

**Second Session - Thirty-Ninth Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Legislative Affairs**

*Chairperson*  
*Mr. Doug Martindale*  
*Constituency of Burrows*

**Vol. LX No. 6 - 10 a.m., Wednesday June 4, 2008**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Ninth Legislature**

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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON LEGISLATIVE AFFAIRS**

**Wednesday, June 4, 2008**

**TIME – 10 a.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Doug Martindale  
(Burrows)**

**VICE-CHAIRPERSON – Ms. Bonnie  
Korzeniowski (St. James)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

Hon. Ms. Irvin-Ross, Hon. Mr. Selinger

Ms. Blady, Mr. Borotsik, Ms. Braun, Mr. Cullen,  
Ms. Korzeniowski, Messrs. Maguire,  
Martindale, Saran, Mrs. Taillieu

**APPEARING:**

Mr. Rick Borotsik, MLA for Brandon West  
Mr. David Faurshou, MLA for Portage la  
Prairie

**WITNESSES:**

Bill 6–The Securities Amendment Act

Mrs. Christine Waddell, Private Citizen  
Mr. Ken Waddell, Private Citizen  
Mr. Rick Negrych, Private Citizen

Bill 25–The Embalmers and Funeral Directors  
Amendment Act

Mrs. Christine Waddell, Private Citizen  
Mr. Ken Waddell, Private Citizen  
Mr. Rick Negrych, Private Citizen

Bill 29–The Business Practices Amendment Act  
(Disclosing Motor Vehicle Information)

Mrs. Christine Waddell, Private Citizen  
Mr. Ken Waddell, Private Citizen

**WRITTEN SUBMISSIONS:**

Bill 38–The Balanced Budget, Fiscal  
Management and Taxpayer Accountability Act

Lloyd J. McKinney, Private Citizen

**MATTERS UNDER CONSIDERATION:**

Bill 6–The Securities Amendment Act  
Bill 25–The Embalmers and Funeral Directors  
Amendment Act  
Bill 29–The Business Practices Amendment Act  
(Disclosing Motor Vehicle Information)  
Bill 38–The Balanced Budget, Fiscal  
Management and Taxpayer Accountability Act

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**Mr. Chairperson:** Good morning. Will the Standing on Legislative Affairs please come to order.

This meeting has been called to consider the following bills: Bill 6, The Securities Amendment Act; Bill 25, The Embalmers and Funeral Directors Amendment Act; Bill 29, The Business Practices Amendment Act (Disclosing Motor Vehicle Information); Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

We left off debating Mr. Borotsik's motion.

Mr. Borotsik moved and recommended to the House that all meetings in the Standing Committee on Legislative Affairs be immediately suspended and only resumed when the Premier's (Mr. Doer) current summit in Mexico ends, so that he may be able to attend in person to hear public presentations on Bill 38, The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

Mr. Cullen had the floor when we adjourned.

**Mr. Rick Borotsik (Brandon West):** I wonder if I may ask leave of the committee. There are some presenters on the other three bills. I wonder if it would be within the committee purview to hear those bills and hear those presenters and then revert back to Bill 38.

**Mr. Chairperson:** It has been recommended, with leave of the committee, that we hear presenters.

I think what we need to do, set aside the debate on the motion is what you're really asking to do. Is that right, Mr. Borotsik?

**Mr. Borotsik:** I wonder if it's possible to bring the motion back with Bill 38's discussion, but just have it

adjourned for the time being and go back and hear the presenters on the other three bills.

**Mr. Chairperson:** Well, I think I'll ask for leave of the committee to set aside the motion to hear presenters. Then after the presenters we'll come back to it.

Is there leave of the committee to hear presenters now and put aside the motion for the time being?  
[Agreed]

#### **Bill 6—The Securities Amendment Act**

**Mr. Chairperson:** So we'll go to our presenters' list, beginning with Bill 6, The Securities Amendment Act.

We have two new presenters, and I believe they're both out-of-town.

Is it the will of the committee to hear the out-of-town presenters first? [Agreed]

So I will call Christine Waddell, private citizen. Christine, please, for Bill 6.

Do you have a written presentation?

**Mrs. Christine Waddell (Private Citizen):** No, sorry, I do not.

**Mr. Chairperson:** That's fine. Please proceed.

**Mrs. Waddell:** My name is Christine Waddell. I live in Neepawa, Manitoba. I am the owner of a small business and have been involved in small business ownership for over 40 years.

I realize that the Securities Commission, this bill does not necessarily affect someone who's not trading in a public way. However, the Securities Commission has affected our business because we are now a corporation, and the structure of securities is such and the rulings in other areas of The Securities Act are such that they affect our business and the inability to obtain investors in our business because of the complications of the act.

The lining up of all the provinces to have integrated, similar laws and requirements in all the provinces and territories across Canada, which I understand is the main thrust of this bill, is to help make it so that our provinces have the same or similar integration of their laws, rather than go with a federal law that would require everyone to be under that act, under a federal act. So the concern is, in changing one of 13, will that one in 13 require changes on an ongoing annual basis, so that we're playing a game called Calvinball?

I don't know if you're familiar with an old cartoon, it's no longer published in any papers. The gentleman who created it no longer writes that cartoon or creates it. But I always find that the humour—cartoonists do deal with what's really happening in our society.

The reason I ask, if these changes to the Securities Commission would really just be more Calvinball. Calvinball, for those who aren't familiar with it, is a young lad, about, well, a pre-schooler, I would suspect with the amount he plays with his stuffed toy Hobbes, a tiger. Hobbes becomes alive, of course, because it's a cartoon and a child's imagination, and Calvin and Hobbes play games together. They do everything together. Hobbes the tiger is Calvin's adviser.

Well, they love to play games, and one of their games ends up with the name Calvinball because, it looks like baseball at the onset. It looks like something's really, really good. It's going to be fun. There are rules attached. It's like pick-up baseball on an old school ground or an old playing ground, not organized, just a pick-up game. The tree is first base, the flag pole is second base, the gate is third base, and home plate is by the water fountain. The pitcher goes to the mound, which is, of course, in between the water fountain and the flag pole. Hobbes pitches to Calvin, and Calvin hits the ball well out beyond the flag pole and starts to run for first base. But, all of a sudden, first base is not the tree. No, no, no. You have to go to the gate first, then to the flag pole. Every time Calvin comes up to hit, or Hobbes comes up, they change the rules.

I am concerned with an act like this, not that the Manitoba government would do anything that would complicate things, but because we're not dealing with just Manitoba and the federal government; we're dealing with Manitoba and 12 other territories and the Canadian government, our federal counterpart. How are we going to be sure that, six months from now, what New Brunswick does doesn't make it challenging for what we've done and counteract these things?

I am aware that interprovincial affairs are challenging. We already have some challenges with interprovincial, for want of a better word, trade. If I were a registered egg producer with quota, I could not sell my eggs to an egg-grading plant in Saskatoon or Yorkton. Even if I lived at Swan River and the egg-grading plant was closer to me, I

couldn't trade there. So we've got some interprovincial challenges already on other fields.

\*(10:10)

My concern with trying to get our regulatory body, our Securities Commission, in line with 12 others plus the federal government, our federal counterpart, is going to be very challenging.

I can appreciate our concern that our sister province to the east being so very, very large in economy and in geography, that Ontario might dominate. Apparently, Ontario has agreed to our federal minister's suggestions and the legislation that has been put down from there. Are we fearing Ontario because of history, or are we fearing Ontario because of fact at the present? We can't live in the past.

I've never had a chance to travel right across Ontario by road, but I do know that someone who is riding a bicycle—and I know more than one person but I know one intimately who has ridden a bicycle across this entire nation from west to east. It takes 10 weeks, if you're on a particular program that they were on. In those 10 weeks, three of the weeks were in Ontario. It is 30 percent of the linear geography of our country.

So I can understand where, historically, we would have fears that Ontario would control and dominate issues, but if we are to be a federation of nations, I am concerned that we're having 13 sets of rules that have to be blended with a 14th set, with our federal counterpart, and all the line-by-line work that is done in committee and over the years is going to be a constant, constant change and a constant battle.

Is there some way that we can work with our federal counterpart to make this possible, with Bill 6, that our Securities Amendment Act could be modified or done in such a way that there would be a blending? That is my concern, that we are playing Calvinball, not just with Calvin and Hobbes, but with all the other jurisdictions in our nation. We aren't alone. It isn't something that we can do on our own. To have investments carried from one province to another is a critical thing in this day and age.

I can see with my very limited experience with the Securities Commission—we've actually been investigated by the Securities Commission because a competitor didn't like an editorial someone wrote. It is a very complex, complex set of laws that the people who deal in securities day in and day out are

probably not in agreement about. I'm concerned that we're going to be constantly changing these laws and we'll be back here again in a year, in 18 months, trying to blend and be in agreement with the other jurisdictions. That would be my concern, that it's ongoing.

Yes, Mr. Chair?

**Mr. Chairperson:** I was just going to say you have about half a minute left.

**Mrs. Waddell:** I can probably quit now, then.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. David Faurichou (Portage la Prairie):** I do appreciate your being up and with us early this morning and making a presentation.

Mr. Chair, my understanding from your presentation this morning, you would rather see a federal securities commission that would effectively then be responsible for all jurisdictions in Canada, rather than independently co-ordinated with 13 different commissions.

