

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, June 5, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 30 students of Grade 6 standing of the Margaret Park School. These students are under the direction of Mrs. Garnett. This school is located in my own constituency of Kildonan.

We also have 30 students of Grade 8 standing of the St. Elizabeth School of Thunder Bay, Ontario, as our guests. They are under the direction of Mr. Sajna; and we have 40 students of Grade 6 standing of the Oliver Road School from Thunder Bay, as our guests, under the direction of Mr. Biehbeck.

On behalf of all the honourable members of the Legislative Assembly I welcome you here today.

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

TABLING OF AGREEMENTS

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I wish to table the General Development Agreement between the Government of Canada and the Province of Manitoba, signed today.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Yes, Mr. Speaker, I'd like to table the Manitoba Northlands Agreement.

MR. SPEAKER: Any other Ministerial Statements? The Honourable Minister of Highways.

MINISTERIAL STATEMENT

HON. PETER BURTNIK (Minister of Highways) (Dauphin): Mr. Speaker, I'd like to announce that Monday of next week at 6:00 o'clock in the morning, all 250 pounds per inch width of tire restrictions will be taken off the Provincial Trunk Highways and PRs and PTHs. Some will be increased to 350, and some 350 pound weights will be increased to 500.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions; Orders of the Day.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. GREEN: Mr. Speaker, I wonder if you would proceed now with Bill No. 64.

MR. SPEAKER: Thank you. Bill No. 64. The Honourable Member for Souris-Killarney. (Stand)

MR. GREEN: Mr. Speaker, I would like to indicate that some of these bills have been on the Order Paper for some time and we are therefore not going to be in a position to let them stand indefinitely, so I just want to tell honourable members that.

MR. SPEAKER: Bill No. Shall I proceed seriatim?

MR. GREEN: Bill No. 71, Mr. Speaker.

MR. SPEAKER: 71. The Honourable Member for Pembina.

BILL NO. 71

MR. GEORGE HENDERSON (Pembina): Thank you very much, Mr. Speaker. I have a few remarks I would like to make about Bill 71, and we're always happy to see legislation that protects consumers. We realize that they really do need protection. However, we also live in a society where many business people are finding it very difficult to make a living, and sometimes too many restrictions has the effect of putting them out of business, and we must be conscious of the fact that if we get too many complications in there where it's harder for the local businessmen to do business and more costly, that it has to result in a higher cost to the consumers, and I mean to the bulk of the consumers who are the good people.

BILL 71

(MR. HENDERSON cont'd)

In this particular bill - I have looked it over and tried to consider it, and there's three things that I would like to criticize, and I have a feeling there might be many more, but possibly by the time it goes to Law Amendments the people are made aware of it who it really affects in a personal way because they're much more capable of interpreting it; I believe that there'll be representation on it. One of the things that really seems to be wrong to me is the disclosure of the amount of gift in a certain case where there's deals refinanced with companies.

Now I have a feeling that when people are making their different deals, and I'm thinking possibly more now of people in the automobile business because I think this is relating to larger articles, and they turn it over to a finance company, the person at that time has his choice to go into banks, credit unions, or whatever form of financing he might do, and they're all trying to make an honest living. But if he has to disclose just exactly what he gets for turning it over, I don't know if this is proper because everybody don't tell all their secrets in business, and it isn't a large amount. In many cases it isn't large at all. He's doing it to help promote the sale. And also at the time that he's making a sale he signs a slip stating that if the purchaser doesn't really end up by coming through and the finance companies repossess, that he's got to put up the money; and then he's got to sell the article again to get his money out of it.

Now, contrary to what most people think by the time most articles are repossessed, one of the reasons they're repossessed is because the consumer has abused it to such an extent that he can't sell it for more than what's against it, because if he could this is just what he would do. They aren't all that stupid. And if they can sell it for more than what's against it, they're going to do that very thing. And they do this, and then if they don't sell it he's got to take it back, he's got to put it through the shop again because he can't resell it unless it's roadworthy, and he probably sells it at a loss. So he may have got a small token from a finance company for having turned that business over to him, but at the same time if it comes back he's very likely to have suffered a loss in the resale. This really would balance out that he's making very very little in there. He's really just doing this to help promote the sales in the first place, you know. So I think that that's one of the things that I see wrong with it.

And the other part is where they sell credit insurance and they only get a rate of five percent up to premium that the person pays. Now this is a very very low rate when you figure out the premiums that most people pay. And all the book work that goes with it and the time that's lost at today's wages and prices, that they just wouldn't get anybody who'd want to do this. They just won't want to do it at five percent, because even Autopac, which is down to the lowest rates, and they have a continual volume of work coming all the time, they're getting seven and a half and ten percent for writing it up. So here's these people here writing credit insurance for the people that are using it and can't get more than five percent. So I'm sure that this doesn't seem realistic unless you're trying to by some chance drive these people that are selling credit insurance out of business. And that could be thought about in many ways. I don't think this is right.

There's another thing that really bothers me a great deal, and I've been rereading it several times, and I've been talking to a few people, there's one of the paragraphs in here where you assign to notify the debtor of an assignment, and this is where you sell your mortgage to somebody, somebody that's made a purchase, they sell their mortgage to somebody, and then they have to disclose this to the buyer, and if there's any discount in the selling of the mortgage it has to be taken into consideration and to be considered part of the cost of borrowing, and then the man has the right to know and has a right to buy, and this, especially in real estate, could be a very very bad thing. I can see it upsetting the whole mortgage system in real estate because I know . . .

MR. SPEAKER: Does the honourable gentleman have a point of order? Order please. Order please. Does the member yield the floor for a question? Would the honourable member state his point of order.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Whether the Member for Pembina is speaking on the consumer--amendments to the Consumer Protection Act, the present Act does not include transactions as relating to real estate. They are specifically excluded. So if his remarks on that subject are to be made now then, Sir, I suggest that they are out of order.

MR. SPEAKER: The Honourable Member for Pembina.

BILL 71

MR. HENDERSON: Well, thanks, Mr. Speaker. I think he just may have a point. He just may have a point if it doesn't include some type of a mortgage here, because I was reading this paragraph and I thought that this was maybe considered as part of the consumer legislation, because - I would like to read the part here again now to see if it doesn't. But it speaks about where you assign the mortgage to people and then they have the right to--they have to notify them of any discount in assigning the mortgage, and then they have to let the purchaser know, and he has the right to consider the discount as a part of the cost of borrowing. --(Interjection)-- Well, I think if they're borrowing money and having a type of a mortgage, it's so close to real estate that it puzzles me. --(Interjection)--Pardon? Oh. Well, in that case I might be wrong. But this was one of the things that I was concerned about and so--(Interjection)--well, possibly if it doesn't refer to mortgages and real estate at all, I should maybe not waste the time of the House on this. But this was one thing that I had seen myself, and I thought it made quite a difference.

But if it refers to Chattel Mortgages I can see the same thing happening, when I think about it. Because we can imagine--well I'll just use the same figures on the Chattel Mortgage that I was going to use on the real estate mortgage--that if somebody had a debt of around \$20,000 in the form of a Chattel Mortgage, and suppose the way that Chattel Mortgage was drawn up these payments weren't coming very quick and he had a low rate of interest, and he was getting up in years, and possibly his health wasn't too good, and he figured he wanted to take a few trips before he passed off, and he goes to sell his Chattel Mortgage--he could take \$15,000 for that. He mightn't be able to sell it for any less because of the way the terms was written into the Chattel Mortgage. So he goes to sell the Chattel Mortgage and then after that he has to notify the original purchaser of the price that he's selling it at now, and supposing it's a difference of \$5,000, and then he has to work out the interest rate, and then the buyer has the right to come in and buy, taking these things into consideration. If that was to happen I can't see how Chattel Mortgages could be really resold, and I think it would upset the whole thing. Because if the discount has to be taken into consideration, then worked back and give him the chance to purchase it at that price, because that's part of the cost of borrowing, I don't think this is right because he made his deal. He bought it for what it's worth, and he probably got the right deal. It's just that the person that has the mortgage, or the Chattel Mortgage, is wanting his money out of it and he's got to find somebody that'll buy it, and he's got to find somebody with some money, and this is his only way of getting it. So if he has to sell it at a big discount because of the the way that Chattel Mortgage was drawn and the way the payments were to come back to him, it could be something that he'd take a very big discount on.

So I don't think that at this time - I think that nobody would be wanting to buy a Chattel Mortgage at a discount at all, and you're leaving a man stuck with a bad thing, and it's his and he hasn't got a right to sell it at what he can get for it, and I don't believe that government should get into it to that extent. I feel sure that there'll be representation on this bill when it comes to Law Amendments, and I'm sure that maybe many of the other members can add something to it, but these are the things that I see wrong with it.

MR. SPEAKER: The Honourable Member for Assiniboia.

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

MOTION presented and carried.

BILL NO. 74

MR. SPEAKER: Bill No. 74. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. We've had a chance to check the bill, and we have several comments that I think this side of the House is concerned about in several aspects of the bill that I don't think are palatable to this side. This bill is an extension of the existing Manitoba Export Corporation Act, and I think the question that we really have to seriously ask ourselves in the House is, why is this government bringing in this particular bill when we already have one that has been fairly effective; and is this bill really necessary for more and more effective sales, and I wonder if this bill does not give this government too much latitude and perhaps more power than they should have.

Mr. Speaker - and I'm sorry that the Minister of Industry and Commerce is not here -

BILL 71

(MR. BOB BANMAN cont'd) I would like to ask the Minister what consultation he has had with the Federal Government, specifically with the Federal Department of Industry and Commerce, Industry, Trade and Commerce, and in particular the Federal Export Development Corporation. It seems to me that this bill is a duplication of exactly what the federal agency is trying to do and trying to accomplish. This bill I feel has many sections which are rather questionable, and I think that the Minister when closing debate should provide us with specific answers to some of these questions.

Take for example the ability of this corporation to buy products from other provinces and then resell them. The question is, I think, should this government be using Manitoba taxpayers' dollars out of the Consolidated Revenue Fund and selling out of province goods. I think the objective and the main goal of an export corporation, such as we presently have, is to encourage the development and the sales of Manitoba products not Canadian products, because that comes under the jurisdiction of the federal people. So I would raise that objection at this time.

The other interesting thing in the bill is that the Government is going to engage in bartering trade; it allows them to engage in bartering trade. I would suggest to the Government at this time that the barter trading is a field which is very very competitive and you have to have the expertise and the knowledge to know exactly what you're doing. You can't just go into it with people who are not well experienced. I realize the Minister of Mines possibly would like to see some Saunders Aircraft traded for Brazilian coffee beans or Columbia nuts, but once again we have to again sell that product, sell those beans, and sell those nuts again. I think, Mr. Speaker, this bartering clause in this bill is possibly somewhat of a reincarnation of the Hudson's Bay Company and it would allow the Government to trade trinkets and beads for whatever they would wish to do.

This bill also allows the Government to go into the purchasing field; in other words, buying goods outside of the province to be resold in Manitoba to Manitobans.

Mr. Speaker, again I would like to say that this is a very competitive field. Presently companies employ expert staff, and with large purchasing departments and experienced staff, and I cannot see the Government who, I think, believes they are going to by this step try and fill, if you want to call it a vacuum which I think really does not now exist.

I think one of the biggest fears we have is the way, and the loose manner in which the financial arrangements of the trading corporation are set up under this present Act. Mr. Speaker, by Order-in-Council, by Cabinet, this trading corporation can request moneys from the Consolidated Revenue Fund and then again pay them back in terms spelled in that order. It also gives this Corporation a blank cheque of about \$5 million by way of overdraft, line of credit or loan, and of course the question we have to ask is, where is that loan or overdraft going to come from. Is it going to come from the bank, the credit union, or a treasury branch? We really don't know.

Mr. Speaker, I suggest this particular set-up of the financial structure of this organization is enough to possibly make all our hair stand on end. There are virtually no check valves in the bill. There are basically no restraints, and I think the corporation with this amount of money, this volume of money at their disposal, could possibly start buying buses from Flyer, Saunders Aircraft, financing the same. This of course would make statements such as the Saunders Aircraft who now have the contingent liability when they do sell an aircraft, it would remove that particular aspect from the statement, and of course would make that corporation look like it was doing a little better than it presently is. During the debate several weeks ago the Mines Minister indicated that maybe one way that Saunders, or some of the different agencies of the Government, could possibly make money, or show a profit, is by possibly shooting down that particular Saunders Aircraft, or whatever it happens to be. Now, Mr. Speaker, I seriously question that this corporation wouldn't allow this Government to go ahead and use this as a vehicle for this type of a venture.

