

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, June 12, 1970

Opening prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills. The Honourable the Attorney-General.

INTRODUCTION OF BILLS

HON. ED SCHREYER (Premier) (Rossmere) in the absence of the Attorney-General, introduced Bill No. 126, an Act to amend The Real Property Act.

HON. AL MACKLING, Q. C. (Attorney-General) (St. James) introduced Bill No. 127, The Age of Majority Act.

HON. SIDNEY GREEN, Q. C. (Minister of Mines and Natural Resources) (Inkster) introduced Bill No. 123, an Act to amend The Wildlife Act (recommended by His Honour the Lieutenant-Governor).

ORAL QUESTION PERIOD

MR. SPEAKER: The Leader of the Official Opposition.

MR. WALTER WEIR (Leader of the Opposition) (Minnedosa): Mr. Speaker, I wonder if I could ask the House Leader today if he can indicate to us the number of Bills we can anticipate coming before this session.

MR. GREEN: Mr. Speaker, I think approximately a week ago I said about 20 and I now believe that there are very few left to come. Very few. I would think five or six.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address a question to the House Leader. Is it correct that since I was absent yesterday afternoon that the government will no longer permit any adjournments on Bill 56?

MR. GREEN: Mr. Speaker, I'll try and repeat what I said. I said that we would vote in favour of the last motion to adjourn debate; that it is likely that we would not vote for the next one. Now, there is no definite statement there.

MR. FROESE: Mr. Speaker, a subsequent question. Since Monday and Tuesday forenoons are already set for other committee meetings, I can't understand the rush. It won't be till Thursday that we'll be meeting in Utilities? (Yes.) Why is the rush then?

MR. GREEN: Mr. Speaker, there is no rush. The Bill has been on the Order Paper for some length of time.

MR. WEIR: Mr. Speaker, is it fair to ask the House Leader if he could make a definite statement, whether they will or will not vote for adjournments . . .

MR. GREEN: Mr. Speaker, I've made the statement that I was going to make.

MR. WEIR: In other words, you'll do as you please.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. JOSEPH P. BOROWSKI (Minister of Transportation) (Thompson): Mr. Speaker, I'd like to table Order No. 3. That's the grants to rural municipalities.

Also I'd like to take this opportunity to thank all the members of the House for their generous support of my effort in the Canoe-a-Thon. The money raised was \$124.00. This will be going to the Mental Retardates for a camp up at Beausejour. -- (Interjection) -- No. So I'd like to thank all the members for supporting me. I have one regret; our friendly undertaker from Minnedosa didn't see fit to race me at that time.

Also, Mr. Speaker, I'd like to distribute to each member of the House our new 1971 licence plates. The page boys will pass them around. Have a look at our sample for 1971. -- (Interjection) -- Yes you can keep them but you can't put them on the car.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Minister of Transportation. In view of the recent heavy rains again and the heavy rains that we've had this spring, would he not consider giving more or further allocations toward the public roads in southern Manitoba, because they're getting completely out of order, very little gravel is left on many of them. I feel this is in need of special attention. Would he not give further consideration?

MR. BOROWSKI: Well, Mr. Speaker, we've had a budget that was approved. We have a maintenance budget for roads for all of Manitoba and the fact of the matter is we're running

(MR. BOROWSKI cont'd.) into higher expenses, not just in your constituency but throughout Manitoba. It's unfortunate that because of the weather we're spending that money. I don't know, I think we're going to have to get money some place. Our damage from rain alone, washed out culverts and the rest of it is going to run into about \$700,000, which is not in the budget. I'm not sure what the procedure is to getting additional money. Maybe it will have to come from Capital Supply. But we have that extra expense and we're going to do - I'm sure every district engineer is going to do everything he can within the limits of his individual budget to look after the roads, but I want the member to understand that there is a limit and if the weather continues the way it is, we're going to have tremendous expenses this summer that we hadn't anticipated.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I've been wanting to ask a question of the Minister of Agriculture. I guess I could direct it to the acting Minister or to the First Minister. I'm wondering if the government has protested the position that the Province of Quebec has taken with regard to marketing of eggs?

MR. SCHREYER: Mr. Speaker, the Honourable Member for Roblin surely will recall that I made a statement about that in the House more than a week ago. I've addressed telegrams to the Premier, or I suppose it's the Prime Minister of Quebec, the Prime Minister of Canada, the Minister of Justice, and the Minister of Agriculture.

MR. MCKENZIE: A supplementary question, Mr. Speaker. Has the First Minister had any reply from any of those that he's directed his telegrams to?

MR. SCHREYER: Yes, I've received replies. All of them approximately to the same effect, that they were taking the substance of the protest of my telegram under close consideration and would be advising further.

MR. MCKENZIE: . . . then, Mr. Speaker. Was there anything discussed with regard to the constitutional aspects of the legislation, that is, whether it's constitutional or not?

MR. SCHREYER: Yes, Mr. Speaker, that was one of the principal points of the telegram which I sent.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, a further supplementary question to the First Minister on the same subject.

Has the First Minister, either himself or through the offices of His Minister of Agriculture, made some representation to the Federal Government with respect to the marketing legislation now before that House, some of the implications of which could perhaps lead us into the same kind of difficulties as we're experiencing with Quebec at this moment?

MR. SCHREYER: May I first, Mr. Speaker, say that I can understand your slip of the tongue referring to the Honourable Member as the Member for Lakehead. It seems that attention is focussed in recent days on the honourable member's head. It seems to undergo change in hair style so often. However, to answer the honourable member's question, the answer is I'm sure that the honourable member and those on this side would find it difficult to be in agreement with respect to the federal legislation on marketing boards.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): A supplementary question to the First Minister, if I could get his attention for a moment. A supplementary question to the First Minister, supplementary to that asked by the Member for Lakeside. What representations and what protests have been made to the Federal Government in respect to the marketing legislative Bill that is now before the House of Commons?

MR. SCHREYER: Well, Mr. Speaker, I'm not able to answer in any definitive way. It'll have to await the Minister of Agriculture's return.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question to the Minister of Health and Social Development. Has the source of pollution in the Dauphin area been recognized or pointed out to the local people?

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, I've taken that question as notice last week. I've had one report. I'm not satisfied with the report. I've been asked to wait to make a definite statement in this House.

MR. SPEAKER: Orders of the Day. Committee of the Whole House. The Honourable Minister of Finance.

STATEMENT

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. John's): Mr. Speaker, I've been holding back because I've been expecting some material which hasn't arrived yet but when it does I will distribute it in any event, but I don't want to lose the opportunity to make a report on the Manitoba Savings Bond, Centennial Issue, and I will have to speak from memory unless the material arrives very quickly.

The announced date of termination of the sale was 5:00 o'clock last Wednesday and that we would recognize applications postmarked on Wednesday. These have to a large extent been processed - well to the largest extent. The only thing, that there may be some from some of the rural outstanding points in Manitoba whose delivery may have been delayed. So now I am distributing to honourable members the Day 16 report, which is the last report subject to these little dribbles that might come in and which won't make any appreciable change. I will leave it to members to judge as to the extent of success of this issue. We've not yet analyzed the applications in terms of assessing from whom they came. We do know that substantially the sales came from the recognized agents and sources.

The applications have been, as members are aware, restricted to individuals and corporate citizens of our province and to incorporated societies registered in Manitoba. The report before you shows applications at close of sale totalling \$53,986,900.00. Holders of previous Manitoba savings bond issues, and there is still as you will see from the report, something in excess of \$8 million still outstanding. These holders have been given until June 24 to convert into the new Centennial Series and thus we now have a total outstanding Savings Bonds of \$62 million made up roughly of \$54 million in new issue and \$8 million of the old issue. Members will note that in the last two days, June 10 and 11, over \$15 million rolled in. That was after the announcement was made of termination, so the total of 54 million is the total received. Of course this final flurry then pushed the sales higher than we were led to anticipate by the investment brokers, and of course I'm not at all sorry; it puts the province in an extremely good liquid position.

