

TIME: 2:30 p.m.

## COMMITTEE OF SUPPLY

## ESTIMATES - CONSUMER AND CORPORATE SERVICES

**MR. CHAIRMAN, Mr. William Jenkins(Logan):** Resolution 32, on Page 14 of your Estimates Book, 32(a)(1). The Honourable Member for Wolseley.

**MR. WILSON:** Yes, Mr. Chairman, when we broke for lunch, I was trying to put a few of my own personal views on the record as to where we were going in this province pertaining to consumer protection. I was leading up to the possible suggestion that besides his staff of twenty one consumer officers who were charged with throwing road blocks in the way of the worker and the small businessman in this particular community in the collection and requiring of some of the fruits of his labour, I wanted to talk about, and put my observations, which I consider would be a good argument, to point out that we've got to have some review of the programs. What has happened is the government has gone ahead with all these wonderful programs but then has not monitored them to see what success ratio they have. I was particularly referring, and I started in no particular order, I was talking about the OPD program in which I said to the Minister that at some point in time, if we are all to be considered consumers, small businessmen, working men alike, that we have to look at the fact that some corner grocer who has been done for his services of his groceries, should be able to ask the government "If you put this particular debtor on OPD, has he indeed used this system as a form of non-payment to avoid his just obligations or is he really making an effort," and I suggest to you, Mr. Minister, you would find the percentage would not be ten percent that are not meeting their obligation. I charge that possibly as high as forty-five or fifty-five percent of those that have gone on OPD had no intentions of ever carrying out their commitment.

I talked about the attitude of the consumers bureau staff which has a number of extremely vague pieces of legislature before it — I talked about, I should go into a bit of detail — I talked about the free government agency which gives people, it says: "overburdened" with debts, being hassled by creditors or collection agencies, behind in your payments, and sure of your rights as a borrower, come and see us — a free community organization funded by the Provincial Government."

I talked about a number of the particular situations — I talked about the rights of the consumer, and I said he was overconsuming but I wanted you to examine where we have gone since your government has taken over over. We now have a \$50.00 bankruptcy thing which is fine if people have truly put themselves in a particular debt situation, but what you have now is an attitude amongst a certain small percentage of the population that to go bankrupt means they can hang on to all the assets they have acquired with no intentions of paying them. The result is that there is no information available to these people that when it comes time for the bank and the finance company to arrive at the door and say "we'd like to have your 1976 model car back because you filed for bankruptcy," he says "well, what do you think I went bankrupt for, I went bankrupt to keep all this beautiful furniture, this brand new car and everything. "

There has been many cases of people who have used the credit system throughout their high school and university years, until they have put themselves anywhere from thirty to sixty thousand dollars in debt, simply on the payment of \$50.00 before graduation. They then enter the business world with two degrees and do not have any debt picture, in other words, they have had a free ride on the honest paying workers of society.

I spoke again of the Minister's own staff whose bias seems to be agents for legal aid. I talked about the scale, a person making \$10,000 can hire a particular legal aid lawyer free of charge to avoid his just obligations whereas, the poor storekeeper — and the Minister has indicated his father is one and certainly my grandfather operated Bennett's grocery in St. Vital for over fifty years and had to close it. These are the kind of things that we are talking about that — does he qualify for legal aid? No. Does a corporation qualify for legal aid? No. The corporation could be \$10,000, \$20,000 in accounts receivable that he can't collect because nobody wants to pay him, and the people he is trying to collect from can use the Minister's Department and legal aid to avoid their just obligations. There has to be a consideration given at some point in time for the small businessman to be considered for legal aid as well, or do away with the program.

I think that what we have done in the credit industry — we have seen a complete reversal since this government took office — where at one time it used to be the family collection service that did all the collecting in the city, they have been driven out of business and it's now big business, all eastern Canadian firms mostly, with the exception of possibly the league services, which is a concept that I endorse, where the credit unions got tired of seeing all their money go out of the province, and they decided to form their own collection service to keep some of the money in the union. You say "what kind of money? " A man who does the fruits of his labour has to pay upwards to fifty percent collection fee to have somebody collect this money for him, because it's become big business' because his Minister saw fit to put very punitive licensing fees on them — the fees are now \$330 per name, and yet a real estate broker who engages in large sums of money only pays \$75 a year. I would

challenge the Minister to read the licence fee structure under his department, and tell me where else a particular small businessman is required, in a service business to pay \$330 per name. What does he get for this particular huge licence fee? It used to be \$15 in the municipalities and \$75 provincial licensing. From \$75 to \$330 is punitive and has made that particular industry one of strictly big business, and you only have to look at financial collection agencies, Allied and some of the others to notice, that they are all very conveniently just small offices of large eastern corporations taking the money out of the province.

So I think what we have done here, his particular government in the thirst to grab all the revenue it can from licensing has forgot about what licensing is all about. Licensing is to allow people to carry on in business and give the government some means of regulation, not to drive them out of business through punitive fees.

I would like to talk about also the area we talk about, and the unfairness when we talked about these people that owe small businesses money, and that poor small corporation who doesn't qualify for legal aid or anything, but his debtor, ninety percent of the time makes sure that he does. Legal aid staff is so anxious to get business, never bothers to check the persons assets, and never that I have seen, any particular person who, even though he signs an affidavit and swears the information that he shall give is truthful, I've never seen this government on the other side ever take one of these people who fills out the form incorrectly, to court.

The poor small businessman and grocery store has to pay his lawyer a retainer, and in many cases because he is not familiar with the credit industry, is really spending good money to chase bad, because what happens is that when the fellow gets pressured he simply goes on OPD and the poor guy in the grocery store is so busy making a living for himself he has a tendency to forget about some of the debts that are owing to him because he has been told the government is going to arrange, under orderly payment of debts, to collect this money for him. But little does he know that it's really just a form of debt dodging.

Again I say I'm really concerned about where we are going and I'd like the Minister maybe if he could to comment on what makes all these members of his staff such experts. What qualifications do they need, what university training if any they have, and what makes them trained in the area of consumer protection? I see where the Minister said in this newspaper article he was going to keep all his relatives and friends on staff and I'd be interested to see if he's going to transfer them in to his new portfolio. Again, I just want to know, really, what qualifications these people have to be given such wide ranging powers under some of these acts.

say I would like to that little does the Minister know that they now control who works for you. In order to take out a particular collection agent license in this province, every one of your staff must be approved by the department and if you think they approve everybody, you've got another think coming because these bureaucrats down there, they want to tell you who can work for you and they don't leave it up to the marketplace. They are very concerned if somebody has a juvenile record or criminal record. They want to harass the person with bureaucratic interviews, they don't leave up to the bonding company to make this decision, it's wiser for some civil servant than the bonding company who is taking all the risk. In other words, you have the state control of who works for you, the state control of what you do and the acts are so vague that they are left to the interpretation of particular individuals. In other words, we are being completely controlled by the state and this is some area of human rights that should be basically looked into. I don't think that was the original concept of the Consumer's Bureau, it was one of mediation, not of control. It's very convenient also, that the very person that handles the complaints also handles the license. So you do not get a fair hearing if your license was revoked. The information they give out is an indication of the way in which they are building up this huge wall of protection for everybody and I spoke of all these particular areas, starting with Legal Aid, OPD, the Consumer's Bureau staff attitude, the vague consumer laws that they have and again, the attitude of the courts and the attitude of the legal profession towards some poor grocery store who has these outstanding bills and he can not have this money that he's worked hard for; he seems to have these road blocks and I challenge these percentages to become public knowledge some day because I think they'd really be alarming to everyone.

They now have this new thing called, when the seller takes back anything, he can't seize or he can't, I should say, collect for any deficiency. That means that if somebody was to sell a new television set they may have inherited through an estate to somebody, the person can keep it for two years, wear it out, and once he gives it back to you, you take it back, the debts all forgotten about. There's no collection for normal wear and tear. Of course, the argument could be made, the fellow doesn't have to take it back.

Again as I say, they have even gone so far as under their Consumers Protection Act to say that if somebody has the nerve to ask for the wrong amount of money under Section 102(1)(b), if an amount has been paid or partly paid, set off an amount three times the charges. In other words, what they're saying is, if you have the nerve to ask the debtor for the wrong amount of money, the debtor can sue you for three times the amount because you had the nerve to ask him for it. And that's right in the

Consumer Protection Act.

These are some of the road blocks that are put up. And then you have the people that have to carry out the Federal laws of the province, find all of a sudden they're faced with a Consumer Protection Law which this Minister has not seen fit to change, and the Minister before him, in which they say we supersede all other laws. In other words, they are God. They have the interpretation of themselves which they can turn around and make decisions based on their own personal opinion.