Another question I would like to put to the Minister of Industry and Commerce, and something I don't understand, is that the bill states that moneys raised and earned by the corporation does not accrue to the public purse, and I think that any moneys in a case like this are accountable to the Legislature, and namely, the people of Manitoba, and I would raise that question with him.

Also another aspect is that the bill also states that the Companies Act which governs all companies that operate within Manitoba and Canada, that this bill gives this corporation special

BILL 71

(MR. BANMAN cont'd) authority. In other words, the Act takes precedence over any Companies Act. Now I think that the laws that the other companies abide by, should be abided by any Crown Corporation. I don't think that we should give anybody special concession, and especially the Government. If the gentlemen opposite feel that they can compete with the private sector, then they should also abide by the same rules. I'd like the Minister to assure us here that they will not be operating outside the present Companies Act, and that the competition that they will be going into with the private sector will be one on equal terms and not one that operates outside of these bounds.

Mr. Speaker, there are several special points which I would also ask the Minister to answer before he closes debate. I would like to seriously know what he feels the cost benefit ratio to the people of Manitoba will be. I would ask him if he doesn't consider that this is already a duplication of something which already abounds. I would seriously question, is it not an unnecessary extension of the present trading corporation, and would he not - well, Mr. Speaker, I imagine he wouldn't agree with me on this point, but I think that it's another example of Government intrusion through state control unto the private sector.

A MEMBER: Right.

MR. BANMAN: I think the present Act - not the Act that we have before us - there is basically no problem with that Act. I think that the Government should be providing more direction to that particular corporation, the way it is set up now, and I think that this bill is once again an example of this Government promoting and moving into their socialistic philosophy and doctrine.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Thank you, Mr. Speaker, I would . . .

MR. SPEAKER: Order please.

MR. AXWORTHY: I'd like to make some comments, if it's possible, on this particular bill, Mr. Speaker, and start out by saying that in the last, I guess, five or six days we have observed in this House the introduction of a series of successive waves, almost, of new economic institutions, none of which have seemed to be introduced with much rationale from a practical point of view, more, as the Minister of Mines and Resources who has just concurred, more in order to answer a philosophy or a theory, not to answer a practical objective. This sort of succession of pink economic elephants that we've had sort of parading around in this House the past three or four weeks have always seemed to me to have been simply sort of kind of bumptious sort of full of air nothings until the Member from La Verendrye got up, and for the first time he gave me a reason why maybe we should consider one of these seriously. In reverse he said that under this Act we have the opportunity to start bartering some beans and nuts from South America for Saunders Aircraft here. I think if he reversed it, if we could import some of the nuts from Manitoba back for some valuable goods from South America then we may in fact have a worthwhile reason for supporting this bill.

But, Mr. Speaker, that's about the only reason I've been able to discover in a close reading that the Member from La Verendrye sort of, if he just sort of had turned that around a little bit, provided us with a rationale, but really the only rationale available for the setting up of this new Manitoba Trading Corporation which we have before us.

Mr. Speaker, I've listened carefully to the Minister's remarks and during the course of them I thought I heard or saw patched together some justification based upon the requirement that this would be an assistance to the export market of Manitoba manufacturers and producers, and that sounds legitimate. But then you say, okay, what are the means that you're applying to do it, and is it necessary? That's when we start coming up with the zeros in the answer column. Because there really isn't any justification for this kind of, again highly complicated institution with a whole range of magnificent powers that could basically become obstacles in the way of achieving the end result. Well I think what we have learned from this Government is if you give them too many things to do, they just start stumbling over themselves.

Here we have in this Bill 74 a whole list of powers from A to G or H, or something, and when we get in there well all of a sudden we have an interesting mixture of things. We've got the ability to buy and sell non-Manitoba goods, and the ability to buy and sell foreign made goods, and I all of a sudden see in my mind's eye sort of the picture of one of these official agents, probably an ex-MLA from the NDP, working for the Manitoba Trading Corporation off there down in Bolivia, or Chicago, all of a sudden buying goods, and selling goods, and putting

BILL 71

(MR. AXWORTHY cont'd) them together, and all you're seeing is a kind of interesting Rube Goldberg operation; lots of activity, lots of movement, lots of action, and probably the end result will just be a great expenditure of energy without any result, with one exception, it would cost us a lot of money.

Because the other thing about this corporation is that it has the power to acquire its own line of credit, to draw upon General Revenue, and basically to have almost an unlimited sort of reserve fund to dip into to acquire all these new sort of financial credit arrangements. It would seem to me, Mr. Speaker, that this would simply become sort of a highly confusing kind of operation, because the nature of the economic practice when you remove the discipline if you like, of the market, if you remove the discipline to show a profit, if you remove the discipline that requires someone to at the end of the year end up with a balance sheet that has a black mark rather than a red mark, and simply acquire that conventional standards of Civil Service, merit ratings, and all the rest of it, if you eliminate the discipline and apply that system, then any kind of incentive to produce, to perform, and to sort of provide the kind of wheeling, dealing, kind of operation that this would require, is eliminated, and we end up again with one more, as I've just said, kind of pink elephant that's sitting here as another member of the alphabetic sort of legion of organizations and corporations, which are non-productive, and in many cases contrary to their principles.

I suppose I would be happier, Mr. Speaker, if we had in setting up this corporation provided some interesting inducements. For example if the new Manitoba Trade Commissioners or operators, it had been said, okay, we're going to hire you on commission, you're going to get a percentage of what you're able to sell abroad, but no big salaries, no big expense accounts, you sort of get what you make. Then you may find some incentive; then you find some reason for them to get out and provide the new contacts and the new customers and the new clients. But if you simply adapt, as I expect it would be the case, the standard organizational requirements of a Civil Service operation, then it is not economically inclined; it has no incentive to be. I wouldn't expect them to feel that they had to do it because there is no imperative built into the organization to suggest that they produce these kinds of things. So as a result they get away with simply having an organization which doesn't have the internal dynamic to enable it to achieve its objective.

The thing that strikes me curious, Mr. Speaker, is, if it was the interest of the Minister to secure, and achieve a higher performance in the export market of Manitoba manufacturers and producers, there were certainly other ways that he could have taken, which would have been far more useful, and far more productive, and given far more incentive, because I don't believe really that sort of a legion of Government officials out there in the wide world is necessarily the best way to induce our manufacturers to become involved in the export market.

Let me recall, Mr. Speaker, an article, it was in a report in the Financial Post of early November, I believe it was November 10th, where there was an interesting cost comparison that was done by a small manufacturer in the Province of Ontario, who had a fairly active export market - I think he exported about 80 percent of his products to the United States and to Great Britain - and he was having to make a choice as to whether he was going to build a new factory in Ontario, or whether he would built it in the United States, just south to the border. He couldn't get much in the way of any location analysis by the Ontario Government, and I gather he probably couldn't do the same in Manitoba, but he asked a private consultant. He said, okay, let's run through the costs and find out which is the best situation for me to be in as an exporter. And what he came up with, Mr. Speaker, is this, that he found out that if he located 25 miles to the south of him, just across the border, he would double his after tax profits, simply because the kind of regulation and burden that all levels of Canadian government, federal, provincial and municipal, place upon the setting up of a manufacturing operation which geared itself to the export market, makes it extremely onerous for them to achieve. One of the conclusions that that article reached was, that if we really wanted to induce small manufacturers and processors and producers to become highly active in the export market, then we should start providing rewards, because the export market is a particular kind of economic market.

For example, we have in this province, certainly as in other provinces, a sales tax which is applied to machinery and other goods, particularly in terms of when they're imported. They say, now what would happen for a major exporter if when he reached a formula balance between

BILL 71

(MR. AXWORTHY cont'd) exports over imports and net worth, that he was to have the sales tax taken off that machinery as it came in; or similarly who'd have a certain reduction in his corporate taxes, which in this province of course are the country. Then all of a sudden what we're doing is saying that yes we want our manufacturers to export more, but let's give them a good economic reason for doing it, let's recognize that these people live and work by the rules of enterprise, and therefore we reward them by those rules, not by setting up new agencies, new governments, new sort of organizations.

So what again is happening is that the theory and philosophy of this Government has allowed them to become blind to the economic realities, and they have misplaced their energy and their ambition, so rather than resorting to what would have been a far more productive exercise in the inducement of greater exporting by Manitoba manufacturers, they think the only way to handle it is to provide another organization, another government agency. That is the basic kind of blindness or myopia that we keep seeing coming out is that there doesn't seem to be a willingness to examine all the options and alternatives, and say here's the objective, which in this case is to induce more exports by our own companies and businesses, what are the options available, what's the best way of doing it? What they take is a very narrow range that fits into what is acceptable according to the canons of some long-lost 19th Century socialist philosopher that someone read when he was sort of, you know, had nothing better to do in high school, or something, and that's what they're going to apply, and eliminate the rest of the options. They're not considered. Because it would have been very useful for the Minister in presenting this bill to have given the House what kind of mental process he might have gone through to determine why this particular option was chosen. What were the options available; what were the different techniques that might have been applied? Instead now we get sort of the singular answer, only one option is the right one.

So, Mr. Speaker, it fits in very well with the kind of pattern we've seen developing over the past week, which is that idea of presuming and working on the premise that the way to aid and abet the economic wherewithal and welfare of this province, is through the act of intervention of a government organization and agency. Yet no evidence is produced as to why it's going to work that way, or why it's a superior method. It's just that ipso facto that's the method.

That is why, Mr. Speaker, that this piece of legislation, this proposal, really is unnecessary. Again, the facts and data, and the information, have not been supplied to say why it must be done, and certainly no examination of alternatives has been given. All we must do is again go on some magic leap of faith that the Minister of Industry and Commerce was right, just as the Minister of Mines and Resources said he was so right a week ago when he introduced the Mineral Bills Act, and now he has had to withdraw it. So that leap of faith that we were asked to accept a week ago, and which we have now realized fortunately we did not accept, we are now being asked to accept on this proposal, as we're being asked to accept on the Treasury Branches Bill, as we are being asked to accept on the Fire Insurance Corporation, and so on.

Well, Mr. Speaker, I just don't think that I'm prepared to take any more leaps of faith into the sort of darkness, because what simply happens is that leap of faith is in many cases a fool's leap. That there is simply no rationale being given and as a result this proposal, like the others, really can't be supported by members of our group, at least, on the basis that it adds nothing other than more civil servants, more employees, and probably simply by that simply adds more costs, and more confusion to what is already a very confused economic situation in this province.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker, I beg to move, seconded by the Honourable Member from Gladstone, that debate be adjourned.

MOTION presented and carried.

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

A MEMBER: . . . Northern Affairs will stand.

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

BILL NO. 77.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I did intend to speak on Bill 77 at this time but neither the House Leader nor, more importantly, the Minister of Finance is here, and there's five tax bills, six tax bills involved in Bill 77. So I suggest, Mr. Speaker, if at this point maybe your runner will take off and bring back some people that we might talk to about on Bill 77.

Mr. Speaker, I first should say that I'm designated by my Leader to speak on this bill on behalf of the Conservative Party, and pointed out in the event that I should happen to run the time limit then I'll have that extension, Mr. Speaker.

Well, Mr. Speaker, the first thing I want to do is protest in the strongest terms I can the Government bringing in six tax measures in one bill. I think that probably this is the first time that this has ever happened that tax measures were put together in an omnibus bill under the Statute Law Amendments Act, which comes in normally every year as a cleanup bill for minor items that generally alter regular Acts, but not tax acts, Mr. Speaker. We have this time here these all incorporated into one Bill No. 77. We have the Revenue Tax Act, and the Gasoline Tax Act, the Motive Fuel Tax Act, and the Mining Act of course, which is extremely important in its own right, Amendments to the Revenue Act (1964), and so on.

But, Mr. Speaker, then what we have here is really, we're faced at Second Reading we're being requested to approve or disapprove a bill on the basis of principle, and there are so many principles involved when you get a bill of this type, that contains basically six different Acts, that you can't apply the normal logic, or apply the normal procedure, when you come to a decision of whether or not you support the bill. Because you will find in one case where you may want to support a social measure you agree with, but on the other hand in order to do it you have to vote for a taxation principle that you strongly disagree with. This demonstrates really the unfairness of bringing in such major issues, particularly taxation issues, under an omnibus bill which covers a large number of different topics.

So what, Mr. Speaker, our procedure will have to be in this case is that the bill will have to go to the committee stage, and perhaps get more detail added. We'll get, presumably, more detail from the Minister when he closes debate on it, and some time prior to third reading if we are able to get the government to agree to some suggestions for changes in the clauses, then we'll have to decide whether we can support the bill in total or not at third reading. But that's the trap we're in, Mr. Speaker, and it's the impossible situation that every member of the Legislature's in when they try to deal with Bill 77.