Members will note that the total of the previous issues, the six issues, brought in \$108 million. In each year there was a rollover, a constant rollover and I am informed that the highest outstanding indebtedness on savings bond issues at any given time was in June of 1965 when there was \$76 million outstanding as compared with our present 62 million. At the beginning of the sales of the present Centennial Series the outstanding amount was \$10-1/2 million. As of this date, redemption of these previous bonds during the recent sale was approximately \$2,350,000 so there is about eight million two still outstanding and which as I say can be converted, still can be converted into the new issue up to June 24th.

I should say, Mr. Speaker, that the sale was well supported by a good advertising campaign conducted by McConnell Eastman under direction of a general manager, Mr. Paul Herriot, who I understand either learned a great deal from the Honourable Leader of the Opposition or taught a great deal to the Honourable Leader of the Opposition, but we have benefitted from his experience to this extent.

I want also to acknowledge the hard work of our own staff which was busy processing and is still busy processing so many millions of applications and who are working hard and I do want to express publicly my special thanks to the members of the department who have worked so hard.

The end result, Mr. Speaker, is that many thousands of Manitobans have played their part in helping set the financial stage, in this our Centennial Year, for the future growth and development of our province.

The report you have before you I think indicates a pretty good response from the citizens of Manitoba and one which I feel gratified in having participated in.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to introduce our members in the gallery of whom I have been notified at this time. Thirty-five members of the new Rockford 4-H Club of North Dakota. They are under the direction of Mr. Gross. On behalf of the members of the Legislative Assembly we welcome you here this morning.

ORAL QUESTION PERIOD

MR. SPEAKER: Orders of the Day.

MR. CHERNIACK: Would you mind callin g . . .

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, my question is directed to the Minister of Tourism and Recreation. I wonder does the Minister not feel that he was indiscreet in making a premature announcement in this House in view of the elaborate arrangements for a joint press conference between Winnipeg Enterprises and Montreal Expos at 5:00 o'clock last night?

HON. PETER BURTNIAK (Minister of Tourism and Recreation) (Dauphin): Mr. Speaker, I don't think that that's the case. Mind you I didn't quite get the gist of the question. Perhaps you could repeat it so I can probably answer it intelligently. What was the question?

MR. CLAYDON: My question was - do you not feel that you were indiscreet in making a premature announcement in view of the arrangements made for a joint press conference by way of telephone between Winnipeg and Montreal which was arranged for 5:00 o'clock last night, at which time both ends of the line would make the official announcement. It was on the radio in Winnipeg before the meeting was held.

MR. BURTNIAK: Well, Mr. Speaker, I'm sorry I'd have to disagree and say no.

GOVERNMENT BILLS

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Please call the Resolution at the top of Page 5, dealing with Bill No. 118.

MR. SPEAKER: Adjourned debate on second reading on the proposed motion of the Honourable Minister of Finance, No. 118, The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker in speaking to Bill 118 which is an Act granting certain sums of money to Her Majesty for the public service of this Province and for the fiscal year ending March 1971. I don't recall the Minister enlarging or speaking on the principle of the Bill on second reading, I don't think he did. Maybe he thought it wasn't necessary or required since the estimates had already been discussed, but there are certain things that I wish to touch on this morning and I certainly want to bring in a few other matters because the estimates cover the whole spectrum of government, so that I intend to speak on several matters.

First of all I would like to bring into this House the matter of the flooding that we had in southern Manitoba because of the recent rains and the disaster it is bringing about to certain farmers. It is of great concern to some of the people because it will mean that they will not be able to put in any crop. There are a certain number of farmers who have not seeded anything to date and they know that without any income certainly they cannot pay any bills. This applies to the tax bill that will be coming forward within a matter of a month or two and which has to be paid to cover the expenses of municipal affairs, of the municipalities and school taxes and so on. I feel that this government should give special consideration in connection with this. We have heard earlier in this session of other areas in this province that were facing serious difficulties as a result of flooding but that flooding took place much earlier in the spring and the farmers no doubt had a chance to put in their crops. But many of the farmers hit in southern Manitoba will not have that opportunity now. At least, many of them will be unable to insure their crops as a result of the late seeding, those that will be able to seed.

As a result, Mr. Speaker, I think we should consider several matters. I think the matter of a moratorium on payment of capital payments in connection with loans, I think should receive consideration. We had legislation of this type during the 30's and had it not been for that, in some of the provinces the farmers would have lost everything they had because of the situation prevailing at that time.

Now legislation of this type has different effects. It definitely had an effect on the supply of credit that was available to farmers after that period for many years, until the government came in and provided monies for capital purposes, through the national farm loan board, the federal farm loan board and also through our provincial farm credit corporation, because funds from insurance companies and mortgage companies were not available to farm people. They made loans to city people but the source of funds for farm people dried up and this could well be the result again if such legislation was brought in, although we now have the protection of the government sources for farm loans.

(MR. FROESE cont'd.)

Then too, if legislation of this type was brought into effect certainly it would affect many of our loan companies, our credit unions who are in the lending field of mortgage loans for farms. Many of these are probably of a shorter nature than the long term loans that are being made by the Agricultural Credit Corporation. Certainly these would be affected as well. I think this is something that has to be considered when bringing in legislation of this type. But I feel legislation of this type should be brought forward so that it would be available and could be brought into effect if it is needed later on in the fall, and if things don't work out certainly in my opinion they will be required; because payment of taxes is a big worry to the farmers in that area and I think to farmers in general, because we have heard repeatedly in this House that the real estate taxes on farm land is going up and if there is nothing in the way of revenue coming forward to pay them, it piles up year after year and soon the farmer will lose his equity as a result.

Last night we passed a bill giving aid to fishermen. This no doubt is crop insurance in my opinion; we are extending crop insurance to the fishermen. I think if we are doing it to one section of the agricultural community, I feel this should be extended to another area as well. We know that this aid that would be extended to the farm community would only apply to those people that would be seeding their crops after the date which is allowed under the crop insurance plan, and it would no doubt only apply to a very small group and I think this province can well afford to do that. If we can afford to pay a million or two to the fishermen certainly we can afford to pay some to these farmers who are stricken in this way.

I already made the request of extending the deadline of seeding dates that are presently in effect under the regulations of the Crop Insurance program. This is another way in which it could be handled and this would mean less cost to the government even than the other one because in this way the funds would be coming forward from the farmers themselves. I see no reason why these dates could not be extended. The program is voluntary and there might not be too many who would avail themselves of it, because we know that for instance, in the sunflower crop and I checked with Vegetable Oils yesterday, they had something like 90,000 acres contracted to farmers in Manitoba this year. Approximately 70 to 75 percent of that crop has already been seeded, and the representative I spoke to felt that a lot of the balance of the crop that was to go in would not go in, so that we are actually speaking of only a limited amount of acres in this area again. And the coverage under that program is limited, so that not too much money is to be gained just from this source.

Then I think I should mention Operation LIFT, this is a Federal program. We will see that there will be much more land put to summerfallow, not seeded this year in Southern Manitoba as a result of this heavy rain, and yet the people in that area will benefit very little from that program because it only applies to those acres that are reduced - where you have reduced wheat acreage. Many of those farmers had very little in wheat in previous years so that if there is considerable amount of summerfallow they will not be entitled to any payment at all under the LIFT program; so that we cannot expect that there will be anything in the way of large amounts paid to those people under this program. So that here again, I think that program will be of very little value to the farmers that are being hurt in this way.

Then what sources are there available to these farmers if they need help? Is a relief program in effect? I don't recall one and certainly if they wanted to apply under the Social Allowances Act no doubt their assets would be much too large in what they have in equity in land and I doubt whether they would qualify in any way for payments from this source. Their assets would prohibit them from getting any assistance.

