chamber of Commerce as an ordinary

(MR. TURNBULL cont'd) citizen making a complaint. If they wanted to raise the matter, if the Chamber wanted to raise the matter with the Federal government, I'm sure they would have done so.

MR. CHAIRMAN: The Honourable Minister for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I would like to pursue this a little further. I think there's a basic principle involved here which we're facing right now, and the principle is, is a Crown Corporation basically above reproach when it comes to false advertising. I think it's a pretty serious situation that we face right now, because if we have a look at the MDC companies, whether it be Morden Fine Foods, Misawa, Flyer or Saunders, if these people more or less have a license to kill, if you want to call it that, with regards to advertising, I would like to know that. Is it within the Minister's portfolio or department to screen the advertising that these people are putting out? The incident that my colleague here from Sturgeon Creek has just pointed out I think is one that sort of initiated the whole thing and I think it's very very important that we know as government becomes more involved and entangled in business, is will they be above reproach. And the final question I think that has to be asked with regards to the brochure put out by Autopac, if a private company or a private individual had done that type of advertising, what would the Manitoba Consumer Protection Bureau have done and what would the federal people have done. If we want to treat people equally in this society that we are and we're talking about equality in , society, we surely have to basically come up with the proper facts and not try and mislead the public on a certain area. And I think it's a clear indication here that something has been lifted out of context and put into an advertising brochure. I really think that the Minister should tell us that, is his department screening McKenzie Seed advertising, different companies that are involved with MDC; are they above reproach when it comes to false advertising.

MR. CHAIRMAN: The Honourable Minister for Consumer Affairs.

MR. TURNBULL: Mr. Chairman, the Provincial Department of Consumer Affairs does not screen advertising, be it advertising of public corporations or advertising of private corporations or advertising of partnerships or advertising of individuals. We do not screen as a matter of course any advertising. As a matter of fact, Mr. Speaker, that kind of screening smacks to me almost of censorship. Nor is a public corporation of any kind above reproach. As the honourable member should well know, a public corporation answers through a Minister to the Legislature and through the Legislature to the people of the jurisdiction in which that corporation is acting. That to me is not above reproach, that is answerable to the ultimate degree, answerable to all the people. And I think that that, sir, is substantial protection for individuals.

The fact of the matter is, and the point's been made many times before, if the people of this province really believe that they've been misled by advertising by Autopac or Manitoba Telephone System or Manitoba Hydro or Saunders or McKenzie Seed or any other Crown Corporation, they will certainly make their views known at the next provincial election. I know that the members opposite do believe that they are making points and they are scoring and that as a result of that they will get a decision from the electorate which they want, but to say that a Crown corporation is above reproach I think is ludicrous. It is answerable, it's answerable to the people through a democratically elected parliament and that, sir, I think, is adequate protection for the public.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, my remarks are along the same line because we seem to be having a law for the government now and a law for the citizens. Because the Manitoba Hydro can raise its rates within a very short time and oil companies can do it, and yet if an owner of property has buildings or property leased to somebody, he can't raise his rates for at least the full period of the term it's leased and it might be leased for a year, and the least he can do it in is with three months if he's raising his rates. So here we have another case where the government's exempt and they can do things and yet as an individual or a citizen you can't. I wonder does the Minister of Consumer and Corporate Affairs ever think of this, because actually the government raises its hydro rates, oil prices can go up and a person who is renting property can do nothing, and yet the government can do this without even three months' notice. A person could have made a contract for maybe one year, maybe two years at a fixed rate and he's locked in, but the government can apparently do it whenever