**Mrs. Waddell:** Mr. Chair, in response to that question from Mr. Faurichou, it would appear that trying to blend and get agreement from all the other jurisdictions, we have a lot of people acting independently in a very large, complicated family relationship. I think getting agreement on everything is going to be challenging, and obviously is.

I would hesitate to make a recommendation. My recommendation is that we be sure before we make another law that has to be amended and changed six months from now. The time and the effort that it takes to make sure all the i's are dotted and t's crossed is a concern, if it's going to be a change down the road.

I trust that our minister in charge of this department and his staff have looked very long and hard at Mr. Flaherty's material and that they have found a reason to act independently of our federal government and deal with the other provinces, rather than deal with our national federal party.

**Mr. Faurichou:** I'll give an example. I know I've spoken in the House on this, and the minister is very well aware of a clause in the bill where it states that only holidays, statutory federally recognized holidays, will be determined as a day not considered when the cooling off period, if you will, when you've bought securities and you have the 48-hour period, only statutory holidays will be considered.

Here in Manitoba, though, we do have legislation regarding Sundays as being a holiday. I will be proposing an amendment, because, in Manitoba, we recognize Sunday. Therefore, so should this legislation recognize Sunday as a holiday and not be included in that cooling off period time?

Your reflections in that respect as independence from other jurisdictions?

**Mrs. Waddell:** Regarding recognizing Sunday as a holiday in our jurisdiction, which it is, I'm sure if I went to try and find my financial adviser or my lawyer on a Sunday, probably even a Saturday, would be very, very challenging, unless I had a very special relationship with my advisory counsel. If at this time Saturdays and Sundays are not excluded as that 48-hour cooling off period, to sign a document regarding that would be affected by this Securities Commission on a Friday at 5 o'clock, on Monday at 8 I no longer have any time for a cooling off and rethinking, or to get my advice from my counsel, which effectively shuts down things on Friday, because no one wants to sign anything on a Friday, or 48 hours. So let's back that up, no one wants to sign—we're not working many days of the week, are we? If we have a 48-hour period, people are going to be very reluctant, if they know what they've signed at 5 on Friday, there's no recourse if they don't back out of it on Saturday or Sunday, within that 48 hours.

We already have in effect a shortened work week. When you try and phone any company, especially once we get to our nice warmer weather, but any time of the year, a lot of—what's the right word—service industries, it's very, very difficult to get service after 2 o'clock on a Friday, and on a long weekend it could be 4 o'clock on a Thursday because that makes for a four-day weekend.

So this 48-hour cooling off period to rethink any document that you've signed that would fall under the Securities Commission act, I would say we really, really need to rethink how we define holidays. I would be so bold as to go beyond legal holidays and what are actually working days. That would be my personal opinion.

**Mr. Chairperson:** We've run out of time, but you will get another chance. Thank you for your presentation.

The next out-of-town presenter is Ken Waddell. Mr. Waddell, on Bill 6.

\*(10:20)

**Mr. Ken Waddell (Private Citizen):** Thank you, Mr. Chairman, members of the committee. I appreciate the chance, the opportunity to speak to you on The Securities Amendment Act.

We've had, as you heard moments ago from my wife and business partner, some limited experience, albeit not positive, with the Securities Commission, but I guess the experience we haven't had with the Securities Commission would speak more in volume of how it has affected our business.

I guess I have a couple of questions that I might ask you to ponder. Mr. Chairperson, I don't need the answer immediately. You may not have the answer immediately. But I see that this is the third amendment in less than two years. I guess that would beg the question, and I don't mean any disrespect to the minister or his department, but any time I see something of this serious a nature that has to be amended three times in two years I have to ask the question, did you know what you were talking about when you started? Perhaps not. I know if I have to change something very, very quickly and very often, certainly, my staff or my customers would say, well, didn't you have this thing thought out before you started?

The other thing that bothers me about this bill and all the bills, I think, that are before the various committees, is the lack of consultation. I do hope, and I ask, if you've had consultation with the industry. I was somewhat shocked here last week, and I suppose I should have known, but when The Legislative Library Act was being amended. I thought, well, it's pretty close to the old act. Then I read it closer, and, well, you know, there are some changes. I looked a little closer and then there were some changes that actually are of a fair potential for impact on my industry. So I thought, well, I'm sure that the proper consultation has taken place. But I checked with our association, the Manitoba Community Newspapers Association. I checked with the president, who is also a member of the board of the national newspaper association, and never once were they consulted on a bill that affects how they conduct their business and how it will be conducted in the future. I won't go into the details of that. I spoke about that last week. Some of you were here, and perhaps you understood what I was saying, perhaps you did not.

Our business started in 1989. Prior to that, we had started another business in 1979. Prior to that, we had operated a farm, which we started in 1974.

Now, through the years of starting the farming business, the access to capital was reasonably straightforward. There were several sources. You could go to another farmer and offer to buy some cattle or buy some machinery, and he might, in fact, help you with the financing. He might help you with the financing on the land. In fact, one person did. That wasn't the first time that that happened. The person with the assets, or has them free and clear title, may be in a retirement position, is interested in passing on his assets to a new owner and is interested in vendor-backed security. It's a very simple form and a very good form of financing a business.

In our auction business, it got a little bit dicier, though, to try and find financing, because it was a new venture. It wasn't one that was common to the area. None of the lenders had had any experience with that industry. So it was difficult to find financing. We ended up working with individuals. They were interested in having a business of this nature in the area. They were willing to put up a small amount of money each to finance the business. That was certainly all done under the radar, so to speak, and well within the limits, any limits of anything the Securities Commission might have.

However, when we went to start our newspaper business, again, we were not only in a competitive situation, but we were in a situation that was unknown to many of the lenders in the area and to the people in the area. They weren't used to someone setting up a newspaper, as you would be used to somebody setting up a farm. The sources of available credit to start a business—and this is a substantial business today. We employ about 10 people. We have a payroll, a significant payroll. We're thankful that our payroll is under a million dollars, so we don't get slapped 4 percent on our payroll tax, but we have a significant payroll, a significant industry now in our community. We have not been able to, by any way, stretch of the imagination, been able to access money through a process that would involve the Securities Commission.

First of all, we were advised that to do a prospectus would cost \$30,000. Well, if I had \$30,000, I probably wouldn't be talking to the banker about going to the Securities Commission. That threshold may be a little lower now, but so a person who's starting up a small business—and we all know that small business is definitely the backbone of the nation—and you can go to your bank, you can go to your credit cards, you can go to your in-laws or you can go to your private credit sources, and I've done

all four. My concern here is that the Securities Commission in its present form is way too complicated even as it stands now to accommodate small business. It's way too expensive. You have to understand that we have eight to 10 employees. I don't have five people working in my compliance department to figure out the rules, and I can't afford a lawyer or an accountant to figure it out for me. There is a threshold there, an artificial threshold in raising capital for businesses, corporate businesses, small corporate businesses, people with capitalization of under a million dollars, say, or maybe under \$2 or \$3 million that you can't access through the Securities Commission.

There's another thing that is outside of the scope of this amendment and certainly outside of the scope of the Province, but did it ever puzzle you that if you own a corporation, if you own a corporation and want to invest some of your money in your own corporation, those investments are not eligible for an RRSP? You have to invest it through a broker into a much larger company that you don't know anything about, you don't really know anything about. That's another side issue. What I'm saying is that in Manitoba we certainly haven't done a very good job of harnessing our capital. All we do is export our capital. We export everything else, so why not our capital along with our people? So I think that we must look at this whole picture much, much deeper than we do right now. Certainly, there have been programs to harness capital, but they have had only minimal, minimal effect. The small businesses need a way of accessing capital in a legal way, in a simple way, a way that's easy for everybody to understand where the penalties, if they ever have to be applied, are quite simply understood for everyone to understand.

If you read the Securities Commission as it is right now, you run into terminology like "sophisticated investor." Well, what the heck is that, and how do you define it? If I were to approach any one of you, are you sophisticated investors? I don't know. Do you know? You know, is my brother a sophisticated investor who's now retired? They're both retired. Are they sophisticated investors? Can I approach them for capital? Can anybody else approach them for capital? Not likely. Not under the current rules.

I, too, would also like to put forward the idea that a national securities act, I think, would make a lot of sense. There may be nobody around the table

on either side of table that agrees with me, but that's fine.

I'll give you an example from another jurisdiction. If you own beef cattle, as one of my friends used to do in Alberta, and if every year you had—and he had a large herd—if every year you had two or three semi-loads of cull cows. Now, a cull cow is a cow that is no longer productive in the herd, okay? They're perfectly healthy, but their only destiny, unfortunately, is the slaughter plant and the hamburger industry. Now, when BSE struck in '03, he couldn't get rid of his cattle, so I found him a slaughter plant that had capacity, a provincially inspected slaughter plant in Manitoba. In fact, it was in Rosann Wowchuk's, Minister of Agriculture's, riding. He came down. We had a meeting. They made their deal and then they hit the snag. It wasn't a federally inspected plant, so the hamburger would have to be sold in Manitoba. Well, it just so happens we had more hamburger in Manitoba than we could use.

