



Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	R0M 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Place, Wpg.	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	R0B 0E0
CRESCENTWOOD	Warren Steen	P.C.	410 Borebank St., Winnipeg	R3N 1E7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	R0A 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	140 Roslyn Road, Winnipeg	R3L 0G8
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	Box 112, Portage la Prairie, Manitoba	R1N 3B2
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	2518 - 160 Hargrave St., Wpg.	R3C 3H3
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Hon. Harvey Boström	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. BONIFACE	Hon. L.L. Desjardins	NDP	200 - 185 Carlton St., Wpg.	R3C 1P3
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Saul Cherniack, Q.C.	NDP	333 St. Johns Ave., Winnipeg	R2W 1H2
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	24 - 1 Public Rd., Thompson	R8N 0M3
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	R.G. (Bob) Wilson	P.C.	2 Middlegate, Winnipeg	R3C 2C4

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8 p.m., Thursday, June 3, 1976

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Logan.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I'd like to present the third report of the Standing Committee on Law Amendments.

MR. CLERK: Your Committee met on Wednesday, June 3, 1976, and heard public representation with respect to the Bills referred, as follows:

No. 37 - The Corporations Act - Manitoba Committee of The Canadian Bankers' Association.

No. 56 - The Foreign Cultural Objects Immunity from Seizure Act - Mr. Norm Turner - Board of Governors, Winnipeg Art Gallery, Dr. Ann Davis - Curator of Canadian Art, Winnipeg Art Gallery.

No. 62 - An Act to amend The Human Rights Act - Mr. Chris Vogel - Gays for Equality.

No. 63 - An Act to amend The Trustee Act - Mr. Walter Bouillon - Guaranty Trust Company, Mr. Jack Bowles - Manitoba Section, Trust Company Association of Canada.

No. 64 - An Act to amend The Civil Service Act - Mr. William Ridgeway - President, Manitoba Government Employees Association

No. 46 - An Act to amend The Pension Benefits Act - Mr. Art Coulter - Secretary, Manitoba Federation of Labour.

Your Committee also met on June 3, 1976, and considered Bills:

No. 46 - An Act to amend The Pensions Benefits Act

No. 56 - The Foreign Cultural Objects Immunity from Seizure Act

No. 63 - An Act to amend The Trustee Act

No. 68 - The Nuisance Act

And has agreed to report the same without amendment.

Your Committee has also considered Bills:

No. 21 - An Act to amend The Condominium Act (2)

No. 30 - The Conservation Districts Act

No. 39 - An Act to amend The Fatal Accidents Act and The Limitation of Actions Act.

And has agreed to report the same with certain amendments.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I move, seconded by the Honourable Member for St. Matthews, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions; Orders of the Day. The Honourable Minister of Agriculture.

ORDERS OF THE DAY

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, I wonder whether we couldn't proceed with Bill 59, The Co-operatives Act first and then to proceed with the remaining Adjourned Debates on Second Readings that were not completed this afternoon.

MR. SPEAKER: What was the number of the bill?

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Minister of Co-operative Development) (Springfield): Fifty-nine.

GOVERNMENT BILLS - SECOND READINGS  
BILL 59 - THE CO-OPERATIVES ACT

HON. RENE TOUPIN, by leave, presented Bill 59, The Co-operatives Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Mr. Speaker, it's a great honour for me to present to this Assembly a bill which would provide specific legislation governing co-operatives in the province. I'm ashamed to say that Manitoba is the last province in Canada to adopt such legislation.

Prince Edward Island has had its present Co-operative Association Act since 1951; Newfoundland and New Brunswick since 1952; British Columbia since 1955; Quebec since 1964; Saskatchewan since 1965; Nova Scotia since 1967; Alberta since 1970 and Ontario in 1973. Some of these provinces may have had specific legislation governing co-operatives even prior to the adoption of this present legislation. It is therefore due time that Manitoba had a separate Co-operatives Act.

This is not to imply, Mr. Speaker, that our government has been sitting complacently in office for seven years without taking action on the matter of co-operative legislation. When we took office we were aware of the lack of adequate legislation for co-operatives. We responded very seriously to this then and after several years of discussion and study we began in a formal way to prepare the bill which is before us today. We see here the preparation of legislation governing co-operatives. It was not a matter we took lightly in the past seven years.

This bill will affect over 200,000 co-operative members and the operation of their own 270 co-operative associations in Manitoba. The legislation must meet the needs of co-operatives in such a diversity of fields as retailing, fishing, farming, marketing, housing and processing. It does not include credit unions for the moment. This indeed must be very special legislation to meet the needs of so many people and so many organizations involved in doing so many different things. We could have introduced, Mr. Speaker, co-operative legislation a year or two sooner but had we done so our legislation would have been out of date by the time it had been printed.

You see, being the last province in Canada to adopt a Co-operative Act has had one advantage. Because we have waited our Co-operative legislation embodies all the innovations in company law which have been adopted by the Federal Government in the new Federal Business Corporations Act and these innovations are now the standards for the future. I dare say before too long the other provinces will be following our lead and revising their corporate legislation. The legislation we are introducing will provide co-operatives in this province with a modern and up-to-date legislative framework which will be an asset to them now and in the future. Being last also has enabled us to study the legislation adopted in other provinces and thereby avoid many of the legislative problems other provinces have encountered in their Co-operatives Act.