(MR. HENDERSON cont'd) they like without even three months' notice. I wonder do you ever think of this.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, I do think of it. And I know that the Member for Pembina knows that I think about it. And I know as well, sir, that the Member for Pembina has heard of the Public Utilities Board which does in fact examine, scrutinize in a very complete way, the rates of some Crown corporations and some private corporations who have monopoly power. That Act, the Public Utilities Board Act has been in effect for many long years. And in terms of three months' notice, I can tell him that when the various companies that go before the Public Utilities Board, are to go before it, there is much, much more notice than three months given. It's usually quite a length of time. But, sir, I know that the Member for Pembina has concerns about Landlord and Tenant Act legislation and this may be one of his ways of dealing with it, but scrutiny of rate increases by the Public Utilities Board is pretty thorough.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: I have to admit that it has to come before Public Utilities but when it comes before Public Utilities it can soon be raised, and many people who lease property out can have it locked in for a year or two and they cannot raise their rates. They're locked in. So I don't think that's fair. So the government can raise the rates, and start charging more but a citizen can't. Talk about a law for the rich and a law for the poor, now we have a law for the government, it's above reproach, and yet the citizens are chastised.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, the Member for Pembina is speaking, I assume, when he says that the citizen cannot raise rent if he is a landlord, he presumably is talking about not being able to raise it if the landlord has a lease with a tenant. And, you know, when two adults get into a mutual agreement by contract then presumably as adults they have reached that conclusion and are not going to break it mutually.

I'm not really too clear what point the Member for Pembina is attempting to make but if he is saying that private citizens cannot raise prices generally then he is mistaken, of course, unless they enter into a contract. They cannot raise their rates to one another during the term of the contract, but contracts do not extend as the member well knows, to prices in supermarkets, prices of automobiles, prices of most commodities on our free exchange market, and those prices can be raised by anybody to the level that the market will bear. Now maybe the member for Pembina would like to elaborate on his point because I must confess that he hasn't made it too clear to me.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I'm sure that the Minister must be aware that anybody who's going to raise rent must give at least three months' notice, even if they're renting on a month to month basis. Many leases that are made are made for a full year's duration, and when other rates are raised this means that his source of revenue is cut down because of Public Utilities, which is the government, and other things like that being raised, and he is locked in, and it seems as if the government in this case penalizes the person who has property.

And I bring this up, Mr. Minister, fully conscious of the fact that we have many tenants that are good tenants, but you know it's the good tenants that have to pay, because of abuses that slip in rents have to rise. Even last year we were told that the rents had to raise five percent because of uncollectable accounts, because of different things in the Landlord and Tenant Act that we had it in. Now I know that most of the tenants are good tenants but when you get abuses either by tenants or by governments it means that property rents have to be raised and everage people who are good people are really stuck for it.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I had pursued a line of questioning earlier and as I told the Minister, I'm not satisfied with the answers nor am I satisfied with the answers from the Federal Government and I have no intention to drop it, in fact I have even gone to a a lot of trouble to get legal interpretation. But I would like to ask the Minister this, and I am asking him this because he may want to think twice about what he said on another answer. Does the Minister seriously believe that the election of a government, and I interpret his

(MR. F. JOHNSTON cont'd) words as meaning this, the election of a government then gives them the right to allow Crown corporations to give out misleading advertising for the term of that office until the next election. I would be very concerned if the Minister's statement regarding elections and mandates, if he really believes that the election of a government gives them the right to allow Crown corporations to give out misleading advertising until the next election.

MR. CHAIRMAN: The Honourable Minister for Consumer Affairs.

MR. TURNBULL: The answer that I gave was not an answer to a question along the lines that the Member for Sturgeon Creek has just outlined. My answer about Crown corporations answering to a Legislature, to the people, was made in connection with the statement by the Member for La Verendrye that these organizations are above reproach, and I was making the point that Crown corporations are not above reproach. They are answerable to the people. To me that is a very straightforward situation.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, I think probably I'd like to change the topic somewhat now. I feel I'd like to discuss parts of the Landlord and Tenant Act which can come under this portion I presume. Am I not right? And I'm wondering if under today's inflation and high cost if the present deposit is sufficient for to protect the landlords, and how do you feel about this?

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: I assume the deposit that the Member for Pembina is talking about is the security deposit which is one-half of the month's rent, and he is connecting the worthwhileness of this deposit with inflationary tendencies in the economy. I have to say, Mr. Chairman, that if he's asking me whether the increase in the inflationary prices means that the deposit is inadequate, I have to say, no, it is not inadequate, because to the extent that there are inflationary pressures in the economy rents will rise and if rents rise then obviously the security deposit goes up accordingly to the rents' increase. So in that regard I have to say that security deposits at one-half a month's rent are not inadequate.