\* (10:30)

He had his own truck. He was willing to bring the cows, and he was a very experienced trucker, a very good livestock man who would load those cows carefully, make sure they weren't crowded, make sure they arrived at the slaughter plant in excellent shape. Not only is he a good livestock man, he had a vested interest in them. They would have been slaughtered. They would have been processed, and the hamburger could have been shipped to Ontario. That didn't happen because we have a mishmash of rules in the beef industry. My concern, Mr. Chair, is that we are creating or enhancing or enlarging a mishmash of rules in the securities industry. Thank you.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Faurschou:** I do appreciate you making the trek to Winnipeg to share your thoughts. Yes, we've had discussions in regard to taking your hot dogs and hamburgers to the cottage in the Whiteshell and crossing a jurisdiction and prohibiting that currently under the legislation.

The observation that you've made about amending the amendments before they are even proclaimed is, in fact, true. This legislation will be amending the previous amendments even before they can come into force. This is indicative of all jurisdictions trying to come to uniformity of rules between jurisdictions. But you are recognizing that

there is a cost to all of this for certain. Do you see the costs being lessened by federal regulator, from your perspective?

**Mr. Waddell:** Mr. Chair, I don't know if the costs would be made any less, but I think for the good of the country, I'm not sure it would address the concerns that I had for the small business, but for the good of the country and for the larger investor. I think that if someone were outside of Canada and say, oh, I'm going to invest in a company that does business in five provinces. What are the rules? Well, it's rule No. 1, rule No. 2, rule No. 3, rule No. 4, rule No. 5. Oh. Is there anyway around that? Ah, no. So we have to have five sets of compliance? Yes. So that means we've got potentially three or four or five times as much accounting and legal work in order to make sure that we are compliant with the law because we are good corporate citizens and, obviously, we'd want to be compliant with the law. If we want to have a long-term relationship in Canada with the people of Canada and the government of Canada, therefore, we have to comply. Well, maybe we're going to go and invest in Czechoslovakia. That would be my concern.

**Mr. Faurschou:** Yes, international investment is somewhat risky at the best of times, and what this legislation, what the various jurisdictions are attempting to do is to try and minimize that. There is always the recognition that, if persons are willing to put down a six-figure sum, they are granted the sophisticated investors notation. If you're willing to risk that and can afford to lose that great amount of money, then you are recognized in that capacity.

The securities act, as we see it before us, have you any specific amendments that you would like to refer to in regard to the independency of Manitoba in what is viewed as coming into compliance with the federal Finance Minister's request?

**Mr. Waddell:** Yes, in answer to your earlier question there, I know that the Minister of Finance (Mr. Selinger) has had a long week—and it's early in the week—so just for the sake of keeping his blood pressure up, he doesn't know how to balance a budget, so I'm not sure how he would figure out to write a securities act. But anyway—

**An Honourable Member:** So early in the morning.

**Mr. Waddell:** He is sleepy. He's not even rising to the bait, Mr. Faurschou.

In seriousness, the biggest thing, and from my point of view as a small business person, is that we

need to have regulations, whether they be provincial or national, that are easy to understand and easy for the small business person to access investment capital. I think it's an absolute crime that we export all our capital to other jurisdictions, whether it be in Canada or whether it be worldwide.

We don't have the opportunity, or rarely have the opportunity for people, for people in a private way, in a private investment way to enter their capital into a local market.

You can talk all you want about banks and credit unions and all the rest of it, but basically some people are going to say, look I have \$10,000, I want to invest it in a, name, fill in the blank. Maybe they've got a particular passion for it. Maybe they've got a particular knowledge of a particular industry. Maybe they just want to help out the guy who lives two blocks down. They really know him, and his dad was a good guy so we're going to help him. Maybe for no other reason than that, and that's not feasible under our current regulations.

**Mr. Rick Borotsik (Brandon West):** One very quick question. You talk about the sophisticated investor, Mr. Waddell. First of all, welcome. It's important that Manitobans have the opportunity to put their opinions forward in any number of issues, and I do thank you for your attendance here today particularly on this one.

Sophisticated investors, you're probably as informed of an issue that's been facing this province for the last little while, and that's the Crocus Fund. The CEC, obviously, was the overseer of that particular fund. Would you consider that the majority of investors who were involved in that particular fund, which is venture capital which was put back into Manitoban corporations—would you say that they were what one would consider to be a sophisticated investor, or was that particular fund maybe heading in a different direction and perhaps some of the people that were involved in it weren't quite as understanding as what they should have been of that particular fund?

**Mr. Waddell:** Thank you, Mr. Borotsik. I would say—and this is my opinion in having met a number of the people who were investing in Crocus and a number of the people who did after the situation unfolded—that very, very few of them were what we could call a sophisticated investor. I would say very few of them were—would ever meet the current—or the regulations, as I understand them, of being a sophisticated investor. They were depending on their

broker. They were depending on the good name of the Manitoba government, which, unfortunately, was sullied in the process, and I don't think that they would meet the criteria of being a sophisticated investor.

They were let down, but that's another issue that maybe we don't want to go into today. But, certainly, I've written about it and I've talked about it and spoken about it many times, but I think that the government of Manitoba who took office after 1999 not only didn't understand business, they didn't show enough care for business and they let the investors all down. I don't think there's any way that that mark will ever be removed from this government.

**Mr. Chairperson:** We've run out of time, so thank you, Mr. Waddell, for your presentation.

#### **Bill 25—The Embalmers and Funeral Directors Amendment Act**

**Mr. Chairperson:** Moving on to Bill 25, The Embalmers and Funeral Directors Amendment Act. The first out-of-town presenter—

**An Honourable Member:** There's another presenter on Bill 6.

**Mr. Chairperson:** Now we're doing out of town first by agreement.

**An Honourable Member:** On all bills?

**An Honourable Member:** Yes.

**An Honourable Member:** Okay, sure.

**Mr. Chairperson:** Thank you. So out-of-town presenters on Bill 25, Christine Waddell. Proceed.

**Mrs. Christine Waddell (Private Citizen):** As before, there is no written material to Bill 25, The Embalmers and Funeral Directors Amendment Act. I see this is one that has moved along quite quickly, having first reading on April 21 and second reading moved on May 14 and debated in the House on the 14th and second reading resolved on May 22. Now we're at June 4, I believe, so it has moved along quite quickly.

What rose in my mind as I read through this material is that I understood it was a self-regulated industry already, and in speaking to someone who has been in the—how do you call this? It's always a sensitive issue. I mean, we all know that death and taxes are inevitable, and as much as we dislike taxes for most of us, death is much more serious than our taxes.

\* (10:40)

Just to backtrack a little, to skip to the side on this one, having just been through the death of both of my parents. Two years less two days have passed since my father passed away in June 6, 2006. A few months later, my mother passed away on November 22 of the same year.

We come from a small community, the small community of Virden. It's a very personal relationship with your funeral director. I mean, my brother, who is a farmer, goes with his friend, who is a funeral director, and has done, for many, many years, occasionally, on a body run. You know, they have to go and pick up a cadaver, a deceased loved one, that's from the community of Virden, and they have to go to Winnipeg to a hospital or wherever they take the remains of a loved one. My brother would actually go along with his friend who has now become the funeral director in the community of Virden.

I understand that what was once a privately owned, single proprietor, one family owned the business in Virden, has now—it's changed. The industry has changed. It's not small business anymore. It has become much larger. There's one group that will own many, many, many funeral homes. Well, in this community, even though I believe the funeral home now belongs to a larger group, it is still run locally by people who've been raised in the community and who have a sensitivity to the people in the community.

I'm sure some of you have, maybe very recently, been through having to go to the funeral home. You see the array of caskets and corner pieces and things that go in the ground to protect the piece of furniture you've just put your loved one in from caving in and all of the—*[interjection]*—the vault—thank you—the vault that you can purchase and all of these things are there. We received wonderful treatment. I wouldn't expect any less in any other funeral home. The prices are all there: this is what it costs; this is what that costs. I don't know as they told us what the little corner things cost on the pieces of furniture that we bury our loved ones in, the caskets.

But we were treated with utmost respect. I didn't have to deal with the bills. My brother was the executor. We were fortunate that our parents were very, very diligent and had funds, that it did not affect us financially other than, for want of a better figure, if \$10,000 were spent, I would receive one-third of that less in my estate. So, for \$3,000, was I

going to quibble with my sibling over what should be done? I mean, that's what happens to families. We get quibbling over \$3,000 when there are more important things. But we were treated with utmost respect.

My understanding is that the industry was self-regulated. If that funeral director, if a person had a complaint with him, there was a number in the Yellow Pages that we could call and say, you know, we really weren't treated well and we feel as though we were pressured and he wasn't forthright in everything that was done. Is there not something that can be done to correct this? There was no quibbling over a body. No wrangling, no dysfunctional emotional things in that way.

So, when I see this bill and I see our Province—are they going to hire someone? We already have government appointees on a committee to help with this self-regulation, and I happen to know who was the representative at one time since our present government took power. It wasn't someone who had—they were from the industry. Mr. Chairperson, they weren't particularly experienced, but they were very, very political, very definitely a close political appointment. That person is no longer in the industry. They were in the industry for a very short time. They're out of it now.

So, having the government's hand in this at all, other than—can our Ombudsman not take care of something where this happens, that we have to have a separate layer, a separate bureaucracy that deals not just with our taxes, but now with our death?