Then, too, no doubt the farmers themselves will do everything possible. I discussed the matter with a number of farmers yesterday and their intentions are to seed even though it's very late and even though the seeding will take place much later than is normally seeded; they will take a chance, they will try and procure a crop, and those farmers that have livestock certainly will, even if it's only green feed, they will get some feed. But to get monies for the purpose, and to those farmers that are in grain or in special crops only and do not have livestock it's a different matter and I feel consideration should be given to these very people.

I visited the area yesterday and there are literally thousands of acres under water, some as much as three feet deep. I saw a tractor in one field with the seeder box back of the tractor and all you could see was part of the seeder box; everything else was under water, the tractor was up to its rear axle in water. This did not apply only to one field, you could see many many

(MR. FROESE cont'd.) fields that were just covered by water and just large lakes, and the water cannot escape that fast. The outlets through which these waters have to drain are very small in many places and it will take days to drain; and then too, more water will be coming from the West and has to go through that same process and is covering these fields over again. So that some of the crops that have already been seeded, some of the crops that are already up will be drowned as a result as well. The situation is serious and it is a great concern to the people of that area. When we are spending \$448 million as we propose to spend in this current year for various purposes of government, I feel that we should make sure that these farmers will be assisted in some way. — (Interjection) -- What was that? Oh, I thought the Member for St. Boniface was agreeing to give assistance in this matter. I sure do hope that he will certainly prevail on his party to give assistance to this kind of a program, it can be brought about.

There is also the matter of the town people. The towns of Altona and Gretna were certainly affected, basements were flooded, some of the floors in the basements heaved and you had other damage take place. Already we have a program in effect where we have set up a committee that is functioning and I certainly want to check into this and see whether assistance for those that have had damage, whether they cannot get assistance in that way.

There are certain other matters in this bill that I would certainly like to get a little clarification on; for instance, there is this matter of transfer to capital division of certain funds appropriated in the bill. This refers to the matter of trunk highways, provincial roads and metropolitan streets; even the FRED program is coming in. I don't necessarily want to refer to the section, but under Section 41, maybe the Minister of Finance could explain why you have to transfer to capital when the monies are being appropriated under the current supply estimates.

There is another matter in connection with lapsing of appropriations. It is mentioned here that such lapses shall be written off. Does the writing off have to have the approval of this House and where can we find a list of these write-offs in public accounts? I think if the Minister could give us some clarification in this regard I would appreciate it.

I will have some further items to refer to and I think I will do this when the bill reaches the committee stage. So with these remarks I do hope that the government will give consideration to the matters that I raised. I felt that this was the only occasion where I could do so properly and I do hope that the government will give favourable consideration to this.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. CHERNIACK: Mr. Speaker, I wonder if the House would agree that we can go into Committee of the Whole on this bill, by leave.

MR. FROESE: Mr. Speaker, I'd be quite happy to give leave if later on I might ask the same thing in connection with another adjournment.

MR. CHERNIACK: Well, in any event, we go into Committee of the Whole. May I be permitted to say that I overlooked replying to the honourable member. I will do so as soon as we go into committee. I apologize for that.

Therefore, Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that, by leave, Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider the following Bill No. 118, an Act for granting to Her Majesty certain sums of money for the fiscal service of the province for the fiscal year ending the 31st day of March, 1971.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole, with the Honourable Member for Elmwood in the Chair.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Just before we begin, I would like to direct the attention of members to the gallery where we have a group of 110 students from Beausejour Junior High. These students are in Grade 8. They are under the direction of Mr. Cahill, Mrs. Collette, Mrs. Warden and Miss Klait, and they reside in the constituency of the Honourable Minister of Agriculture, I have here; and also apparently the -- perhaps the Premier so I would like to welcome the students here on behalf of the members of the Assembly.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bill No. 118, sections 1 to 3 were read and passed.) Section 4 -- The Honourable Minister of Finance.

MR. CHERNIACK: I had undertaken that I would deal with the specifics asked by the Honourable Member for Rhineland. May I indicate to him that road work is dependent on season and dependent on when you can get the work done, and contracts may be entered into and are entered into towards the end of the fiscal year but have to be paid during the following fiscal year, so it becomes important that we have the opportunity to shift the monies that are committed in one fiscal year to make them available to pay in the next fiscal year and the only way that can be done is through transfer to capital. This is standard and was reported on when we dealt with capital supply but that's the reason for that.

MR. FROESE: Thank you. I want to thank the Minister. Now I recall that he mentioned there was discussion on this point and I'd forgotten and I thank him for reminding me.

MR. CHAIRMAN: (Bill No. 118, sections 4 to 6 were read and passed.) Section 7 -- The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, for the Honourable Member from Rhineland, I might point out that if the monies in current account are not spent by the end of the fiscal year then they do lapse and the write-off is a mechanical thing I'm not aware of, but I would suggest that when we meet in Public Accounts he could find out just where it shows up. But I do know that the amount allocated, if unspent, lapses.

MR. CHAIRMAN: (Bill No. 118, section 7 to Schedule A (1) were read and passed.) Schedule A (2) -- The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, on Schedule A (2), Executive Council, there's provision here for a Minister without Portfolio and the compensation is listed. Is there reason to believe that there will be another appointment? If not, I certainly would move that it be struck from the list, because why should we appropriate money if it's not going to be used. I would like to know whether this is going to be used or not.

MR. CHERNIACK: Mr. Speaker, I believe that in all the years that I have seen accounts, there's always been provision for this Ministry to give the Premier just that much scope to be able to create the position if he feels that -- or to fill the position if he feels it necessary. The money will not be spent uselessly or it may not be spent at all, but that is a discretion given to the Premier.

MR. CHAIRMAN: (Bill No. 118, Schedule A (2) to A (18) were read and passed.) There seems to be an error in numbering which we'll correct.

(The remainder of Bill No. 118 was read and passed.) Bill be reported?

MR. CHERNIACK: Mr. Chairman, I'm concerned about what you've just done, or what you've just said because it may be that the appropriation should show that way. The Item 17 does show on the estimates under General Salary Increases "nil" and I think that we should be sure that we do comply with that.

MR. FROESE: Mr. Chairman, why are those not shown on the bill then even though they may be nil

MR. CHERNIACK: The reason it was shown obviously was to show the balance of what was put in in the previous fiscal year, so that it would be shown balance. In the previous fiscal year there was an item set aside for General Salary Increases. It was not required in this fiscal year but it was shown and therefore received a number.

MR. CHAIRMAN: So the bill is completed. Committee rise. Call in the Speaker.

Mr. Speaker, the Committee has considered Bill 118 and I wish to report the same without amendment.

IN SESSION

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Mines and Natural Resources, that Bill No. 118, an Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March, 1971, be now read a third time and passed.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

GOVERNMENT BILLS

MR. GREEN: Mr. Speaker, would you call Bill No. 43.

MR. SPEAKER: Adjourned debate on second reading on the proposed motion of the First Minister, Bill No. 43. The Honourable Leader of the Official Opposition.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, in the absence of the Leader of the Opposition, can we have this matter stand? (Agreed)

MR. GREEN: Mr. Speaker, I note that the Leader of the Liberal Party is not here so I assume that Bill No. 17 should be allowed to stand as well, and therefore on that assumption I'm calling Bill No. 56.

MR. SPEAKER: The proposed motion of the Honourable Minister of Municipal Affairs, Bill No. 56. The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, as I rise to speak on Bill 56, I would like to state first and foremost that I have no personal interest in the matter of automobile insurance, and one who is a farmer and a layman, I don't pretend to get involved in the debate of all the very technical aspects of automobile insurance.

There has been a great deal of debate going on on this particular subject over the past number of weeks and I should like to make a few brief comments on something that may be a little different to start with. It's very difficult to speak on this subject without making some repetition. As I understand it, the Party who are now government, when they were campaigning last summer, automobile insurance was one of the programs in their platform and, as I understand it, they intended to investigate the possibilities of the automobile insurance business, not necessarily that they were going to go into it, to form a Crown monopolistic corporation. We've heard a good deal of debate come from the government side of the House and there's two things that concern me, and I think they concern a good many Manitobans when we talk about the subject of automobile insurance and how it affects all those who have to pay a premium to protect themselves in driving their automobiles on our roads and highways in this province, and for that matter in the Dominion of Canada and outside our country.