Now there is another complete question here and I will perhaps anticipate the Member for Pembina, if he is saying that a half a month's rent is not adequate for a security deposit, that's another question. When the Act was passed it was regarded at that time as being adequate. I think as a principle it likely is.

MR. HENDERSON: I'm sorry, I didn't just follow that last part. Do you think a half a month's deposit is adequate today with the inflation we have - when there's damages done?

MR. TURNBULL: I thought I had answered the member. I'll try to restate it perhaps. I'm saying that if there are inflationary price increases rents will go up. If rents go up the security deposit obviously goes up proportionately. If that's the case then the security deposit will match the inflationary increase.

Now, there's another question here, and that is the question of principle, whether or not in fact a half a month's rent is an adequate security deposit. I think it is and that was embodied in the legislation by vote of the members of this Legislature.

MR. HENDERSON: From the Minister's remarks I'd like to direct a question to him and ask him has he ever owned property and had any experience in this line?

MR. TURNBULL: Mr. Chairman, that is a rather personal question. I don't even know if it's in order, Mr. Chairman, but if he wants to know, I do own property, and I have for a number of years. I can go on and outline my involvement financially if he wishes. Perhaps he would like to know when I was 19 I was investing in a stock market. Perhaps he'd like to know what stocks I invested in at that time. But I hardly think it's pertinent to this Legislature.

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MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I'd like to ask the Minister a question on the other side of the coin which we've been examining at the moment, and that is the side of the tenant, particularly the tenant on fixed income, particularly the tenant in the senior citizen or near senior citizen category on fixed income who is confronted with precipitous rent increases from time to time in the housing developments or apartment blocks in which he or she is living. I recognize that there is a certain term of notice that has to be given in all these cases before rents can be increased, before leases can be affected in any way, but even with the notice that's granted I think the Minister will concede that substantial hardship and anxiety is worked from time to time upon persons renting premises, particularly apartments, especially when those persons as I had suggested are on fixed income. They have very little protection against the vagaries of the marketplace in that respect.

I don't presume to suggest that the Minister or this department has any super capacity in which they can control those fluctuations in the marketplace, but I'm wondering whether his Department or this particular Bureau has laid down any kind of regulation or any kind of frame-work of operation within which increases as they affect senior citizens in particular, have to be reviewed and have to be justified? I have had a great many cases of hardship brought to my attention in this area, as I'm sure the Minister has and most members of the House have from time to time, by persons on fixed income who are confronted with rent increases which go far beyond their capacity to cope with them; and I'm wondering whether the Minister can apprise me and the committee of the procedure through which the landlords and the operators of those properties have to justify the increases, and particularly the level of increase.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I'd like to pursue this particular point, because I think there is some elements of it that haven't been mentioned and I think it is essnetial that we ask the Minister very directly about some of the, I guess you would call it, "sins of omission" in terms of the operation of the bureau. But let me preface that by saying that the situation described by the Member for Fort Garry obviously covers a range of people that goes much wider than just senior citizens and those on fixed income, that the problem of rent increases which are now averaging on a rate of 25 percent covers a large variety of people young and old and affects, I would estimate, 75,000 to 100,000 people in this city alone, who are having to cope with the really results or consequences of a number of real serious omissions by both federal and provincial government in trying to respond to the serious shortage in rental housing that is occurring. I think that it's probably well known to members of this House that the vacancy rate in the City of Winnipeg is now less than 1 or 2 percent and that any response that has been provided to that is almost miniscule by comparison.

I just saw the recent statistics by Central Mortgage and Housing Corporation for February building activity and last year was a poor year in the building industry. This year we're building half of what we built in the same month last year, which means that what we are looking at is not only a 2 percent vacancy rate but almost a zero percent vacancy rate. I think as a standard equation in the housing market, that when the vacancy rate falls below 5 percent you cease to have a buyers' market or renters' market and are very much into the sellers' market where they can... very much apt to charge a rate that anyone has to pay simply because in this climate we can't afford not to have accommodation.