If I can deal first of all with the Revenue Tax Act, Mr. Speaker, there are changes here which are important. The most important here is the change respecting the exemption of people living on Indian reserves from the imposition of the sales tax. And, Mr. Speaker, in general, that's the source of the principle that no individual really wants to disagree with, but there is a question that comes to light in looking at it, or two or three questions. The first question is, does this not put the native person in the position - or have him placed somewhat in a commercial establishment, in the position of violating the Human Rights Act. Because we have Bill 90 before us, the Human Rights Act, and basically what the Human Rights Act does is to try and rule out your ethnic background, your age, your sex, and all these things from being a factor in the commercial world, Mr. Speaker. It's principally aimed at employment, but nevertheless it is aimed at playing down the ethnic, age and other distinctions that exist between people. But this Act really says that a person of native origin who happens to live on a reserve can go to a store in the reserve and buy the goods or he can go to a store off the reserve and buy his goods, but he can't take his goods with him. The goods have to be shipped by the store, say it's from Eatons in Winnipeg or some other store, have to be shipped back to the reserve, delivered in bond, Mr. Speaker, essentially by a common carrier and deposited on the reserve at his place of residence. And of course it rules out those people that are the Metis - who live, some on the reserves, some off the reserves - presumably, because I assume that the Government is going to require the treaty identification number to be used in the purchase of these goods. Now, that's not spelled out, Mr. Speaker, and that of course is one question that we would ask the government to answer before we get to the wind-up of second reading of the bill, and certainly not later than the committee stage. Is the Government going to require the native person to have a treaty identification number when they buy these goods? I point this out, Mr. Speaker, . . .

A MEMBER: We'll put a patch on their arm.

BILL 77

MR. CRAIK: I know that other provinces have given exemption to native people, treaty people, from sales taxes in certain other provinces. I would really like to get an opinion from the native people whether they do consider this to be significant in terms of their daily costs, to be exempt from the sales tax. It will make some difference no doubt. But are they weighing this off? Is this balanced off against a Human Rights aspect here that attempts not to differentiate people on the basis of creed or colour or ethnic background when dealing in the commercial world?

So I would like, Mr. Speaker, to be able to ask the native people. I would trust that the Indian Brotherhood might offer a comment on this to the members of the Legislature. This bill won't go to the Law Amendments Committee, it doesn't get outside this House, so it's difficult to have representation. But some way, if we could get an opinion from the Indian Brotherhood at least, it would be helpful to know whether they consider the measure a real asset or does it have liabilities on the other side from a human pride point of view. Maybe they would prefer to forego the five percent on the goods they do buy in order to not be put into a certain category or group that's special in society. And it comes close to doing the sort of thing that Bill 90 attempts to play down in the Human Rights.

Mr. Speaker, there are other aspects of the bill that are administrative, and we recognize these. There is one important fact that should be pointed out here, that the government is asking for the right to exchange information with jurisdiction in governments other than they now have. I understand that they have that right in Canada and they're asking for the right to set up reciprocal arrangements with other countries, other governments, provinces and states in order to exchange information with regards to the purchases, I assume, of people - individuals. Now, Mr. Speaker, we don't particularly see a - it's more power to government, these bills are full of more power to government, Mr. Speaker, all the way through; it's more power to the Civil Service and more power to government. We don't object specifically to this, but we think that when something like this is asked for that is another move for powers of investigation of people - really more snooper powers - which we debated in other sessions. The Government should explain it, and we would ask them in that case to explain the clause of the bill on the Revenue Tax Act that allows for investigation of people outside of Canada in other jurisdictions with regards - since it's under the Revenue Tax Act, I assume that it would be with respect to purchases outside of Manitoba that they have to investigate to make sure the tax is paid in Manitoba.

Mr. Speaker, there's also a section in the last of that bill that allows the Cabinet to set the interest rates that are charged against people who have revenue tax owing. The interest rate should - as far as possible, these rates should be set by the Legislature. We would prefer to see it set at a fixed rate in legislation rather than the discretion being given to the Cabinet to fix the rate as they so desire. This has some similarities to the - except in an opposite sense, it has some similarities to the imposition of a discretionary mining royalty tax that the Minister has asked for in the last bill.

Before I leave the Revenue Tax Act, there is a re-definition, it's a minor point, but there's a re-definition of railway rolling stock here. I don't know why that clause is brought in. I wonder if the Minister would explain it? The way I read it, that the regular inter-provincial carriers such as CN and CP would be exempt. But, you know, these major Manitoba carriers such as the Prairie Dog Special would not be exempt from taxation on their repairs. So I wonder if the Minister could explain why the re-definition of railroads comes in? Under the original definition which was the--the definition under the Railway Act in Canada, the Prairie Dog Express did fall under its categorization, but doesn't under the new one.

Mr. Speaker, in the last clause of that Act, I mentioned some question about the interest rates, why they could not be spelled out in the legislation rather than through regulation.

Going on to Part II, the amendments of the Gasoline Tax Act, Mr. Speaker, and we have to refer here - I note that to the particular Act as indicated by the Minister, there is an increase of two cents a gallon on aircraft refueling in Manitoba, international flights; and there is of course a change in this that brings the price - the taxation on gasoline at gas pumps brings the government's taxation down from 17 cents a gallon to 15 cents a gallon. We would like to ask the Minister here how much money this represents in terms of total change in revenue that the government will experience in going from the 17 down to the 15. We understood from the earlier statements a month or so ago that the money accruing to Manitoba

BILL 77

(MR. CRAIK cont'd) through the changes in the royalty on petroleum products produced in Manitoba was of the order of \$12-1/2 million. We would like to get some sort of an indication from the government where the \$12-1/2 million dollars goes; how much of it goes to the reduction, the provincial tax on gasoline, and how much goes to the motive fuel tax reduction that's contained in the next Act?

We agree with the principle of the colored gas for the traffic and fishing people. It's probably a more effective way of dealing with it than a rebate, or than the system I think which was used before, which they had to pay the full price and then get the rebate back. I believe that this probably introduces a more direct way of handling with the problem. Other than that, there is a large section on refund of the provincial tax to out-of-country jurisdictions, which we agree with is administrative and no problems involved here.

We would have to comment that the two-cent reduction on the gas tax from 17 cents to 15 cents is considerably lower than we were led to believe it would be by the First Minister a couple of months ago when it was indicated that the reduction might be somewhere in the order of four cents. In Saskatchewan the reduction is seven cents and in Alberta I think it's probably five cents, or in that order, it might be higher. But at least Saskatchewan, Mr. Speaker, the seven cent reduction is going to make Saskatchewan gasoline considerably cheaper, and it's going to have a very large impact of course on the diesel fuel that's used for farm purposes - and is going to create I would think some problems at the border because they are also intending to subsidize the motive fuel to the extent of seven cents - not motive fuel, but fuel for agricultural purposes to the extent of the seven cents as well in Saskatchewan.

So, Mr. Speaker, we're unhappy with the reduction of only two cents, but I would assume in the Minister's remarks he's probably going to tell us that by the time you add it all up it comes to the \$12-1/2 million that is designated as being the amount coming from Manitoba's petroleum production.

Mr. Speaker, I have a question with regards to another section of the bill that is important. It is a section of the bill that allows money coming into the Crown from a collector, or moneys coming into the Crown from interest on debt to be payable to the Minister for the use of the Crown. Now it's normal for these things to be paid into the Consolidated Revenue Fund, and I wonder if there is - the clause in the bill on the Gasoline Tax Act allows under a section for the revenues to come in--this is under Interest on Debts section--but it indicates here that this would be payable to the Minister for the use of the Crown. Now the normal wording of this I think, is that it's paid to the Consolidated Revenue Fund rather than to the Crown. Now I think there's a difference, because the Crown implies the Government or its agencies - that's the way we would read it - whereas the Consolidated Revenue Fund refers to the pooled revenues of the Government's operation, excluding its agencies such as Hydro, MDC, Manitoba Telephone System or Autopac. So, Mr. Speaker, naturally in reading this I ask the Minister whether it's the intention to mean Consolidated Revenue Fund, or if it's the intention of the Government to require the liberty to take the gasoline tax and apply it to other areas of operation such as the Manitoba Public Insurance Corporation for the operations of Autopac, such as has been done in Saskatchewan and in B. C.

Mr. Speaker, there's another very important part of this bill that should be pointed out, and this is the powers - again an extension of powers of Government to make debts from a company payable to Government on a priority basis. Mr. Speaker, I think essentially what it does is that if a company owes the Government money from the basis of the fact that it has collected one of these taxes - and it's under the Gasoline Tax Act in this particular one - it puts the Government in a priority position to get that money back before normal preferred creditors can get their money back. Now, Mr. Speaker, what this means is that the Manitoba Government is lining up then - presumably behind the Federal Government, who would collect unemployment and other - and there designate a debt, perhaps not all moneys owing to Federal Government, but certain dues to Federal Government take priority. What this Act does is that it puts the Provincial Government in those cases ahead of the other creditors that might be caught when a company goes bankrupt.

A MEMBER: Submit a question?

MR. CRAIK: Certainly.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): Thank you,

BILL 77

(MR. CHERNIACK cont'd) Mr. Speaker. I thank the honourable member for permitting the question. He is now talking about moneys owed, due to the Crown, by a person as a licensed collector of taxation - and that being the case, does he not consider that these are trust moneys that were received by the licensed holder and therefore should not be lumped with his general assets but should be considered as trust and therefore payable directly to the Crown as trustee?

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I wonder if the honourable member will allow me to introduce a group of students from Thompson of Grade 6 standing. There are 60 there. They're under the direction of Mr. Klassen. This school is located in the constituency of the Honourable Member for Thompson.

On behalf of all the honourable members, I welcome you here today.
The Honourable Member for Riel.

BILL 77 Cont'd

MR. CRAIK: Mr. Speaker, I think that's a good point, and it's one we recognize too, that the collector is acting as a vehicle for carrying forward the Government tax from the retail into - basically in trust to the Government. But I guess the major question is here, was there a major difficulty with this in previous legislation that this is now spelled out here? There's creditors as well of course who may well not be in that preferred position, who the company owes money, who don't get the sort of rights that are contained in legislation and are going to have to take second best behind the Federal and now the Provincial Governments without any doubt. They may feel that they lost something that was considered trust as well, but they're now going to be by legislation put behind the government in terms of collection.

Mr. Speaker, in the end of this bill under a section we have rights to examine records, documents, etc. This extends the rights, Mr. Speaker, without warrant or court order for the Minister, or his designate, to examine records, documents, etc. Now this is again an extension of government powers. Mr. Speaker, there is a very important extension here because prior to this you could not examine the records if they were in a private dwelling. Now this eliminates, this Act eliminates the private dwelling as being ruled out, as being, it no longer says, it says, "Wherever the books may be that those books can be examined by the Minister or his designate." Now, the way this reads the Minister, or his designate, can enter a house and examine those books. Prior to this of course the person's home was considered his castle and you didn't enter it without a court order or a warrant to allow you in it. --(Interjection)-- Well, Mr. Speaker, I wonder if that is actually the case. If a person operates his business out of his home that's certainly correct. But if his books are at home but he doesn't operate from that as his place of business, then it's the same as entering his house without a warrant or court order for any other purposes as well.

Anyway, Mr. Speaker, it's another extension of government power to impose on the individual, even though it may be for justifiable reasons, but I think again when this sort of legislation is brought in and written into the law that the Government has an onus of responsibility to explain to the House that there is a problem, and they have encountered problems where they have not been able to get a just settlement because somebody had his books in his house. Because really what this does is, this says that everybody, not just that one offender that may have caused this to be written in here, but every citizen in Manitoba, now is faced with, if the Minister or his designate feel, they can enter his house without warrant to check for books that may be related to some, what the Government feels is an infringement of the Gasoline Tax Act.

I would assume, Mr. Speaker, this opens up every farmer's house who may be faced with a charge of using purple gas for purposes which it's not designated. And I would think that this really would--I'm guessing here--that this is the place where most of this might come into play and be a problem. Well, what this does is that I think it gives the Minister powers to walk into a farmer's house to look at his books and check out where he has used the purple gas and he can do it without a warrant. So, Mr. Speaker, we have an extension really of the traditional well named "snooper" clauses that were debated in this House before.