The two things that I am very concerned about, and that is - there are two questions really if the government enters into a compulsory, monopolistic Crown corporation of getting into the automobile insurance. No. 1. People, I am sure, would want to know, is the government going to provide better service to its customers than has been granted by the private sector. And the other thing is, is the government going to provide a lower premium to the people of Manitoba. These to me, Mr. Speaker, are two matters that concern I think people no matter where you might go.

We have heard so much debate from that side of the House and they feel so confident when they talk about providing services. I think we must realize that once a Crown corporation is established, that is a monopolistic Crown corporation is established, the service that we are going to receive comes from civil servants. With all due respect to civil servants, I become concerned on this particular matter. and I think as we all are aware, civil servants do not have to work six or seven days a week. I'm wondering if I should have an accident, or anyone else, on a Saturday or a Sunday, which can happen any time of the day or night, whether I'm going to get that service that I know at the present time that I'm able to get from the private sector. This is something, Mr. Speaker, that this government has not given assurance to the people of Manitoba. Oh yes, they debate at great length about how wonderful it will be, but what assurances can I have that I'm going to get better service through a Crown monopolistic corporation.

While I'm on this subject, Mr. Speaker, and while I have my doubts, I want to say and I want to just read a very short release here given by the Member for Winnipeg Centre, and I appreciate, Mr. Speaker, this notice that he did give. If I may read: "As Chairman of the government caucus I have mailed out press releases to the publishers of newspapers outside the City of Winnipeg in hope that both sides of the auto insurance question can be presented to the public." Mr. Speaker, I think this is only right and proper and I appreciate the fact that the Honourable Member from Winnipeg Centre prevailed upon himself to notify members for this. I think this is all well and good, because after all, I think everyone should have both sides of the story.

But I want to refer, Mr. Speaker, to one of the series of articles that the honourable member placed in a newspaper in a rural part of Manitoba and it's in my constituency. Mr. Speaker, I would like to quote a portion of it. It goes on to say: "A bill to set up a necessary Crown corporation has been tabled in the House. The first reaction of the insurance industry

(MR. EINARSON cont'd.) has naturally been to attack the report. Criticism of public auto insurance by the private insurance industry is to be expected. After all, they have large profits at stake, the profits that come from your premium and mine," - but this is the portion of it that I really want to emphasize, Mr. Speaker - "but unfortunately, private insurance companies have attempted to distort public insurance. This is unfair to all of us who want to see a meaningful discussion of the issue, so I would like to set a few things straight in this column. First of all, public auto insurance has consistently shown a better return for your premium dollar than private auto insurance. The Wall Street Journal, a respected business publication, has pointed out that under a public plan more of the premium dollar comes back to you in benefits." Well, Mr. Speaker, so much for the column on this particular part of the series.

Insofar as the Wall Street Journal is concerned, I have a letter here which states: "Gentlemen: The Wall Street Journal is in receipt of your instructions for canvass as well as your circulated information, general questions and answers about public automobile insurance. The latter alleges under Paragraph 2 the following: The kind of auto insurance plan proposed by the Manitoba Government Committee has been endorsed by the Liberal Government of Saskatchewan and the Wall Street Journal, the voice of American business. Your remarks that this newspaper has endorsed the public auto insurance plan is false and misleading. I would appreciate your advice concerning this matter and your assurance that the piece containing this information will be taken out of circulation immediately."

So, Mr. Speaker, if I may use this as one example which concerns me very very greatly. When we've heard all the debate from that side of the House and when a member says that we must get the facts straight, he was "competing", if I may use that word, with articles that I put in my local papers. While he is a member of government, I think that it is very important - and I from my own experience recognize that when you are on the government side, you must accept responsibility, responsibility for statements that you have made, and here is an example where I don't feel that the government side, and when the honourable gentleman is the chairman of the government caucus, he must speak for the entire government.

I also have a brochure, Mr. Speaker, that the government used in their campaign, and if I may move to that portion of their brochure where they say "government operated universal automobile insurance plan," they state all the evidence is in and the verdict is what the New Democrats have been saying for a long time, to assure reasonable rates and to protect every motorist and passenger, the answer is the government operated automobile insurance plan.

Well, Mr. Speaker, those first four words or five words "the evidence is all in" - Mr. Speaker, I ask you, who is kidding who? Who is kidding who in this Province of Manitoba? We on this side have been accused of the word "deception". Now, Mr. Speaker, I ask you, I ask you, Mr. Speaker, what is this? What would you call this? I fail to understand the thinking in the back of the minds of those honourable gentlemen on the other side of this House. From time to time they've used so many red herrings they've dragged across this House to try to camouflage their position insofar as automobile insurance is concerned. I don't mean to be destructive or facetious in my criticism, but I can't help but wonder whether they themselves are all that sure of their position so far as the automobile insurance is concerned. When they use such things as Medicare, when they use such things as Public Utilities, such as Manitoba Hydro, the Manitoba Telephone System, then I begin to wonder just where do they really stand on the matter of automobile insurance.

I should also, Mr. Speaker, like to give you a little information that I have, and I believe that's quite authentic. They have in many of their debates, the honourable members opposite, used the Crown corporated automobile insurance in the Province of Saskatchewan, they've used this as an example how wonderful it is for people to have a monopolistic Crown corporation in the province, and I should like to give you a comparison -- and I said at the outset, I am only a layman and I'm not familiar to debate all the intricacies of the automobile insurance, but since I am a farmer myself, I thought I should like to give you a comparison of a farmer in the Province of Saskatchewan and a farmer in the Province of Manitoba.

The farmer in the Province of Saskatchewan with two drivers, over 25 years, no claims or convictions, liability of \$35,000 inclusive, no-fault accident benefit, \$5,000 death, \$35.00 per week disability, all perils, with \$200.00 deductible. Now the same conditions in both the provinces, Mr. Speaker, and I should like to give you the premium rates in the Province of Manitoba and then the Province of Saskatchewan. I have here to make a comparison, in the Province of Manitoba a 1966 Chevrolet Bel Air, the premium is \$48.00; In Saskatchewan it is

(MR. EINARSON cont'd.) \$71.00. A 1969 Ford Galaxie 500, it is \$52.00; in Saskatchewan it is \$81.00. A 1966 GMC 1/2-ton truck, which many farmers use, is \$26.00; in Saskatchewan it is \$36.00. A 1969 GMC 1/2-ton truck in Manitoba is \$29.00; in Saskatchewan it's \$40.00.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Would the honourable member submit to a question? Is the honourable member aware that the proposal -- (Interjection) -- Well, Mr. Speaker, I would really appreciate the courtesy of having the opportunity to ask my question? Is the honourable member aware that in Saskatchewan there's a flat rating system of rating whereas in Manitoba the proposal be that there be three rating districts under our plan?

MR. EINARSON: Mr. Speaker, the Minister of Municipal Affairs raises a very interesting point. As I said a moment ago, when I brought up the brochure that they used in the campaign last summer, "all the evidence is in." When he introduced his Bill, did the Honourable Minister tell us that there was going to be three rates in the Province of Manitoba? No. He did not. The Minister did not tell us that there was going to be three rates in the Province of Manitoba.

MR. PAWLEY: Mr. Speaker, on a point of a privilege.

MR. EINARSON: As far as I am concerned, Mr. Speaker, this is deception.

MR. PAWLEY: On a point of privilege, Mr. Speaker. The honourable member surely knows, because he was in this House and I'm sure he's had opportunity to read my address on introduction of the Bill, that I pointed out very clearly that there would be different rating districts in the Province of Manitoba. It is not correct on his part now to suggest to the House that I have not told the House that . . .