And, Mr. Chairman, we combine that with a number of external forces which are really beyond the control of apartment owners, or tenants, such as the 25 to 30 percent rise in property taxes, 15 to 20 percent rise in maintenance costs, 20 to 25 percent rise in utility costs, and what it adds up to, Mr. Chairman, is simply this, that apartment developers and builders in this city are just no longer building apartments, period, because they can't make any kind of return. In a meeting I had with a number of representatives of the Apartment Owners' Association to discuss the problem, they simply suggested that when you're making less than one percent on your money you're in fact losing money on apartments, there's no point in building any. We have brought this to the attention of the government on several occasions asking if they are prepared to take any remedial action, such as putting some capital into the housing market at an 8 percent rate to try and get more building, or do something about utility costs, and the answer has always been no.

So my first question is as the Minister responsible for protecting the consumer in this

(MR. AXWORTHY cont¹d) province, have any of his officials in the Consumer Bureau, has he himself made representations at Utility Boards, has he made representations in Cabinet to try to convince his colleagues that they must begin reacting with some clarity in trying to expand the supply of housing and respond to the very serious shortage before there is a totally unacceptable rent raise in the city?

And the second question I would want to pose to him comes down to a very specific question about the regulation of rent. In a survey, Mr. Chairman, that I did in my riding last fall, 85 percent of the people surveyed asked for rent control simply because they felt that that was the only way that they were going to be able to survive. They simply were not in any position to any longer have their incomes accelerate at the rate the rent was going up.

Now I think it's fairly common assessment that where rent controls have been tried, and I think the most obvious case in this country is in Vancouver, they have not worked very well. One of the major consequences of any rent control system, as it operates in B.C. where they tried to limit the rate of return to an owner of 8 percent, it simply again acts as a deterrent to any building, and again you go back to the basic economics of a housing market, that when you deter building you simply squeeze the supply and that simply adds to the cost.

So I'm not suggesting, Mr. Chairman, at this point that we exercise legislation for rent control, but I am wondering why the Minister and this government have not implemented an Act which is already on the books on a rent review board. That if you look at the Landlord and Tenant Act that was passed by this House two or three years ago, Section 121(1) has within it the power of the Lieutenant-Governor-in-Council may establish a rent review board consisting of such number of persons as he deems necessary. He can designate such persons to be employed by municipality and the purpose of the board is establishing, carrying out a rent review function and then the Lieutenant-Governor-in-Council may make regulations.

Now the idea of rent review as compared to rent controls, I understand Mr. Chairman, is that in a situation of heavy acceleration and inflation in rent prices there is the odd builder or owner who takes advantage of that situation and simply gouges tenants.

Now I think that most builders and apartment owners in this city run a very respectable and very above-board kind of operation, and I know that the Apartment Owners' Association themselves have offered to the Minister to open their books to him and say, "If you want to look at our costs, look at them." But there are the odd individuals, and, Mr. Chairman, I have had some examples I think in my own riding, especially in some of the older buildings, where they don't have to absorb the same amount of costs because mortgages have been paid off and other capital isn't as heavy, where if a general rate of increase is 25 or 30 percent they think they can ride the crest and as a result they will charge tenants an unacceptable rent increase, and that tenants really, under the Landlord and Tenant Act as it is now operated, have no recourse. They simply have to accept it as long as they're given three months' notice.

I would really want to both raise the question, and in fact make the recommendation to this government that they enforce their own legislation, that the Lieutenant-Governor-in-Council act to set up a rent review system, which would mean in those cases then that the tenant who feels himself aggrieved, or feels that he is being charged a rent above and beyond, sort of, the normal index of inflation, could ask to have that rent reviewed and that the owner would then make his costs available and have a judge determine whether he in fact had to absorb an unacceptable number of costs in a variety of fields and getting a fair return on his money.

The result of that kind of procedure would be simply to protect against any gouging, to protect against the odd situation where some owners are taking advantage of an inflationary period. And we've listened with great interest to the comments of the Minister this afternoon where he said he is concerned about inflation and he is concerned about price controls and he joins with his Premier in recommending to the Federal Government that they look in this field, and yet in their own legislation which was passed by this House, they have on the books the opportunity again to take some steps to provide some protection against acts of gouging where they may occur without hindering or obstructing the normal operation of the rent market.