Let me give you an example. The Garage Keepers Act says that any garage keeper who does repairs to a car, if he wants to collect his bill he can go down and pay a lien, I believe it's a dollar, and he can then hire a private bailiff to go out and seize that car and, under that particular act that particular bailiff can charge the \$200, say, repair bill together with the \$50 bailiff's fees to the debtor. If there's a dispute, the debtor has the option, which is a good one of paying the money into court together with the \$50 and it's adjudicated by a particular magistrate or a judge. However, the Consumers' Bureau comes along and says, if you accept the money and don't repossess the car, you can't charge that person anything because we say that you can't charge a debtor anything. We've decided on the consumer protection law that it is illegal to charge any debtor any money. This is what I mean about the vagueness of the particular acts. You have one act which the courts say it's legal to force the fellow to pay \$50, it's legal under the Garage Keepers Act for that fellow to pay a fee, but you have a group of civil servants on the other side saying, "Ah, but under the Collection Practices Act you cannot charge the debtor any money." So you have this vague confusion pulling away at the person who is charged in the credit industry with fulfilling a particular duty. In other words, it's not surprising that the number has stayed rather static, even though credit has expanded, the plastic world has expanded, the amount of people involved in the credit collection business has diminished and large particular stores like Eaton's are no longer engaged in any repossession activity, because they simply pass the cost on to the poor working man. Because they are in business to make money and they don't fool around. If somebody decides not to pay, the honest people pay for the dishonest people.

This government has thrown up so many road blocks, that it's no longer of any interest to these companies. What do they care? We pay the charges of inflation on goods and services. We're paying for the free-loaders and this is what's really annoying me. I think it's time that we gave a serious look to the two sides of consumer protection. The little man who has a grocery store is a consumer because he has a family, and also the worker, the farmer, the labourer, these are all consumers too. And if they're out there working hard, they don't need the laws of this government written in such a vague fashion that protect people who don't want to particularly pay their just obligations. And you know, when the small businessman goes to court, he loses either way. Because on one side he's got the Consumer's Bureau and their large staff of Legal Aid lawyers siding for this particular debtor; on the other hand you have the small businessman, his collector, his particular lawyer he hired and, after going through two days of court for \$1,200 and legal costs, he ends up winning but he loses either way. Why does he lose either way? Because he's had to pay his lawyer. And what did the government who sided with the debtor have to pay? They all got their pay checks. They all got their sick pay and their holiday pay because this is what I mean by utilization. We've got to get down to protecting more consumers in areas. We've got to have some forceful discussions with the Federal Government to avoid a duplication of services. The Minister's new thrust to have an outreach program where he talked about a percentage of, I believe he said, 500 more out-calls this year than last year. In other words, business isn't coming in fast enough; even though they put it down on the main floor on Kennedy and Portage, they've got to go out looking for it.

I'm also concerned, and I think the Minister should be, he's got a credit union background. We've got to be concerned about the consuming kids of the day. We've got Master Charge and ChargeX charging anywhere from 30 to 70 percent increase on items. You can get anything on these cards. You know' I criticize the moral attitude of the banks when they started allowing these cards to be used in the massage parlors and items like that. I think that we really have to look if we're going to protect the young people of today. At maximum interest charges, these plastic purchases, the kids are going wild. In your particular great big pamphlet you put out here, you say a person shouldn't be more than — what was it you said? — twenty percent in credit debt. I doubt very much if many members in this house aren't at least 20 percent in credit debt. I think that you've got to wake up to the fact that the young people of today have got to be anywhere from 60 to 70 percent of their earnings in debt every pay check they get which, unfortunately for them, the government takes the first big slice out of. why I say under the Consumer's Protection Act, I think

That's you've lost the thrust' Mr. Minister, in what the concept of consumer protection has been. I really think that we have to train these people on staff to be public relations, to get down to mediating these things on the telephone, without this huge pile of bureaucratic paper. Because most people in business, they will not stay in business five minutes if they don't have a good reputation with the purchasing community. I think if you dealt with a door-to-door salesman that is flogging an inferior product or somebody that is using excessive tactics to get at something, I do believe that you have

the right of going to the particular bonding company with complaints and they will not bond anybody that doesn't engage in business-like conduct.

Again I wanted to also ask about several things pertaining to The Consumer Act itself and I will deal with that if the Minister replies because I am very concerned with his sort of vague answer and what does he intend to do pertaining all of this federal staff down there which are taking people to court, whether it is meat inspection, weights and measures, and certainly packaging and food pricing and what the Minister intends to do about complaints that I know I have brought up last year and again this year about duplication of service.

**MR. CHAIRMAN:** Resolution 32(a)(1). The Honourable Member for St. Matthews.

### POINT OF ORDER

**MR. JOHANNSON:** Yes, Mr. Chairman. The Member for Wolseley has made a series of rather wide-sweeping statements and allegations about the operation of the Honourable Minister's department, particularly the operation of The Consumer Protection Act, and he shows a great deal of bitterness towards this department. And there may be some reason for it, Mr. Chairman. I can recall a number of newspaper articles, one which was made public during the Wolseley by-election campaign wherein it was stated that he or his firm had been twice-convicted for violations under The Consumer Protection Act and where his conduct, Mr. Chairman, was . . . .

**MR. CHAIRMAN:** Order please. The Honourable Member for Wolseley on a point of order.

**MR. WILSON:** Mr. Chairman, on a point of personal privilege I personally have never been convicted under any particular Consumer Protection Act and I resent the suggestion that that has happened and I think the Minister should avoid personal attacks. And you, Mr. Minister, are the first one to take me to task if I engage in personal attacks.

**MR. JOHANNSON:** Mr. Chairman, what I am concerned about is specifics, not vague allegations, vague charges with no proof, and I want specifics and therefore I have a number of questions for the Minister. I would like to know how many complaints have been laid, how many prosecutions have been proceeded with and how many convictions have been made under The Consumer Protection Act against the Honourable Member for Wolseley or a firm with which he is associated because I am interested in getting the facts, not in vague allegations which contain no evidence. And I would like to have evidence, I would like to have facts. I am interested in the kind of record that the honourable member has, the member who has been nominated by the Progressive Conservative Party as their critic on consumer protection. Presumably if they formed the government, this would be the next Minister of Consumer and Corporate Affairs. In my view, Mr. Chairman, that is like putting a weasel in charge of a hen coop but I don't want to deal with my opinions, I want to deal with the facts and I would like the Minister to give me these facts.

**MR. JORGENSON:** On a question of privilege, I don't think the Member for St. Matthews is in order in inviting the Minister to respond to questions of that nature which involve the affairs of a member of this Chamber. Surely he must be aware that that is contrary to the Rules of this House.

**MR. JOHANNSON:** On the point of order, Mr. Chairman, I would like to know under which rule the honourable member does not want the truth placed before this House. I would like to know the rule

**MR. JORGENSON:** The fact is, Mr. Chairman, the purpose of the examination is the examination of the affairs of the department, not the affairs of any particular member of this Chamber, not through the Minister in any case. The member has the right to do all the examining he likes outside this Chamber. I don't think that it is incumbent to reply to accusations of that nature. Now that is not the first time that the Member for St. Matthews has indulged in that sort of thing and I suggest to him not to try it on this occasion.

**MR. CHAIRMAN:** The Honourable Member for St. Johns on the same point of order.

**MR. SAUL CHERNIACK:** Yes, on the point of order I still don't know in what respect the question is wrong except possibly in an ethical sense and if I were the Minister I don't think I would give that information, but, Mr. Chairman, —(Interjection)— Well that is up to him — but members opposite often refer to individuals. Why, I think the Member for Morris' seatmate talked about a certain person who was working in the Department of Labour. The Member for Wolseley has referred to individuals. There are many times I would not reply because I don't think it should be public information about charges that are laid by anybody but, Mr. Chairman, the most recent example was a week or two ago when the chairman of the Committee on Public Utilities, a legislative committee, elected to be chairman of Public Utilities, was challenged because of bias and frankly, Mr. Chairman, it seems to me that if there is bias in the House, it would be well to reveal it. On the other hand if I were a Minister I wouldn't give that kind of information but I don't think it is against the Rules, Mr. Chairman. That is the point I am making. The Member for Morris points out that it is against the rule. It is important to me as a member of the Legislature to know how it is offensive against the rules of the House so I can govern myself in accordance with the rules.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. WILSON:** Mr. Chairman, thank you. I think that the message that is being at least driven across to me is that, is there any particular bias and I am simply saying that the reason that I have this examination of this department is because I go back many, many years, this very Minister and I go back way into the fifties in the credit industry when he was with the credit unions and I was with the credit industry. So we feel that we have some background knowledge in this particular industry. My job is to examine and offer and I started out my entire presentation when I said this is my personal observation as someone who has been in the credit industry who is laying the facts on the line as they are, that I see discrepancies in the particular vague legislation of these particular staff people like, why do the landlords say they feel a particular certain percentage of the complaints are not going in their favour and they are saying — and they have a right to say it, it is a free country — they feel that the rentalsman's position is leaning toward the tenant. I am saying the people in the credit industry and also as a particular person who is interested in small business who has a background like the Minister has and whose grandfather is in the particular grocery store business and which I was in for many years as a young fellow working, and I feel that I know what small business is. I am talking about big government, big business, big licence fees and the bureaucracy is presenting some roadblocks in the realization of the fruits of our labour. We want to be able to turn around and be treated fairly so I am saying I am laying it on the line in my particular opinion as to what I see is wrong with the attitude and the interpretation as it is coming from his particular . . . .

Now the Minister can either accept my criticism, accept the fact that the percentage of debt in this province is mounting, accept the fact when I tell him that Eaton's no longer takes repossession activity because they simply pass the costs on from the dishonest or unable-to-pay people on to the paying people. And for that Member for St. Matthews for all people, who is not even given a seat in his own government's Cabinet because of his far-left leanings, has the nerve to call me particular names, then I would welcome him crossing Portage Avenue anytime.