MR. IAN TURNBULL (Osborne): Get your facts straight.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Speaker, after what has just happened, must verify the comments I just made a little earlier, some honourable members on the government side are very touchy about some of the information that is coming from this side of the House, Mr. Speaker. I have sat here for just about two months; I have listened with great patience to the evidence that's come across, and with all due respect, Mr. Speaker, I respect the doctrinaire socialistic philosophy that the honourable members want to espouse to this side of the side of the House, that's their privilege, Mr. Speaker.

MR. PAWLEY: . . . honourable member would answer my question, my first question? I asked a question; I still haven't received an answer. Now if the honourable member doesn't want to answer, fine.

MR. SPEAKER: The Minister is aware that he had the opportunity to place his question but there is really nothing within our rules that compel another honourable member to reply to or insist on a particular type of reply. The Honourable Member for Rock Lake.

MR. EINARSON: Thank you, Mr. Speaker. I thought I answered the honourable gentleman. I answered because why didn't he have it in the Bill? If he's now telling us, why didn't he have this and why didn't he have a good deal of other information in the Bill? If they were so certain that a compulsory monopolistic Crown corporation to operate automobile insurance was so good, why didn't they have all the facts before us when the Bill was first brought into this House?

Now I ask you, Mr. Speaker, and I don't mean to be facetious in my criticisms. I believe in being fair, and I agree as I said earlier that I welcome the challenge that comes from that side of the House, but when an honourable member makes a statement and he is challenged to the point where it is entirely wrong, then I have grave doubts about the whole program this government is trying to propose to the people of Manitoba. -- (Interjection) --

MR. MACKLING: I thought you were asleep; I'm glad to know you're awake over there.

MR. EINARSON: I have given you, Mr. Speaker, two examples or I should say, one example, how it affects the farmer in this province. I'm not only concerned -- and I want to make my position clear, that I'm a member of this Legislature and I am concerned, and I want to make this to be perfectly well understood, that I use an example of a farmer because I am one. I speak for the farmers of Manitoba I hope, at least being one, and have always had the concern of farmers, but I am also concerned about the people of Manitoba. And when I can give you an example of this kind -- and I'm fully aware of what the Minister said that there is one flat rate in Saskatchewan, I'm fully aware of this, when this is given, but that doesn't defeat

(MR. EINARSON cont'd.) my purpose when I give you an example here. This indicates to me, Mr. Speaker that the private insurance companies that are operating in Manitoba are doing a better job than what they are in Saskatchewan insofar as the farmers are concerned.

Now then I ask you, where do the people in the City of Winnipeg, where do the people in the City of Brandon, Portage and all the other cities and towns stand with this government insofar as automobile insurance is concerned? Are you going to guarantee them a reduced premium? You talk about a reduction of 15 - 20 percent. You know, Mr. Speaker, it's interesting the way some of the members come across this House in expressing themselves. I'm not the great orator, but you know, Mr. Speaker, with all the academics and the professors over there -- and I have stated in speeches when I was on that side of the House, and with all due respect I refer to expertise in the field of agriculture because I know this best and I qualify when I say "With all due respect" -- that in the service that they perform, a technical field is a very worthwhile one; but in my experience, Mr. Speaker, I have noticed time and time again where the advice that has come from that sector they've understood it fully well from a theoretical point of view, but when it comes to applying in practical terms, I regret to say, Mr. Speaker, sometimes and not all, but sometimes you know good common sense is lacking and it will go a long way if it's there to be applied.

Mr. Speaker, there's one other thing that concerns me, and that is in yesterday's paper there's a headline here "Uskiw charges insurance firms practise racial discrimination". This matter - I'm sorry the Minister is not in his seat - but this matter also concerns me, concerns me to a great degree. In all my experiences in dealing with insurance companies, and I've had quite a bit of it. I've had a car burn up on me; I had my house burned just over a year ago and a number of other occasions, somewhat like my colleague here, the Member for Virden has expressed in his comments, but when the insurance companies are accused of racial discrimination I become quite concerned and wonder as to the authenticity of the report, that is the comments made by the Honourable Minister, and yesterday here again is another example. When he was asked in the question period as to what company he represented, because he did indicate that he was an agent, he refused to identify that company. So I wonder, Mr. Speaker, as to whether he was proud of the fact that he was a member of that company. Could the company that he was representing have been practising racial discrimination? I ask you, Mr.

MR. MACKLING: Would the honourable member yield to a question?

MR. EINARSON: One more and that's it.

MR. MACKLING: All right. I'm wondering, Sir, whether, you know, you like to get the facts and you check the authorities, whether or not you checked with the Superintendent of Insurance as to whether any of these practices had ever been brought to his attention? Did you?

MR. EINARSON: Mr. Speaker, that question as far as I'm concerned is completely irrelevant, completely irrelevant as far as I'm concerned. I'm not responsible. The Minister of Agriculture made the charge, not me, so why is the Minister asking me? He should be asking his colleague, the Minister of Agriculture that question.

As I said earlier, they are on the government side, they are responsible.

MR. TURNBULL: And you aren't.

MR. EINARSON: Let this fact be understood, Mr. Speaker, let this fact be understood. If there is racial discrimination, I'm sure that the Superintendent of Automobile Insurance would have known about it. This is a right that every citizen in the province has. This is the reason why we have a Superintendent of Insurance. But I ask you, Mr. Speaker, if we get into the compulsory, monopolistic Crown corporation, are we going to have that protection? Is the public going to have that protection if there's some unjustification placed upon individual citizens? I think I can recall the Attorney-General saying where they had problems, well, you can refer to the Ombudsman. Mr. Speaker, while I mention the Ombudsman, I was one who was not in favour of an Ombudsman in this province because I felt that was my responsibility and the responsibility of all the members in this House. I also say to the Honourable Attorney-General, when he has referred to the Ombudsman if he couldn't solve a problem, then I say to him there's something wrong with the whole establishment if we have to get an Ombudsman to solve a problem that he or I cannot solve.

Mr. Speaker, this matter of automobile insurance is one that certainly is a very interesting one and concerns us, and I have an article here that I would like to quote from. The Manitoba Auto and Truck Salvage Association directed this open letter to the citizens of

(MR. ENARSON cont'd.) Manitoba - our customers, friends and neighbours. I'm sure I know that a good many people have probably read this article but I think there's some facts here that are worthwhile noting. If I may read for a moment, Mr. Speaker: "The Manitoba Auto and Truck Salvage Association is an organization of independent businessmen in the auto salvage industry of Manitoba. We believe there is nothing like our private enterprise system. Our businesses are independently owned and operated. In most instances these businesses have been family-owned and operated for many years. Many of our companies are small, employing one or two people, to some of the larger ones employing a large number of people. Some of the facts regarding controversial Bill 56, which is government operated auto insurance, have not been made public. It is our intention to bring these facts to your attention.

"The Manitoba Auto and Truck Salvage Association are in favour of compulsory auto insurance. We are however opposed to government-owned operated and controlled auto insurance. We believe the government should not get involved in either business or industry. If our government felt that there was a need for compulsory auto insurance, and we concur with this thought, then it is their responsibility to legislate for this. The people whom we have elected to our Legislative Assembly are there to govern and not to spend all their time getting into business.

"Firstly, the government claims that there will be a definite saving of 15 or 20 percent through the government operated compulsory auto insurance plan. How the saving is to be effected has not been outlined. The Minister of Municipal Affairs and the First Minister have suggested that time will bear out these figures. How are these figures going to be verified and can we believe these figures? The government has already removed the private auditors who formerly audit the government books. With the books being checked by government auditors, how are we going to be sure without some independent opinions. We as businessmen realize that only one business today that does not have to pay business tax, realty tax or corporation tax, can effect the savings suggested by the Minister of Municipal Affairs.