There are regulations in place, are there not, about what's required for funeral arrangements. How does this affect the pre-planning of funerals? Pre-planning is the way to go if you want to avoid hassles and surprises, and I have experience with that. My grandfather died about 1956, and my grandmother here in Winnipeg paid for her funeral 40 years ago. When she died at the age of 99, living out in Vancouver, her body was returned to Winnipeg, and the funeral home just down the street on Broadway took care of all the arrangements and there was no cost. Her youngest son was a little dismayed when he realized what she got for what she paid for 40 years ago wasn't very much. In the time of mourning and being emotionally drained, perhaps, decisions would've been made a little differently. But are there regulations for pre-planning?

Another issue that we discussed on our travels into Winnipeg this morning is how does this affect

advertising. I mean, what's truth in advertising? If they put an ad in the paper, the rest of the industry can see what the ad was and challenge them on it, but if they're not allowed to advertise in the same way that doctors aren't allowed to advertise, and many people aren't allowed to advertise and show their prices—I've never seen a price in a funeral home ad yet. We get ads from funeral homes, even though in the community of Neepawa we really only have one funeral director, and that one funeral director, that one institution is owned by the same people that own the one in Minnedosa, and own the one in, I believe, Erickson. I think if you go up Yellowhead Highway, up No. 16 highway, the next community down the road is owned by the same corporation. So, again, does government need another layer of bureaucracy to legislate and control someone's price list, possibly their ability to advertise, and that affects my bottom line? If I can't receive quarter-page ads from White's Funeral Home in Neepawa, that's affecting my income, and it's affecting their ability to say come in and talk to us, come in and talk to us. So that is my concern that we're just getting another layer of bureaucracy.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. David Faurischou (Portage la Prairie):** Thank you very much for your presentation, and you are, indeed, well read. We've all had personal experiences with the burial of loved ones. Quite correct in your observation that there are the pre-arranged funerals, certainly, as we learned about 15,000 Manitobans who have signed up for them, but they are regulated in a separate act. In other jurisdictions, such as Ontario, the pre-arranged funerals and the funeral directors are all one act.

Would you suggest that the two separate legislations actually should be one?

**Mrs. Waddell:** If we're in a situation where we are trying to be the same as someone else somewhere else, someone else, somewhere else concerning our money, and we aren't particularly worried about being like someone else somewhere else in another jurisdiction, another industry—for want of a better word—I can't see why it would be two separate legislative areas that would deal with the same body doing two different jobs. It defies logic that we would have pre-arranged funerals, which are being arranged by funeral directors, in a separate legislation from just a regular—from the funeral directors themselves. I would think that a pre-arranged funeral is going to be dealt with—sold

by and dealt with by the same organization, by the same people, by the same individuals, even if it's two generations down, as it was with my grandmother's case. I think they should be the same.

\* (10:50)

**Mr. Faurischou:** I couldn't agree with you more. In fact, it is even more removed than just two pieces separate of legislation. It is two separate ministers of the Crown that are responsible for these two areas.

The disclosure. You had a good experience with disclosure in your example; however, there is a presenter previous to you, who stated quite the contrary; that there was a package of a particular \$4,000, as he cited, and then when the actual services were completed, there were significant—and then he will emphasize significant—additional charges appeared. So your thought patterns on disclosure.

**Mrs. Waddell:** My comment on disclosure. The prices were on caskets. We're not shown the total bill until it's all said and done. So, as I said, someone else was the executor of the estate. Someone else looked after the situation of actually paying it. I wasn't worried about how much it cost because we were in a financial situation where we did not have to worry. Death is emotional enough, and, to be quite honest, people get more emotional about money, and irrational. We can't expect people to be rational at a time of bereavement. So it is very, very difficult for full disclosure in these situations to sink in.

One recommendation I would make, is if there's some way we could do away with PST and GST on funeral services. It would be a small concession to the last thing a person as they leave the province and possibly, you know, get another department involved here. Well, actually, not another department. Perhaps something simple like that financially would be a benefit. But, to be quite honest, even with someone who was a personal friend of my brother's I don't believe there was full disclosure, but we weren't worried about it.

**Mr. Chairperson:** Mr. Faurischou, you have time for one short question.

**Mr. Faurischou:** You're quite correct. The last line on the invoice of the last transaction of your life is taxes. It goes without saying.

The disclosure part of it, as the legislation is written here, is only made to the purchaser. So, effectively, you can't price-shop under of this

legislation. You actually have to be engaged with a funeral director before full disclosure takes place.

What are your feelings as being able to get to the actual cost of a funeral without signing a contract?

**Mr. Chairperson:** Ms. Waddell, we have time for a shorter answer.

**Mrs. Waddell:** I'm trying to think of an analogy that would compare to this. I mean, you're already committed when you get to that point. So, knowing what it's going to cost—you're going to fight it? You're painted into a pretty tight corner if that is how it is written right now. To be quite honest, I think the only way to avoid it is for people to feel able to actually pre-purchase their services, and to plan ahead for the inevitable which, like I say, my parents only died six months apart. My mother did not make that many arrangements, and she, quite frankly, had time and, she was lucid. She was quite aware of what was happening and she did not choose things like music or a casket. So, yes, full disclosure is a wonderful phrase, but what does it really mean?

**Mr. Chairperson:** Thank you for your presentation.

The next out-of-town presenter on Bill 25 is Ken Waddell. Please proceed.

**Mr. Ken Waddell (Private Citizen):** Thank you, Mr. Chairperson. I'd like to take a little different tack than perhaps other people have, and members of the committee, on this particular bill. I think it's a more general comment. I would say this at the outset, that it seems to me that all governments, particularly this government, loves bureaucracy. You people really, really love rules and regulations, and you really love bureaucracy.

I'd like to give you an example, and it comes from the streets of Concordia when I was there campaigning in the election in '07. This is what bureaucracy does for you. It builds in an allegiance to the government that is unhealthy and not well thought out. It was a beautiful day about this time of year. I was walking down a street on a Saturday morning going door to door, and I could take you right to that house because I keep notes. I was met at the door by a lovely young lady who was actually younger than my daughter-in-law. On her hip she had a little boy who was quite vigorous and active. I thought, well, this is going to be a fast conversation: Hello, I'm—and move on. No, no. She threw open the door and says, I want to talk.

She told me about her career in the day-care business which is obviously highly regulated. She worked in a government-sponsored day care. She told me how she had been raised next door basically to a very political family and she grew up with a political family, not a NDP political family. Her allegiance was definitely not to the NDP. Her allegiance was to the PC Party of Manitoba, as strange as some of you may find that to believe.

Here was a young woman who had a child on her hip, a very active little boy. She said to me, I am no longer in the day-care business. I don't work in a government-sponsored day care anymore. I said, what do you do now? She said, well, I take care of a few children in my own home. I have a licensed day care in my own home. Okay, so we talked a little bit about that.

I said, what do you mean that you can vote for me now? She said, well, I couldn't before. I said, what do you mean you couldn't vote for me before? She said, well, when I worked at a government day care, they wouldn't allow me to vote PC. I said, what do you mean they wouldn't allow you to vote PC? She was insistent that she was told: You will vote for the NDP.

Last week, I talked to a young lady. I related this story to her, and she said, that's the same speech I got. She works at a government-sponsored day care in Brandon. She said, that's the same speech I got. I said, who did you get it from? My boss. I said, oh, by the way, is that the person who does your performance appraisal?

#### Point of Order

**Mr. Larry Maguire (Arthur-Virden):** It's the normal procedure that we would listen to presenters. We may not agree with them, but Ms. Blady just said that the words that Mr. Waddell said were a lie. I find that detrimental to the process that we're going through here.

I have had the opportunity of sitting in these committees for a number of years. I certainly haven't agreed with everything that's come forward to them, as well, but it's certainly a circumstance, I think, to show respect to any individual that comes forward to be able to make a presentation in the House and in these kinds of committees—we're not in the House right now, but to make that kind of a presentation.

Mr. Waddell's presentation is very sincere and he's outlining concerns of a person in Winnipeg. I think it's incumbent upon all members to pay

attention to those kinds of presentations as they come forward. I guess I would ask the Chairperson if he could ask the Member for Kirkfield Park (Ms. Blady) to withdraw her comments and apologize to the presenter.

\* (11:00)

**Mrs. Mavis Taillieu (Morris):** I want to just echo the comments of the Member for Arthur-Virden because as we sit in committee I think we need to have respect for the people that come and make presentation, people from Manitoba, from the general public, who want to come and make presentation to these bills, these very important bills that are before the Legislature. I think that we need to respect them.

I did hear Mr. Waddell recounting a story of meeting a person and expressing to this committee what that person had told him. Following that, I heard Ms. Blady, the Member for Kirkfield Park, say, that's a lie. I think that's very disrespectful to the person presenting here today and very disrespectful to this committee. I certainly would ask the Chair to ask her to withdraw those comments.

**Mr. Chairperson:** I think I've heard enough on the point of order raised by Mr. Maguire. I didn't actually hear the comment that was allegedly made at the table, so I can't rule on the veracity of the narrow point of order. However, I would caution all members to be respectful of the presenters and to not make comments that are going to be disruptive to the committee.

I will rule that it's not a point of order. It's a dispute over the facts, but thank you for raising it.

\* \* \*

**Mr. Chairperson:** Mr. Waddell, to continue.

**Mr. Waddell:** Thank you, Mr. Chairman. I think I've only been called a liar twice in my life. I would suggest that whoever utters those words in regard to myself should do a little research because you can call me a lot of things, but I don't qualify as a liar.