Why, you might ask, has every single province in Canada now seen fit to provide special legislation for co-operatives? Aren't co-operatives after all, corporations for which a regular corporate legislation should be adequate? The reason that co-operatives require their own legislation lies precisely in the difference between co-operatives and other corporate structures. In a co-operative, Mr. Speaker, each member has only one vote regardless of the number of shares held, whereas in other corporations the number of votes of any individual is determined by the number of shares held. This is a very fundamental difference which must be reflected in legislation in order to protect the fundamental integrity of co-operatives and the co-operative movement.

A second fundamental difference between co-operatives and other corporate forms is that co-operatives divide their surplus in proportion to the use of the co-operative by the members instead of in proportion to dollars invested. Legislation must, therefore, provide for this method of payment of dividends.

Thirdly, co-operatives divide all of their surplus after reserves each year among the members. This reflects the basic intent of a co-operative, to provide goods and services for the benefit of members which is different from the intent of most joint

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(MR. TOUPIN cont'd) . . . . stock companies where the objective is to realize profits on invested capital.

In the new Corporations Act the concept of par value for shares has been scrapped because in the joint stock company surpluses are held in the company, and if the company is successful, share value soon exceeds par which becomes meaningless. In a co-operative, however, because surpluses are distributed each year, the shares generally continue to be valued at par and par value is all a member expects to get back when he leaves the co-operative. Hence co-operative legislation should and must reflect this essential difference between co-ops and other corporate forms.

At present, Mr. Speaker, Manitoba Co-operatives are governed by Part X of The Companies Act. Part X of The Companies Act was adequate when the bulk of co-operatives under its jurisdiction were traditional consumer marketing co-operatives and many of the other major co-operatives were incorporated by special Acts of the Legislature. But now co-operatives are increasing in number, volume of business and complexity and are progressively entering into new fields such as housing and farm production. Thus modern development in co-operative activity has necessitated modern legislation. Two years ago, in recognition of this need, the department commissioned a study of comparative legislation elsewhere and of the form of Act which might be appropriate for Manitoba.

In 1975 a new factor was added when the Federal Government legislated The Canada Business Corporations Act. This is a modern and progressive piece of legislation which we propose to adopt in some substantial ways in our own Corporations Act.

One might ask since co-operatives are so different from corporations, of what relevance is corporate legislation? The form of Corporations Act is important to co-operatives because although there are basic differences there are also many areas where co-operatives and corporations are on common ground. Both, Mr. Speaker, are interested in the simple and efficient system for incorporation; both are interested in a clear statement of the capacity to carry on business; both are interested in the protection of minority shareholders or members and both are interested in modern provisions for such matters as audit, receivership, liquidation, etc.

So, Mr. Speaker, where consistency between co-operative and corporate legislation is possible and desirable we have opted for consistency. Where essential differences must be reflected by legislation in order to preserve the fundamental integrity of co-operative enterprise, we have reflected those differences in our two bills. Through this selective approach we have developed what we consider to be flexible and workable legislation for co-operative corporations which by virtue of its flexibility will continue to serve the needs of co-operatives well into the future. On this background then, a Co-operatives Act has been drafted which on the one hand seeks to protect and encourage a special characteristic of co-operatives and on the other hand adopts a very useful innovation in the common areas which co-operatives share with other corporations. My colleague, the Minister of Consumer, Corporate and Internal Services has already informed this Assembly of the essential provisions of the proposed new Corporations Act.

On the whole the Co-operatives Bill before you adopts many of the fundamental concepts embodied in the new Corporations Act so I need not elaborate on them further. What I plan to do, Mr. Speaker, is to discuss the main differences in approach embodied in the proposed Co-operatives Act.

Firstly, as in the past, incorporation of new co-operatives is subject to the approval of the Registrar of Co-operatives. The incorporation of co-operatives under the discretionary authority of a Registrar is a common feature of all co-operative legislation in Canada with the exception of Ontario where incorporation as a co-operative is a matter of right.

I had mentioned earlier, Mr. Speaker, that because we are the last province to adopt specific co-operative legislation, that we are able to draw upon the experience of other jurisdictions. In every jurisdiction which has incorporation of co-operatives as a matter of discretion, which takes in all provinces except Ontario and also includes the Federal Government, no major problems have appeared. It has been felt in all these jurisdictions that this discretionary power is essential in order to permit a judgment to

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(MR. TOUPIN cont'd) . . . . be made of co-operative objectives and intent and to preserve the fundamental integrity of the co-operative movement. The public has a right to know that incorporated co-operatives have not only met the legal requirements as outlined in the Act but that they are bona fide co-operative organizations with sound co-operative objectives and following sound co-operative principles.

Co-operatives themselves have the right to be assured that no fly-by-night operators can take advantage of the co-op name and reputation to exploit consumers and/or producers. This Act will deal with some of the fly-by-night operators that we may have around us.

We are therefore continuing the tradition of incorporation of co-operatives subject to the approval of the Registrar of Co-operatives. Co-operatives will be required to provide a Statement of Purpose in their Charter By-laws. A decision can be made as to whether the purpose of the organization is consistent with co-operative principles. This reflects no basic change from Part X of the existing Companies Act under which incorporation is at present subject to the Registrar of Co-operatives.