**MR. CHAIRMAN:** The Honourable Member for St. Matthews.

**MR. JOHANNSON:** Yes, Mr. Chairman, I have a revelation laid before me today. I finally found out why I am not in the Cabinet.

Mr. Chairman, I still would like to know whether my questions are in order. I did not make wild accusations, I asked questions. And honourable members opposite are hardly ones to complain about questions about individuals because they have repeatedly blackened the names of individuals working in the government, of individuals who are not even in the government. For example, the son of Max Hoffer. They were quite willing to reveal what is confidential information in the files of MACC about the son of Max Hoffer. But they didn't want that same information laid before the House on other matters, on other loans that were made by MACC.

And I, Mr. Speaker, am one who is willing to promote the making available of a great deal of information in that area. We make available information on every loan made by MDC. We have quarterly statements. I wouldn't mind changing the MACC Act so that we could make information available on those loans. But the Honourable Member for Wolseley already . . .

### SPEAKER'S RULING

**MR. CHAIRMAN:** Order, please. Now the honourable member asked for ruling one way or the other and I'm going to read two sections, and two citations of Beauchesne.

"Citation 141. The rule relating to personal reflections occurring in debate may be stated thus, namely, that it is doubly disorderable for any member in speaking to digress from the question before the House and to attack another member by means of opprobrious language applied to his person or character or to his conduct either in general or upon some particular occasion, intending to bring him into ridicule, contempt, or hatred with his fellow members, or to create ill-blood in the House." Cushing No. 1677.

"2. The whole law of parliament on this subject is admirably summed up and expressed in the following Standing Order of the Lord. To prevent misunderstanding and for avoiding offensive speeches, when matters are debating either in the House or at Committees, it is for honour's sake thought fit and so ordered that all personal sharp taxing speeches be foreborn and whoever answereth another man's speech shall apply himself to the matter without wrong to the person. And as nothing offensive is to be spoken, so nothing ill is to be taken. If the party that takes that speech shall first presently make a fair exposition, or a clear denial of the words that might bear any ill construction, and if any offense be given in that kind, as the House itself will be very sensible thereof. So it will sharply censure the offender and give the party offended a fifth reparation and full satisfaction." Cushing No. 1679.

"Citation No. 141. It is impossible to lay down any specific rules in regard to injurious reflections uttered in debate against particular members. Or to declare beforehand what expressions are or are not contrary to order. Much depends upon the tone, the manner, and the intention of the person speaking. Sometimes upon the person to whom the words are addressed as whether he is a public officer or a private member not in office. Or whether the words are meant to be applied to his public

conduct or to his private character. And sometimes upon the degree of provocation which the member speaking had received from the person he alludes to. And all these circumstances must be attended to at a moment as they are infinitely various and cannot be possibly foreseen in such a manner that precise rules can be adopted with respect to them."

It also goes on but it is a very grey area and I would suggest that honourable members try as much as possible not to reflect upon the personal characteristics of other members in this Chamber.

The Honourable Member for St. Matthews.

**MR. JOHANNSON:** Mr. Chairman, you were talking about statements made about people. I am basically asking some questions. I asked questions of the responsible Minister on the item which is under our scrutiny and that is the Consumer Protection Branch. And I asked whether there were complaints, prosecutions, or convictions, against a particular individual or firms with which he is associated. And that is the question that is at issue. I would like to know whether that is in order. To my understanding your two readings from Beauchesne did not cover that.

**MR. CHAIRMAN:** Order please. I think that reflections upon, or even asking questions, unless one is certain of one's facts beforehand, then one should not make charges, or ask for charges. If there is a serious doubt I think there is a procedure whereby an offending member can be called before the Bar of this House. But it is not . . . I would suggest that the question is out of order. The Honourable Minister of Consumer Affairs. Order, please. The Honourable Member for St. Matthews.

**MR. JOHANNSON:** Yes, does this apply to all members of the House then?

**MR. CHAIRMAN:** This applies to all members of the House with regard to other members of this Chamber. Certainly we are here as honourable members. If we have specific charges then I think we should lay them before this House, if it's a specific charge with a remedy that can be made by this House. Make it as a motion. I don't think that we can indulge in this type of thing. I really don't think that it is something that we should engage in in this House. The Honourable Minister of Consumer and Corporate Affairs.

**MR. TOUPIN:** Well, Mr. Chairman, the Honourable Member for Wolseley was sweeping with a long handle there for quite a while. He was given a lot of leeway, I believe, in regards to his own statements. He even indulged in responsibilities that don't fall under this department and I got up once to so indicate but he kept on. Personal investigation is not under Consumer Protection and he knows that. It is under the Attorney-General, and that's where he should be able to question the performance of those individuals in regards to their licence. If they are doing things under the veiled impression of wanting to protect consumers being licensed by the Attorney-General he should address himself with specifics to the Attorney-General and not to myself. I'm not held responsible to license or to withdraw licences from those individuals, and he knows that, whether their services pertain to Consumer, Corporate or Internal Services. And that goes equally, Mr. Chairman, and the honourable member knows this, in regards to the responsibility that we talk about OPD programs. That is a program that is under the Attorney-General equally. It has nothing to do in regards to my responsibility before the House as the Minister of Consumer, Corporate and Internal Services, Co-operative Development, you name it. And the honourable member happens to know that and yet he persists in laying on the record possibly in two areas, in one department here, and then when we discuss the Estimates of the Attorney-General.

Again, Mr. Chairman, the honourable member without making reference to any cases that could be anywhere' is saying that the 21 officers that we have in the Consumer Bureau are throwing road-blocks. Well again I'd like to know . . . I pray him to lay it on the record right here and now, examples of road-blocks that he or anybody else has seen put forward by any of the 21 individuals involved in the Consumer Bureau.

How else can we deal with things, Mr. Chairman? How can we be so broad-sweeping and not leave an impression that someone is wrong? Is it all 21 consumer officers that are wrong? Or is it possible that the Honourable Member for Wolseley is partially wrong? I'd like him to lay on the table, Mr. Chairman, for the record of this House, cases' so we can investigate. He talks about staff in my department being joeboys, or agents for Legal Aid and so on. Well, again, you know that's pretty . . . Well, I wouldn't say stupid but I'd say it is pretty broad-sweeping in the sense of, you know, putting an accusation to individuals working in the Consumers' Bureau. If officers in the Consumer Bureau feel that anyone on either side are in need of legal aid I see it as their responsibility to refer individuals to Legal Aid, the same as I see it as my responsibility as an MLA to see that anyone that is in need of legal assistance and hasn't got the financial means, that that person be referred to Legal Aid. That's why it was set up. And the honourable member, if he had been in the House, I'm sure would have supported that bill.

But yet, you know, it's a broad-sweeping statement that we're in bed with people from Legal Aid and that's all there is to it. We're going to blame them for that.

The honourable member talks about bailiffs, about collectors driven out of business in the province. Well first of all the honourable member knows there's no such licence as a licence for a bailiff. The honourable member is licensed as a collector and he knows it. And that licence cost him

what we consider to be a reasonable cost. He says that that fee is driving him and others out of business. Well, Mr. Chairman, \$330 per year, I'm told by my Deputy Minister covers the cost. Well what does he expect, Mr. Chairman? Does he expect the taxpayers of this province to subsidize him? Now, please. We can't have it both ways, Mr. Chairman. If it covers the fee, if it covers the cost, well that it should be. It's not a question of subsidizing the Honourable Member for Wolseley or any of his colleagues.

And by the way I'd like to put on the record that that fee brings the department approximately \$8,000 a year, on an item that we have before us now that is \$756,000.00. \$8,000 and I'm told again that this covers the cost. We're not attempting to make a big profit out of this but yet we . . . I for one certainly would not want to subsidize it.

Again, Mr. Chairman . . . You want a question, or . . .

**MR. CHAIRMAN:** The Honourable Member for Morris.

**MR. JORGENSON:** While he's dealing with the subject, could the Minister outline to the House just what are the costs that are involved in registering and licensing.

**MR. TOUPIN:** I'll get back to that later. The Honourable Member for Wolseley made a broad sweeping statement again of stupid accusations made by a reporter in regards to my friends and relatives when I was Minister of Tourism, Recreation and Cultural Affairs — Mike Ward. And he endorses that without possibly even checking, knowing that I'd taken CFRW to court on such a statement and won my case. Now, you know the honourable member, I mean he's willing to lay everything on the floor here, Mr. Chairman, possibly hindering, you know, the character of one individual of this House but yet he and other members are not allowing me, like my colleague the Minister of Education, to lay the truth before the House in regard to his own case.