So, Mr. Chairman, I would pose to the Minister in company with these questions, two propositions: 1. Whether he feels that it's his responsibility as the Minister of Consumer Affairs to take a much more active role in trying to promote at least within the boundaries of his own government some activity to stimulate and accelerate the building of rental properties in this city so that we can have a wider supply or a larger supply, which is the most effective

(MR. AXWORTHY cont¹d)way of offsetting the general rise in rents, and whether in fact members of his Bureau are also prepared to make representations to the Utility Board, for example, on hydro increases, on natural gas increases, on the application of Hydro regulations which again adds to cost, whether they are prepared to make representations to city government related to land costs and, in other words, they get off their butts and do something about trying to at least create some public awareness and information to offset the costs which are ballooning the cost of housing; and secondly, could he answer why he has not brought into actual enforcement the provisions of the rent review process which is presently under the Landlord and Tenant Act.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, just before the Minister answers, just let me take one more minute to say that the Member for Fort Rouge has touched on a wide variety of problems, all of them urgent, all of them deserving of profound and far-reaching examination and certainly the fullest possible answers from the Minister, but I hope he won't lose sight of the initial problem that I am raising, the initial question I asked is one that concerns specifically persons on fixed incomes who, for example, have gone into apartments, other projects, say, as a case in point, at a rent of \$105.00 a month, suddenly they find themselves confronted with notice that their rent is going up to \$142.00, and they don't have in their budgets that additional \$37.00, and what I would like to know, and I don't want to deter the Minister from answering the questions of the Member for Fort Rouge, but I would like to know whether there is some procedure for justifying that kind of increase where persons on fixed incomes in particular are concerned, without minimizing the importance of the same difficulty for young people and all the rest of the members of our society. But I think there is one particular segment of society that is really being caught in an extremely difficult corner here.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Chairman, I was pleased to hear the Member for Fort Rouge cite Section 121 of the Landlord and Tenant Act which does lay out review procedures for the Consumers Bureau acting under the Landlord and Tenant Act.

Section 121 has been in my mind for some time and I must say to the Member for Fort Garry that it was the invocation of that section that I had in mind when I thought of a response to the questions that he raised with regard to senior citizens. The level of increases that senior citizens are encountering may in some cases be exorbitant. And when the rent increases go beyond a certain level, as I said during an interview some months ago, if they go beyond a certain level I will certainly press, not only for the invocation of Section 121 to review rents, but I will press for legislation which will control rents.

Insofar as senior citizens are concerned, the Government of Manitoba has attempted to deal with the problem of inflation and its impact on these senior citizens. And we have done this of course as the member knows, by constructing senior citizens apartments which are designed to take pressure off the accommodation that senior citizens might often find themselves in. These apartments I think have been remarkably successful in providing good sound, clean, pleasant accommodation for senior citizens. Those senior citizens homes that I visited, I have found people that have enjoyed living there.

There are a number of other actions that the Government of Manitoba has taken to relieve senior citizens of the hazards of inflation and these are of course now in effect. The Property Tax Rebate Plan in particular will result in substantial cash payments to senior citizens who are entitled to claim, as all renters are, 20 percent of the amount of money that they pay out in rent. And I think that that in itself, you know, does a lot to relieve them of the burden of having to meet increasing rent in private accommodation primarily, but it will also assist them in meeting whatever rent – and I think they're small – rent increases that they may encounter if they happen to live in senior citizens homes built by MHRC.

There is also as action of this Government coming into effect now in terms of money being paid out to people, the cost of living credit which was introduced at the last session of the Legislature. And that tax rebate plan which is designed to pay a higher portion of money to those on low income will presumably assist those people who are in rental accommodation in meeting the cost of rent and rent increases.

Now, the Member for Fort Rouge seemed at one point to be advocating rent control and then to back very rapidly away from it. Because of course as the Member for Fort Garry well

(MR. TURNBULL cont^{*}d) knows rent control is hardly likely to encourage building and should be imposed only after all other recourses have been taken to prevent exorbitant unjustified gouging rent increase. And that's the kind of rent increase that I want to deal with.

Now, Mr. Chairman, . . .

MR. CHAIRMAN: The Honourable Member for Fort Rouge on a point of privilege.