A second major difference between this bill and the new Corporation Act is that the co-operative principle of one member - one vote is embodied in this Act as is the principle of no voting by proxy. It is recognized in this legislation that these principles are paramount but that their importance lies in the intent behind them. The intent behind the one member - one vote principle is to ensure that members democratically control their co-operative organizations. The ban on proxy voting is adopted for similar reasons. The bill before you ensures that these principles are maintained and yet is flexible enough to allow in exceptional circumstances and at the discretion of the Registrar voting as a class of shareholders and voting by proxy if the particular cases warrant same. Thus the members of a co-operative have sufficient flexibility to tailor the application of these principles to their particular situation.

It is anticipated that this flexibility may open up new avenues for co-operative financing by allowing limited voting rights for preferred shareholders if the Charter By-laws of the co-operative so provide. The Charter By-law may also allow for voting by proxy. This provision might be applied to co-operatives where there are only a few members, each holding a sizeable investment, such as the case in the Agricultural Co-ops.

Through proxy voting members can assure themselves the right to participate in all major decisions of the co-op even though an illness or a vacation or some other circumstance might prevent them from attending a membership meeting. This assurance is extremely important to co-ops in which all the members' investments are placed or upon which a member's livelihood depends. But it is emphasized that exceptions to the basic principles will only be authorized in unusual circumstances and subject to strict limitations. Thus, while the one member-one vote principle and the no proxy vote principle are upheld in the Act, the Act does provide a certain flexibility by enabling the Charter by-laws to prescribe the manner in which they can be applied to a particular situation.

A third major distinction between the corporate and co-operative legislation is on the matter of allocation of surplus. In this bill, according to the co-operative principles and practices, provision is made for the allocation of surplus on an annual basis in accordance with patronage. This is such a basic principle of co-operative enterprise that it needs no further elaboration here.

The Act further provides that members leaving the co-operative are paid out at par value unless the regulations otherwise provide. This, Mr. Speaker, distinguishes co-operatives from joint stock companies which are not required by law to redeem shares at par value.

And finally, the by-laws of the co-operative are considered to be a contract between the co-operative and its members and therefore can only be changed with the Registrar's approval.

The differences I have outlined to you are the traditional differences between co-operatives and corporations and these had been reflected in co-operative legislation in the past.

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(MR. TOUPIN cont'd)

I had mentioned earlier, Mr. Speaker, that this legislation is required in order to meet the needs of a diversified and expanding co-operative movement. I would like to take some time now to discuss the depth and complexity of the modern movement so that you may have some appreciation of why modern and up-to-date legislation is indeed required in 1976.

Most of the early co-operatives in Manitoba were in the agriculture marketing sector with the formation of the Grain Growers Company, the Manitoba Pool Elevators, the Winnipeg and District Milk Producers, the Manitoba Dairy and Poultry Co-operative and numerous co-op dairies and creameries. As there was no adequate co-op legislation at the time, many of these early co-ops had to be incorporated by a special Act of the Legislature.

The development of consumer co-operatives followed closely with co-op associations appearing in Bowsman as early as 1912, Moline in 1914 and Arborg in 1919. By 1927 retail co-ops had expanded to the point where a wholesaling service was required and the Manitoba Co-operative Wholesale was incorporated.

I would suspect that the legislation we have today was drafted with consumer co-operatives in mind. For the time it was drafted the bulk of co-operatives requiring legislation were consumer co-ops. Co-operatives in these two major fields, agricultural marketing and consumer services had continued over the years and still accounts for a major component of the co-operative movement.

However, the movement of today has diversified in many new types of co-operatives. Along with a conventional consumer co-operative, we now have the direct charge co-op, a new concept in retailing. The producer co-operatives are being organized in the agricultural sector to undertake the actual business of farmers, the co-operative formula has been successfully applied to the field of housing in numerous ways including continued housing co-operatives, building co-operatives and co-op mobile home parks.

We see the co-operative movement in day-care services, health services, employment services, public utilities, transportation services, and recreational. Social and cultural services have all been organized in co-operative lines.

In Manitoba today, Mr. Speaker, one can find a co-operative beach, a co-op restaurant, a co-op bookstore, a farm machinery co-operative, and co-operatives engaged in broadcasting and communications. With such diversity in the co-operative movement, modern and flexible legislation is required. It is to be hoped, Mr. Speaker, that this legislation before us will facilitate the development of co-operatives in these and many other fields of endeavour because it is our intent to encourage, not to restrict a further expansion of the co-operative movement.

It is my hope that this legislation will be reviewed by this Assembly within this very context and that the end result will be a piece of legislation which will continue to meet the needs of the co-operative movement well into the future.

Thank you.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): I wonder if the Honourable Minister would submit to a few questions. I wonder if he can indicate, because I wasn't sure from his statement, that the Act that has been proposed has as its base similar Acts that have been passed in other provincial jurisdictions. And if that is the case, I wonder then whether he would be prepared to present to us a summary of the uniformity that's being requested with respect to specific sections so that we'd have some idea of being able to understand those sections that have been passed and adopted by other provincial jurisdictions.

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Yes, Mr. Speaker, I indicated the fundamental differences that we may have in this Act as compared with Ontario, but we come so very close to co-operative legislation presented in all provinces in Canada apart from Ontario including the Federal Co-operative Act itself.