Mr. Chairman, I don't need the Honourable Member for Wolseley to tell me what to relate to the House as being the truth. All I can say in regards to his own case is that the members from the House, or the public, all they have to do is go to the courts. The courts are open. If the honourable member is taken to court, he, himself, or his company, that's public. That's open. They can listen to the case there and report back to their constituents. That's all I have to say. That's all I should say on the case but he, on his own side of the House, Mr. Chairman, should not be making that broad type of statements. You know, do I indicate that the Leader of the Conservative Party has his cousin working in the Premier's office? Did you ever hear me say that? The Leader of the Conservative Party has his cousin working in the Premier's office. Now, you know, what's that all about? You know I could say that about so many. I could talk about the Member for Lakeside, you know, relatives in departments of government while he was there. It's broad sweeping, we could talk and talk about this. Does the honourable member sincerely feel that I as a Minister of the Crown, would go out and hire him to work for me, as a Minister of the Crown?

**A MEMBER:** Only if you want strong-arm methods.

**MR. TOUPIN:** First of all, I don't believe in his competence. Secondly, I don't believe him to be qualified to endorse the type of philosophy that I'm asked to pursue, being in government, so I wouldn't hire him. I'd hire somebody that would have some kind of trust and some capabilities and the people that I've been responsible in hiring over the years, Mr. Chairman, I say without any doubt, whether they be friends, relatives or just newcomers and unknowns, were capable people.

I had a statement written down about the honourable member but I won't read it. It would probably be ruled out of order by the Chairman. —(Interjection)— No, oh no, I had something much more definite.

**A MEMBER:** Now don't be unkind.

**MR. TOUPIN:** But again for the benefit of members of the House, I repeat for the Member of Wolseley: Lay on the table examples of cases that you may have, for the benefit of the House, that we could scrutinize. —(Interjection)— Yes, don't just sit between stools, decide. Don't do like so many members did to me when I was in Health and Social Development, criticizing welfare and yet not laying on the table examples. That has to be done. If you are a critic of any worthiness, you would do that.

The honourable member cites our background as being — I don't know, he seems to leave an impression that because we go back a few years in the credit field that we may be somewhat close pertaining to our professional background. Well, I can indicate to the honourable member that I never did consider myself that close to the Honourable Member for Wolseley in regard to my professional background. I was given responsibilities to serve approximately 20,000 members in the credit union movement and he was given the responsibility to serve individuals wanting to collect accounts that were considered not to be collectible. My fee was my salary. His fee ranged at that time, I believe, 33 to 50 percent. It depended on the account. Yes, I did business with him when I was managing credit unions but our background is not the same and I have never heard my father, who has been a businessman for the last 35 years, criticize any government because of programs that were there to try and curtail shoddy businessmen. And his taxes have paid for that over the years.

There was a question, Mr. Chairman, in regard to the cost and what was being done for the cost before us. Reviewing agency applications for licensing, checking applications, receiving and recording bonds, approving applications for — I have difficulty in reading my Deputy Minister's writing here; we will have to send him back to the three Rs — collectors applications, supervising conduct of collection agency practices, investigating complaints, receiving and disbursing bond proceeds when agent goes out of business. The Personal Investigation Act is our responsibility but not the Private Investigators and Security Guards Act who are licensed by the Attorney-General. — (Interjection)— No, that is under the Attorney-General. I indicated awhile ago, Mr. Chairman, that the OPD program is a . . . well, actually it is a federal law, part of The Bankruptcy Act administered by the county courts under the Attorney-General. And again Legal Aid is under the Attorney-General.

Mr. Chairman, I would either invite formally or in private examples of cases that the honourable member may have so we could clear the record.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. WILSON:** Mr. Chairman, in response to the Minister, I had stood up under The Consumer Protection Act suggesting — and I had to include those others, OPD, Legal Aid, Bankruptcy Act together with his own staff attitude and what-have-you because I said that what was happening is the small businessman today has all these roadblocks thrown in his way to collect the sweat of his work, of his labours. And I was simply asking the Minister to examine the attitude that may be prevailing through lack of training. And I ask the Minister what are the qualifications and the Minister very well knows as well as I do that many of his top people came from the credit union field and they didn't get those jobs by accident. I am simply saying that they have, through a process of learning, they are now possibly qualified to fulfil that position but there was no qualification and I wanted the Minister to stand up and say that but he wouldn't. There was no university degree in economics or anything required. These people came up through the ranks. What does it take to become a consumer protection investigator or officer? That is what I was asking and the Minister should have stood up and said, "some kind of a background." He didn't say anything so I will leave that one open.

I am also saying, I couldn't agree more there are only seventeen complaints against the credit industry which I happen to represent. And in answer to myself, our particular industry was wiped out in 1970 by the government opposite and we were thrown into another pot. That is fine but I personally myself have always been an office manager. I have never done any outside work. Going back well before 1968. So in answer to the Member for St. Matthews, myself, personally, no. Whatever lawyers choose to put in their statement of claim, that is up to them but they take their chances. But I personally, myself, am an office manager and a shareholder and a small businessman and for the Member for St. Matthews to try to allude for something is his style and one of the reasons he is not on the frontbench.

And if you want to go back to 1968, fine, that is up to you but I am here in the House to examine the consumers' bureau and offer my opinions. And in my opinion the large department stores are fed up with the roadblocks, they are fed up with the changing society, and we have to turn around and put some measure of fairness back because they are just passing the costs on to the honest consumer, to the person who is willing to work and willing to pay, and I am saying to examine it. I know it isn't the Minister's responsibility but somebody on that side should say, "Well, let's examine the OPD program to see if the Member for Wolseley has any merit."

**MR. CHAIRMAN:** I think it has been pointed out to the honourable member that he stick to the item under consideration and I wish he would. I don't want him jumping around between federal and other jurisdictions. We are here for the provincial jurisdiction and let's stick to that item, please. The Honourable Member for Wolseley.

**MR. WILSON:** Sticking to the Consumer Protection Act, I would simply say that these are all public documents. The Consumer Protection Act, of course, is printed and it's captioned C-200 of which deals with Section 102(1)(b) and the letters that I have on file I'll be glad to furnish to the Minister. There are no great revelations because we in the credit industry have learned to live within the confines of the regulations that are here accepted through, I think rightfully so, why is a particular lawyer usually the Attorney-General in a government — because he has some background. And why has that Minister been given that portfolio? He has some certainly co-operative . . . he thrives in but he certainly has some credit union background, some finance background, some collection background and so, therefore, he knows part of his responsibilities. I happen to know and I have a particular, since 1958, an opinion to express where we're going. I don't believe that everybody is adhering to the 20 percent maximum percentage that the Minister's course, you and your shadow says that you should not go into debt over 20 percent, I don't believe the public is adhering to that because of maybe lack of education, because of the fact that they can go out and buy everything in sight because they don't have to worry, government will look after them in the future. And I'm saying that somewhere someone along the line has to put some measure of teeth into the remedies available to the people who are supplying these goods and services to be able to collect their just obligations.

In closing, I really wish the government would give some of these particular Acts under which they

have a responsibility, whether it's the Hearing Aid Act, the Personal Investigation Act, the Consumer Protection Act, to see if some of the comments that will be recorded in Hansard that I have said that there is some vague sections in these particular Acts which are subject to interpretation and I think so long as that individual interpretation is there by non-professional people, you're always going to have these, whether it happens to be landlords saying the Rentalsman is biased or whether you have the Member for Wolseley saying the Consumer Protection officers have a bias, or whether you have the storekeeper saying that the OPD system isn't working or whatever. I am just simply saying that I hope the Minister will take this \$756,000 and do some good with it. The consumers certainly need some protection. I still haven't heard him tell me what he is going to do with the Federal Government pertaining to the duplication of services.

**MR. TOUPIN:** Mr. Chairman, I saw the jaws of the honourable member move but I didn't hear him say anything. I asked him for examples. He hasn't cited me one example of something that I can investigate. He is broadsweeping in regard to accusations of top personnel in this department not being qualified, not having university degrees. But Mr. Chairman, does the honourable member know what he is talking about. Can the honourable member cite any names that we can investigate, bring him back the Civil Service application form, indicate to him and other honourable members of the House by what way and by what means individuals have been appointed. Mr. Chairman, the honourable member now wants to get up and talk. Let him wait his turn like everybody else. — (Interjection)—

**MR. CHAIRMAN:** The honourable member has a point of order?

**MR. TOUPIN:** Let's not worry.

**MR. CHAIRMAN:** All right. Order please. The honourable member state his point of order.

**MR. WILSON:** Mr. Chairman, my point of order is that the Minister is not . . . is reading into the record not what I said but what he interpreted what I said. —(Interjection)—

**MR. CHAIRMAN:** Order please. Order please. Now I have already explained that to the honourable member last year and I have already explained it to him this year that a difference of opinion is not a point of order. The Honourable Minister.

**MR. TOUPIN:** Mr. Chairman, we shouldn't get worked up by that type of intervention. I think the honourable member is very capable of moving his jaws but not of saying very much and not listening very well. Yes again, I invite him, whenever he pleases to give me privately or lay on the table of this House, names of individuals that he is concerned with, supposedly friends of mine in the credit union movement, anywhere in my lifetime that have been employed by any department of government that he fears that I've used individuals for my personal benefits. Because that's the innuendo that he is leaving on the record, Mr. Chairman, that he is allowed to leave whenever he gets up and speaks or attempts to speak. The honourable member talks about complaints launched against the industry that he is part of. Well again, we can talk about specifics if we want to. But you can't start talking about specifics in any type of industry without going down to the grassroots reason of the complaint, and why the complaint was launched in the first place and where it had ended. Was it decided upon by officials that he says are blocking the way for him and his industry? Or was it decided by the courts or an investigation officer responsible to the Attorney-General. These things have to be laid on the record if we want to talk about those given complaints. There's no two ways about it.