MR. AXWORTHY: Mr. Chairman, I think I have a privilege. I think that there was nothing in my remarks which recommended rent control. It was just an analysis of how it has worked elsewhere and the conclusion that it too would in fact not solve the problem. I think it should be important to point that out.

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: I thought, Mr. Chairman, that I had indicated that the Member for Fort Rouge "seemed" to be advocating rent control – he seems rather sensitive about this – he seemed to be advocating rent control and then to have backed off very rapidly from actually advocating it for reasons that are pretty obvious to him and to the Member of Fort Garry and to everybody else. If you reduce the return on investment to people who would be building apartments, clearly they are going to be reluctant to invest their money. And if we are going to move to rent controls in this province, to do that alone would be likely very difficult but to do it on any other kinds of rent except those that are as I say exorbitant and unjustified, would I think likely not result in the desired effect. But, if under Section 121 of the Landlord and Tenant Act it was shown to be that rents were exorbitant and unjustified then I would certainly attempt to have legislation introduced which would in fact present gouging in rents from taking place – although gouging is perhaps not the appropriate term with regard to rents.

The possibility of increasing the supply of housing in the province is one that this government has taken a particular tack to deal with. There has been an attempt by the government to build housing which is public housing, and certainly as I said earlier with regard to senior citizens accommodation I think that the government has been relatively successful in providing alternative accommodation for hundreds of people in the City of Winnipeg and outside the City of Winnipeg. And the government is prepared to build much more public accommodation for families in this city and in this province. It's clearly a right of every individual to have clean, decent accommodation at a price he can afford.

The question that comes between the Member for Fort Rouge and myself on this issue I think is that he seems to believe that if you give money to private developers or if you assist them in some way that that will solve the problem. I happen to think that it will be public investment in public housing that may be more efficacious in this regard, but, ultimately of course we need both. There is clearly a sufficient demand in Winnipeg and throughout many parts of Manitoba, there is a sufficient demand for all kinds of housing be it public or private and certainly I am one that would advocate that kind of public-private mixture to supply housing to Manitobans.

I have attempted to deal with the problem of rent control, Mr. Chairman, by not moving precipitously to invoke Section 121, to use Section 121 which provides for rent review only, and after its invocation move to rent control. What I have done instead is undertaken discussions with people who are in the business of providing rental accommodation – I've put it very bluntly to them, Mr. Chairman – I have said that if their rent increases are going to be exorbitant that they are going to have to open their books to the Government of Manitoba to justify those rent increases. And if they do that – and we don't have to have a great hullaballoo and front page headlines about it, – if they do that we can perhaps establish whether in fact the rent increases are justified or not. It's a touchy situation as far as I'm concerned. I don't want to be prowling into their particular private affairs unless there is a clear case of exorbitant rent increases. And at the moment I have seen no specific case that would justify action as draconian as rent controls in the province. Rent increases, at the moment anyway, do not seem to be much above what would be a fair return over investment costs and maintenance operating costs.

The Member for Fort Rouge did get into another area, that of what I have always regarded as consumer advocacy by the government agencies. He is suggesting that the Provincial Department of Consumer Affairs make, as I understand him, and he can correct me if I don't understand him in this regard, he is suggesting that the Provincial Department of Consumer Affairs provide staff people to make a case before various regulatory tribunals such as the Public Utilities Board. It is a position that I have adopted publicly, and I did so a year ago, I believe that

(MR. TURNBULL cont'd) the Provincial Department of Consumer Affairs should be providing that kind of advocacy. I hope to achieve a measure of it if this House sees fit to pass legislation which I have been calling Trade Practices Legislation, which will in fact enable the Department of Consumer Affairs to take a case for a consumer and to take the offending business to court and establish in the court whether or not there is a just cause for the consumer's complaint. Now that kind of advocacy I am certainly in favour of.

Advocacy before a Public Utilities Board though strikes me as almost the grossest kind of governmental duplication. Here we have a Public Utilities Board established by an Act of the Legislature many many years ago, motivated as much by consumer interest as anything else, established for the sole purpose of examining the accounts of monopolistic enterprises in the Province of Manitoba. To then have a representative of a line department, Consumer Affairs, send a representative down to another government agency called the Public Utilities Board to plead the case for consumers strikes me as being somewhat of a duplication and I would hope to avoid that kind of consumer advocacy. Because I must assume that the Public Utilities Board does act on the part of consumers and does tend to protect them against companies who may wish, for whatever reason, to pad their rate base or to otherwise increase their expenses in such a way as to justify an increase in prices that could not properly be justified.