Also, during that same campaign, Mr. Chair, I received a phone call from someone in another industry, not another industry, but another situation. He phoned me twice, distraught, absolutely distraught. I'm not sure what constituency he's in, he may have been in Fort Rouge, he wasn't in Concordia, but it doesn't matter. He says, Ken, I want to vote for you. I explained to him, well, he couldn't because he didn't live in that constituency. He said,

you've got to assure me of one thing, though. I think the man, well, I know he was under care of some kind, but he was quite lucid. I don't know his physical condition. I assume he was able to get around by what he said, quite well, on his own. He says to me, Ken, you have to promise me if the PCs get in that you won't take away my GST rebate.

I was floored. I said, I'm sorry, GST is federal, not provincial; I don't get it. He said, well, I get my GST—he didn't understand my question, I guess—he said, I get the GST rebate every year, and he says, I need that so I can go to Folklorama. I look forward to it every year. He says, it's the one treat I can afford. You've got to promise me you won't take away the GST rebate. I said, well, provincial Conservatives cannot take away your GST rebate and they wouldn't anyway. Why are you saying this? Why are you saying this? He phoned me twice with the same story. He said, because my social worker said if I vote PC and they get in, they will take away your GST rebate.

My point is that the governments in general, but NDP governments, in particular, love bureaucracy. Here's why they love bureaucracy, because they can build up the number of people who are totally dependent on them for their salary and people who are, by derivative, dependent on those people who are earning a government salary. The bureaucracy spreads like the roots of a tree until the whole thing is bound together in one morass.

With this bill, I am concerned, and with many of the other bills, that you're laying on bureaucracy upon layer of bureaucracy. You should be more concerned about the fact that our funeral directors are way too busy these days, not with the elderly, not with the people who have died after a lengthy illness, but with burying our Aboriginal teenagers and burying our farmers who have committed suicide because of some of the rules and regulations that you've brought in trying to build your bureaucracy even further. Please don't build more bureaucracy, and please don't restrict the advertising that people can do in a particular business.

It is suggested that funeral directors will be restricted in the fact that they can advertise. How else will people get the information, Mr. Chair? Doctors are already restricted; can't advertise. Dentists are very limited in how much they can advertise. Veterinarians are already limited to a great extent in how much they can advertise. I don't get it. Let the information flow. If someone puts an

outrageous claim in an ad, let the industry regulate it. Let the consumers regulate it, but don't restrict the flow of information. The only thing, the only thing that this government should try and restrict is their hunger for bureaucracy. Thank you.

**Mr. Faursehou:** I do thank you very much for your observations here, and indeed this does call for a restructuring to provide for this industry and to recognize the funeral directors as a professional body, embalmers as well. Do you feel that the funeral directors and embalmers should be able to regulate their own?

**Mr. Waddell:** I personally would prefer that. I'm in an industry that is self-regulated and very well self-regulated: the newspaper industry. I personally would prefer that. I think that people who are in the industry best know how to regulate the industry. They best know what needs to be done, what should be done, and because of the—obviously, this is not an industry someone would enter into frivolously. I don't think there's any person in the industry who is not a serious-minded person who cares deeply about people. You couldn't go through this day after day of doing the work they do without being a serious person, and so I think, personally, and I don't know what policies of a particular party are on this, but personally I think that self-regulation is much preferred to government regulation. We have way too much regulation in our country now, way too much.

**Mr. Chairperson:** Thank you for your presentation.

Moving on—

**Mr. Rick Borotsik (Brandon West):** I wonder, Mr. Chairman, if I can get leave from the committee. As we've identified the speaking list of the three bills, we notice that Mr. Negrych is on the three bills. I believe that Mr. and Mrs. Waddell would allow Mr. Negrych to speak to this bill at this time, and then we can go to out-of-town presenters on the next bill, if I could get leave from the committee.

**Mr. Chairperson:** Okay, I'm going to deal with two procedural items.

First is the request from Mr. Borotsik to allow Mr. Negrych to speak now on Bill 25 with leave of the committee and then, secondly, we're going to discuss what time we want to adjourn.

Is there leave of the committee to invite Mr. Negrych to present now? *[Agreed]*

Mr. Negrych, please come forward on Bill 25.

Oh, and on adjournment time.

**An Honourable Member:** Noon.

**Mr. Chairperson:** I've heard it suggested we adjourn at 12 noon. Is it agreed? *[Agreed]*

We'll sit till 12 o'clock.

Please proceed.

**Mr. Rick Negrych (Private Citizen):** You mean I have till 12 o'clock?

**Some Honourable Members:** No.

**Mr. Negrych:** Okay, on Bill 25. Thank you to this committee to give me a chance, to hear my opinions and some of the concerns about this bill.

As it's said, we come from dust and we go to dust and in between we come to taxes and we leave the taxes. It's a very interesting concept that in between there, we do have a life.

In speaking to this bill on funeral embalment and funeral directors, it's a business, I guess, but I—and having—

**Mr. Chairperson:** Take your time, Mr. Negrych. It's okay.

\* (11:10)

**Mr. Negrych:** Having buried a mother and a brother within the last year, it's very difficult, and a mother-in-law some three years ago, and to see what's happening in the industry, it's hard enough to go through a funeral without having to deal with a bureaucracy and things that people have to go through.

Three and a half years ago, when we buried my mother-in-law, fortunately, as the immediate family and I went to the funeral home, which happened to be Knysh, and I'm very thankful that we did go to Knysh funeral home because, in talking to other funeral homes, they seemed to be the only ones that were sympathetic to the family and dealt with the family in a very appropriate and a loving way. Dealing with, at that time, Nick Knysh, who spoke here the other day, the family was treated very well. We dealt with Knysh, and then we had an arrangement with Glen—I think it's Glen Lawn up by the racetrack there.

So some of the things that we had to deal with there, and as I look back, I'm very thankful that I was

with the family because a salesman out there was ready to sell them not only a plot and a marker, but the whole cemetery. From the cost of the funeral and all the arrangements and everything, aside from a plot, the salesman at—I think it's Glen Eden or Glen Lawn up by the racetrack, I can't think of it right now—but he seemed to be more interested in how much money, it seemed, that he could put in his pocket than to deal with the situation at hand. Before we could even have all the funeral arrangements and everything done, he was talking about putting up a marker and everything else, and the price was almost 100 percent more. We could have got it from another place that Mr. Knysh had referred us to.

The regulations that are out there for funeral homes are all tied up in bureaucracy. When there are two pieces of legislation under two separate ministers to deal with one industry and it's easy enough to pass the blame from one to another and it's really hard to know or be able to pin down who is right and who is wrong. The funeral industry doesn't need to be regulated to a point where they can't even do their work. Seems like there are new funeral homes springing up daily or weekly. A lot of these people that are coming up with these funeral homes, speaking to Mr. Knysh the other day, it almost seems like it's an industry that's out there to launder money. Some of the costs that some of these places are charging it's almost impossible to do the funeral for what they're charging. So how can they do the funeral and plus make some money? Let's face it, it's a business and businesses need to make money to pay themselves and look after the cost of everything to stay afloat. You can't have a business if you don't make money. As hard as that might seem, when you're dealing with people's loved ones, they're in there to provide a service, but it's also a business.

Dealing with loved ones is very difficult. You can't be hard to the family. You got to be able to handle the family, but, at the same time, not be so hard that you can't be sympathetic to what they're going through. We've been in funeral homes and this was up in Dauphin, and, comparing the one here in Winnipeg, which Knysh—we dealt with and Glen Lawn and the one in Dauphin, the difference is much as night and day. Mr. Knysh was very sympathetic, understanding and caring. We believe we got the best price for the service he provided. The one in Dauphin, on the other hand, I sat back and let the other members of the family—because they're from Dauphin—deal with the situation and make the arrangements. I just sat back there and shook my

head, knowing what we pay for a funeral here and what they pay for a funeral there.

Is it more expensive to bury a person in Dauphin than it is in Winnipeg? Perhaps there is a little more cost, but not the difference that there was.

So there needs to be regulation, but it needs to be compacted. Mr. Chair, I believe that people can regulate themselves and, if it has to be under government, it should be under one minister and as straightforward as possible, under perhaps small businesses or whatever, so that a person can look at it and know what they're getting for what the service is, for what they're paying for it.

The funeral directors—we can't control how they do their business, but we should be able to control how they charge and how they deal with different things. There should be a bit of a difference, maybe in prices, but the ultimate price should be fairly within reason, not doubled in one place as compared to the other, for the same part.

In fact, we had a fellow from Glen Lawn tell us here that, if we don't buy the marker from him, they wouldn't look after it, even though it was a burial in their cemetery. That's not true because, if you buy a plot in their cemetery, they have to, under the regulations, look after it. He was trying to sell his stone marker to us under the pretence that they wouldn't look after it, if we didn't buy it from them. Their marker was about \$2,000 to \$3,000 more than ours.

We have to understand that people are dealing with loved ones and they have to be dealt with in such a way that they're not being deceived. People can easily be deceived when they're under stress and grieving for their loved ones.

I'm not sure how many people, committee members around the table, have had to deal with that. It's a very difficult time and your thinking is not clear because, at that point or for the short period of time, you want the very best for your loved ones and you lose sight of the fact that, on the money part, you want the very best. Before long, you've spent a pile of money.