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(MR. TOUPIN cont'd)

I believe, Mr. Speaker, that it may be of benefit to all members of the House if I brought a paper to the House or to Committee that would explain the sections that would defer from what we now see in Part X of the Companies Act because what we have before us is pulling out from Part X from the Companies Act and formulating a piece of legislation for co-operatives with added ingredients that I spelled out here in my opening remarks. So I will bring before the House the additions that we will find in this bill compared to what is being pulled out of Part X of the Companies Act.

MR. SPIVAK: Mr. Speaker, there was a second part to the question, and again I pose to them in the hope that the Minister will be in a position to do that. I appreciate what he's going to be doing and I think that's fairly important. But I wonder if he's also in a position to produce some documentation that would indicate the uniformity that is being requested in this specific legislation with respect to other provincial jurisdictions so we have some idea of similarity, or if there are differences at least to understand them.

And in addition, I wonder if I can ask the Minister - whoever prepared this Act - could he indicate the length of time that this Act has been in preparation. Was it a year or two years?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Well first of all, Mr. Speaker, I indicated that this Act is so very similar to all provinces apart from Ontario, and the part that we differ with Ontario is the part where a co-operative is to be incorporated with the assent of the Registrar. In Ontario, this is a right for a group of people to be incorporated without receiving the assent or the approval of the Registrar. That is the basic difference that we have with the Province of Ontario and that is exactly as we see it in other provinces in Canada, including the Federal Act.

MR. SPIVAK: Mr. Speaker, to the Minister, I wonder if he can indicate though how long this Act took in preparation?

MR. TOUPIN: Yes, I'm sorry, Mr. Speaker. The information that I get from my officials is that it's been in preparation for at least two years. It's been discussed with different co-operative associations here and in other provinces for the last, I don't know about six months I guess, at least. -- (Interjection) -- But I mean the final draft we've only had today, Mr. Speaker. But the preparation of the Act itself. . . Mr. Speaker, if the honourable member would like to pose a question I would hope he'd get off his feet and pose his question because when we ask exactly, you know, what is contained within this Act, I pointed out the differences as he can see them in The Companies Act. All the honourable member has to do, Mr. Speaker, is look at Part X of the Companies Act, add my comments here and he's got the bill.

MR. SPIVAK: I guess a further question. I have to suggest --(Interjection) -- I have Part X of the Companies Act, there are 27 sections - there are 187 sections so I don't know, there's just --(Interjections) -- Yes, all I have to read is 160.

MR. SPEAKER: Order please.

MR. SPIVAK: I ask the Minister, does he propose in introducing this bill that we pass this within a week, first, second and third reading. Is that his proposal?

MR. TOUPIN: Mr. Speaker, my hope is to have this bill, as the bill for the Corporation's Act, passed at this session, yes.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I move, seconded by the Honourable Member for Riel that debate be adjourned.

MOTION presented.

MR. McKENZIE: Mr. Speaker, I ask the Honourable Minister when we could get copies of this bill, there's none across . . .

MR. SPEAKER: Order please. Let's do this systematically, let me finish the motion before we start any crossfire. Is the motion agreed to to adjourn this bill? (Agreed) Very well. Now is there a question in respect to anything? The Honourable Member for Roblin.



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MR. McKENZIE: I went over to try to see if I could get copies of the bill this afternoon, I wasn't successful and they weren't sure when there would be copies. So I hope the Minister could give us some idea when we could have copies to distribute amongst some of our co-operative friends in the country.

MR. TOUPIN: Mr. Speaker, copies were distributed to members of the House this afternoon, I'm informed. Additional copies should be available, the rough draft was discussed with co-operative members and associations in the province.

MR. SPEAKER: The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Would you call Bill No. 83.

MR. SPEAKER: Proposed motion by the Honourable Minister of Labour. The Honourable Member for Fort Rouge.

BILL 83 - THE WORKPLACE SAFETY AND HEALTH ACT

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have some comments to make on the bill, not nearly as many as I would have liked to have made but the times are upon us where I guess it is a quick glance over lightly is about as much as we can afford on most of these things.

But I want to say at the outset, Mr. Speaker, that I think that this is in many ways one of the most useful and important pieces of - I won't say legislation because I'm not so sure that it's legislation we should be doing - let's say important and useful pieces of initiatives that the government has undertaken to deal with the area of industrial safety and the health environment and working conditions of people and workers in the Province of Manitoba. It's one of those initiatives, Mr. Speaker, whose time has come, I think there has been a growing recognition over the past several years about the increasing difficulties that workers in a variety of industrial and non-industrial situations are facing, and what we're discovering now is that the traditional attitudes towards industrial safety, where the hard hat and a pair of goggles and some hard shoes is no longer a sufficient or in fact even a minimal protection because we're finding out that there are a number of influences that come out of a highly naturalized environment that have serious repercussions on people's health. I think we don't need to go any further, Mr. Speaker, than the problems of the asbestos workers in Quebec where after many years, where the mines and processing of asbestos was conducted without any examination, we're finding out that it's probably a highly contributing cause to the high incidence of cancer in many of those workers.