"The second issue that was emphasized seemed to be that only big business was being affected by this change in the auto insurance field and they were the ones that were doing all the complaining. If you read Section 23 of Bill 56 you will see that our government is already taking steps to enter the salvage industry. This is exactly what happened in Saskatchewan, and since the people who drew up the present bill were instrumental in instituting the operation in Saskatchewan, it is reasonable to assume that our province will follow their lead. It follows naturally that from the salvage industry they will enter the auto body repair business. Following this they will enter the used car sales industry to reinforce their position. In all these cases there will be some independently operated businesses being destroyed by the insidious creeping socialism.

"We believe that the compulsory auto insurance can be operated and controlled similar to the gas utility. The Public Utility Board or some other board can set the terms of reference and rates within which the insurance companies can sell auto insurance. If any of the companies could not operate this way, it is their privilege as independent operators not to do so. For some strange reason which is beyond our comprehension, if none of the insurance companies will operate in this manner, then and only then should the government consider intervening on behalf of the public."

Well, Mr. Speaker, I think there has been some very interesting and valid points made in this article. I want to say, for one, that I will agree that there is room for improvement in the automobile insurance business. I won't doubt for one moment that there is room for improvement. I have had complaints from my constituents, young people say from 16 to 25, where they felt that premiums were too high. The \$25.00 in the Unsatisfied Judgment Fund is another area of complaint, but, Mr. Speaker, do we have to completely take over the industry to solve these particular problems? Do we have to take over the whole industry to solve these problems?

You know, Mr. Speaker, I think I would like to use a subject, if I may, and it's sort of digressing a little bit, but I can remember when we were on that side of the House how the honourable gentlemen were so taken about South Indian Lake and how humanitarian they appeared to be with the people of Manitoba. What a disgrace it was to what we were attempting to do with those few hundred citizens of South Indian Lake. It's amazing, Mr. Speaker, how times change so quickly. I can recall when the Minister of Municipal Affairs I believe, and I stand to be corrected, Mr. Minister, shortly after the cavalcade from Wawanesa to Brandon, the Minister stated that he could not allow any one community to decide whether the government will or will

(MR. EINARSON cont'd.) not go into the automobile insurance business.

I find it very strange, Mr. Speaker, to think that this government or the members of that party should make such an about-face in such a short period of time. — (Interjection) — It's not an about-face the Honourable Minister of Mines and Natural Resources says. I have heard him say, the Minister of Mines and Natural Resources, Mr. Speaker, so often in the past few months, "It's not true, it's not true, it's not true." Well, Mr. Speaker, I'm reminded of the court case where the defending lawyer was using that quotation, and you know the judge said to him, "Did it ever occur to you, sir, that they're entitled to be wrong?" And he also said, "Did it ever occur to you, sir, that I think they're right?" When the Honourable Minister of Mines and Natural Resources has used these tactics in this House, I've sat here and I've thought of that so many times, how applicable it is to the Honourable Minister.

Well, Mr. Speaker, getting back to the insurance aspect of it, I think that with all the deliberations that have taken place in this House the people should, and I think it's the responsibility of the government, to give greater information, information that they know exactly where they stand with the government on this issue. It is regretful to say that up to this time it is not the case. You know, the First Minister in the eyes of the people of Manitoba has been a pretty nice guy, and I can't help but think of that occasion where there were some eight to ten thousand people out in front of the Legislative Building some weeks ago and where the Minister spoke to this audience and the comments he had to make. I had many comments from people, not insurance people from the insurance companies, not insurance agents, people who were in other walks of life, who said: "I'm surprised at the Minister's comments. Instead of Mr. Ed Schreyer, we now have Red Ed."

That's rather coincidental, Mr. Speaker, and timely that we should have a thing like that happen. Is this going to be the crash of the situation in the Province of Manitoba? Well, Mr. Speaker, if that's all it takes, then probably I can feel more optimistic for the future. And so, Mr. Speaker, we have so many factions on that side of the House. In listening to the speech from the Honourable Member from Crescentwood last night, I want to say to him that he has my complete respect and admiration, and the Minister of Mines and Natural Resources, because I know exactly where I stand with them when they have been conveying their thoughts on matters such as this. So, Mr. Speaker, we have the Gees over there and we have the one side, and the First Minister on the other side, and I don't know where the others fit in between but I can't help but wonder, Mr. Speaker.

MR. SPEAKER: Order please. May I remind the honourable member he has five minutes remaining.

MR. EINARSON: Thank you, Mr. Speaker. If I may, in concluding my comments on this particular matter, I want to say that we are dealing with a subject that is very very important, and for the time that this government has been in power, I was wanting to say, Mr. Speaker, that the members of this government are tarred with the same kind of feathers that the members were under the leadership of Mr. Douglas in Saskatchewan and I use this because there has been so much reference to the Province of Saskatchewan. But I can't say that that's altogether true, probably it should be the reverse, because what this government had done in one year, I believe, and I stand to be corrected, it took the government of Saskatchewan about 10 years.

So, Mr. Speaker, I become very concerned and I only want to use myself as an example, and my forefathers who came to this country, came to this country to help build it up from its virgin and native situation or state, and I want to say, Mr. Speaker, that I take pride in the fact that my ancestors - and I'm sure that all other members in this Legislature must feel the same way - there is a sense of pride, and I become very concerned and, as I said earlier, I respect the philosophy that comes from that side of the House. I want to say in my own personal position that I have my philosophy, Mr. Speaker, and I'm going to defend to the utmost what I think is right, what I think is right for the people of Manitoba, and that right, Mr. Speaker, is freedom of competitive enterprise.

Mr. Speaker, I should like to conclude with just a few comments that I think hold so applicable and I don't know, maybe its been stated in this House before, words from Abraham Lincoln, Lincoln's thoughts as they may apply to the Province of Manitoba. Mr. Speaker, I quote - and doesn't it seem strange that the thoughts of Abraham Lincoln can be so aptly applied to 1970 Manitobans for example - "You cannot bring about prosperity by discouraging thrift. You cannot strengthen the weak by weakening the strong, you cannot help the wage earner by

(MR. EINARSON cont'd.) pulling down the wage payer. You cannot help the poor by destroying the rich. You cannot establish sound security on borrowed money. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them, what they could do for themselves." Thank you, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, would the last speaker permit a question? If the Honourable Member for Rock Lake was quoting Abraham Lincoln, was he - I'd like to ask him then how he would reconcile the following quotation from Abraham Lincoln, "That the test of progress of a government is not whether it adds to the abundance of those who already have much but whether it adds to the possessions of those who have very little."

MR. EINARSON: Well, Mr. Speaker, here again — there is a quotation that's been stated but it covers a different set of circumstances. The quotation that I have from Abraham Lincoln here I think and I used it because I think it is most fitting to this occasion.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before I proceed I would like to direct the attention of Honourable Members to the Gallery where we have 30 grade 5 students from Ste. Anne's School under the direction of Miss Tetrault. This school is located in the constituency of the Honourable Member for La Verendrye. And 23 Grades 4 and 5 students from Vermilion Bay in Ontario under the direction of Mr. Leutschaft. On behalf of the Honourable Members of the Legislative Assembly I welcome you here this morning.

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

MR. BILL URUSKI (St. George): Would the Honourable Member from Rock Lake permit another question? You mentioned in your speech that you were concerned about the farmers of Rural Manitoba and that you would be representing them in your comments of an adverse effect against this Bill. Could you inform this House on the stand taken by the Manitoba Chapter of the National Farmers Union in respect to this Bill, which is directly opposite to your comment?

MR. EINARSON: You know, Mr. Speaker, I'd be delighted to answer that question because it so happened that I was the only one attending the committee hearing last February in Room 200, and I'm delighted to answer the question because the Honourable Member from St. George asked the question. Mr. Singleton, the president then of the Manitoba Farmers Union was with Mr. — his vice, had presented a brief to the committee. Now I didn't know what the brief was because my leader referred to this committee as a kangaroo court and I am telling you, Mr. Speaker, I agreed with him wholeheartedly because the method that they used when the Farmers Union presented their brief to the committee — now under a democratic system, the one who presents the report normally is allowed to read that report in the presence of the public that are sitting at this hearing. But this . . .