MR. CHAIRMAN (Mr. Walding): The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I think the Minister in response to my questions raised a couple of points that I would like him to clarify. First, is on the question of the invocation of the rent review process. As I understand him, he says he is not yet prepared to invocate that particular section of the Act and prefers to handle any cases in a personal way by inviting owners when cases come to his attention to examine their books. Now the question I want to raise is this: Where a tenant feels that he has been aggrieved and has a legitimate complaint to register concerning a rent increase that may or may not be justified, what procedure does he follow? Should he call the Minister directly? Should he call his MLA, which many of them now do, at least in my case, and shall we refer him then to the Minister and that he will then call the owner in and ask him to open the books? And I would say in this case that as this problem of rent increases, escalates, and I think it's fair to say, Mr. Chairman, that there is no relief in sight, in fact as we head into the spring building season with the housing starts even below what they were last year it's going to be the tightest squeeze we have faced in this city and probably in fact in living memory, so the problem.'s going to get worse, and I'm first asking him why he would not be prepared to at least set up some more formalized procedure that tenants could utilize and make known to them so that there would be a more open above board thing rather than sitting down in his office and going through the case.

MR. TURNBULL: Mr. Chairman, if I may.

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: The Member for Fort Rouge did rise on a point of privilege earlier to correct what he thought was my misinterpretation of his remarks and I would like, although not rising on a point of privilege, to straighten out his interpretation of what I said.

I was indicating that in dealing with rent increases, with the rental managers and others in the industry, I was not saying then that I was wanting to deal with specific complaints from tenants with those people in the industry, those managers of property. What I was saying rather was that the general problem of rent increases over the next quarter, which I am well aware of and which I think he and I share opinion on, should be dealt with by way of discussion, perhaps even negotiation with those involved in managing property in the province. Now individual complaints of rent increases do go to the Consumers Bureau, to the Rentalsman's office, and I believe are often dealt with on a case by case basis. Now there's two different types of situation here, and I was talking about the general situation and dealing with the general situation through discussions with rental managers. If individual tenants have complaints about what they consider to be exorbitant rent increases those should be taken up with the Rentalsman's office and I would have thought that the tens of thousands of pamphlets that have been distributed describing the functions of the Consumers Bureau, the consumers and renters in the province would be well aware of the services of that particular office.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I think the Minister has clarified his position. I would like to comment in two ways however: one, is that I just want to establish very clearly then that

(MR. AXWORTHY cont'd) . . . , where we receive specific complaints about proposed rent increases then we will refer them to the Rentalsman and have assurance and guarantee that they will then take that case up with individual owners and negotiate with them to see if some alleviation can be had. I think that that is a fair description and I will follow the Minister's direction on that.

The second point he brings up though I think is also interesting and I would just like to make a side comment when he said that there have been thousands of pamphlets distributed that would make people aware of their rights under this case. In this case, Mr. Chairman, I have to disagree very strongly with the Minister, that it is my experience that most people do not know what their rights are under the Landlord and Tenant Act, that there have been - I guess there was a fairly extensive study of the problem of informations in the Consumer Bureau that was done in the Inner City area of Winnipeg last summer which showed that in fact most people do not know what their rights are mainly because they feel that the pamphlets don't reach them or they can't understand them when they get them or in effect the Consumer Bureau really has, by sitting in 210 Osborne Street, really is a pretty passive operation from that point of view and I would certainly suggest that in some cases where we have attempted to provide information to people in my own constituency again their rights are generally unknown. I think that it is in part a criticism that has to be raised about the Consumers Bureau and that is that whatever techniques it follows they haven't been getting through very well because most people simply are not aware of what's happening. So I would just leave that as a comment and perhaps the Minister would like to react,