I would say, Mr. Speaker, that the proposals that we have in front of us are in part a result of the very important conference that was held here in Winnipeg last fall where the Canadian Labour Congress convened a meeting on health and safety, that a number of very important conclusions were reached at that conference, it was a little bit of a landmark conference in the areas of industrial relations, safety relations in this country.

I think, Mr. Speaker, the only thing I find curious is why in some ways some of the directions that were emphasized at that conference that was held in Winnipeg last November didn't seem to find their way into the bill. I think that that would be the two areas of comment that I would like to make is that there was . . . certainly one of the strongest emphasis that trade union members, scientists and medical doctors who spoke to that committee meeting was that the real onus of responsibility in many cases lies upon the worker and the union itself and that they seemed to feel that there had been a tendency to rely to a far more serious intent the role of legislation and government regulation, where the feeling of the conference seemed to be - from the speakers at the conference at least - that it was much more important and useful to provide the initiatives under which the worker in his own place would take responsibility and provide the kind of protection that they needed and that the government would simply follow up. I would say that the report in the Labour Gazette reporting on that particular convention concluded, it said that the consensus seemed to be that unionists cannot afford to trust unilateral

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(MR. AXWORTHY cont'd) . . . . action by governments, employers, researchers or even the medical profession to safeguard workers' health or safety. And they went on to make a number of recommendations; for example, that unions should have their own doctors, maintain their own investigation and research into worker conditions because in fact they couldn't or in fact shouldn't rely upon other people to do it for them.

It's interesting, Mr. Speaker, that in concert with that particular approach that was taken or being proposed at the Canadian Labour Congress Convention, that the British, who I suppose have the best record of industrial safety, have fundamentally altered or seemed to have altered, at least, the thrust of their approach to industrial safety, and again I'm quoting from a Labour Gazette of a later article, April 1975. They point out, and I again quote from the Labour Gazette, they said, "Instead of extending state regulations, the new British Act puts the onus on self-regulation, that the latter is backed by tougher criminal sanctions for those who ignore their duties." And they pointed out that the real critical formula for ensuring proper safety was to develop the kind of co-operation and joint enterprise partnership within the workplace itself, and they point out that under the new British Act it's required that every employer must submit a written statement on safety policy and show it to his workers or risk going to jail. That every employer must work out a safety training scheme in consultation with worker safety representatives. And another similar recommendation saying that the unit wherein which the safety problem could best be tackled is on the shop floor or the construction site or wherever it may be, and that it was a much more effective approach for government to provide the facilitation of those things to happen as opposed to replace that kind of privately sponsored activity between employer and management with government regulations.

I would simply say, Mr. Speaker, in trying to point to the principle of this bill, I don't have a quarrel with the detail of it or perhaps it even won't do its job, I'm sure wondering about its basic approach, and again I do so without having had the opportunity, and I apologize for not having listened to the Minister of Labour when he introduced it, but it does seem to me that if these kinds of discussions make any sense then the direction which we're taking to promote industrial safety while well-intentioned and well-motivated, may not be the most effective in light of the kinds of findings that have been produced by these different kinds of reports that come out of different labour congresses.

I would say, Mr. Speaker, in fact it goes back to a point that I raised in a very cursory way this morning concerning the changing relationship between worker and management and that rather than always treating it in terms of having different sectors, each operating in their own closed sphere, that in fact some of the directions taking place in other jurisdictions is to try and promote a joint management or a joint responsibility for areas. And in this area, industrial safety, is one that is most conducive to that kind of basic organizational program, that is quite different than having government step in and provide all the inspectors and all the committees, saying you must do this and you must do that, and you can't do this and you can't do that, and it does come to a point which I think certainly members of our group and others have had occasion to speak on before in other areas; that while it is important for a government to acknowledge the changing conditions of a society and the changing social problems and economic problems, it is not always true that direct intervention is always the best answer, and that perhaps a more softer approach or almost a more indirect approach sometimes can produce better results. And if there has been any lesson I guess that's come back from a kind of retrenchment and reaction you get from much of the public, it is a reaction against increasing use of direct government intervention as a solution to problems, because it brings with it certain cures but sometimes the cures are worse than the problem that was originally there.

I say this when I looked at the bill because it struck me in part as having some similarity to the Human Rights legislation we looked at a week ago, where we had a Human Rights Bill with all the best intentions in the world, but was giving a very extraordinary amount of power to a group of public servants to exercise, that has real potentials of intervention into privacy and civil rights and civil liberties, and again some of the same kind of conditions are repeated in this bill where again they have the right to move into any enterprise or residential at any time of their choosing to get the records

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(MR. AXWORTHY cont'd) . . . and the evidence, and so on, and it makes sense if you follow, the philosophy . . . certainly they don't want to be limited to going in during working hours, whatever it may be, but once you start giving those powers, they kind of walk in and take the information you need and do what you want to do without really any responsibility or accountability, that I'm saying there's a certain amount of trade-off that should be looked at, and if you can find other ways of approaching the same problem and coming up with an answer, then without having to resort to those, in effect, "police powers" of government - I use police powers I think in their generic terms. the power of government to say, thou shalt not, and to use its force and its sovereign. . . insist upon it, that there may be other ways of applying yourself to problems than always resorting to that particular form of government response. So I guess in a general sense, Mr. Speaker . . . I've just seen a number of pieces of legislation coming across my desk this past while, where that same formula is repeated and repeated and repeated, and I'm just really beginning to wonder that when you start adding them all up, what are you left with, and it may be that you've left yourself with a very significant accumulation of increased government police powers, all done for the best reason, but as they say, the road to hell is paved with good intentions, and I'm not saying that there's any ulterior motives or any sort of cabals or conspiracy things, I know there isn't, I don't think that there is any intention of that, but when you start adding all these pieces together, if you don't end up with it, you certainly end up with the potential of those powers being there . . . and perhaps being abused.