MR. DONALD MALINOWSKI (Point Douglas): Answer the question.

MR. EINARSON: I'm answering the question - but this was not the case, this was not the case and so as I'm given to understand, the committee received the report ahead of time and you know the Minister of Municipal Affairs was there that evening with his other two members of his committee and he had the report there and he scanned through it and it appeared to me, Mr. Speaker, that he was questioning on those paragraphs that he wanted the people to hear about and that was it.

Now then, the honourable member asked me a question about the president of the Farmers Union as to how they stood on the matter and I have to speak from the top of my head on this matter. Once the Honourable Minister of Municipal Affairs asked Mr. Singleton if he would like to comment on the liability aspect of the Saskatchewan Government insurance, namely the maximum of \$35,000, Mr. Singleton replied, "Mr. Chairman, I would rather not comment on that." So, Mr. Speaker, in the final comment — and this to me was very, very important — and this to me, Mr. Speaker, when I speak on behalf of farmers, and I have many farmers who belong to the Farm Union in my constituency, I was concerned for their sake from what I heard from Mr. Singleton and it is this: in the final remarks he was asked if he would like to make some general comments and Mr. Singleton's reply to the Minister was this, he says, "The insurance companies have done nothing to assist the farmers of their economic plight" and he went on to say, Mr. Speaker, that, "Insofar as I am concerned, I shed no tears for the insurance companies — to the government, you can take them all over." That's my answer to the honourable member.

MR. SPEAKER: Are you ready for the question? The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q. C. (River Heights): Mr. Speaker, I rise to make my contribution to this debate. I may say that I do so at a time when I think it's probably necessary for some perspective to be taken or to be given as to what has happened so far in the debate and what contributions have been made by the members who support and the contributions that have been made as well by those who oppose this Bill.

I may say, Mr. Speaker, that I am sorry that I was absent yesterday and missed the contribution of the Honourable Member from Crescentwood, because I have the suspicion that much of what I am going to say today is relevant to the position that he expressed yesterday which I believe to a large extent is reflected directly, from what I have been told — I have only been told by hearsay what he has said -- but I think that that opinion is reflected pretty well in the statements and comments that have been made both inside and outside this House by the members opposite who have had the courage so far to have stood up and talked on this Bill.

Now, Mr. Speaker, I had the opportunity of reading the Wootton Commission report, reading the report of the Legislative Committee on Automobile Insurance, of the Legislative Assembly of Alberta which came out in March 1970. The biased -- and I'm using now the Minister of Agriculture's comments, his statements — the biased Pawley report and I've had the opportunity of reading a report that I'll refer to in a few minutes by Arthur D. Little on prices and profits in the property and liability insurance industry of America, and I then, Mr. Speaker, have come to some conclusions which I am going to express today which the Honourable Minister of Mines and Natural Resources says I did not have before. I may say that there's very little that I've read that would alter my opinion, except to strengthen my supreme belief that government has the power by regulation to accomplish the result that is required to satisfy the people of this province.

Now there are inequities in and dissatisfaction with the automobile insurance industry and this is not peculiar to Manitoba. It exists everywhere where there are roads, automobiles and people, and it even exists today in Saskatchewan. But Bill 56 which has been presented by the government is not necessarily the way to deal with the problem. It does not follow because there is an abuse, Mr. Speaker, that a death sentence is the only way to cure it, and that is the solution that the government is proposing, a death sentence on the private automobile insurance industry in this province. Now the government and its supporters have advanced many arguments in favour of their solutions, and their arguments are specious and their solutions are questionable, and only this is certain, Mr. Speaker, if the legislation passes: the private automobile insurance industry will be dead in this province and that part of the solution will be final; and the argument of some, of the Minister of Municipal Affairs and the Premier, that this bill is a major piece of social reform doesn't mean a damn thing. While it may be true that social reform legislation has always aroused opposition, it does not follow that legislation which evokes opposition is always social reform. To argue that government monopoly is necessarily progressive is ludicrous. One only has to think of the Russian control of culture or the Greek despotic regime to realize how truly preposterous is that assertion. In addition, Mr. Speaker, to offer a government monopoly on automobile insurance as the most necessary piece of social reform facing Manitoba as a top priority, while ignoring major social problems, I suggest is a sellout.

Now the issue before this House is really one of philosophy. How should a government in 1970 deal with the kind of problem it now faces and should it even deal with it at all? Well, 40 years ago the answer was simple. There were two philosophies, two answers, diametrically opposed. Answer No. 1 was for the government to do no more than absolutely the minimum necessary to preserve law and order, the armed forces, the mails, the law courts and as little as possible. Business was private, it was sacred, it was largely unregulated and the public be damned. Well, Mr. Speaker, this type of government ended with Calvin Coolidge, or if it did not end with Calvin Coolidge . . .

MR. GREEN: You're still talking it.

MR. SPIVAK: . . . it ended with the great depression.

MR. GREEN: Not to the members on your side.

MR. SPIVAK: That was one extreme. Answer No. 2 was that government get everything, the state owned everything, the state ran everything, and by so doing the superior wisdom of the rulers -- and you can substitute Cabinet for rulers — would solve all the problems

(MR. SPIVAK cont'd.). . . . and eliminate all the evils which private ownership had produced. Forward together comrades, towards that glorious future, except you and you and you.

But this is 1970 and neither of these simple answers will solve this problem in this world. Both extremes, Mr. Speaker, have the same fatal flaw; both systems are based on human greed; one is for wealth and the other is for power. Today, in my opinion, government has an essential role to play. That role is to make the rules and see that they are followed, having in mind that the ultimate principle benefitting the majority of the people without violating the rights of the minority.

Now, a regulated role for government is nothing new. It's interesting to say, hear the comments of the other members when I say Socialism. If you examine the last ten years of the Progressive Conservative government, you'll find that the degree of regulations that was introduced by that government to accomplish that objective have in fact been responsible for correcting ills that existed within our economic system and within the manner in which it operated — (Interjection) — and the last year was just a continuation of the previous year, and Mr. Speaker this is the role that the previous government followed and this is the role that the present government should follow as well.

Now I suggest that a regulatory role is not new, we've got many examples but a very important one in the context of what I am talking about in this particular issue in this Bill is our own insurance act, because our own insurance act has sections which are deemed to be part of every policy in this province, whether it's fire or life or automobile insurance, and Mr. Speaker there is no reason why this kind of automobile insurance we have in Manitoba cannot be further regulated by statute. The rates can be regulated, the contents can be regulated, the necessity of carrying a policy can be regulated. If this kind of auto insurance cannot be provided by the private companies, then and only then would it be incumbent on the government through its own resources to revive the social necessity of automobile insurance for the people, but it does not logically follow, Mr. Speaker, that automobile insurance must be a monopoly either private or public.

Now the arguments of the supporters of a compulsory government monopoly fall into two main categories. First, the abuses in the present system; and second, the savings to the motorist. Well first, the abuses. They can be remedied by regulation. Secondly, the savings is both susceptible to regulation and is partly illusionary. Well, what are the abuses and inequities of the present system? Now, the government benches, both in and outside of this House have told us they are and I'm going to try and list them as best I can, Mr. Speaker. Firstly, that not all accidents are compensated; there is an inherent delay in the process. The accident victim does not know if he will be compensated or not. There is a misallocation of benefits. Small claims may be overpaid because of their nuisance value; large claims may be held back in the hopes of forcing the victim to settle for less. Rehabilitation of the victim is hindered. The victim may not get the money he needs for treatment quickly enough or on the alternative, Mr. Speaker, he may delay treatment to present a more pitiful picture to the court. The system encourages over-reaching in dishonesty, the victim claims more and the insurer offers less so as to leave room for settlement, and the individual insurance company cannot foresee what it has to pay out in a given year, so only good risks are sought. Well, Mr. Speaker, all these arguments boil down to one thing, the fault system working through the courts, the delay of the courts, the delay of the lawyers multiplied by the uncertainty of the fault system result in all these abuses, and there is not one of these problems that cannot be solved by imposing a no fault system by statute.