Again, Mr. Chairman, I say for the benefit of any member of the House, that the job description, job qualification of any staff of these departments that I am representing, are available to any member of the House.

**MR. WILSON:** The suggestion that I made was that I was trying to get the Minister to say that there is no particular course available or any particular qualification. These people are hired through the Civil Service Commission so, therefore, they are just ordinary men and women from every walk of life and this is what I was trying to get at. These are the people that are passing down these decisions that normally would be made by a particular judge in the court or made by a particular situation. The Minister wants names and places. All right, we will start with January 9th, 1975. "Hearst Enterprises Limited, Attention: Mr. Wilson. R. D. Penner. Mr. Penner attended at the Consumer's office December 24th concerning his intention to act as an employee of your firm. It is apparent that he is not knowledgeable in collection practices" and so on and so forth. In other words, the Minister did not ask what role this boy was going to be playing in our particular firm. He had to go down, he has to get the approval of the particular Minister and this is what I am suggesting. Is it the role of a civil servant to determine the marketplace, I mean whether the judgment of this particular boy was right or wrong. I think the person who is hiring should be able to make that particular decision in the marketplace.

So I have no qualms about getting into this. It wasn't my purpose to generalize in this area. What I am basically saying is my experience and my own particular view, and I stated that before. Since 1958 which goes back a few years indicates to me that since 1970 when this new baby, this new department first came into being — because I'm not going back to 1958, I am talking from 1970 on and this particular is 1975, and any other things that I have to say are current. They're current in my thinking. The pendulum has swung so that in 1977, I detect, like the landlords do, an attitude, and I'm merely

stating it in this House for the record. The Minister does not have to agree with me and he has indicated he does not. The Member for St. Matthews would rather stand up and use terms like a weasel, whatever else he wants to call me, but I still say that this is my hometown, I've lived here all my life, I don't intend to leave. I'm a small businessman and I will not be driven out by disparaging, slanted remarks attributing to innuendoes like the Member for St. Matthews engaged in. His answer, as I said was no; however, that's beside the point. Again, I think when we're talking of close to a million dollars, I have to make sure the consumers on both sides of the fence are being protected. And the honest, paying, working consumer is paying for the non-payer.

**MR. CHAIRMAN:** The Honourable Minister of Corrections.

**HONOURABLE J. R. (Bud) BOYCE (Winnipeg Centre):** Mr. Chairman, I've been sitting and listening to the debate and as someone who has had the experience in credit granting also for a number of years, if all people behaved responsibly we wouldn't need the Protection Act because there are many people who are responsible credit grantors and credit collectors in the field. It's just like in the closing by-law, we wouldn't need it if people just generally agreed. But nevertheless, sometimes people over-complicate things. The granting of credit is a relatively simple operation. Can they pay, will they pay, and what if they don't. And people who grant credit usually satisfy themselves on these questions and they grant credit and circumstances change. But with the tone that has been set, I thought that it should be put on the record that there are many people in the collection field who are responsible and they serve society the way it is organized well. But when these for various reasons circumstances change people find themselves in debt over their heads. But it was through the combined efforts of the credit grantors themselves, in their own self-interest, that the Orderly Payment of Debt was put on the books.

My approach to the collection of bills would probably differ somewhat from the Member for Wolseley. My attitude at the time was that the people were in difficulty and I tried to help them out and many of the accounts were prorated. You get a hold of all the other creditors and try to work out something. But when I say it was brought in by many credit grantors, is what would happen is when a person is behind in a bill and it's given to a collector, then he gets in there and stomps on the guy and everybody else loses their money. So this is what they were interested in, is trying to help people who, for some reason or other, circumstances had changed so they bring into existence this orderly payment of debt, because the philosophy of this government, I hope, I expect, that every member of the House, that a person should pay their just obligations, and that is the whole fundamental philosophy that's behind this consumer protection.

But, nevertheless, if a person owes a bill for some \$1,600 and his total indebtedness is \$700 or \$800 and because the family circumstances change, that he is behind four or five payments on a car or some — a car is a bad example — but four or five payments behind on a \$1,600 indebtedness, and it's turned over to a bill collector and the bill collector slaps a garnishment on his wages, then the whole deck of cards tumbles. But some bill collectors have no obligation whatsoever to the other creditors that that debtor has, so I felt it incumbent upon me to . . . well it is over on the Attorney-General's department. Nevertheless it was dragged into this debate, the Orderly Payment of Debts was brought in with the encouragement, in fact, with the insistence of the credit grantors themselves.

**MR. CHAIRMAN:** The Honourable Member for Morris.

**MR. JORGENSON:** Mr. Chairman, I frankly confess I have some sympathy with the point of view that was expressed by the Member for Wolseley, although I perhaps would want to have, if I was to express it myself, I would express it in a somewhat different way. And that's what I will endeavour to do, but before I do that, Sir, I do hope you'll give me the opportunity of correcting, I think, an impression that was left in this House by the Member for St. Matthews, one that it would not want to leave on the record unchallenged and I don't want to reopen this subject again but I do want to put the record straight. He made some mention of Mr. Hofford and the Bowles' Loan up in Swan River. I just want to tell the member, because it was during the course of that debate that he brought my records with MACC into the House as well, and asked the Minister to reveal what dealings I had with MACC. But at no time did I, during the course of that debate, ask for Mr. Bowles' records, at no time did I ever have them, at no time did I ever want them. The case that was dealt with was a case that, on the surface, looked somewhat suspicious to me and I raised it at the time because I was asked to by Mr. Bowles himself and the information that I received, I received from Mr. Bowles, not from MACC or any government agency.

I indeed I subsequently found that MACC themselves have said that under no circumstances do they reveal any records of any individual to anyone except with the permission of the person concerned. I think that is a tradition that is followed in most government departments and I hope to just leave it at that.

What I wanted to say is that recently the Minister, and you'll have to forgive me if I don't remember the precise title that he has, but I think the Minister of Small Business in Ottawa, expressed some sympathy for the small businessman, and suggested that a great deal of the red tape, a great deal of

the extra burden of paper work, etc. that was thrust upon the small businessman would be removed insofar as it was possible for him to remove it. And I think, inherent in that statement by the Minister was an admission that there was an undue amount of work that was thrust upon the small business man by governments' of one level or another. They're asked to be bill collectors for the government, they're asked to be tax collectors, they are statisticians, they have to fill out Unemployment Insurance forms, and by the time the book work is done there isn't much time for much else. I think that's essentially the point that the Member for Wolseley was attempting to make.

I hope I don't make it in any offensive way, but I think there is a problem there, and having had the assurance from the Minister of — again, I think it's Small Business in Ottawa — that some of that was going to be removed from the backs of the small businessman. Again, I may be trespassing on another department because I'm sure that all of that burden does not come under the Department of Consumer and Corporate Affairs, but I wonder if the Minister could give this House some assurance that in recognition of that burden — and I think now governments are beginning to realize that they've saddled the small businessman with a great deal over the years that has inhibited him from carrying on a successful business — in the light of that recognition today, I wonder if the Minister of Consumer and Corporate Affairs can now give the small businessman of this province the assurance that insofar as it is possible for him to do so, that there will be an attempt made to remove, from the backs of small businessmen, some of that burden that falls on his shoulders from provincial governments.

It does seem to me that it's not an unfair request. I think it's one of those things that small businessmen over the years, at least in the last few years have complained about, and I think there is increasing number of complaints on the part of small businessmen because of that kind of burden that makes it very difficult for them to operate. There are restrictions of one sort or another, there are tax collections, there are bill collectors, there are various other things that the governments have burdened them with that does make it very difficult for a small businessman, who really cannot afford to hire a bookkeeper to take care of all that work. And I know businessmen in my own home town who work into long hours of the night, after their business places are closed, just completing the paperwork that is necessary to satisfy the maw of government. I would hope that the Minister could give us some assurance that that situation will be looked into; some effort will be made to reduce that burden from the small businessmen.

**MR. CHAIRMAN:** The Honourable Member for St. Johns.

**MR. SAUL CHERNIACK:** Mr. Chairman, I too would like to indicate sympathy with the burden that is placed, by government requirements, on people whose business is not sufficient to justify full-time bookkeeping or clerical help to do the jobs that government imposes.

If I may, Mr. Chairman, I don't think I'm wandering from the subject of the problems that were raised about Consumer Protection and the resultant burden on the vendor, to recount two matters I was reminded of while listening to the Member for Morris.

One is that a few days ago I sat down to complete a form for the Anti-Inflation Board and, Mr. Chairman, I was one of those that insisted that there should not be price and wage control unless there was salary and professional incomes control. And being a professional I sort of had a feeling I'd be coming under that control, but Mr. Chairman, the forms of those bureaucrats, sent to me in my small business' and I may tell you that this last year I succeeded in raising my professional income within sight of \$1,000, not quite there, — for that kind of income the forms I had to fill out were just frightening.