Now, in saying that, Mr. Speaker, it doesn't mean to say that I'm against the legislation because I think that the problem of industrial safety as most commentators have mentioned, have increased in its severity over the last several years and I don't need to repeat to the House the kinds of statistics that have been brought forward to indicate that. I think there's just one that does come to mind; and that is that last year I believe something like a billion, well over a billion man hours in Canadian industry were lost as a result of accidents or industrial safety problems and that if you start adding up those in sheer dollar terms in the Canadian economy, that probably the growing incidence of unsafe working conditions and unhealthy working conditions is probably one of the greatest contributors to the shortening of productivity and the lack of productivity in the Canadian work force, because you can't produce much if workers are off work, because there is a number of problems in that, and that what is even perhaps more significant is that the number of people who are now occupying hospital beds as a result of industrial environmental health hazards has been growing I think at the rate of 50 or 60 percent a year, and that there are a lot more people who we normally thought that cancer, for example, being one of the primary ailments and killers of our society, happened for unknown reasons. Well medical research has begun to narrow that down, they're beginning to find out that it is not for unknown reasons and that oftentimes the incidence of cancer in certain locales can be traced directly to the presence of carcinogenic materials in the workplace or in the air or the atmosphere, and that the cases in the industrial centres in Hamilton and at the Abbotsford Mines, I guess, are primary examples of that where they say that the life expectancy I think, of the asbestos worker is now down around about 48 or something, simply because for 20 years they've been working, and all those fibres get caught, and from that point on I can't tell you what happens, but certainly there's a direct causal relationship between the catching of asbestos fibres in one's throat and lungs and incidents of lung cancer.

It does take me though, Mr. Speaker, to another point that was raised, and although the Minister isn't here to listen to it, I think it is worth making because again another study has been done on the problems of industrial safety, this time at the Massachusetts Institute of Technology, which is a fairly well-known institution and has taken a lot of fairly practical study. They came up with a report on the efforts in the United States on industrial safety, and the author argues, and I'd like to quote from it, because it probably explains it better than I could do off the cuff, it says, "The senior research associate, Nicholas Asher argues that it is futile to place sole reliance on any single policy instrument to reduce occupational injury and disease, whether it be

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(MR. AXWORTHY cont'd) . . . .research in medicine, the law, regulatory practices or marked incentives. The problems are complex and demand long term and short term disciplinary approaches."

Well I guess that's an academic way of saying, Mr. Speaker, that if we think this bill alone is going to solve the problems of industrial safety, then we are off base, and that this is simply one piece in the puzzle that has got to be placed; that the requirements for industrial safety goes far beyond establishing regulations and having inspectors and safety committees in the workforce, and so on. As important as those may be, they are only one segment of a network of responses that are required. For example, as the study points out, there seems to be absolutely no relationship between a whole area of environmental research and occupational safety, and yet the linkages between the two are almost direct.

The MIT study points out a pretty interesting example, which I thought, because we've been arguing at great deal in this House about spraying, I almost hesitate to bring up the word seeing as my wife is after me to spray our trees, after all those speeches it's very difficult . . . when you get opposition in your own household, Mr. Speaker, you are really in trouble. I was able to beg off pointing out that certain members of the House weren't there this afternoon and that therefore we could perhaps let nature takes its course for awhile. --(Interjection) -- That's right, Mr. Speaker. Once you acquire downtown farm property then it changes your perspective. But the point I was making, is they're saying that when there was a very strong effort in the United States a few years back to ban DDT, which was succeeded, they replaced it with another chemical which while much safer than DDT to people out there, was an awful lot more dangerous for the people who actually had to administer that particular chemical. So here was a case where it was almost a Catch 22 proposition, you were going to get it one or both ways. But it does point out something, I think, Mr. Speaker, that . . . I see the Minister of Mines and Resources is in his seat, but I would like to . . . I don't frankly think we do nearly enough of that of environmental research in this province, nor contribute enough in terms of whatever national effort.