One other situation here, we talked about prepaid funerals. A friend of mine in Green Acres bought a plot for himself and his wife, paid the whole cost and everything for the plot and the marker; yet, when he wanted to do the funeral—his wife passed away—it cost him an extra \$17,000 for the part after the plot and after the thing. Yet, for my

mother-in-law's funeral here in Winnipeg, it was just a little over \$10,000 for the plot and the marker. In fact, we bought an extra plot for my father-in-law.

So you can just see what the funeral directors are doing. Once you pay for this prepaid funeral and your loved one dies, are you going to back out of it? You can't back out of it or, if you do, you're going to have to pay somebody else more.

In this case here, he would have been better off to back out of it, because he still would have been \$7,000 ahead, but your mind is not clear in that type of thinking and at that point of time. There are many other situations where I could go into, but my time is up. I want to thank you.

**Mr. Chairperson:** Thank you for your presentation.

\* (11:20)

**Mr. Faurichou:** Thank you very much. You do know that you're speaking out of scope when you talk about the cemeteries. That is another act in itself, again, as pre-arranged funerals, other jurisdictions have combined but, currently, this jurisdiction of Manitoba has them in three separate acts and different ministers. So it is very difficult to, indeed, co-ordinate.

But what I did hear you say is that you would like to have the ability to make certain that persons did not repeat your experiences. Perhaps, Mr. Chair, there should be some well-known disclosure, or through disclosure a contact where you can express your experiences whether they be positive or negative. Currently, this legislation does not speak to that, but there is a board. What I'm hearing from you is that you'd like to have like a 1-800 number to call to relate your experiences.

**Mr. Negrych:** I think it would be good for the industry. It would also be good for the people to know that they can go someplace and get information to know which funeral home is honest and upright and how it deals with the family, and funeral homes which are in there strictly for-called money laundering or whatever. When you're dealing with loved ones, you want the very best for them. You don't want basically just to throw them into somebody's hands and they can do whatever they want with the situation, but if you had a number where you could phone and give your experience.

As the owner of a small business, and when I look for services from other small businesses, I like to go to the customer they dealt with. That way if

you get a happy customer he'll tell you. If you got a dissatisfied customer, he'll also tell you. There's a saying: If you like our work, tell others. If you don't like it, tell me. It would be good to have a place where you could go to and get this information so that you can make wise and good decisions.

**Mr. Faurichou:** Well, as you noted in the legislation, the bulk of the legislation will come into effect at royal assent. However, there is section 7 that will not come into effect at royal assent but rather by proclamation at a later date. That involves code of ethics, complying with code of ethics' requirement for disclosure of information and time to disclose information. That is going to be done in consultation with the industry, and there will be opportunity for contribution to the writing of the regulations.

Do you have any suggestions as to how that consultation should take place?

**Mr. Negrych:** To have a consultation code of ethics is good to talk to—there are funeral directors out there. Perhaps you can talk to people that had experiences with different funeral homes. There's a lot of good funeral directors out there, and they could give you different things that they would like to see in the industry of how things should be handled, and how things should be done ethically that would give respect to the family that is using their services. It would be good to have a body that could perhaps do that. We don't need the government to regulate that. I think the industry can regulate itself.

As I said, there are a lot of good people, and Nick Knysh is one of them. He's a good enough person in my dealings with him. We dealt with him on several occasions, and he has a lot of good ethics on how to handle the situation and how to make the family feel comfortable financially, which is—it shouldn't be a big issue at that time, but it is for families that don't have the money. He can handle it, or he's one of the guys that I know of can handle it and be very ethical, and you would have an industry that would serve the public well. There are other dealers out there too that could work along with him, but it would be good to do that, but keep the government bureaucracy out of it. If it has to be under government, have one minister to look after the whole issue instead of having two or three.

**Mr. Chairperson:** We're out of time. Thank you very much for your presentation, Mr. Negrych.

Before we decide who the next presenter will be because I'm going to put it to the committee, is there

agreement that we accept a written submission on Bill 38 from Lloyd McKinney of Roblin and make it part of the *Hansard* transcript? Is there agreement? [Agreed]

Now we are finished all our presenters on Bill 25. We have three presenters on Bill 29. I'm wondering, just in the interests of being expedient and efficient and organized, if we went back to Bill 6 and asked Mr. Negrych to present, then we would be finished all the presenters on Bill 6. Is that logical? Is that agreed? [Agreed]

### **Bill 6—The Securities Amendment Act**

**Mr. Chairperson:** Mr. Negrych, on Bill 6, The Securities Amendment Act.

**Mr. Larry Maguire (Arthur-Virden):** There is only a logistics issue with that with Mr. and Mrs. Waddell being from out of town, as well, and we've said we'll sit till noon. Should we move them and get them done?

**Mr. Chairperson:** Well, by leave of the committee, we departed from out-of-towners to hear Mr. Negrych. It's 11:26. I think we can still finish the out-of-town presenters as well as Mr. Negrych before 12 o'clock.

Mr. Negrych, please proceed.

**Mr. Rick Negrych (Private Citizen):** The securities issue is probably a little easier for me to talk to at this point, but maybe it isn't.

This is a bill that's affecting me in some way because I have mutuals, and I've had to, as an employee with the Province, we did have a pension there, but I had to put away some funds into mutuals which are affected by this bill.

I think, as I look at it, this bill's into its third amendment which tells me that we're not really sure whether it's set yet. Perhaps there are going to be more amendments. How would an investor feel confident in investing his earnings and planning for retirement when he really isn't even sure if there are any checks and balances in there to protect his money? I fortunately have a financial adviser that has helped me out, and even he's—there are one or two situations where I can recall that he didn't advise me in the proper way, and there wasn't anything I could do about it. In fact, if I had gone the way I wanted to instead of taking his advice, I would have been financially better off at this point. Seeing his position as a financial adviser for a large bank here in Winnipeg, I took his advice and it was not the

right one, so, as a result, I had lost money instead of making money for my retirement.

But then I also look at another investment by people in this province called Crocus. I can remember back in the days when it started, the institution I was with was a great promoter of Crocus. I was about four or five years away from retirement at that time. They tried to sell me Crocus, and as some of us do, we take that gut instinct and we don't do what we're told. Maybe sometimes we should, but in this case, I didn't, and I'm thankful for that. Had I taken their advice, my whole life's savings would have been in Crocus, which is supposed to be protected by the securities bill.

\*(11:30)

Would I want this to be a national bill? Yes, perhaps I would. That way, it would be run from Ottawa, but there'd be more checks and balances as to what the Province can do with bills. From what I understand, there were five legislative bills changed unconditionally by the present government to deal with Crocus, to allow it to stay afloat. Had the federal government been involved and been part of this, those bills probably wouldn't have been changed and the people from Crocus wouldn't have been—because Crocus probably would have died on the table back in 2000, as we look at it, which probably it should have. It would have saved investors—well, 35,000 investors who invested in Crocus would have had their life savings in their pocket. Perhaps some of the seniors that are out working again now could have, in fact, retired. They wouldn't have to be working.

But these bills were changed because there were no checks and balances, and the government just went ahead and did whatever they felt was right at that time. Perhaps if they had known what happened, they wouldn't have done it. The fact is they did it, and a number of seniors, 35,000, not only seniors but working people invested money in Crocus and lost their life savings. I worked with people that had money invested in that and they are not happy people. They are strong union people, but they are not happy investors because they lost their money big time.

So why would we want to have 13 different regulations when we could possibly have one with perhaps a representative from each province sitting on a committee? It's easier to drive a car with one steering wheel than 14, which would be 13 and the federal. It's really hard to drive a car with more than

one steering wheel. There are some vehicles with two steering wheels, but you can only drive it one at a time. If the federal government was to bring in legislation and implement it with the provincial governments agreeing and having representatives sit on it, perhaps there could be unity and we could have a country and a province that would have foreign investment come in.

Under the conditions now with 13 different regulating bodies, I don't understand how foreign companies are brave enough or what checks and balances they have put in place to bring their money into our country or start a business this year. I'd be afraid. I've got one business, and I'm from here. I'm not afraid to lose it because I really don't need it at this point. But if I was younger and starting into it and needed the income, I'd be afraid to have a business, not knowing what the next rule is that I have to abide by. There are three changes here within a few short years. Perhaps tomorrow we could have another change.

If we had federal legislation which set the regulations and brought the people together, set the rules—could you imagine playing a football game or a hockey game under different rules every time you turn around? I guess you look at our hockey, the way it's running now. It seems like the regular season is under one set of rules and the playoffs are under another. Is that the way we want to run our financial institutions and businesses in the province? I think the government has to get on board, get some unity and give some security to the people so that we have some people that are willing to invest in this province, willing to start a business and feel safe doing it, instead of getting up in the morning and not knowing what the end of the day is going to bring them, whether they are still going to have a business, whether they are still going to have investment in their banks or whatever you have.

We need to have something in writing. At one time you didn't need to have things in writing, but now you have to have something in writing, stamped about three or four times, and have people to check and have balances for each other so these things don't change from morning to night.

There is no other way the province can go forward if we don't have investment, if we don't have business. Business is part of the economy. We have businesses coming here. They are taxed out of the water, so they get up and they leave, not because

they are not secure but because they are taxed to the point where they can't make any money here.