Mr. Speaker, on the Motive Fuel Tax Act - I should point out that in all of these Acts there appears to be the creation of a new director, a director which means another level of

BILL 77

(MR. CRAIK cont'd) administration, was previously carried out by the Minister and now the director is written right into each one of these bills. We have a director created to administer these, which appears to be giving us some more growth of the Civil Service. I trust that it's not one in each case.

Mr. Speaker, I would ask the Minister here, if we read this bill correctly in the imposition of a five-cent gallon tax on railway motive fuel, because I don't think he pointed this out in his remarks, and it doesn't appear in the old Act, so I trust that this is a new tax that is being imposed. Is that right? Well, Mr. Speaker, the Minister can answer I suppose in due course. But under a section of the bill here there is a new section, as I see it, that imposes a tax of five cents on every gallon of motive fuel received by him, meaning railway locomotives, and equipment attached directly, and so on.

Well, Mr. Speaker, if that's the case I would think that that's a significant increase in tax revenue to the province because it would hit both the major railways operating across Manitoba and probably it would represent a very large amount of money. So if that's the case maybe the Minister would indicate how much revenue it represents, and whether it really is something that has been considered and discussed with the railways?

The other clauses in the bill, there's no major exception here. We recognize the change from 20 cents to 18 cents in the tax on motive fuel which is used for the same purposes as gasoline would be used essentially.

Mr. Speaker, we have an essentially parallel section here in the Motive Fuel Tax Act that does give extensive powers again to the Government for the collection of taxes.

Mr. Speaker, if I can go on to the Tobacco Tax Act. There really are three sort of recurring themes that go through these bills. And these are first of all the major points, the agreement for exchange of information with other governments. That is the extension of inter-provincial exchange of information to other governments, the United States, presumably, since it mentions provinces and states. That's No. 1 point.

Secondly, there is the expanded super clauses that gives the government powers and rights to go in and examine books, and take books, and get further information from people.

And then, Mr. Speaker, there's the preferred position with regard to cases like bankruptcies where the government is writing into legislation its position with regard to collecting its moneys prior to any other preferred creditor.

So, Mr. Speaker, I point these out because they're fairly consistent through these bills, and in all cases they're an extension of the powers of Government which generally, I think, have to be watched against, guarded against, because we often find the case that one or two infractions by people leads government to think that they should legislate for these sort of things, where in fact they're affecting everybody, the total population, because of the problems that may not be represented. It may just be one or two infractions and then we end up with legislation. But the recurring theme through all these bills is an extension of powers.

Mr. Speaker, at this point we haven't anything on Part 5 of significance to comment.

Coming to the last part, Mr. Speaker, this is the amendments to the Mining Royalty and Tax Act, and of course is the most important of the bills in terms of amounts of money that are before us here. I want to say here that this bill is the bill that we take the strongest exception to on the matter of principle, and that is why it creates difficulty at second reading. Mr. Speaker, that is the principle of having a variable tax rate being open to the discretion of Cabinet decision.

Our position is that a tax rate, whatever it is, should be spelled out in legislation so that people will know where they stand. Whether it's a person or a corporation. In all cases it should be written into legislation what his rights and privileges are, particularly in relation to the taxes he's going to have to pay.

Well, Mr. Speaker, what we have here in this Act here is a change for the mines in the cases of \$50,000 or more, an annual royalty tax of 23 percent, or such smaller percentage as may be fixed by the Lieutenant-Governor-in-Council of the whole of the income derived from the operation of the mine in that fiscal year. Well, Mr. Speaker, this ups the rate from 15 to 23 percent basically unless the Cabinet decides it should bring it down below 23 percent. We're prepared to say that it's more important--that it's so important to spell out what a tax rate is, that it would be better to say 23 percent, period, rather than have the discretionary power to reduce it below the 23 percent. And I think again it's a matter of principle that the people that

BILL 77

(MR. CRAIK cont'd) are going to be on the receiving end would rather have too, even though it may in fact mean that they're going to have to pay more tax, they will know where they stand before they start.

Well, Mr. Speaker, that's the major point here on this bill, the Mining Royalty and Tax Act that we would hope that the government would reconsider and change in this Act before it gets through third reading. To change the fixed rate, royalty rate, to change the royalty rate to a fixed rate with the discretion only on the level of income as given in Section (a) and (b) of 7(1) of that Act.

Mr. Speaker, I had indicated before the Mines Minister came in that we would, even in light of the fact, that we would recognize, that we would recognize that it would increase in some cases the amount of taxation that would be caused by it, that it should still be done as a matter of principle to spell out the rate as a fixed rate.

There's one more question here that I think is very important, and that is the description and definition of what a "mine" is. Because in the legal description of it the mine as it's read here could easily be interpreted as one mine shaft. And the way it's written in the legislation it's not clear as to what it's referred to here, Mr. Speaker, and if I can just quote it: "Of the whole of the income derived from the operation of the mine in that fiscal year." Does it refer to a particular mine, or does it refer to the mining company?

A MEMBER: Define the mine.

MR. CRAIK: The mine is defined. But the strict definition of "mine" would indicate that it's not the company, it is the mine. Well, Mr. Speaker, if that is the case, we take exception to that again in the Act because the companies do have a right under their Company Charter to meld their operations together from the different mine shafts that they operate at the different locations. We're suggesting here that in the case of the Sherritt-Gordon Company where they have mines at Lynn Lake, Fox Lake and the one at Leaf Rapids, that they have the powers within their company organization then to meld their profits and their losses from those companies, and that "mine" here should refer and be interpreted as a company and not strictly as one mine shaft. And of course that applies to the other major companies too who have mines operating at a number of different locations in northern Manitoba, run from one central administrative office and staffed from there, and with the headquarters located at one spot, that "mine" in that case refers to all of those locations lumped together. Those are the two major points that we want to make at this time with regard to the Mining Royalty and Tax Act that we have before us here now.

There are other bread and butter items in the bill, but those are the two major things that we want to deal with at this time, and we will find great difficulty supporting this Act - this particular Act, unless the government can see fit to spell out in concrete terms what the royalty is, Mr. Speaker, for the different categories, spell it out in legislation; and secondly to define that a "mine" is in fact the collection of mines that a company may operate in a general area.

Mr. Speaker, that's been a pretty methodical review of these Acts before us, and I don't think I've got a great deal more to add at this point, and that we'll get at this bill, these bills, more extensively when we get to the committee stage, or after the Minister has replied in the closing debates on the bill.

I would like to repeat again that our general concerns about all of them are the extension of government powers, and it's in every act, Mr. Speaker, that's contained in this omnibus bill; that's our main concern. There are aspects of the bills which I've stated that we agree with. There are aspects such as, particularly in the Mining Act that we strongly disagree with in terms of the variable, the discretion allowed in the royalty rates, that all of these will have to somehow sort out as we go through. But if at third reading we discover that we have been able to get no changes, I expect that we'll have to vote against the bill.

MR. SPEAKER: Does the honourable member wish to speak on this bill?

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I want to change on committee.

MR. SPEAKER: Well, before we do that can we proceed with this bill. It's the pleasure of the House to adopt a motion on this bill? The Honourable Member for Charleswood.

MR. MOUG: I beg to move, seconded by the Honourable Member for Roblin, debate be adjourned.

MOTION presented and carried.

BILL 77

MR. SPEAKER: The Honourable Member for Gladstone wish to make his announcement now?

COMMITTEE SUBSTITUTIONS

MR. JAMES R. FERGUSON (Gladstone): Yes. Thanks, Mr. Speaker. On the Economic Developments I'd like to substitute the name of McKeller for Minaker, and Henderson for Spivak. And on the Private Bills, McKenzie for Ferguson, Bilton for Craik and Johnston for Banman.

BILL NO. 83

MR. SPEAKER: Bill No. 83. The Honourable Leader of the Liberal Party is absent. The Honourable Member for St. Boniface.

MR. J. PAUL MARION (St. Boniface): I'm ready to contribute to this, I think.

MR. SPEAKER: Very well. The Honourable Member for St. Boniface.

MR. MARION: Thank you, Mr. Speaker. Well, I think that Bill 83 shows that the philosophical thrust of the socialist philosophy is being implemented in great measure. There is no doubt that we've talked about, or Bill 64 is bringing our government in the near bank institution, and now we are revising our thinking about the auto insurance. We find that it's a very lucrative area to be in, and we're going to expand and get into the general insurance field.

Mr. Speaker, I hope that the very unhappy results which we have to date met with in the auto insurance will not be the kind of results which we shall meet with in the general insurance field. I must admit that there is some improvement however, notwithstanding the socialist philosophy that is applied here. There certainly is an improvement inasmuch as we now are going to go as we intended to do in Bill 64, we're now going to go into direct competition with the private industry. We're going to show to them that we're able to meet them on their own terms and do a better job than they. And certainly, Mr. Speaker, I say that tongue in cheek, because I don't believe a word of it.

I would like to advance a further measure that I feel should be given some thought before the Government decides to finally really go into competition with the experts that because of a great deal of experience are able to meet all sorts of challenges and meet them well, and I doubt that the Government will be able to meet these challenges in the same way. And my suggestion to them would be, and it was that, Sir, when Autopac came into being. I have always felt that if private industry is really not meeting all of the challenges that it should vis-a-vis Manitobans, then why, once the Government has taken cognizance of those lacks of fulfilling responsibilities, then surely they have flown the coop. It would seem, Mr. Speaker, that they would be able to regulate, once having found out where there are very serious shortcomings, they can regulate so that by these regulations they can impose to the private companies that are operating the kind of service that Manitobans require. If they did this, Sir, they would save themselves a great deal of problems and efforts that will go for naught, and they could address themselves more completely to much more priority kinds of challenges that governments are committed and indeed should meet on a priority basis.

I would like to urge at the outset of my comments, Mr. Speaker, that the government refrain and avoid in all ways possible any conflict or confrontation with private industry. I think that they should co-operate with that industry and, by co-operating with it, obtain the kinds of results that would bring about Manitobans well-being. Mr. Speaker, I refer to, when I say that the Government should refrain from using language that might infuriate, I refer to one of the comments that were made by my honourable friend the Minister for the Manitoba Public Insurance Corporation, and I quote him on page -- his comment can be found, or the comments that I will quote can be found on page 4273. The Honourable Minister says, "I earlier stated that private insurers had an obligation to offer adequate insurance protection. That they have failed to live up to their responsibilities was very clearly demonstrated recently when, after the severe rain storms in Winnipeg, thousands of home owners discovered to their dismay, that their insurance policies did not protect them from water damage caused by backing-up sewers. What is more damning is the fact that even if the home owner wished to purchase this kind of protection at an additional cost, it was not available."

Mr. Speaker, I say that this is an infuriating statement to an insurance man because it has not been possible to obtain sewer back-up insurance since 1960, Mr. Speaker, 14 full years

BILL 83

(MR. MARION cont'd) ago. Surely if the Government investigated, they would have found this to be the case and would not today be making the kinds of statements that they are.

Another comments that was made by the Honourable Minister in his discourse was that the entry of the Government of Manitoba into the insurance field would have a stabilizing effect. Now, I gather that when this statement was made, the stabilizing effect meant that the rates would not increase, that they would remain at the level that they are presently at this day. Mr. Speaker, there is no way that that comment can be justified. Rates will continue to increase inasmuch as the experiences of the underwriters in the area are good or bad, and that is the basic reason for the rates that you have today, the actual cost of operating the margin of profit plus the actual experience. If the Minister is agreeing, then the stabilizing effect he spoke of is not there, Sir.

It would seem to me that another question that should have been shared, or another result that should have been shared with all of the members of the Legislature, are the results of the survey that were made by the government. I would suppose - and this would only be very good business practice - that before the Government decided to go into this general insurance field, they surveyed the situation very accurately and very thoroughly. Why was the result of these surveys not made available to all of the members of the Legislature so that this bill might be debated with a great deal of background information by members opposite, and consequently this would have permitted us to come forth with perhaps more accurate appraisals on our part of the reasonableness or the unreasonableness of the Government entering into the present field.

Mr. Speaker, there is another general comment that can't be lost sight of by anyone who has read Bill 83, and that general comment is that the bill is extremely vague. There is no doubt that by looking at the bill as it stands today, one cannot determine what the conditions will be that the private industry or the private sector will have to meet to compete with the government venture. And I would gather, Sir, that this is probably done with a purpose, that purpose being that regulations will be brought in that will decide on how best to operate this venture, and these regulations will be written as time goes on and as experience is gathered, and I might suggest, Mr. Speaker, that they will be all to the advantage of one of the participants in the general insurance field in the Province of Manitoba. We can't, on this side, Sir, relate the kind of effect that Bill 83 will have on the general insurance industry because of that vagueness, and I think that with respect to what regulations do, I will probably come back to that before the end of my discourse.