The other instance, and I think, Mr. Chairman, it would be amusing for members to hear of a phone call I received when I was Minister of Finance from a gentleman that operated a very small grocery or general store in one of the areas in rural Manitoba, who complained to me in this sense, that he'd received three letters from me that morning, three separate letters, one of them said, "You were delinquent in filing your sales tax report for the month of December and we caution you that if you are delinquent again then there is an automatic penalty of \$20." The second form said, "You were delinquent again in reporting your sales tax for January, as well as December, and therefore there is an automatic penalty of \$20. Please pay." The third letter said, "On reviewing your reporting and considering the volume of business you do, we've come to the conclusion that you ought to be a quarterly, a quarter annual reporter rather than monthly because your business did not justify it." Three letters, three stamps and three forms that all came in the same mail.

And I said to him, I thought this was really a very peculiar thing, I would trace it down to find out how it had come about. Then I learned a very understandable reason. The computers that work, and the computers that work for government are just as impersonal as any other computer I've ever met face to face, are so programmed that when there is a default, there is a notice and a warning sent, and if there is a second default there is a penalty imposed, and meanwhile there's an overview taken of the volume of business to consider whether or not there should be monthly or quarterly reporting. This man had sent in his December, January and February reports all at the same time, all late, so that when the computer saw the first report, it told him "Hey, you'd better check up and don't repeat it." But he had repeated it and one second later the computer reported to it's program, "This is the

second default, therefore, we have to penalize." And another second later the computer reported to the program the volume of business for the three months being so small that it became quarterly.

And I was really sympathetic with this gentleman who had called and I am sympathetic with the problems raised. On the other hand I don't know how you get around it because no one here would criticize the Unemployment Insurance operation. I don't think so, maybe there are members who would. No one here denies the efficiency and the advantage to government of having tax deducted at source. There are many of these things that are efficient and money-saving in the long run. And let me tell members that, about three years ago, I think it was, the Ontario government stopped paying commissions for collections of Sales Tax, Tobacco Tax. I'm not sure exactly which taxes, but there are certain taxes — I know Tobacco Tax was one of them — where we pay a commission to the retailer for the fact that he collects and remits, and the Ontario Government said, "No more." And they saved themselves, I think, a couple of million dollars by doing that. Their reasoning was, and I don't quarrel with the reasoning, that it costs money to operate a business, that there is an imposition on business people that they have to comply with certain requirements, be they to clean the walk in front of their entrance or be it to pay a minimum wage or conform with certain other employment standards, or be it to, indeed, to collect and remit taxation. I don't know how it could be made simpler, but if it could, it should.

I've often wondered whether there couldn't be one central agency that does all the collections like Hydro, Telephone and Sales Tax and all the various regular payments that people make so there couldn't be one interprovincial agency that did all the collecting so there shouldn't be — and inspecting. When one considers the number of inspectors that visit a business establishment, it's almost overwhelming to think of the City, the Health, the Licensing, the Labour, I don't know, there must be a great number. Having said that they're all necessary but I would like to think that someday a study would be made to try and co-ordinate so that one inspector can check for a number of features at once.

Mr. Chairman, the reason I wanted to participate in this debate was to endorse wholly the principle of this consumer protection legislation. I do that with a little bit of pride and a little bit of self-serving, because around 1964 I started moving resolutions, when I was in the opposition, that there should be a review of credit restrictions, credit controls. Truth in lending, which was then a phrase that became prominent because it was the way in which the United States Senate and Congress were reviewing credit collection and credit granting — that's the word, credit granting information — and it took about two or three years, after which Maitland Steinkopf, who was then a Minister — I forget the portfolio he held — picked this up — Provincial Secretary, I think that was the time, when he was Provincial Secretary — picked it up and said, "Let's look at it." Then we had a legislative committee looking at it and the Act, I believe, was drafted by the Conservative Government, although I believe that it was our government that brought in the legislation itself. Well, Mr. Chairman, since that legislation was brought in, I am not aware I have not heard of any complaints about a hardship imposed on the credit, the collection agent, the credit collector, the credit grantor. There is, of course, an imposition because we changed the whole philosophy from let the buyer beware to let the seller beware. I don't remember the vote, but I am sure it received support on all sides of the House and probably was unanimous, and I still think it's right.

And when we hear complaints about deadbeats and difficulties in collection, I have little sympathy with them, because what concerns me so much is the way credit is being pushed on all sides, and it's really not the small dealer, not the small retailer who is really pushing credit. He is usually competing with the big people who push credit and the biggest establishments. It's Eatons and it's the Bay and it's the automobile sales firms, and it's the house appliance firms, it is the banks that are pushing credit, making it appear as if there is no problem. It is the furniture stores who say, "Pay nothing for three months." It is the travel agents who say, "Fly now — pay later." There — (Interjection) — Pardon? Well of course. The Honourable Member for Swan River says, Credit Unions and I imagine that's true. Everybody who's in the business of lending money is anxious to lend more and more and probably at higher and higher rates. And what troubles me is so many retail businesses instead of selling, pushing products, are starting to push credit; they would rather sell on credit than sell for cash and that's true and that's unfortunate.

Mr. Chairman, I raise that at a time when we had a budget last night where many of us were hoping that we would see some dramatic change in the Federal Government's approach and we found none. But one of the things that we have been arguing, and I'm sure I've raised it in this House, is that if there were some restraint on the granting of credit, that in itself would, I believe, cut down on the inflationary spiral because people are being urged to spend more money than they have to spend, more than their disposable income and they're being urged to do that by people who are constantly saying, "It doesn't hurt so much; you don't have to pay it all at once; take your time; we will extend your term of credit." Why, we know now that people who are using credit cards and pay when the bill is received are threatened, and I mean this seriously — in the States I think somebody's already started to do it — to put a charge on a person, to charge for the fact that a credit card holder is paying

his bill when it's received and not borrowing or not taking on an instalment payment and thus paying 18 and more percent interest on the credit card purchases because they feel now that we try to induce a person to get into the credit card business so he wouldn't pay immediately but rather would extend his payments over a period of time where they would collect exhorbitant — and I believe they're exhorbitant — rates of interest.

So, Mr. Chairman, the point I am making is that people who grant credit usually take the chance, and people who grant credit have to figure that they will not get 100 percent return, and people who grant credit usually build into their profit margin, or their markup, an amount which they consider to include the losses that they will suffer for the bad credit which means, of course, that the consumer who pays, will pay it and in just the same way, people in the retail business are inclined to build into their markup the cost of operating which means not only rent and fuel and salaries, it also includes the cost of working nights or hiring somebody to fill out all the government forms.

I really don't see an end to government requirements and government forms and all the matters which the Member for Morris justifiably points out as being a burden. In the end, it's the consumer that pays and that remark that the Member for Wolsley said just before he sat down last was, "It is the taxpayer who pays, who pays for the person who doesn't pay." Something like that. And of course it's true. Those who don't pay are a burden but it's part of the system that creates the opportunity for the person who doesn't pay, the deadbeat, to get worse, more and more in debt. When I see banks pushing and all the fine established firms that are pushing credit to the extent of inviting people to buy more than they could or undertake commitments more than they should, I deplore that very much and

I really would like myself to see a law, and it has to be federal, which does place a limit on the amount of credit that can be granted. I still believe that, when during the war when there was a restraint — I think you had to have one-third cash on the line before you can take credit for the other two-thirds — and I think that there is something there. I think people should be saving money in order to make their down payment which should be fairly substantial and once they have a substantial payment, they've proven several things. Firstly, their ability to save; secondly, the fact that they now have an equity which they won't take a chance on, they won't take a chance or the bailiff will come ramming down their door and grabbing a piece of equipment in which they have an equity or a car in which they have an equity. It's when they are pushed into buying something in which the equity disappears very rapidly that the goods are seized and very often bad debts are created which creates problems.

So, Mr. Chairman, I have not studied the Consumer Protection Act recently; I am proud that it's there' I know the Minister who is now in charge of that responsibility was also the Minister, I believe, who was in charge when the Act was brought into force. And I know that he has spoken with pride about the fact that it is a tremendous contribution to helping those who are in need in Manitoba and since I've not heard any complaints, any serious complaints about the operation, I would not like to see it watered down without facts.

Let me finish with that, Mr. Chairman. We get a lot of innuendoes, we get a lot of suggestions, we get a lot of snide remarks about things that go wrong. If you don't have facts to deal with, you shouldn't pay attention to the arguments that are presented by people who are not prepared to back up their innuendoes with case histories and I really believe that it's high time that we heard more facts, case histories, than just shabby remarks mainly about civil servants or about the operation of some program of government.

**MR. CHAIRMAN:** The Honourable Minister of Consumer Affairs.

**MR. TOUPIN:** Well, Mr. Chairman, the last member that spoke, the Member for St. Johns, was one of the members back in 1969 and prior to 1969 that was instrumental in helping prepare the Consumer Protection Act that was hailed as being the best in North America back in 1969 so for that, I think he has to be congratulated. He was of a lot of assistance to me when I started off as a Minister in 1969 in Consumer and Corporate Affairs in helping present and guide that bill through the House and Committee.