But we need some security in this province to keep our young people here. Mr. Chair, we have young people leaving this province by the droves to other provinces because there is security in other provinces, financial securities which seems to be a big thing. I don't totally put my trust in financial securities, but many, many people do. We have to have some checks and balances to keep these things in place.

Once again, I look at these three different amendments. How can a person look at something like this and say, yes, I'm going to set up a business in this province, or yes, I'm going to invest my money? It's no wonder some of the older people have their life savings under mattresses at home, because they don't trust banks because the banks can do whatever they want, because there are no checks and balances for them, or other savings.

So I'd just ask the government to set one set of rules, get some checks and balances together and give some security and some confidence to an investor and to businesses to come to this province and make it flourish instead of losing our young people and business people to other provinces in this country of ours. Thank you.

**Mr. Chairperson:** Thank you, Mr. Negrych. Are there any questions? Thank you for your presentation.

We're now finished with presenters on Bill 6, The Securities Amendment Act.

We'll now go to Bill 29, The Business Practices Amendment Act.

#### **Point of Order**

**Mr. Chairperson:** Ms. Blady, on a point of order.

**Ms. Sharon Blady (Kirkfield Park):** Yes, I would just like to respond to earlier statements. I rise on a point of order regarding comments allegedly made by myself, and I would just like to apologize for anything that anyone thinks that I might have said that might have impugned anyone's character, and so I would just like that put on the record. Anything that anyone thinks I might have said I retract and apologize for. I did not intend to hurt anyone's feelings or make any allegations impugning anyone's character.

**Mr. Chairperson:** Your apology is accepted. That ends the matter. Thank you.

**Bill 29—The Business Practices Amendment Act**

**Mr. Chairperson:** On Bill 29, do we want out-of-town presenters first? Agreed? *[Agreed]*

Christine Waddell, please. Welcome back.

**Mrs. Christine Waddell (Private Citizen):** Good to see you again, Mr. Chair.

Concerning Bill 29, I have a son—we have a son who made a living working for a dealership, by rural standards, a fairly large foreign car dealership in Brandon, Manitoba, for five years, and he wasn't much into selling new vehicles; he sold used vehicles. In my conversation with him last Thursday when we went for my birthday supper, he said this is a good thing. A lemon law is a good thing, he says, because you can track vehicles and you know that a lemon is a lemon and it's right there.

At first view it does sound very good, but how do we implement this? I read in the material that I have before me that not all jurisdictions—and this comes from something that's happened in the United States, south of the border, some of the states have a lemon law. If a new vehicle is sold off the lot and it is constantly coming back on warranty on one thing, the electrical, the emissions, problems with the air conditioning, any part of that vehicle, it's a lemon. It was built on Friday or Monday—I was talking about short work week earlier, it tends to have a reputation in all industries, in all job sectors. And that vehicle, in some segments of the industry, in some states, that vehicle would be tagged and they have to release the information that that vehicle has had all of these problems. That's really good. It should just happen. But how to enforce it. It's a little bit like other laws where the honest, reputable dealers and proponents of an industry do the right thing. They didn't need that law, that regulation, that layer of bureaucracy to make them do the right thing. And the people who are disreputable and not as concerned about a repeat customer, someone coming back for the second, third, and fourth vehicle down the road, they will find a way to get around the lemon laws.

\* (11:40)

There are states in the U.S., and with our Canadian dollar at par or virtually at par, they can bring in used vehicles more easily. There are states that do not have a lemon law. Why would dealers who aren't concerned about repeat customers and

having someone come back because they're satisfied with the service they've gotten, why would they bother dealing with a jurisdiction where they have to be concerned about lemon laws? They'll just go and get vehicles in a state that doesn't have that regulation or in another jurisdiction that does not have that regulation, and they've circumvented the law.

We were discussing laws concerning safety of vehicles and reliability of vehicles, and we thought back to regulations concerning air transport, small, light airplanes. An airplane that was built in 1952 has its log with it, when it's been serviced. They have to meet certain standards, they have to be totally rebuilt after so many hours in the air. They have not an odometer, but they have a clock. Now, I'm sure there are disreputable dealers that find a way to change those things as well. You can't protect everybody from everything. Again, Mr. Chair, we're concerned—I'm concerned that we're getting another layer of bureaucracy that will be difficult to actually maintain, sustain and have it really, really work.

There's no law against going to Saskatchewan and buying a vehicle. Their safety standards may be very similar to ours, they may be different. Vehicles coming from Alberta to Manitoba. My understanding from my son who has worked in the industry is that it only applied to new vehicles. It wasn't dealing with something that had developed a problem after it was off warranty. Like, what's a lemon, because I'm frustrated and the car does happen to fall apart. It's a five-year-old vehicle. Will that lemon law protect the consumer, protect me when I've bought a vehicle that's five, six, seven years old and it has had a bad reputation? I mean, it gets complicated in how we actually implement these things. Does it end up being dealer- and industry-regulated in the end?

There was a situation that, perhaps, and I don't think it involves the consumer legislation and this particular department, but with MPIC, our Manitoba Public Insurance Corporation, when a vehicle has been in an accident and is written off, and I have people in my household that are addicted to going and checking and see what's for sale and what's available because there always could be a good deal. When a vehicle is written off, what happens to the VIN, to that number that is with that vehicle and stamped on its parts that says that this is vehicle A and it's been written off? Where does that valuable piece of metal from the dash go after it's written off? Is it destroyed? Is it recorded somewhere that this vehicle has been written off; therefore, it can't—when

it comes up on the Autopac computers and you try to register it because you've bought it at an auction sale somewhere or purchased it off the street from someone who had a for sale sign, is that vehicle—the vehicle's gone, but is its registration number gone? Is its VIN gone out of the system? Are we protecting people from buying a stolen vehicle that's had the VIN put on it from a vehicle that's actually been taken out of the system?

We tried to trace the last used vehicle we bought. There is a place you can go on the Internet; you type in the VIN, and it'll show you the history of that vehicle. That is in place but, in reading briefly through this material, I notice that that material disappears from the system, passing from one jurisdiction to another.

If we're talking about jurisdiction to jurisdiction, buying a vehicle in a state that has lemon laws, bringing it up here—we want to have lemon laws too, so that they have to reveal what the history of that vehicle is. It has changed jurisdictions; how can we be sure that it won't just evaporate out of the system?

I would like to know what the history of my vehicle is. We've been very fortunate; it was one of those dealerships that doesn't sell a lot of vehicles at any one time. It only has about five in the lot at any one time, but they do sell all year.

I noticed too that there is a situation regarding numbers; some people do it as a sideline. They sell a few vehicles off their driveway every year and it wouldn't affect them. If they were to buy a vehicle that was a "lemon," how would they know because they're only buying one or two? Where do the tentacles of bureaucracy end and where do they start?

Again, it looks like it protects us. I appreciate that Mr. Fauschou from the riding in Portage la Prairie had presented a bill and withdrawn it. Now our government has put one forward, but is it just another layer of bureaucracy, like our federal long-gun registration that has not taken any guns out of the system and doesn't prevent people who are criminals, or people who are shady in their practices, who aren't worried about honesty? Does it really help anyone?

That's my concern, when we have more and more bills that just look like more bureaucracy and really won't solve the situation when there are more important issues to deal with.

**Mr. Chairperson:** Thank you for your presentation. I'm going to suggest to committee members, since we have one more presenter and about 10 minutes remaining, that we proceed to Mr. Waddell. Is that agreed? *[Agreed]*

Mr. Waddell, on Bill 29.

**Mr. Ken Waddell (Private Citizen):** Mr. Chairperson, I wouldn't want to upset the Minister of Finance's blood pressure. I certainly wouldn't want to delay his appetite. We know each other pretty well—*[interjection]*—so kind, yes.

I notice this legislation is what I call enabling legislation. Mr. Chair, whenever I hear or see the word "recommendations" on what information be disclosed as well as when and how it must be disclosed—there's going to be a consultation process—obviously, this is enabling legislation. It's not particularly definitive legislation. I have some concerns on that.

Just to show you that I do know a little bit about cars, my father bought my—it wasn't a car; it was a truck he bought when I was 16 years old. He bought a '51 Mercury half-ton for the farm. It happened to have a grain box on it, but that was my car that I could conduct my travels for my social life with, so I was a big hit among the girls with a '51 Mercury half-ton truck with a grain box on the back.

I moved up from that, in later years, to a 1961 International panel van; that was a big hit, of course, too. Anyway, after I was married, my father went and sold that panel van on me without telling me, but he said he'd buy me another car. Mr. Chair, we found a '59 Mercury which was a really nice car. Unfortunately, it had some mechanical problems, probably partly of my own making; we substituted that one for a '59 Pontiac.

Now the obvious question is: Where are all those cars now, when I need them, and the value they'd be today, right?

\* (11:50)

Anyway, I am—and I know that you're under some constraints of time and I want to respect that. I notice that "lemon" is not defined, nor is it easily definable, because it's a cross-jurisdictional definition. In fact, there are jurisdictions where there is no definition of a "lemon" car; there are other areas where there are differing definitions. That is going to cause us some problems. No doubt, it'll help us build the need for a few more inspectors and a few

more layers of bureaucracy, which I alluded to before is something that governments of all stripes, but particularly this government, seem to have no compunction about adding on a few more layers of bureaucracy. After all, it's just a few more taxes, a few more positions, and a few more rules for people to have to follow.