But I have two other questions that his earlier remarks raised. The second one was on senior citizens housing. He said that he believes the Government is now providing an answer to its public housing program. I'd like to raise with him, I have dealt directly with the Manitoba Housing and Renewal Corporation trying to secure some accommodation for senior citizens who are finding themselves in a position where they can no longer afford their present accommodation and have been told that the waiting list for accommodation is anywhere from a year to 18 months to 2 years and that it's almost irrelevant to put someone's name on it because it will be just so long in coming that there's almost no point in applying anymore. Now I would like to know if that information that's related to me is the same that the Minister has, which if it is, suggests that we need another solution. That obviously the production of public housing for senior citizens is not keeping up with the requirement, and if we are in fact having a two-year waiting list, there's a lot of people who will probably expire before they ever get a chance to get their name on a list for application, And I would want to know from the Minister if he is taking any action with his colleagues to see if they can find some solution to that problem, because frankly a two-year waiting list is of no help to anybody. That is almost like saying you're not on a list at all, it really is a futile exercise. And I would suggest that there are other solutions and I agree that there probably is a mixture of them, both trying to continue the production of public housing units for senior citizens but at the same time finding alternatives. I think the alternatives the Minister knows we have talked about is by giving loans to private developers and then making agreements with them to secure a proportion of the suites, 25 percent, making them available to lower income tenants so it would also provide a solution, because the problem still comes back to the fact that they aren't being built.

The third comment, Mr. Chairman, I'd like the Minister to respond to is on his description of a notion of advocacy. I am frankly confused. I have always gone on the basis that an operation like the Public Utilities Board is a regulatory agency and is not a line department of government. He said what's the point of sending one line department down to deal with another line department. I have believed, according to the description in the Act that a thing like the Public Utilities Board is supposed to be an independent, objective assayer of different points of view and that they are not a line department of the government; and if they are a line department I certainly hope the Minister will verify that I believe then, if the Minister feels somewhat embarrassed or awkward in sending someone from his department down to make the case on Milk Contol Boards or Public Utilities Boards or wherever the prices may be going up, and presenting a case based upon some decent information, is he then prepared to provide some support for private groups in the community who want to take such advocacy if they were able first to obtain the information, which they oftentimes can't; secondly,have some resources so that he can get the proper technical help to help prepare the briefs that are required.

MR. CHAIRMAN: The Honourable Minister.

MR. TURNBULL: If I may, Mr. Chairman, deal with the last point first. If the member is suggesting that moneys be provided to private groups that is a matter that I have been working on for some time. I think it would be one very good way of attempting to deal with the problems that consumers' groups do encounter when they are confronted with a battery of lawyers representing a corporation; or with a group of individuals who have expert and pretty specialized inside information about whatever it is that is being considered, such as dairymen have when milk prices are being considered. Consumers groups perhaps should have some access to information and perhaps should be supported in some way, and it's certainly a suggestion that I have had under consideration, that I would like to see implemented, and I want to be perfectly honest with him I haven't got the money in the budget this year for a variety of reasons.

When he earlier in his remarks said that I had inferred or stated that Public Utilities Board was a line department, he is mistaken. I did not say that. I said the Public Utilities Board was established to protect both the interests of the consumers and to attempt to ensure that the companies appearing monopolistic, usually companies that are appearing have or are allowed a fair return on their investment, and I was pointing out that to have one line department go before the Public Utilities Board was not really a very efficient way of dealing with it.

And the third point that he mentioned was this matter of rent review. Now I want to emphasize to the Member for Fort Rouge that although a tenant can come to the Rentalsman complaining about a rent increase, as many of them do, the Statute does not provide authority for the Rentalsman to rollback the rent increase, and that is a point that I think he should be aware of. I don't want any tenants in this province to get the idea that by appealing to the Rentalsman they are going to get a check on the rent increase or a rollback on the rent increase. That is clearly beyond the Statute. But often the Rentalsman can achieve an amicable settlement between tenants and landlords on rent increases and other matters of concern to them.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, I think that we could end the day on that note and call the Speaker please.

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

IN SESSION

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

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I move, seconded by the Honourable Member for St. Matthews that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Acting House Leader.

MR. USKIW: Mr. Speaker, I beg to move, seconded by the Minister for Tourism that the House do now adjourn.

MOTION presented and carried and the House is adjourned until 10 a.m. tomorrow morning. (Friday)