There's no doubt that in our investigations we have found that certainly there are some problems that exist at present. Some of these problems are due to the fact that with the advent of Autopac three or more years ago, roughly three years ago, there were a number of firms that left the province. These firms are no longer offering their services, so naturally you have a much more limited group of insurance companies that are competing for the business available.

Another point which we uncovered, and when we talk of regulations, Sir, these are the kinds of situations that we referred to. We found that there were some firms that were, in essence, cleaning or skimming in this province. These firms don't even have branch offices and operate through agents from their head offices in Montreal, Toronto, Hamilton or London. Now, there's no doubt that this kind of situation should not be permitted to happen and the government can take initiative through regulations, on how a company can enter the field in Manitoba and how it should deport itself. This is the kind of a regulation that would be beneficial to all Manitobans and would stop the necessity, or the feeling at least would negate the feeling that there is a necessity by the government for going into the general insurance field.

Because of the situations that I have talked about, these two situations, we presently have somewhere between 15 and 20 firms that are devoting their entire attention to the general insurance field in this province, and because of the fact that there is some skimmage, these 15 to 20 firms - or more; I don't want to be quoted on this but I'm in a ballpark area - perhaps these firms have to be faced with a great number of risks and they have to deal with the kind of situations they're faced with, and because of that, Sir, their charges are possibly in the range that can be called high. If the two first points that I mentioned were regulated against, then it would seem to me that there would be no problems, and by having expanded the base

BILL 83

(MR. MARION cont'd) you would then not be in the position of having to meet very very heavy, in certain cases, very heavy rates.

The government could help also, Mr. Speaker, in another area by making some of the properties that have to be insured a great deal safer. On talking to a number of underwriters, we find that there are too many properties that are in utter disrepair that are violating building codes in a great number of areas, and I don't have to enumerate them but electrical is one of the basic things and fire resistance is the other area, and it would seem to me that because of the violation of these codes they become a very bad risk and they have an overbearing effect on the general insurance throughout the province. Now, it would seem to me that if the government insisted that owners of buildings met the kind of serious and generally improved standard, we would alleviate the kind of situation that we meet.

On the other hand, Mr. Speaker, I think that the advent of the government insurance corporation is one that has to be looked at in this light: Will it really be a competitive venture? When I say this, Mr. Speaker, it means that if it's really going to be competitive it is not going to force all of the provincial, municipal, hospital, all of the public area insurance risks, to subscribe to only the government plan. It would seem to me that there should be liberty of choice in all of these areas; be it a municipal government or be it a school board, these agencies would be able to ask for quotations before blindly going along with the government agency. That Sir, is what one can refer to as liberty of choice. I know that my friend the Honourable Attorney-General said that, during the debate, and I quote: "Gentlemen opposite are not interested in seeing Manitobans exercising their freedom of choice." Well, we do just that on this side, Sir. We would like to see freedom of choice so that in effect we have a real competitive market. If the government is bent on going into this industry, then it should meet the private sector on an equal footing and not skim by on its own by removing a great deal of what can be a highly profitable sector in the insurance industry.

I was interested to note, Mr. Speaker, when looking at a newspaper report, that the Minister for the Manitoba Public Insurance Corporation mentioned that they would be looking at areas such as insuring school children. Well, we know that this has got to be a rather, I would think, a rather lucrative area and I would hope that when he was saying this he was willing to meet the competition that is presently existing and would not impose the will of the government on the school boards.

I would also add to the group of agencies that I referred to, Sir, any private firms who for one reason or another have been helped by the Manitoba Development Corporation or any other government-financing institution. I would hope that the private sector would be able to obtain quotations from the private sector, and if the government agency was able to give an advantageous cost, then by all means; but if not, then I would hope that again the freedom of choice could be exercised, it would prevail.

There was a comment made, Mr. Speaker, again by the Honourable the Attorney-General, that Autopac rates were the slower rising, were slower rising than any other auto rates in other parts of Canada. Now, I challenged this at the beginning of the Session and it was proven to me that certainly in some areas there is no doubt that the Autopac rates are favourable. However, we are not talking about the net rate here but the percentage increase, and it would seem to me that that is not an accurate statement because, for instance, in the business insurance field there is no doubt - we're talking of the rate of increase - there is no doubt that Autopac is leading the field in increased rates, at least for 1974, and I'm trying to be extremely objective in my criticism here.

There are some principles, Mr. Speaker, that are announced in the bill which beg answers, and I trust that my honourable friend the Minister for the Manitoba Public Insurance Corporation will endeavour to answer them when he closes debate. There are - we appreciate the possibility and we state the possibility that members of the Legislative Assembly can become members of the Board. Now I for one object to this, but if it has to be, then I think that the Minister should say how many there will be and why there should be members of the Legislative Assembly on that Board. I notice too, Sir, with a bit of irony, that any of these MLAs that will serve on the Board can expect additional remuneration. I trust that will not only hold for the government side appointments to this Board, but we will lavish it, of course, on the members of the Legislative Assembly on this side of the House. -- (Interjection) -- Yes. I'm an optimist by profession. Yes. Of course. But I would like to point out that we

BILL 83

(MR. MARION cont'd) make room here for anywhere from three to seven on the Board - three to seven on the Board - and we specify that there is authority for an MLA to be on the Board. And I would think that this goes further than just the Honourable Minister who will probably become the Chairman of that Board. I think there's another principle that has to be answered. I have mentioned a number of times that the Act is imprecise and ambiguous. -- (Interjection) -- I stand corrected, Mr. Chairman. I would like to read -- the section says, "Authority for M.L.A. to be member of board." Although it is in the singular, there is nothing that precludes more than one member. Well I've read it and 'a member', I see but -- well, we'll accept, that is in essence . . .

MR. DEPUTY SPEAKER: Order please. I would just like to draw the honourable member's attention to the rules of procedure on Second Reading, not to get specifics in sections of the Act; to discuss the Act and debate it in principle only.

. . . Continued on next page.

BILL 83

MR. MARION: In my discourse, until I was challenged, I was referring to the Act in general terms, not specifically, and I accept that. I think that the Honourable Minister will have plenty of time to answer the criticisms that I am levelling at this moment. I think that there have been a number -- I've mentioned the fact, Sir, that there are a number of ambiguities in the Act itself, and without being critical to the point of saying that perhaps it was through design that the Act is ambiguous, I would like to say that referring to another bill - I believe it was Bill 33 - where Government sympathizers appeared this week as a matter of fact and chastised a Minister of this Government for being ambiguous and for using regulations to too great an extent, I would say that that argument was extremely valid and it is valid again. The Act is couched in such terms that it is extremely vague and very, very dangerous, and does not permit the private sector of the insurance industry to be analytical and accurate in how it feels about how the Act will affect them. And I think that they have a right to know the rules of the game. It would seem to me, Mr. Speaker, going even further, that the gentlemen on this side of the House, when they criticize a bill and they want to be constructive about their criticism, should be able to have something to get their teeth in, and in this case it would seem to me that the bill is so ambiguous that it makes it very difficult to be constructive in the kind of argument that we bring forth.

I think that there is an area in the bill which announces another philosophy, and that is that we are now going into a research program to see how best we can tackle automobile repair and renovation - and in the cheapest way possible. I think that if there are a number of people in this House who don't realize it, the private sector, Sir, for the past 25 years have had experimental labs where cost studies and all sorts of factors that enter into the repair of automobiles and any vehicles, have been analyzed to a very scientific degree, and I think that this is neither innovative or far-reaching. I would like my friend the Honourable Minister to be a lot more frank with me, and with MLAs in general, when he brings this sort of a section in the Act. I think that what he is really saying is, we are looking at how profitable the automobile repair business is and we are going to go into it as our next venture comes the next Session. And we don't have to kid one another, I don't think that there is much experimentation that will be done between now and when the next step will be taken, which will be the legislating out of existence - or at least partially - of the private sector in the auto repair industry.

Now, as it has been said before me by someone on this side, perhaps it is time that the Manitoba Public Insurance Corporation look at the kinds of costs that it is presently having to bear with respect to repairs of automobiles, but surely this can be done without any camouflaging at all and without pulling any punches. I think that there's another area that the Government is now looking at with a great deal of interest, now that it's going into the general insurance field, and that of course is the adjusting field. Now, I don't know, it has been answered in absolute frankness by the Minister when he was queried, that he was either going to set up an insurance adjusting bureau or he was going to expropriate someone that was already in the business. I think that this was the sort of bantering that was exchanged from this side to that. He shakes his head; however, I'm convinced that for the Government to get into that new area -- and again we'll probably see this in the adjusting field - in the adjusting field. We make provisions in the Act for getting into the adjusting field. I trust that the Minister is spoofing when he looks at me with incredulity because surely he has read his own bill.

MR. URUSKI: . . . permit a question?

MR. MARION: If the Minister would permit, I definitely will but I would like to reserve that to the end.

The Government reserves, again, in the bill, Mr. Speaker, the right to reinsure with companies that operate within or without the Manitoba boundaries, and this was one thing that bothered me. Surely I can see them reinsuring with firms that operate, that are licensed and pay taxes in the Province of Manitoba, but I certainly don't feel that we should be reinsuring with firms that don't operate and are not licensed to operate, and don't pay business taxes within the boundaries of Manitoba, and I would expect that he would give this due regard when he decides that he has a right to reinsure.

A question comes to mind as well, Sir, when we talk about the fact that with respect to the pension privileges, employees of the Manitoba Public Insurance Corporation will be

BILL 83

(MR. MARION cont'd). . . treated as civil servants, however they are not to be referred as civil servants for any other effect. I don't know why this is the kind of qualification that is made in the Act. It would seem to me if they qualify for the superannuation plan, why should they not qualify in the other areas? They purely and simply, without going into any detail, they purely and simply are employees of the Government and, be they engaged in the area of insurance or in a more specific department, they still are entitled to the kind of benefits of a civil servant.

It would seem to me that there is an area that I can't help but subscribe to in the Act, Mr. Speaker, and that area is that Manitobans will benefit - and it's rather definitely stated - will benefit from any of the returns from the venture in the general insurance field. I trust that what we're saying here is that all of the profits will be accumulated and used by the Government as a credit against the general tax rate, it would seem to me. I hope, as all Manitobans will hope, that this venture will meet with success notwithstanding the fact that I have expressed a great deal of reticence in agreeing that the Government is capable of competing on an equal footing with the private insurance sector.

There is an area that deals with --(Interjection)-- well, the Minister is going to put our minds at ease with respect to the fact that it will absolutely compete on an equal basis and will not use any of the skimming practices that many of the people on this side fear will occur.

I think, Mr. Speaker, that this province and the present Government has a policy that it has been using with respect to municipal governments and other agencies - well, I think that basically it's municipal governments in the large sense of the word, when they occupy land and buildings in a municipal area. They have the practice of paying a grant in lieu of tax, and in all of the cases with which I am familiar, that grant in lieu of tax is the exact amount that the tax would have yielded. I trust that in this sector it is not spelled out and I trust that in this sector, again, this is the kind of philosophy that will prevail and we will not try to get bargain prices so that we will in essence be competing at an advantage with the private sector.

I was pleased to note that with respect to accounting procedure we're prescribing that everything be copiously recorded so that there will be no hidden costs. We won't be using Phoenix Data at cut rates; we will be accounting for all of the accounting costs that we incur as well as all of the other - and it will be completely separate from Autopac - and we will be accounting for all of the expenses incurred by this new venture, going into the general insurance field.

I'm appalled to see, however, and I think that the Minister should look at this area, I'm appalled to see that if the general insurance company requires any information from any other government department, it will be furnished this information prior to entering into a coverage contract with the applicant. Mr. Speaker, I think that that is a very very dangerous step. I am sure that this is an invasion in the area of personal privacy, and I am convinced that again, if we want to be equitable, this is information that will not be available to the private sector. If it's not available to the private sector and if we're going to compete on an equal basis, then there is absolutely no reason for the divulging of that kind of private information from one department to a number of other departments. We know that the Government in a number of cases states that it will not divulge to other government agencies this kind of information, and I feel that this should be applicable in this insurance sector.

It's interesting to note that the Government is now classifying as private - I can't read my notes, Mr. Speaker. We'll drop it. It can't be that important.