I just got interested in the Premiers' meeting of about three weeks ago, where they indicated there was certain areas of common effort undertaken. It would seem to me one area they didn't talk about, the one area that is required, could very much be done on a regional basis, is to find out what in God's name has happened with all the chemicals that we are putting into our ground and our air, what's happened to the people who use them in the workplace and what's happening to the people who are affected by them. I'm not asking Manitoba to go it alone; there is just so much we don't know about these impacts, there's such a virtual ignorance of all these impacts. The only thing we know is that about 4,000 new ones have been added in the last couple of decades. I guess I'm just enough of a layman to know when you've got 4,000 new chemical compounds running around, mixing in the air and water and other forms of compounds, then you're bound to have some trouble; and that is particularly true in the case where you're using a large number of them in the industrial process itself. And I think this is the other point the MIT study came to, is the one thing we should really be examining in correspondence with this particular bill is the question of the industrial process that itself creates dangers. And the speaker at the Union Convention last fall here in Winnipeg pointed out that the use of vinyl ethylene which is a basic component in making those plastic bulbs, which you spray everything with, I gather everything from, you know, hairdressing, to all those sort of things, --(Interjection)-- Well whatever the point is, it's those plastic bulbs which we decided as part of our technological. . . that we've used as a part of our progress in society, we decided glass wasn't good enough so we have to buy all new kinds of industrial compounds to replace it. with the production that goes into that is noxious to the workers, and yet it has such a wide-spread occurrence used in almost every plastics industry, or chemical industry, I believe, if I'm not mistaken, that particular writer pointed out there are a couple of factories in Manitoba that produce that particular compound and it is used. So it is not a matter that the workplace itself isn't clean or efficient, it's just the process itself that is wrong. One

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(MR. AXWORTHY cont'd) . . . .of the things we maybe have to start moving back from is to determine to what degree the actual industrial manufacturing procedures and the materials that go into them are themselves injurious to health of the workers who must put them together.

And that goes much beyond this bill, as I see it, Mr. Speaker. I looked at the long list of regulations that could be administered by the government, and I suppose under those regulations there would be room for introducing things like that, but I kind of have a basic reaction against putting everything in regulations, I always think that once they're in regulations they tend to get hidden from view, and as members opposite know I'm not a great fan of that aspect of government. But it does seem to me that now that we have sort of broken through the initial requirement to reorganize on the government level, to get the safety committees into place and to begin developing through the Advisory Council, some understanding and consciousness in this area, I think it's now incumbent upon the government, perhaps upon members of this Legislature to begin letting their mind wander a little wider in terms of the combination of efforts that could be added to, or developed in concert with this particular bill to ensure that it itself just doesn't become another reorganized government agency with another new group of committees, another new group of people, all sort of spinning wheels and, you know, putting more public knowledge into creating both public and private bureaucracies without achieving any real significant impact. I think that that seems to be the import of that particular study.

So, Mr. Speaker, those are the concerns that I would raise with the bill itself. It does come back, I think, to the central fact that it is a singular initiative to deal with this very important problem, and I can only say that what it also requires now - I assume that the Minister of Labour, soon, or shortly will be prepared to give us more knowledge on it - is what the policy of the government itself is going to be. I keep saying it is not enough simply to have a legislative framework, you also have to decide what you're going to do with that framework, you have to decide what your priorities are. What are we going to move on? Are we going to take the advice of the Member for Thompson and really look at the whole section of mining and its safety factor. I think the Member for Thompson has spoken, at least I've heard him on several occasions about that. Well is this Act now going to be applied to that target, that's what I want to know, and is it going to sit there and sort of kind of rumble around and become kind of a Rube Goldberg machine with the wheels turning around, without saying, what is it that we now apply this Act to? Is it the mining industry that we begin looking at, is it the whole area of the food industry in the Province of Manitoba. What is it that we now begin to use as an examination.--(Interjection) -- Yes, the question as the Member for Assiniboia points out, one of the areas that the CLC Convention pointed to is the whole area of noise, that they pointed out, an unbelievable number. I think they said that several hundreds of workers per year come before Worker Compensation Boards with problems of deafness, usually caused because again that manufacturing process drowns out every single nerve-end in your earlobe.--(Interjection) -- Well I can't comment on the comment from the Member for Birtle-Russell because I know he's a great fan of high frequency rock and roll music, but I don't have that same opportunity, I'm too busy worrying about spraying these days. But there's a number of those kinds of issues, I really think it's incumbent upon the government to tell us, what are we going to do? Now that the Act is here, now that we're going to pass it, what's the next step. What's their policy going to be? What's their program going to be? What kinds of particular areas of industrial safety do we now pinpoint, address ourself to, and begin taking some action on. Because if we don't do that, Mr. Speaker, then this bill will simply become another appendix to an already increasing arrangement of regulation and intervention and added public employees.

So unless this bill is accompanied with some very specific and clearcut targets as to what the industrial safety problems are that we will now adjust ourselves to in the Province of Manitoba, so we can get to work, I would really have to say at this point that I remain a little bit of a sceptic, or a disbeliever, at least in terms of the effectiveness of the bill itself. I say that again, because I go back to my original point,

(MR. AXWORTHY cont'd) . . . .I'm at a stage where I have just become generally concerned about the almost pavlovian use of the direct intervention, regulatory model at all times to solve all problems, and rather balancing out different approaches, particularly in this area where I think it could have done some pioneer work in establishing a different partnership arrangement in the workplace between employer and employee. I don't believe, Mr. Speaker, that there is that same incentive to create that kind of area. In fact government is replacing the incentive to operate with its own intervention, and I think that that is not, at least as I initially feel it, perhaps not the best approach.