I would like to go back to some of the statements made by honourable members. I would like to thank the Minister of Corrections for his contribution on these Estimates. The Member for Morris seems to believe, based on experience, that there's too many layers of bureaucracy in our system and in some cases, I happen to agree with him. I think we can look, as an example, at the report tabled by the Ombudsman in the House and see some of the layers of bureaucracy that are imposed by this level of the Crown. We can say the same thing of other levels whether it be at the municipal or the — I think it's even worse at the federal level — and by all means, I guess it's like saying that I'm in favour of motherhood. Whatever layer of bureaucracy that is not considered to be advisable should be withdrawn.

Now, it's a question of addressing ourselves to those layers to see what can actually be taken away from any department of government that we're responsible for. We believe that we've taken certain steps; that there's still a lot to be taken. One example is a system that we introduced just a few years

ago in regard to a citizen enquiry phone-in program, not program but actually a facility in the Department of Consumer and Corporate Affairs and I can cite later, if honourable members are interested, where anyone in the Province of Manitoba can phone in and be directed to any department of government services of those given departments or agencies of the Crown, in regard to services desired and it's tremendous how that service has cut down a lot of bureaucracy.

I think possibly we could do the same in regard to possible duplication between levels of the Crown, whether it be at the municipal, provincial or federal but mainly between provincial and federal, more co-ordination between Consumer Protection by means of the Department of Consumer Affairs in Ottawa and our own. I think that has to be looked at even more closely. So I don't think we disagree. I don't always agree with the Member for Morris and he knows that; I guess that's the times when I speak a bit louder, it's not always intended, it's just that I want to try to be heard a bit more. But I would wish that if he spoke always the way he did just now that he'd actually be the mouthpiece of the Member for Wolseley a bit more often if he was attempting to say the same thing because what he said made sense and what the Member for Wolseley says doesn't always make sense. So, that's all I really had to say in regards to those comments.

The principle of saving before borrowing I think is a good one. It's not always possible, especially in this day and age where people want everything before being able to set aside enough funds and this is why we see such a high rate of credit. It is a principle that I tried to foster in the credit union movement over the years, try to get people to set aside a few dollars before they decided to borrow but you have to do without for some time if you want to practise that philosophy but I think it's a sound one because the credit unions can't lend what they don't have so they have to make sure that enough people deposit so that they can lend this money out to other members. So I think it's a basic principle that should be practised more by all financial institutions.

Letters, as an example, from organizations, financial organizations, including credit unions, should not necessarily be sent without being sought to individual members indicating that credit is available to them if they so desire. It's good to have such letters on file if you need credit; that you know that your credit is good. I don't think that it should be automatically sent because when it's received, usually you look at yourself and say, "Well, by George, I do need a new television or I need the room fixed and I'll go out and borrow a bit more." And it seems to encourage people to borrow more so I think that's not always advisable but like I say, when it's asked for, it by all means should be given to the individual members.

The Member for Wolseley puts on the record that there's no course for Consumer Services officers. Well, Mr. Chairman, if we based our qualifications in a fashion that we'd insist on a course for consumer protection officers, there's no such course in North America. We'd have to go out of Canada, out of the United States to find people with such courses. There's no such courses so we have to set within the job description the type of responsibilities that are expected of individuals and hopefully, when the selecting committee recommends to the Minister that a certain person be employed, that he should meet those qualifications spelled out in the job description. That's about the size of it. It's the same in regard to his own profession. You know, when we talk of collectors in the Province of Manitoba, some provinces, I know of Ontario as an example and other provinces, insist that collectors take a course. Well, I don't know of a course in Manitoba for collectors. Now if we insist that the collectors have a course before they be licensed, we'd ask for, impose on the Honourable Member for Wolseley and others that are in that profession to go elsewhere in Ontario and take a course.

Now, you know, I believe that a person who is willing to offer services to the public, that is wanting to learn and respect laws of this country and offer good proper advice and services, should not be held back because he hasn't got necessarily the training that is insisted upon by other provinces in Canada. I think it's a lot of common sense that is needed in many professions that are offering their services to the public.

Oh, yes, the Honourable Member for St. Johns laid a statement on the record, I'm sure he didn't mean it this way but he left an impression that a person who is not in the capacity of paying is considered to be a deadbeat. I don't always consider and I'm sure the Honourable Member for St. Johns or the Honourable Member for Wolseley would not consider all people that are in financial straits, deadbeats. I think there's people that are financially say, deprived, and that are good human beings and good citizens so I didn't want to leave that on the record.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. WILSON:** I appreciated the Member for St. Johns standing up and vindicating what I was trying to say all along, that there has been a change in the thrust when he talked about the change to seller beware. Because at one time, it used to be buyer beware and now it's become seller beware and this of course has become extremely costly and this is part of one of the inflationary aspects and one of the reasons why we are passing that cost on to the consumer in higher prices and it's the working man, the man that works, that is paying those higher prices. So that is part of the system and I couldn't agree more. The only thing I was pleading, for a review and a person to examine this particular item

**Friday, April 1, 1977**

for almost \$800,000, I was asking the Minister and his top staff, who is with him today, to examine some of the things that I have had to say. Some may have been worded a little strongly when I pleaded that we consider possible thoughts for the future of limit on interest. The Meer from St. Johns has set a limit on credit and I hadn't given any thought to that, but I will take that thought in mind.

But I think we should encourage discounts for cash, because all members have agreed there is a great thrust on today to loan money at huge unbelievable interest rates, and that's what I talk about, put a limit on credit interest.

I did want to encourage his staff, the posture of his staff to have a new thrust towards using the telephone and forget about the fact that they have to impress somebody with files. I'm just saying avoid those huge files that are so thick you can't put an elastic band around them, because most of these in a remedial situation, in one of acting as a referee we can then use the telephone, use public relations and we will become more efficient and we will get into a measure of fairness. Because every time I'm sure a consumer or a businessman has to sit down to answer a government letter he's afraid to answer it without the advice of a solicitor because he knows you can never subtract a word.

Again, I'm urging that we do not continue to encourage the posture which we are leading ourselves down to, and I do again insist that the Minister at some point in time, in his Estimates explain to us what his discussions have been with the Federal Government pertaining to many of these complaints which I suggest could well have been looked after by the other level of government which would have been a saving to the taxpayers of Manitoba.

I welcome the Member from St. Johns coming to my rescue and trying to put the thoughts that I had in mind, because possibly I was maybe a little too emphatic in addressing the Minister, in suggesting that we've got to do something to halt the system the way it's heading.

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

**MR. G. JOHNSTON:** Mr. Chairman, I would like to pose a question to the Minister and it's about the travel agency business in Manitoba. In some of the other provinces in Canada, notably Ontario, in the last year-and-a-half, I believe, there has been an act brought in mainly for the protection of the travelling public. It requires bonding, it requires the having of a cash reserve so that travellers who may be — well, my seatmate says "stranded," but that isn't exactly what I am getting at, this can happen. For example, in the selling of tours or airline tickets, many small operators, through no fault of their own, operate on a day-to-day basis and use the client's money to finance yesterday's operation. I know for a fact because I'm associated with the industry, in the Province of Ontario, when a Travel Agents Act was brought in with very stiff and strict requirements, there were about 200 fringe operators knocked right out of the business.

Mr. Chairman, there was a reason for this. Many people had lost deposit moneys, had booked perhaps a trip to the old country, wherever that was, England or the Ukraine or wherever, they booked it three or four months in advance and when the time came to take the trip the agent had not paid the wholesaler or paid the airline. There was a lot of hardship created, quite a bit of money lost, and all I'm asking the Minister to tell me is, what are the plans here in Manitoba to follow the lead of other provinces who have recognized the problem?

I think it was only about last December when we read in the paper of a couple who had paid about \$3,000 each to go to Russia, they were promised and had paid for first-class accommodation, a trip to the resort areas of Russia. When they got to Moscow they were put on an aeroplane for Siberia, and they had no recourse other than a civil suit through the courts, that was their only recourse.

So I'd like the Minister to tell us what is in the works in this particular industry?

**MR. TOUPIN:** Mr. Chairman, the Member for Wolseley, is bringing forward what I believe to be a fair assessment of where the industry and the public is, pertaining to the "seller beware and the buyer be wise." It could have been reversed a few years ago, I guess, and I happen to agree with him that the possibility of a possible discount for cash purchases could be considered, as it is, I believe in some States of the United States.

In regard to the use of telephones to cut down files that we may have in regard to anyone, that's fine whenever a telephone conversation is all you need, but if you need something to back up your file, and sometimes you may have to back up your file with something definite, you may have to have a letter that you can produce, unless you are able to tape a telephone conversation and have that as evidence in a court. So there are cases that unfortunately the telephone is not sufficient. We've had that experience, where we've had to bring forward to the court evidence and not having taped a telephone conversation, it can cause problems.

But I happen to agree generally that we, in all areas in government, should attempt to use the phone instead of taking a plane or getting in our cars and visiting all over the province or elsewhere. It's less costly and more revenue for the Manitoba Telephone System.

Discussions with the Federal Government — he brought this point again in regard to possible duplication of complaint and dealing with same. Now, again, I would have to have examples from him of cases where either the Federal Government or our own Consumer Protection Bureau could have

dealt with a case without having it duplicated. I can't render, say, a comment at this point without having before me reference to a specific. I myself have not, since 1969, had discussions with the Federal Minister on that point. I met with the Federal Minister last evening but I did not talk about possible duplication, I talked about legislation that he intends to either present to the House of Commons or has already presented for first reading.