With respect to accounting, there's a rather unique prescription called for in Bill 83, that all of the liabilities in the year-end analysis, all of the year-end liabilities, will be accounted for. It would seem to me that a number of opposition members have stated that the accounting for Autopac thus far, particularly the start-up costs, have been very, very seriously criticized by the members of the Opposition. It would seem to me that in this area, I would like to caution the Minister, that not only should all of the liabilities and the pending liabilities be taken under advisement when we're declaring the state of profit or loss, but contentious liabilities, Mr. Speaker, should very definitely be included in the report itself. And I know that the Minister realizes what I'm talking about. If there are areas under dispute where very large amounts could significantly change the outcome of the financial report,

BILL 83

(MR. MARION cont'd). . . then very definitely this is the kind of data that should be at least footnoted on the report.

We request, Mr. Speaker - and again this is a policy that I suppose is being engendered -- we're asking employers of claimants personal information and we expect, in essence we impose on the employer that he respond to those requests. Here again I humbly suggest, Mr. Speaker, that this is very definitely an intrusion in personal information and I don't understand why this is the kind of information that should be divulged. I'm sure that private insurers who would call an employer would receive the information that the employer felt he was at liberty to divulge, without getting over-personal, and why should the government be treated any other way if it wants to compete on an equal basis?

I think that a further point which really behooves me, is the fact that we have the divine right for one member of the board who responds, or who is responsible for a particular area or region, to make final and irrevocable decisions with respect to the appealing of rates. I think, Mr. Speaker, that this is a rather omnipotent kind of - omnipotent? kind of - you can tell I'm French, eh - of authority to grant to one person, and I think that surely there should be another area of recourse.

Finally, Mr. Speaker, I think we get to the crux of the situation. Who becomes an agent for fire, or who becomes an agent for the general insurance venture that the Government is now entering? Is it the present Autopac people? Are they the agents that will be responsible for selling or merchandising? Or are we going to be setting up in these new treasury branches, are we going to be setting up a special sector in these areas where the Government itself will become the basic agent for the general insurance?

Mr. Speaker, I think it's important that we know what are the contemplated rates that we propose to pay to agents; how they will be selected. Will they be selected on their work? Will they be selected on the kinds of business that they presently operate today? The calibre of the business? Or what will be the criteria? It's important for us if we are to reasonably criticize this kind of bill. It would seem to me that we should know what will be the criteria applied, Mr. Speaker. I think that we have said from the outset that the government should best apply itself in areas that are of much more import to the citizens of Manitoba than the areas that it now is starting to enter with the upcoming Bill 64 and now with Bill 83, and there are others I see that will put the government in competition - and I use that term loosely - with the private sector. I think that for a great number of years it has been proven that the private sector is one that has been geared to compete and can best do the job; and it would seem to me that if the government will apply itself to regulate so that the private sector completely fulfills its responsibility to Manitobans there is no need for the government to get into these areas and it should best apply itself to the areas in which the Manitoban counts on it for guidance and well-being.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I was intending to adjourn the debate if the member from -- well, Mr. Speaker . . .

MR. SPEAKER: The Member for Fort Garry.

MR. JOHNSTON: Well, Mr. Speaker, I move, seconded by the Honourable Member from La Verendrye . . . --(Interjection)-- Oh!

MR. SPEAKER: Order please. Just to correct the record. The debate stands in the name of the Honourable Member for Wolseley, the Leader of the Liberal Party, and the Honourable Member for St. Boniface spoke in lieu of that at the moment. But the debate is still in the name of the Honourable Member for Wolseley. (Okay) The Honourable Minister in charge of Autopac.

HON. BILLIE URUSKI (Minister responsible for Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Speaker. I'd like to ask the honourable member a question. In his remarks he alluded to a principle in the bill that the corporation intent was to set up or take over adjusting firms. Does the member realize that authority to set up an adjusting mechanism. . .

MR. SPEAKER: Order please. We are getting into the habit of asking a question and then adding information which is actually a part of the debate. I'm sure the Honourable Minister can find another time. Incidentally, the honourable member's time is expired and we need permission from the whole House to carry on. --(Interjection)-- Leave to ask a question?

BILL 83

(MR. SPEAKER cont'd) Agreed? The Honourable Minister.

MR. URUSKI: Is the member aware that authority is needed, required in the bill to set up an adjusting firm to adjust claims against a corporation should there be losses incurred?

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

MR. MARION: Well I didn't get the first four words that were the crux there - is the member aware of what?

MR. URUSKI: That authority is required to set up an adjusting mechanism to settle claims?

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

MR. MARION: Well, Mr. Speaker, I'm aware of that, but as I mentioned, and this in the way of a frank response, I'm aware also that as I mentioned throughout my discourse the terminology in the bill is so ambiguous that really I felt that there was no further need for the government prior to setting up an insurance adjusting body to come back to this House.

MR. SPEAKER: The debate remains in the name of the Honourable Member for Wolseley. Bill No. 86. The Honourable Member for Virden is absent.

. continued on next page

BILL NO. 90

MR. SPEAKER: Bill No. 90. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Well, Mr. Speaker, I find this a very interesting bill and I would suggest to the government if they want to devote their time and their talents and their skills they can do much more in the field of human rights than they can in the field of insurance. Mr. Speaker, we were quite familiar with the old Human Rights Act that was I believe given Royal Assent August, 1970 and the record of that bill which we criticized at the time we felt that they should follow closely with the Ontario plan speaks for itself because it was rather poorly designed and rather poorly planned, and of course the many problems that come to light since the passage of that Act are on the record book.

Of course now, Mr. Speaker, we find that the government has decided to follow the Ontario concept and hopefully this bill will stand the test possibly with minor adjustments from time to time. Naturally, Mr. Speaker, there are some points of disagreement in the legislation between our position and that of the government, and I hope in the main that in the committee and when the bill is finally approved and passed that we will to the best of our ability be able to protect the human rights and the civil rights of the citizens of this province. And that, Mr. Speaker, is a very large undertaking. It's a very sensitive one and I'm sure that it's one that will tax our talents and our skills to the fullest. But I'm sure that every member of the legislature agrees with the intent of the government with this type of legislation, so I hope that our joint efforts will make it come out an excellent bill.

I think also, Mr. Speaker, in looking through the bill that we must be very careful and hopefully find some of the most qualified men and women in this province to act as the committee or the commission. I note in the bill that the Minister has brought in the mention of non-political or political aspects of people and I wonder if that is not where the Minister when . . . the fact that it is disguised in one section under the words "political beliefs of persons", I think, that he would not stray from using that little philosophy when he does come to appoint the committee, that there may be some in that group that would have political grounds. Because I think it's quite understandable when you're looking for somebody with a political background, there's people that are of non-political status that change their political beliefs almost every election; some quarters consider them to be the majority, some 60 percent of the people are what they call a swing vote and change their political beliefs almost from time to time. There's others no doubt that are dedicated qualified souls who belong and act and work for a political party, but I would hope it would not be the intent of the Minister when this commission is formed to stray off in that direction. I would hope maybe we could form a committee of the House to help the Minister or the Lieutenant-Governor in the selection of these people who will be assuming the responsibility as the Human Rights Commission in this province.

I think, Mr. Speaker, that the -- suggest and maybe to the Lieutenant-Governor-in-Council that there's a lot of sections in the definition of this act that has got me rather hung up. The "creed", the word "creed" I notice is in the old act but it's not in this one. At least I wasn't able to find it. And I think it should be part of the legislation. I know it was in the old act. Another "a national origin" in the definition is one that I think would have to be more clearly defined than it is at the present time. Definition of a national origin of what, of your first set of ancestors, the second or . . . I would hope that the Minister would maybe elaborate on that when he replies. Also the definition of "political belief" is the one that I spoke about briefly, Mr. Speaker, how people can change from time to time and how can we in a definition section possibly define the political belief of a person.

In the functions of the commission section, Mr. Speaker, and the handling of confidential information I daresay that that deserves a lot of questions which we possibly can raise in the committee stage from the Minister. I think that we have to be very very careful that we do not invade upon the privacy of our citizens. I think, Mr. Speaker, that the records and personal matters of our citizens who may come before the commission or the adjudication board are ones that have to be guarded with care and I just wonder how the Minister intends to handle that, the protection of our minority rights as citizens of this province, and the protection of the minority groups, and maybe the Honourable Minister would be able to give me that information when he does reply to the . . .

The other thing, Mr. Speaker. When the Commission is unable to affect a settlement of the complainant the Minister can appoint a Board of Adjudication of one or more people.

BILL 90

(MR. McKENZIE Cont'd) And I just wonder now, I'm not that familiar with the way that has worked in Ontario, maybe the Minister could give us some of the experience of what type of a person are you liable to look for in the event - is it a professional person that's needed when it has to go to the adjudication level or is it the layman, or is it one of each? Maybe the Minister could fill me in on that.

The other thing, Mr. Speaker, I notice in the bill is the section dealing with "Discrimination prohibited in employment." And now that the university classes have ended and some of the students -- I hear rumblings from some of our people in this province in the age of 55 to 60 who are being laid off for this young pool of students that have entered the labour force and possibly can be handled within that section, although maybe the Minister can still fill me in on that.

But there's one discrepancy, Mr. Speaker, that I have come across since the session opened and that's one I think that maybe should be dealt with. I would like to speak rather briefly on the wide discrepancy in the attitudes of granting credit to women. The government is proceeding naturally with this bill and I suggest that we should take a long hard look at that subject matter and possibly add it to the bill. I understand from a recent article in an eastern paper, Mr. Speaker, that the Federal Advisory Committee on the Status of Women are planning an in-depth study on the subject of credit granting to the fairer sex; and I was wondering, Mr. Speaker, if possibly we could be filled in with some of the information that maybe that group has already. I'm sure if the Minister and the Executive Council were to announce our interest or our intent in that field at some early date I think we'd find that there would be keen interest in this province from the ladies, and I'm sure that quite a flood of complaints would come to light. A general attitude, Mr. Speaker, among credit granting agencies as I understand it seems to indicate that women are sort of a fragile type of creature who are quite knowledgeable in the schools of charm and beauty, but they can't handle money, Mr. Speaker. And I believe that another group, the Ontario Advisory Council on the Status of Women after recent hearings, that type of philosophy came to light at those hearings.

So I would suggest to the Honourable Minister, Mr. Speaker, that we must possibly attack that philosophy and hopefully try to change the attitudes, or the attitudes that prevail in those credit granting agencies at this time. Because I think anybody would have to be a dreamer to believe that the women cannot handle money.

It was interesting to find out the other day I think, Mr. Speaker, that legislation passed in the United States I believe in some 10 states if my memory serves me correctly, has outlawed discrimination of granting credit on a basis of sex or marital status. Another report that I noticed, Mr. Speaker, was the USA Federal Department of Justice, among other duties besides the Watergate, are at present examining proposals to amend the Truth in Lending Law, I think is the law, and the federal Civil Rights Statutes in the United States to make it illegal to discriminate because of sex or because of marital status, and as near as I can determine, Mr. Speaker, results I understand are already in evidence, and maybe the Honourable the Attorney-General has them. The National Bank of North America which is considered I think one of the 36 largest in the United States, I believe it's in the top 10 in New York City, but they ran an ad on Valentine's Day, 1974 in the daily papers of New York. And the ad read, Mr. Speaker, "We give women a lot of credit when you apply for a loan at North America. You can be male or female, married, single or divorced. None of that matters. What does matter is whether you're a responsible person able to repay what we lend you".

So, Mr. Speaker, I would suggest that - well they ran that ad in New York on Valentine's Day, 1974, but maybe by 1975 the Honourable Minister will be able to run a similar ad in this province, or the credit granting agencies can run a similar ad in this province and we will start courting the women and get on the side with them and prove that they should have equal status with men in the credit granting agencies of this province.

So, Mr. Speaker, I support the bill and I hope that we can be of benefit to a great deal of people in this province as we pursue the field of human rights.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, rising to participate in this debate may I first of all ask the House Leader if he would not want us to recess for the rest of the afternoon so that he could attend that Cabinet meeting. I see him dashing in and out with anxiety and I'm sure that there are things happening in that Cabinet meeting that he doesn't

BILL 90

(MR. JORGENSEN Cont'd) want to happen and he feels that he should be there. And I wouldn't want to deprive him of the opportunity of participating in a meeting that must be making monumental decisions. The paucity of representation from the Cabinet in the Legislature this afternoon would lead one to believe that there are decisions being taken that augur not well, I would suggest perhaps that augur very evil for the future of this province.

A MEMBER: The strength is in here, Warner.

MR. JORGENSEN: I offer the suggestion to the House Leader in all sincerity because we would not want to deprive the Cabinet of the benefit of his wisdom and his knowledge and his insight into the administration of the government of this province. Certainly that insight could have been used by the House Whip last night.