So, Mr. Speaker, those are the initial comments that I have. It may be that other members in our group will be able to comment more elaborately and in more detail as debate proceeds.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, I could hardly let this bill go through without making a few comments on it. I think the Member for Fort Rouge did an excellent job in describing at least some of the shortcomings of any legislation and that it can't - legislation can't be expected to do everything. There has to be some onus upon the employees to exercise some ability to protect themselves and I think that the Act provides partially for that. I think one thing that we fail to understand when we are talking about safety legislation of any description is that for years the Member for Fort Rouge described the horrendous conditions when he referred to a billion man hours lost annually, that's probably an understatement, and that in Canada because we have allowed for one reason or another the immediate supervision or company policy to determine what is best or what is safe for the employees who are working in a given workplace. And I can tell you that many of the employers guard that right very dearly and they are almost hesitant to provide any information whatever in regard to the problems in regard to conditions that would lead to further problems at a future date.

You know that while this legislation being introduced into Manitoba is a milestone for Manitoba, it is something that myself, as a worker have been pressing for and pushing for for many numbers of years with previous administrations, with improvements almost annually with this administration and previous administrations but never quite as far as this legislation is prepared to go.

You know that for years we have taken the position, society generally has taken the position that only the employer knows what is best for his employees and that the employees for years have been treated like children, unknowingly led to a premature death, unknowingly led to a hazardous environment, allowed to work in that environment, and it has led to an early retirement, to a number of respiratory illnesses, a number of things, injuries and so on. Because we, society, has allowed the employer to have that responsibility over the lives of people in their employ. Now that doesn't say, that doesn't say - I'm sorry if I appear to be painting all employers with the same brush because I know that there are also some employers, in spite of this legislation, who are doing exactly what this legislation provides for. They are doing it because they are enlightened employers. But there are those who continue to act in the fashion with conditions that existed 30 and 40 years ago and those same conditions exist today in many workplaces.

And not only that, when a person becomes injured or becomes ill, he is just shoved aside like a worn out piece of machinery, long before his time and the public then has to pick up the cost of maintenance for that person, you know, for the rest of his life and that of his family.

This legislation, Mr. Speaker, is now in existence in more or less a similar form in the Province of Saskatchewan. That is the only other province in Canada that has this form of legislation. Now it exists in many enlightened European countries, it exists in places like New Zealand and Australia, in Britain, and so on, but the other legislatures in Canada seem to be really hesitant in introducing and I'm really very pleased to see that Manitoba is taking the initiative.

The Member for Fort Rouge says that we should take a softer, easier, more casual approach to the legislation, and he feels this kind of regulatory or - I forget the words that he uses, but it's like direct government intervention into the workplace.

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(MR. DILLEN cont'd) . . . .On the one hand, he says that, you know, the number of people who are injured annually or the number of people who become ill as a result of their occupation, is great in number, but on the other hand we should take this sort of soft shoe approach, middle of the road kind of an attitude towards occupational safety and health. I don't think that any worker in Canada and in particular, Manitoba, can afford the luxury of walking that middle of the road any longer, allowing governments to have the luxury of being middle of the road in regard to occupational safety and health.

He makes reference as well to sort of the police powers that are evident under this Act and other Acts of the province. Well it is exactly that kind of police power that is going to ensure that the workplace responds to the needs of those people who are in the workplace, and that police power is necessary in order to protect the workers who are working in that workplace so they have some means with which to protect themselves from the conditions that exist there.

The only alternative now is simply to quit. Well what kind of an alternative is that for a person to . . . and, as long as there are 750,000 people unemployed in Canada, you can be guaranteed that there will be somebody who will take his place. And as long as somebody is going to take his place you will just increase the number of people who are being exposed to the kind of conditions that exist in the workplace today.

The Saskatchewan Act, I have to admit, goes two steps further than Manitoba. But in making reference to the two steps further, I want to say that I am not going to discredit all of the other excellent features of this Act by referring to those two sections. The Saskatchewan Act provides for compulsory committee in legislation. It means that, I believe, every workplace with ten employees or more must have by law a compulsory safety and health committee with joint membership of the employer and employees.

And the second feature of the Saskatchewan Act that is different from Manitoba's is that the - I'll see if I can get this straight now - well first of all there's the compulsory committee, and also that in the Saskatchewan Act the employee has the right to remove himself from what he considers to be an unsafe condition, and by removing himself and reporting the condition and remaining away from that condition until it is corrected, with no loss of pay, and also without any fear of reprisal from the employer for having taken the action that he did. Now I am sure that all members of the House at this time would say that's a horrendous thing, that we would have people running off the job, walking off the job, and continuing to be paid for frivolous reasons, but in the two years of the existence of this provision in the Saskatchewan Act, if my memory serves me correctly, they have only had one occasion in which this has actually occurred in two years. And if anything, the people who are inspecting and enforcing the Act in the Province of Saskatchewan are, if not actively encouraging people to use that section of the Act, that they are advising that that section of the Act should be used more. I think that comes about as a result of the attitude of the people enforcing this section of the Act and the attitude that has changed with regard to the employers in that they are starting, as we will do in Manitoba, starting to treat the employees like the adults that they are. You know that they're not, that employees are not irrationally irresponsible people but they are rational, they are responsible, they are accountable, and that they will use this section of the Act sparingly and only in those cases that are extreme. That is the Saskatchewan experience.

So while I said before I wasn't going to kick out all of the Act because it didn't include those two sections, I'm prepared to examine how this Act will be applied over the next year and if, you know, the Act doesn't do the things that I hope that it will do and it requires an additional beef-up in the years ahead, then those are two sections that will I'm sure have to be included.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister of Tourism and Recreation, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 10 a.m., Friday morning.