But by all means, if there is anything that we could do to avoid duplication, if the Department of Consumer and Corporate Affairs federally could do everything that we do here, I would be the first to recommend that we do away with most of our staff. There's no need for duplication and I have no empire to protect, my empire is all intangible. I don't know if the honourable member understands that, but my empire is not tangible.

The Member for Portage la Prairie talks about travel agencies and possible regulation of same. When I was in Tourism, Recreation and Cultural Affairs I had a lot of discussion on that with the industry itself and the Associate Deputy Minister of Consumer and Corporate Affairs was involved then and still is, because of the role of the Consumer Bureau itself. Ontario and Quebec have passed legislation, we have looked at their legislation, we've looked at the short history that they've had in those two provinces and there have been some problems, administrative problems, in Quebec and Ontario. We haven't dropped the possibility of some action provincially here. I was hoping, when I was in Tourism, Recreation and Cultural Affairs, to have something done, say, more tangibly with the industry itself and I still believe that that's possible. It's not a question of wanting to hurt the industry as a whole but to try and do away with the shoddy operators within the industry, and I think that's the desire of the majority of them involved in travel agencies.

So all I'm really wanting to say to the Honourable Member for Portage, it's being actively pursued by myself, indirectly through my Associate Deputy Minister.

**MR. CHAIRMAN:** Resolution 32. The Honourable Member for Rock Lake.

**MR. HENRY J. EINARSON:** Mr. Chairman, I have been listening to a great deal of the debate this afternoon and I would just like to make a few to the comments, rather to reiterate to the Minister a comment that my colleague from Wolseley just made a few moments ago, and that is related to people doing business on the credit basis, which has become a very popular thing over the years. Rather, if he could use his good office insofar as the cost of running his office, he could probably do a little advertising where he finds people are having difficulties probably and I'm aware, it may be an old-fashioned statement to make, but rather to have, and as my colleague from Wolseley mentioned, we could start talking about doing business on a cash basis and probably with an incentive where we're going to grant a discount.

Mr. Chairman, I think that if he would start to dwell a little more, I know it was barely mentioned by my colleague from Wolseley, it was also mentioned by the Minister, but I would like to reiterate that comment, that I think it becomes very important in this day and age when I think things are not as affluent and as lucrative as they had been probably in recent years. I think people if they are going to accept their responsibility and I agree with the Minister, I don't want to refer to people as deadbeats because there are many reasons why people probably have borrowed money and have found themselves in the position where they can't pay it back at the time that they agreed to at the time when the money was taken out.

You know, the Member for St. Johns, and I was very interested in hearing his comments this afternoon, he was speaking on the credit side of the picture but, you know, I go to The Bay or Eaton's or any of these large stores and when you purchase an item they ask you, "Is it cash or is it credit?" They almost give you the feeling that they hope you say credit. It alarms me, Mr. Chairman, to think that businesses have taken that attitude and the Member for St. Johns was making some comments this afternoon that I found very very interesting to hear.

So I'm now speaking on the other side of the coin, if we can't, through the Minister's office, through his Consumer's Bureau, Protection, try to educate people and get them interested in paying cash for some of the things that they buy. It may mean they are going to have to become more prudent in their business operations; it may mean they are going to have to do without for a little while in order that they can buy these things. I think this is also going to assist, it will perform a dual purpose in probably reducing the costs in this Minister's department if we can get people to start thinking along those lines throughout the whole business world. I believe that this is something that I want to impress upon the Minister, that doing business on a cash basis and also advocating to people and to the business world, that they should create an interest in this sort of thing by giving some discounts to people, because I've been hearing this comment all afternoon where those who probably aren't as responsible as they might be, are throwing the burden onto those who are responsible and are being asked to pay that bill because they are making their way and accepting their responsibilities to themselves and to society.

So, Mr. Chairman, I just wanted to make a few comments along this line about doing business on a cash basis and granting a discount for that very thing.

**MR. TOUPIN:** Mr. Chairman, I wouldn't want to dwell on the comments made by the Member for

Rock Lake because I think they are quite sound in principle and I have to endorse them. I would like to indicate to honourable members that I'm not tabling what is being circulated now, I'm making available comments, because we're not asked by any statutes or regulations to table this report, but this is information pertaining to the Manitoba Rent Review, the Rent Stabilization Act that is being made available to all Members of the House. Hopefully this will be of some assistance to meers in regard to what is happening in this field.

**MR. CHAIRMAN:** Resolution 32(a)(1). The Honourable Meer for inland.

**MR. ARNOLD BROWN:** From time to time we have price increases in certain commodities such as sugar and cocoa, etc., coffee. Prices fluctuate greatly in some commodities and each time that prices increase, we have huge increases in prices of chocolate bars or bottled drinks or bakery products, etc. When prices decrease in these commodity prices however, prices charged to the consumer very seldom decrease.

**A MEMBER:** Free enterprise.

**MR. BROWN:** I wonder if the Minister's department has ever investigated the justification of maintaining these high prices when the prices of these commodities have decreased. It seems to me that some investigation should be done in that particular area.

**MR. TOUPIN:** Mr. Chairman, we could talk about the price of sugar, we could talk about the price of meat, and I indicated this morning, that we had investigated, we had a Commission as you know, pertaining to the differential in price of meat between, say, Toronto and Winnipeg. We met with what we considered to be the major components in regard to the four largest chains in Manitoba and we asked them, pertaining to loss leaders as an example, when we talk of the price of bacon being offered by the packers cheaper to them, are they passing on this cost to the consumer? The indication that they left with us was, yes, that they tend to pass on the savings.

We don't have a price-setting mechanism in the province here in regard to what is considered to be acceptable pertaining to a profit margin. I think the only way that we can deal effectively with price setting, is by dealing with what someone decides to be an acceptable profit. I'm not about to so recommend to the House that we deal with that.

But that's really the case in regard to, yes, the Honourable Member for Portage talks about the co-operative concept, the direct charge co-operative is exactly that principle. They buy at wholesale price and pass on directly at that cost to the consumer, directly. All they do is charge an amount per week to every member for the administrative cost. But the passing on of the cost from the wholesale price is direct to the members of the direct charge co-operative. So that's really the only way that you're sure of getting, you know, the cost passed through as it is.

So I'm sympathetic with the honourable member but yet there are a lot of causes for an increased price whether it be on binder twine or whether it be on the price of sugar. Speculation is one, as the honourable member knows. Speculation costs are passed through; it's certainly a heavy component and I could bring the file on the price of sugar, as an example, and show that that has been a very marked reason for an increased cost.

**MR. BROWN:** I don't think that the Minister really answered my question. We know that from time to time shortages do occur and prices go up. But when these prices come down, the prices that have been charged by bakeries or whatever place that you have, they never come down. I was just wondering, has the Minister ever investigated that end of it?

**MR. TOUPIN:** Oh, yes, Mr. Chairman, we have but we have no mechanism to actually force individuals in the industry, whether it be in the private, the public or the co-operative sector, to pass that saving on. There is nothing that we can control under the Department of Consumer, Corporate and Internal Services. So, you know, I know that in most cases, if I take again the example of my own father who has been in the business for years, he has passed it on but there's nothing forcing him to do so. He can just hold it and make an additional profit and eventually level off or depending on how much stock he has had, he could make quite a bit of money, you know, if he decided to not pass on the savings. So it's a question of, it's a discretionary power that the individual has in the industry. Some tend to say that it levels off depending on what way they decide to pass on or not pass on the saving.

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

*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.*

## IN SESSION

**MR. SPEAKER:** Order please. The Honourable Member for Logan.

**MR. JENKINS:** Mr. Speaker, I would like to move, seconded by the Honourable Member for St. Matthews, that the Report of the Committee of Supply be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable House Leader.

**MR. GREEN:** Mr. Speaker, we will be proceeding next week in the same manner as we have

proceeded up until now. The department following the Minister of Consumer Affairs will be the Department of Northern Affairs in the Chamber, and the Minister of Highways, followed by the Minister of Public Works, I believe it is, in the Committee outside the House.

Also, next week, it's been agreed that we will treat Thursday as Friday, Good Friday being a holiday, we will not be sitting on Good Friday, we will be sitting on Monday. But Thursday the House will commence at ten o'clock and we will carry on as if it is Friday so we will be finished at 5:30 termination. —(Interjection)— Well, 5:30, unless it's agreed to, earlier.

I believe that there is a Committee called for next week, the Committee on Public Utilities meets to further discuss the Hydro Report and that is the only committee that is meeting next week, as of now. —(Interjection)— Public Accounts, is that on Thursday? So it's Hydro on Thursday and Public Accounts — notice was given on Public Accounts, I don't remember the exact date. Excuse me, Public Accounts on Tuesday, and the Hydro, Public Utilities, on Thursday.

**A MEMBER:** But Thursday is Friday.

**MR. GREEN:** Well, then we will just sit in the afternoon on Thursday and we will sit in the morning in the Utilities Committee since it's been called, and we will sit on Thursday afternoon. If there are no other questions, I would move, seconded by the Honourable Meer for Morris that the House do now adjourn.

**MOTION presented and carried,** and the House adjourned until 2:30 p.m. Monday.