But, Sir, I rise to speak on this legislation to deal primarily with one issue and that is as it relates to a question of rights of the individual. And I know of a couple of individuals that I will come to later. I am aware that the introduction of human rights legislation is a very very difficult and touchy field for government to operate. And particularly if human rights legislation being introduced into any Legislature is based on simply whim, based on a desire to curry favour with certain portions of the electorate, or based on a desire to effect some form of recrimination or some form of hold over certain sections of the economy; and it seems to me that human rights legislation introduced into this Chamber has been nothing more than a means of persecuting the business community rather than affording protection to human rights. Because there is only in my view one form of human right in this country, and that is individual liberties. And you see on each hand, you see in almost everything this government does is a complete denial of the rights of the individual. Not the guaranteeing of rights of individuals through legislation such as this, but the guaranteeing of rights or individuals in every piece of legislation that is introduced in this House is a real test of whether or not a government is interested in implementing human rights legislation. Certainly, Sir, when governments are clammering for the control of the means of production, the means of distribution, they are clammering for the control of men's minds. And that, Sir, is a denial of the rights of individuals.

Sir, the particular case that I want to draw to the Minister's attention, and it is one that occurred very recently, is in my view an indication or an example of sanctimonious hypocrisy that is involved in the kind of legislation that we have now before us. As well intentioned as the Minister may want to impress us that he is introducing it. But, Sir, if individual rights and human rights are to mean anything - and I note that the Bill almost in the first clause, Part I deals with the rights of individuals insofar as religious beliefs are concerned. And yet we see in the application of the very principle that is embodied in this legislation a denial of those rights on the part of the Labour Board, in the refusal by that board to grant to the two nurses in the Selkirk Hospital an exemption from the payment of union dues on religious grounds. The Labour Board, and I am quoting from an article that I know that all members of the Legislature have received in the Mennonite Brethren Herald, an article on page 16 dealing with that particular subject. It's entitled "Conscience Doesn't Count", says Labour Board. Notwithstanding the pleas placed before that board on the part of those two nurses, and it's obvious that this government has either no concern or no consideration for the tenets of the Mennonite religious beliefs. If there ever were a group of people who came to this country seeking freedom and a group of people who have come to this country and contributed to the freedom of these people, it is the Mennonites. Notwithstanding their desire to retain those freedoms, freedoms that many of them saw disappear in the country they came from, and freedoms that they're anxious to preserve in this country, they are being denied because of an edict of the Labour Board, notwithstanding this clause in the Human Rights Act, they're denied their own rights, their human rights and their individual rights.

The Labour Board as I said, which interprets the Labour Relations Act, could not accept the plea of the two women and a ruling arrived at on the day of the hearing. On April 16th the Board states: "The applicants have not satisfied the Board that by reason of their religious beliefs they are by conscience opposed to joining a union and paying dues to the union". A section in the Human Rights Act very specifically singles out freedom of religion as one of those rights that should be guaranteed. And, Sir, those religious beliefs as in the Mennonite religion have been taught from the time, long before they came to this country, that

BILL 90

(MR. JORGENSEN Cont'd) passivism is a part of their religion, it is not spelled out in any by-law, it is not spelled out in a rule or a bill of the Mennonite religion; it happens to be a teaching of the Mennonite religion. One that has been handed down through the generations. They don't believe in force. And furthermore they don't believe that it is right for them as a part of their Christian training to deny help to people that are sick and ill lying in hospitals. It goes against the very tenets, the very beliefs that they have been taught since childhood. But the Labour Board says that doesn't count. It is more important that the union bosses be assured of sufficient money to perpetuate themselves in power whether people believe or want to belong to those unions. Further on in the article it goes on to say that Reverend Plett said later that the Labour Board totally rejected individual conscience in their demand for a written teaching of the Church against union membership.

Ironically, Hilda Friesen, that's one of the nurses involved, said that since the Nurses' Association became aware that she was appealing for exemption from paying union dues they seem to have become if anything friendlier to her. I think they respect our stand, she said. And certainly we all should respect that stand. However, she felt that the hospital as a whole, there has been more friction since a union came in.

Sir, if we are going to introduce human rights legislation into this province that means anything outside of just a jumble of words that one can point to as purporting to mean something that they don't, then human rights legislation must start at the very basis of human rights, and that's individual liberties. And unless individual liberties are guaranteed there can be no meaningful human rights legislation. And this government cannot on the one hand go about this country saying we've introduced human rights legislation to protect the individual against discrimination, while in every other piece of legislation being introduced into this House they are discriminating, and they are destroying human rights. The introduction of this kind of legislation, unless it's meant to do something and unless the government mean what they say about human rights is nothing but a farce. I suggest to the government that if they intend to introduce legislation into this Chamber purporting to protect human rights then I would expect that the protection of those same human rights are going to be carried through in other pieces of legislation that they introduce into this Chamber as well. Up to this point there has been no evidence of that desire on the part of the government.

I suggest, Sir, that they start to re-examine some of the legislation that has been introduced during this session, and indeed some of the legislation that is currently before this House, with a view to giving some substance to what they purport is going to be protection for the individual contained in this piece of legislation.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, the subject came up previously and I tried to indicate a position on it previously. Obviously the Member for Morris still feels that there is some infringement of liberty in the Act, as is now worded in the Labour Relations Act and as interpreted by the Labour Board. And I think that he makes his point very forcibly but, Mr. Speaker, it seems to me that his point is being made against many of the things that he himself has said in this House and many of which I agree with.

First of all I think that the honourable member should recognize, if he does not already do so, that the provision in the Labour Relations Act is an extension of the right of freedom of religious conscience beyond that which would exist if the Labour Relations Act was not there. And I ask honourable members who find this subject to be of such difficulty to them and who applaud the notion that a person should have the right to say whether he will pay union dues on the basis of his religion, or not pay union dues on the basis of religion, I ask him then to cogitate the opposite situation.

We have a group of people working for a company, all of these people believe, or a majority of them believe, that unionism is an evil thing, that it constitutes the use of force, that it constitutes a revolutionary means of realizing an increase in wages and that they are contrary to the notion of unionism. That a trade unionist comes into the plant and tries to talk them into becoming unionists, and that group of employees goes to the employer and says to the employer the following: "We like to work for you, we wish to work for you, and we enjoy working with each other; but you now have a person in the plant who is preaching trade unionism. We find that reprehensible to us. We find that that could undermine not only our job but our peaceful occupation with you and we do not wish to work with that person.

BILL 90

(MR. GREEN Cont'd) You have every right to employ him, but if you employ him we regret to say that we will no longer work for you." Would the honourable members on that side of the House and the Member for St. James, who applauded this great speech for individual liberty, say that those people, those non-believers in unions were infringing against the liberty of the person who did? Because, Mr. Speaker, not only do I think that they wouldn't, but just as they would applaud the conscience of those two people in this particular case they would probably applaud the position taken by those non-unionists against this agitator who is trying to create trouble within the plant.

Certainly they would applaud, because it represents a basic prejudice vis-a-vis trade unionism. And the position that is taken by the Honourable Member for Morris and the position that he takes on economic matters generally, and the position that he takes on individual freedom generally, is entirely contrary to the position that he takes with regard to these two people. Because the fact is that without that section of the Labour Relations Act, without the Labour Relations Act itself, there was nothing against a union shop or a closed shop agreement. It was always the case that a group of employees could get together and go to their employer and say that we represent the majority of the people in this plant, we wish to be represented by a union, and we want to tell you that anybody who is not with us, if they work we don't. And then the person that the Honourable Member for Morris is talking about will have his individual liberty preserved, because he will not be required to join the union, and sometimes belief in a religious position and belief in an economic position and belief in a political position, sometimes it involves some sacrifice. There have been people all through the centuries who have sacrificed a particular advantage because they happen to take a political position, a religious position, or an economic position or any other position; and the fact that somebody is willing to sacrifice in order to maintain his religious position to me doesn't represent an infringement of civil liberties. As a matter of fact it is the stuff of which civil liberties are made. So I don't say that the two people should not be applauded for having the religious conviction that they don't wish to participate in a union. But they should not be applauded for suggesting that the others do not have the position to say that they don't wish to be involved or to be impaired by people who will not participate in their collective bargaining agreement with the employer.

Now, Mr. Speaker, I've made it known on many occasions that I would prefer that the Act did not exist. I would prefer that it rested solely on individual freedom - which the Honourable Member for St. James seems to think is a good idea; and I think that the Honourable Member for Morris thinks it's a good idea - I would prefer not to have it in the law. But both Conservative administration, Liberal administration, New Democratic administration have sought to try to regularize employer-employee relations, trade unions relations vis-a-vis employer relations through the enactment of laws whereby the public become the arbitrator as to how these things would exist. And do you think that this law or the Labour Board ruling is what is a problem for those two women? Not at all. If there were no law and there were no Labour Board ruling, the very same situation would exist except they would have no appeal, except that they couldn't go to the employer; couldn't go to the Labour Board and try to make out their case on individual conscience. They would have to, if the union had the kind of economic strength which it has been able to obtain in various places, they would have to either accommodate the union which doesn't mean that they have to participate in its activities, it merely means that they have to contribute to their union who is acting as their collective bargaining agent, spending money for the purpose of increasing their wages, that they would have to go along with that.

Now, those agreements existed in the absence of the Labour Relations Act. The Labour Relations Act didn't invent trade unions. Trade unions existed for 140 years in this country without the Labour Relations Act, and closed shops agreements existed without the Labour Relations Act. And all of that was done by the individual freedom of the person to either join a union or not join a union, and the person who didn't like working in a union shop worked in a non-union shop. And the person who didn't want to work in a non-union shop, I suppose he had a sacrifice too. He said that I won't work there because there was no union there, therefore I will not have my individual liberty protected to the extent that I can both work in the shop and demand that there is a union there. Would that be a reasonable proposition?

BILL 90

(MR. GREEN Cont'd)

Now, the Honourable Member for Morris makes out a case on the basis of the religious beliefs. I respect religious beliefs. I respect the people who stand by their religious belief, but the Labour Relations Act was designed and enacted - and I remember we had the controversy over it - on the basis that if a particular belief in itself, if there was a religion which in its tenets prohibited a person from joining a union, that that person would not have to join but could send his dues to the charity of their choice. And it was done with respect to a particular sect that came and demonstrated that within their religion there were these requirements.

The Member for Morris makes a good point. The Mennonite religion doesn't prohibit a person from joining a trade union, and there are many Mennonites, not only who have joined trade unions, but have been active in participating in and being involved in the leadership of trade unions. But his point is the right one. It's not what other people see in the religion - and I recognize that - it's what the individual sees in his religion. And if that individual in his religion says that he cannot participate in the activities of a trade union, and there is a trade union in the plant and he has to pay money, then he has a problem. He has to either accommodate himself, which I admit is a problem -- and I say that sometimes standing up for your religious beliefs means sacrifice, sometimes standing up for your political beliefs means sacrifice.

Honourable members sitting in this House seem to think that everything was always the same with regard to people trying to get jobs. I graduated in 1955 from the Manitoba Law School. I was a -- well, I have to say, because it's factual, I was a good student, I was a Gold Medalist. I couldn't get a job with this government in 1955 because I was articulated with Joe Zuken. He was a Communist. And I was regarded as somehow being a Left-Wing Radical. And I assure you that's the only reason that I couldn't get a job with this government, because in all other respects I was qualified to work in the Crown Attorney's office. I was sent, I applied, nothing was said, but I, Mr. Speaker, have no doubt as to the reason that I could not get a job, because my qualifications were superior to most. That didn't mean that I was going to say I recant, I will not endorse my political beliefs, I will not be involved in politics. I accepted that proposition and I went elsewhere.

Now, how are these two women affected? The honourable member says that one of their beliefs is they will not apply force. And if he regards a strike as force, then it is an unusual kind of force. A strike is the complete absence of force. It is a statement that "we will not work until we get a higher pay, and we will urge others not to work." And anybody who uses force, such as striking or preventing another person from working, is guilty of an offence and a union cannot do that lawfully. And anybody who does it will be punished; will be guilty of an offence, will be punished, has been punished in the past, and will be punished under the future law. So the two women concerned, if the union - and this is what the honourable member appears to be worried about - if the union was taking a vote as to whether or not they could go on strike, and these two persons believed that they could not because it was contrary to their religious beliefs, they vote against the strike. That is completely consistent with their religious belief, that they will vote against a strike.