I think perhaps that we should look at the—and I say look. I don't think this bill is particularly helpful in its present situation and perhaps the consumer protection should be looked at in a little different way. My good wife alluded to it but I'd like to elaborate a little bit on that.

When a car is written off and goes through the Autopac auction, it's designated with various designations. It can be hail damage. It can be—you know, it could be stolen. It could be, in some cases, it's mouse damaged; sometimes it's fire, but in many cases the cars are designated as a total write-off. Now I'm assuming that those—and I haven't checked it out—but I'm assuming those cars are probably not going to be rebuilt.

Now, some cars aren't damaged that badly and they're labelled as salvageable, and I think most of those cars probably go back on the road. They're rebuilt by car collectors or by dealers if they're newer cars, whatever, but I'm very, very concerned, and I haven't done the research on this and I hope to do it some day. Maybe somebody should do it in anticipation of some protection of the consumers here but just think about this. A car is written off. Let's say it's a fairly new model car and a fairly common car. Let's say it's our car, a '99 Toyota Camry, a four-door, maroon-coloured car, fairly common, probably quite a few of them in Manitoba. If our car was involved in an accident and it was written off completely; in other words, it was sold through the Autopac auction and it was designated this car should not be rebuilt. I am concerned if that vehicle identification number is actually properly logged and registered.

If it is not, and I suspect many of them are not, a dealer could simply smash out the windshield, unscrupulous dealer or chop shop or whatever, lift off the VIN number, and say, here's the description of the car. Let's go find one, could be stolen, replace the windshield, replace the VIN number with my VIN number, and who would know the difference if that number was not properly recorded?

I think we're pretty loosey-goosey because of the different jurisdictions and even within Manitoba

about how we record these things. I would be very concerned that we are overlooking a situation here where vehicles could be used as a tool for car thefts and for chop shops, and they could be very easily handled under our current regulations and with the current way things are registered.

Now the thing that also has puzzled me is that—and my wife also alluded to this; we've talked about it many times—an airplane, a very old airplane, could be built in 1948 or '46 or '55 or whatever, and they're still flying but they are under fairly strict regulations. I'm not sure I would want quite that strict a regulation on my cars but you can tell the whole history of an airplane from its log, and if that log isn't there, you're in trouble with the Department of Transport.

I think that on one hand I'm saying that the regulations are too intrusive; on the other hand, I don't mind regulations if they will truly give us a good representation of what we're buying and will truly protect the safety of our citizens. I was an auctioneer for 20 years and the last thing I would ever want to do would have been part of selling a vehicle that would cause someone some trouble, either injury, grief or death down the road. So we were always very careful to say this car has been safetied or this car has not been safetied. It is as is or the owner is giving you some form of warranty on this, but you need to understand that you're buying as is, where is, and that's the way the rules are right now.

Perhaps we should have a register of the vehicles, a better way of tracking the vehicles and knowing where they've been, what they've done, what's been done to them. It's very, very loosey-goosey, pardon the expression, at this point in time. Now, the thing that concerns me here is that this bill probably doesn't go and accomplish what it is set out to accomplish, and that is a problem with many bills, Mr. Chair.

You know, you will take up a situation, write a bill in a bit of a hurry—obviously, this one has been introduced not that long ago—and hope that it's going to meet the situation both now and for the future. Be very, very careful that you're not building something here and adding to a bureaucracy that does not accomplish what you are aiming to do.

It's been alluded to by others, and again this morning, that everybody is in favour of protecting the public from people who use guns. How much have we spent on a gun registry that probably hasn't

protected or saved one life in all of Canada but has spent apparently billions of dollars, hundreds of millions for sure? The worst part of it is that many people buy into the idea that they've actually been protected. Well, they haven't been protected.

So, if this law is going to protect people, I commend you. If this law is just going to be another layer of bureaucracy, then back off and have another look at it.

The last thing, have the people who have written this law consulted extensively and heavily with the fine people who are in our automobile industry. You know, being a car salesman, a used-car salesman is sometimes viewed about as low as politicians and journalists. I think most of the people in the industry are reputable people and they should be consulted. They need to make sure that this is not only feasible, it's practical, that it's valuable and it's enforceable. With that, I thank you, Mr. Chairman.

**Mr. Chairperson:** Thank you for your presentation.

**Mr. Larry Maguire (Arthur-Virden):** Thank you, Mr. Waddell, for your presentation. I noted earlier that you were seeking a '59 Buick. I just happen to know where you can get one.

I appreciated your concern about the type of legislation that's come forward and looking at the costs of doing business in Manitoba as well. I'm wondering if you can just refer to the practices that this bill—you alluded to the practices of the bill in regard to how it is to impact Manitobans. I don't see a great deal of savings in this type of a bill. I just wondered if you could expand on the type of business practices that you see may be here. You've talked about the VIN numbers, and I certainly appreciate your concern in that area. There is a tremendous amount of theft going on today. I wonder if you could just comment on your thoughts in regard to—

**Mr. Waddell:** I'm very concerned on this, what I alluded to there about the VIN numbers. I do hope that that will be looked into and that it is being looked after. If that loophole is there, it's a huge loophole that car thieves can drive through, and disreputable people who may be involved, the few that there are, in the business.

I have some great concerns about any bill that comes forward with regulations that are—if they're not enforceable or if they're impractical because of the cost and because of the false sense of security that it gives consumers. I'm sure when this bill is

passed, that it will be put out in a press release as being a great thing for the consumers of Manitoba. Any government would do that. Any minister would do that. I think most of the time, in their hearts, they truly believe what they're saying is a great benefit to the people of Manitoba. But I ask you, I beg of you, on this law or any other law, make sure that you are giving people what you're promising them on this.

I've been in politics for a long time. I have had news for some of the people on my right-hand side of the table here. I plan to be around politics for a lot longer. The situation is that if you cannot present this in a way that can be backed-up and is actually truly benefiting the people you are not doing yourself or the government or any future governments any favours. Make sure that what you're passing is good legislation, not just expedient legislation.

**Mr. Chairperson:** Excuse me, is there agreement of the committee to continue questions until Mr. Waddell is finished? We have about two minutes remaining. Is it agreed to sit past 12 to finish the questions and answers? *[Agreed]*

**Mr. David Faurschou (Portage la Prairie):** I appreciate your presentation and your insight. My first vehicle was the 1949 Ford pickup truck. The legislation, as it is written, says that they're looking to provide and safeguard consumers. Yet, as a previous presenter spoke, many of the vehicles that are used are purchased from other individuals. In fact, the used car dealers want to point out the fact that the majority of vehicles, actually, in the province of Manitoba are, in fact, purchased from other owners rather than from car lots.

So your thoughts in regard to the statement of the minister that this will now safeguard and take all misgivings away from the acquisition of a used vehicle.

**Mr. Waddell:** I don't think that this bill will do that. I've had a lot of experience with buying and selling vehicles. When I say a lot, probably four or five vehicles in the last three or four years because of our business or because of private concerns, or whatever. I find that the biggest safeguard in terms of buying a vehicle is getting a safety. I think any person who has any idea at all about owning a vehicle should find themselves a good mechanic, a reputable mechanic. It doesn't take long to find one. For 40 bucks or 50 bucks, you can have a pretty exhaustive report on that vehicle.

I don't think that this legislation is going to do a whole lot more than that. I think we should encourage people to use the current safety program, and some of these other regulations, probably, are going to be not only impractical but redundant. Thank you, Mr. Chairperson.

**Mr. Chairperson:** Thank you, Mr. Waddell, for your presentation. I have one item of committee business to take care of before we adjourn.

Is there agreement of the committee to hear Mr. Negrych at 6 p.m. and, therefore, continue to set aside debate on the motion before the committee? Is that agreed? *[Agreed]* We just made history.

The time being 12 noon, committee rise.

Members, please leave copies of bills for this evening.

**COMMITTEE ROSE AT: 12:02 p.m.**

**WRITTEN SUBMISSIONS PRESENTED BUT  
NOT READ**

Re: Bill 38

I am sending this to you as it is a four-hour drive for me to be there in person, but at the same time I feel that the passing of this bill would be a huge detriment to the province of Manitoba and must do whatever I can to help stop it from passing.

This bill is set up for one purpose and that is to cover up the fact that the present government has no clue how the financial world works. It would be a tool for the government to hide their inability to balance a budget without holding out their hand, no matter what the cost to our province. What better way can we be assured that our financial well-being

as a province is protected than to have our government held accountable for their spending? As it is, they have used up a huge rainy day surplus just to balance their previous budgets. Now that that is gone, as well as a decrease in federal handouts, they need to branch out to try and get their hands on any funds that they can to hide their overspending.

With the passing of this bill, the NDP government would have access to Crown corporations such as Manitoba Hydro, MPI and WCB to help balance their spending. You do not have to be very bright to figure out that this will—not might, but will—lead to all Crown corporations being depleted of their cash and having to increase their rates.

It will also lead to Manitoba being depleted with the end result an increase in taxes, a huge deficit and a poor province that will not attract new growth. Right now, businesses are already having a hard time with the idea of moving to Manitoba. If this continues not only will few if any move here, but more and more will be leaving.

What will happen if they actually do build this hydro line on the western route? Where will that money come from? How can they ever balance the extra cost that they are planning to spend? It is time to put a stop to their antics and hold them accountable in any way we can before it is too late for our province.

Yours truly,

Lloyd J. McKinney  
Roblin, Manitoba

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