Then he says that it is contrary to their religious belief to not treat the sick people in the hospital. Fine. There's nothing in union activity which prevents them from treating the sick people, because the fact that a union votes to go on strike does not, either by law or by any provision of the Labour Relations Act, mean that once a strike is called no employee can work. As a matter of fact the reverse is true. On numerous occasions strikes have been called and people have gone to work, and employees who are part of the bargaining agent have gone to work. Oh, they have suffered social ostracism. They have been called scabs. They have been hooted at. They have suffered the opprobrium of their fellow workers. But if one believes in individual freedom and believes that the religious belief is worth standing up for, then who is not willing to make this sacrifice? Who has not been willing in many cases, and how does one test the strength of a religious belief? By the fact that you are willing. And there are many of us, many minority groups, many people, who have had to suffer perhaps social ostracism, perhaps economic advantage, perhaps the right to work at a certain place, perhaps the right to go to a certain club, because they have been willing to stand up for their religious beliefs.

BILL 90

(MR. GREEN Cont'd)

Well, what's the matter with that? To me, I see that as being an expression of individual liberty. But most of all, there is nothing in the Labour Relations Act which in any way cuts down on the individual liberty, the religious liberty of that employee. If there is something, it is something which expends it at the expense of the individual liberty of the others. Because prior to the Act, a union that got a collective agreement and got in a closed shop arrangement with the employer could insist that the employer not have in his employ or keep in his employ somebody with whom they disagreed, somebody who did not pay union dues. That is the straight, common law, absence of legislation, free situation, uncontrolled, no state control, no state involvement, and that is the situation that is usually argued for by the Member for Morris, and that is the decision which, when I said across the House I would remove the restrictions, he agreed. He said that there should be no restrictions. Well, if there were no restrictions there would be no certificates, there would be no Labour Board. But it's not the case that there would be no unionism. In Great Britain they had no such restriction. In Sweden they had no such restriction. And in all those cases, and in many others, labour unions flourished, closed shop agreements flourished, and people who took the position that they would not be involved with a union either accommodated themselves or stood up on the basis of their individual liberties and left. And I'm not saying that these two women have to leave. As a matter of fact, they can go entirely in accordance with their own religious belief. They can vote against a strike; they can refuse to participate in a strike. If a strike is called, they can continue to serve the sick, because no striking group has the right to prevent somebody else from going in and working.

Now, I may have my ideas, the fellow workers may have their ideas, as to whether this is a good idea, but it is a fact that when there is a strike there is no -- the honourable member says that that is ridiculous? Well, Mr. Speaker, then I ask him to tell my why, when Brandon Packers went on strike, did half the employees go back to work and they continued to work after they went on strike; why, when the Teamsters Union went on strike against BACM that half the workers go back to work and continue to work. Why is it . . . ?

A MEMBER: There were truckers shot at.

MR. SPEAKER: Order please.

MR. GREEN: Well, Mr. Speaker, the honourable member says truckers were shot at. Now if I was to say, which I once did say in court, that the employer shot at those truckers . . .

A MEMBER: I don't care who it was . . .

MR. GREEN: Mr. Speaker, if I was to say that the employer shot at those truckers, the honourable member would say, "That's terrible. How can you say such a thing." Well then, how can you say or infer that it was the employees who shot at those truckers?

MR. SHERMAN: How can you infer . . . (inaudible)

MR. GREEN: Mr. Speaker, I have never -- the honourable member was not here.

MR. SPEAKER: Order please.

MR. GREEN: The honourable member was not here. I said that they were harassed. I said that they were harassed; I said that they were called scabs. I said that they suffered the opprobrium of their fellow workers. . .

MR. SHERMAN: . . . they were prevented.

MR. GREEN: Mr. Speaker, I said that they were never prevented. I said that they were harassed. The honourable member was not here.

MR. SHERMAN: I was.

MR. GREEN: I said that they were harassed.

MR. SPEAKER: Order please. Order please. I'm going to appeal to the Honourable Member for Fort Garry to contain himself and to listen. He'll get an opportunity as well as everyone else. The Honourable Minister.

MR. GREEN: . . . from returning to work. Not only have they not been prevented, but the authority of the state has been sent down and policemen have guided them into the plant when the strikers were annoying them. Not only were they not prevented but they were facilitated; that that is the case. There is no union that has the right, authority to do anything but express disgust, harass, as you say, annoy, but they cannot stop them from going back to work. That is the law.

BILL 90

MR. SHERMAN: Maybe not legally.

MR. GREEN: Well, I said they cannot prevent them, Mr. Speaker. Not only is it true that they cannot prevent them, but they have not prevented them.

MR. SHERMAN: Well that's what I say is ridiculous. That's what I say . . .

MR. GREEN: Well, Mr. Speaker, the fact is that the, you know, since 1945 till 19 -- finish -- picketers stood outside the Winnipeg Tribune pleading with people not to go to work, and the people went to work from 1945 -- I don't know when they stopped picketing the Winnipeg Tribune, but it was maybe 15 years after the strike started, and I can give to my honourable friend, if he wants me to, I will give him a list of at least a hundred strikes where the employees went back to work, the plant went into operation, and the strikers lost, and the strikers were not prevented from going back to work. I know this of my own experience. I've had numerous cases where exactly that occurred. There is a strike now, the strike with the Acme Bedding, the strike with the Tudor Home, the nursing home in Selkirk. They went on strike and the employees went back to work.

MR. SHERMAN: You're forgetting some of them resigned.

MR. GREEN: Well, Mr. Speaker, some of them resigned and some of them went back to work.

MR. SHERMAN: No, they got them . . .

MR. GREEN: Seven resigned but people went back to work.

MR. SHERMAN: Some people didn't go back to work.

MR. GREEN: Well, Mr. Speaker, I'm not suggesting that some people wouldn't go back to work. I'm suggesting that the two ladies . . .

MR. SPEAKER: Again I appeal to the Honourable Member for Fort Garry. If he wants a private conversation with the Honourable Minister I'll arrange it. Otherwise, I hope the Honourable Minister will have the opportunity to debate. The Honourable Minister of Mines.

MR. GREEN: . . . suggesting that the two ladies that say that they do not believe in strikes, are never required to go on strike; that they have a perfect right to ignore the strike; they have a perfect right to go back to work when the members go on strike. And that is a fact. And that involves courage, yes. I didn't think that the Honourable Member for Morris was suggesting that people should not have to have courage and that individual liberty doesn't involve sometimes a sacrifice, sometimes having exceptional courage. That is in fact what keeps people free. There's no legislation in the world, the legislation that the Honourable Minister is introducing, the Human Rights Act or any civil liberties legislation, there isn't a Legislature in the world that has ever created freedom. The only thing that they may have done is sometimes impaired freedom, and if I have to depend for my freedom on any Legislature of any political party, I'm lost.

There is nothing that preserves freedom except the efforts of the human being and the individual himself. And all I am suggesting is that this particular Act, and the one that the Member for Morris is making a big issue of, has not hurt those people, and the failure of the Labour Board to deal with it --(Interjection)-- Well, Mr. Speaker, I'm not suggesting that they have not been hurt. I didn't say they weren't hurt. The honourable member should take my whole statement. The Act did not hurt them. The legislation did not hurt them. What hurt them was - and I pose it to the Member for Fort Garry and everybody else, and the Member for La Verendrye, especially. You do not believe in unions. Let's assume, I'm not sure whether you do or you don't; but let's assume you don't. Let's assume the Member from Morris doesn't believe in unions. Let's assume that the Member for St. James doesn't believe in unions. Let's assume that the Member for Souris-Killarney doesn't believe in unions. The four of you are employed. The four of you are employed for the Speaker. I get a job with you and I come and I say, "Why don't you fellows join a union?" And I keep annoying you; every day I want you to join a union and I want to go on strike against the Speaker. And you go to the Speaker and say, "Look, we like working for you. But if Mr. Green is going to be here, we're sorry, we have to leave." Is that an infringement of your individual liberty? Because I suggest to you it is not. It is not an infringement of your individual liberty. Is it an infringement of my individual liberty? No. No, Mr. Speaker. I have no right to expect you to work with me and you have no right to expect me to work with you. Well, the honourable member says, "Oh, my God", and I'm suggesting to him that any

BILL 90

(MR. GREEN Cont'd) group of employees, whether they believe in unions or do not believe in unions, have a right to say that they are working as an association and if a person doesn't wish to be a part of their association they don't wish to work with him. And that doesn't mean that he can't work, but it means if he does he'll be the only one, and that is not an infringement of personal liberty, and that is not something that has been created by the Manitoba Labour Relations Act; that is not something that is new. The two persons concerned have not been hurt by the Labour Relations Act; they have been in a situation, Mr. Speaker, where they are asked to participate in a group and they are told that if they don't wish to participate in the group, the group doesn't wish to be involved with them, and that could happen in any situation and I suggest to the honourable member that the Act, that the Labour Relations Act has not been the feature which has hurt these particular people.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. I.H. ASPER (Leader of the Liberal Party): Mr. Speaker, I wonder if the Honourable Minister would answer a question. The question arises from his suggestion that if four employees go to the employer and say that unless you fire the fifth employee (being himself) that there is nothing in that Act to impair his liberty, his freedom, his rights. Do I take it that that's a fair summary of what he said?

MR. GREEN: I said that if the four employees are working for a person and a fifth one comes in and is working and the four don't wish to be involved with that fifth person, that they could go to the Speaker, or to the employer, and say that as long as the fifth one is there they no longer wish to be working for them. And that is not an infringement of anybody's personal liberty.

MR. ASPER: Mr. Speaker, then I suggest, or I ask the Minister, is he not saying that in fact his position would legitimize conspiracies to restrain one from exercising the right to work, or to inhibit one's right to work? And if that is a fair analogy, how would he compare that situation to four corporations going to their customers and saying that "if you buy goods from the fifth corporation, we will no longer sell you and therefore we will close you." Is that not conspiracy?

MR. GREEN: Mr. Speaker, I lecture on the subject of conspiracy at the University of Manitoba, and let me tell him that exactly the case that he has raised, the Mogul Steamship vs McGregor Dow case, decided in exactly those circumstances that the steamship company went to the agents and said that if you take that man's goods we will no longer deal with you. It was held not to be a conspiracy, and the first -- absolutely held not to be a conspiracy, held to be -- as a matter of fact, the judges went on and said that that is the nature of our system. Not only is this not a conspiracy, but that is what these people are expected to do in order to drive somebody out of business so that they themselves can make a profit. Not only was it held not to be a conspiracy, but it was held to be the epitome of the way in which the free enterprise system operates.

Now the first question, would the first issue not be a conspiracy, a conspiracy in restraint of trade. It is not a conspiracy in restraint of trade. It is not a conspiracy in restraint of trade as would affect the four people having the right to do so. No.

MR. ASPER: Mr. Speaker, to the same Minister. Is the Minister then suggesting that the Canadian Combines Act, which makes it illegal for corporations to do what I just described . . .

MR. SPEAKER: Order please. Order please. Again we are getting far afield from the debate that the Honourable Minister of Mines and Resources was debating in. If the honourable member has a question of clarification I'll entertain it, but if he's going to open a new debate or a new argument I cannot accept it. The Honourable Leader of the Liberal Party.

MR. ASPER: I'm questioning the Minister, because he is a Minister of the Crown, on the question of regardless of who has jurisdictional authority over the question, is he suggesting that he finds no impropriety . . . ?

MR. SPEAKER: Order please. Again, I just explained what kind of questions I would entertain. These are the rules. The Honourable Member for Radisson have an announcement?

COMMITTEE SUBSTITUTION

MR. HARRY SHAFRANSKY (Radisson): Yes, Mr. Speaker, by leave, I wish to make a substitution for the Economic Development Committee. Substitute Pawley for Green, Pawley (Selkirk) for Green.

BILL 90 Cont'd

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, I wonder if I may deal with the honourable member's question, because he says, is this not contrary to the Combines Act? --(Interjection)-- Now he says good public policy, which is a difference. If he is asking whether it is contrary to the Combines Act, I will say that it may be contrary to the Combines Act, but the Combines Act was enacted after the Law of Conspiracy was declared, Mr. Speaker, and then when they enacted the Combines Act and it didn't work - and that anti-trust legislation has never worked and it's never resulted in any of these organizations doing exactly what the honourable member says, and going on trial for two years and then being told that you are not a combine because you are good for the public policy, such as the Manitoba Sugar case - they also enacted a section of the Criminal Code, and the section of the Criminal Code specifically accepted trade union activities from the operation of that Act. --(Interjection)-- Mr. Speaker, vis-a-vis trade union, a closed shop was not illegal until the Labour Relations Act came into existence. A closed shop was legal under the Criminal Code and a closed shop says that if you are not a member of my union, you cannot work with me. And that's a closed shop agreement. That was legal.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I move, seconded by the Honourable Member for Charleswood, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Do we call it 5:30? The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 10:00 a.m. tomorrow morning. (Thursday)