Now the other argument of the government supporters are costs and potential savings to the motorists. Now this consists of several arguments. The private automobile insurance industry, government supporters say, is based on the profit motive. This is bad in itself, according to their ideology. They then go on to say that those profits are excessive. Well, private industry depends on profits to exist and governments including this government, including the Minister of Finance, depends on taxes from these profits, provincial and federal. But the ideology promoting compulsory monopolistic government auto insurance is in large part based on a distrust of the profit motive and a distrust of management in the hands of anyone but themselves. The statement of the report of the Legislative Committee on Automobile Insurance to the Legislative Assembly of Alberta dated March 7th, March of 1970 makes a comment that's very appropriate, and I'd like to quote for a minute, Mr. Speaker. "The loss of corporation tax," referring to the loss of corporation tax if a government enters into a monopolistic position in auto insurance, "must always be considered in any movement towards the nationalization of any industry. In business, the tax man is always the silent partner with the unique advantage of

(MR. SPIVAK cont'd.). . . . never sustaining a loss. The argument that the profits of this particular industry are excessive is something else again." By no legitimate comparable standards can the Manitoba automobile insurance industry be considered in any sense to be more excessively profitable than any other industry, whether it be groceries, clothing, housing, finance of manufacturing, and whether profitability is measured as a return on net worth or a return of total investment funds. As a matter of fact Mr. Speaker, the most extensive studies on prices and profits in the property and liability insurance was made by Arthur D. Little, who have been used as consultants by the former government, and who are being used as consultants by the present government, and this study was presented --

MR. CY GONICK (Crescentwood): No more.

MR. SPIVAK: The Honourable Member from Crescentwood said "no more." The Minister of Industry and Commerce just announced yesterday or the day before that the consultants that were hired in connection with the allocation or the studies in connection with the fish processing plant in Selkirk was Arthur D. Little, so I don't know what information he now has over and above the information that was supplied in this House two days ago. Now the study that was completed in connection with the Arthur D. Little report was presented to the Hart Committee which the Honourable Attorney-General referred to in his remarks which was a sub-committee on anti trust and monopoly legislation. It was a part of the committee of the judiciary of the United States Senate. Now Mr. Speaker, there is nothing in this report which indicates that automobile insurance industry achieves excessive profits. And so the only conclusion Mr. Speaker that one can draw is that in the real world as opposed to the ivory tower, over the years the industry has made a profit.

Now another argument as to cost maintains that there is an inherent inefficiency in our present system. Now this is partly because not enough of the premium dollar collected by the insurance company goes back to the victim. Well this is partly true insofar as the fault system and the court cost it involves do represent an inefficiency, but there is no inherent reason why rates cannot be regulated, there is no inherent reason why the selling price of automobile insurance cannot be regulated. The selling price can be controlled and the insurance company investment income actually derived from investment of premiums can be included directly in the rate making formula.

Now another argument appears to be the lack of consistency and the inability of some to canvass to the extent that they should to arrange for insurance at the lowest possible rate. Well Mr. Speaker let's talk about the cost of the selling price of automobile insurance. We regulate in Canada and in Manitoba the selling price of taxi rates. We regulate the selling price of air rates. We regulate the selling price of rail passenger rates. We regulate the selling price of freight rates. We regulate the selling price of milk. We regulate the selling price of our gas utility. We do not regulate yet, Mr. Speaker, the selling price of Hydro in this province, and many Hydro rates and many other rates which we in turn regulate, which affect the public's interest, are regulated to various government boards and the question that has to be posed is why can't we control the selling price of automobile insurance through such a board?

MR. BOROWSKI: Do you recommend it?

MR. SPIVAK: Yes, and when rates -- it'll work just as badly as a government monopoly plan given to a corporation who do not in any way answer to this Legislature, but to seven members, a majority of Cabinet, in secret, and when rates are regulated through a government board, Mr. Speaker, the board will be able to balance the equities of rates between the interest groups in the province. Now, Mr. Speaker, a government monopoly which sets its own rates may well set those rates on a political criteria based on its own electoral need and free from an impartial review.

MR. GREEN: What's the matter with going to the . . .

MR. SPIVAK: I'm not one who will be completely satisfied with a regulation. I would prefer to see it directly in the statutes, because that way we know that when we leave this House two months from now, or a month from now as the case may be, and if there is no arena where these things can be aired, that we know that the Minister can't change his mind without the pressure of legislators around him. Mr. Speaker, those are not my words. I'm going to read them again. "I'm not one who will be completely satisfied with a regulation. I would prefer to see it directly in the statutes, because that way we know that when we leave this House two months from now, or a month from now as the case may be, and if there is no arena

(MR. SPIVAK cont'd.), where these things can be aired, that we know that the Minister can't change his mind without the pressure of the legislators around him." It's the Honourable Minister of Mines and Natural Resources' words in connection with Medicare. And, Mr. Speaker, what a difference not a year makes, but what a difference nine or ten months make.

MR. GREEN: Would the honourable member read the whole passage, because in the same passage I said that there are times when you need them and there are times when you should avoid them.

MR. SPIVAK: Mr. Speaker, I wonder if I can have the opportunity -- the Honourable Minister of Mines and Natural Resources will have great opportunity to be able to debate with me and I look forward with some anticipation to his remarks.

It's quite obvious that many taxpayers, Mr. Speaker, are going to pay more for their automobile insurance and many are going to pay less; but who's going to be paying more and who's going to be paying less? We don't know, and frankly nor does the government.

MR. GREEN: The aggregate will be less.

MR. SPIVAK: Yes, the aggregate will be less, but who's going to make that decision. The Cabinet's going to make that decision. -- (Interjection) -- The people of Manitoba? The Cabinet's going to make that decision. They don't make the decision for automobile taxi rates, they don't make it for rail rates, they don't make it for the price of milk, they don't make it for the gas utility, but their wisdom is so good at this present time because they are the government and they know what's best for the people, that they're going to make that decision. -- (Interjection) --

Well, Mr. Speaker, at this point I think that the First Minister's remark would indicate that they really don't know who's going to pay less and who's going to pay more, and does anyone in this Chamber, does anyone believe that decision is not going to be made based on the political criteria?

Well, Mr. Speaker, last year after several years of prodding and several years of a contribution by the Minister of Finance, we passed the Consumer Protection Act to protect the public from those sellers who would offer something to the public that was hidden and unknown. We insisted that sellers must provide ample information to the public before the public bought something. We insisted that the public not be misled, and here now, Mr. Speaker, we have a government introducing a Bill which does not necessarily guarantee that it will live up to the promises that are being made by the politicians supporting it, in violation of the very principle of our own Consumer Protection Act.

The proponents of Bill 56 have said that the government monopoly will return 85 percent of every premium dollar by way of claim. Well, they base this on the Saskatchewan figures, but the fact is that the basic plan in Saskatchewan, which is a monopoly of their government and is a compulsory, covers only 80 percent of the total insurance sold in that province, but where the Saskatchewan government competes with private insurers for additional coverage, the Saskatchewan Insurance Corporation pays back only 58 cents of the premium dollar.

MR. PAWLEY: Would the honourable member submit to a question?

MR. SPIVAK: Yes, afterwards, if you don't mind. -- (Interjection) -- No, I have no intention - I'm not going to follow the practice of the Attorney-General.

Well, Mr. Speaker, the proponents of Saskatchewan's plan who said it gives back 85 cents of the dollar should look at Page 48 of the Report of the Legislative Committee of Alberta in which it says that the average ratio of all automobile insurance written in Saskatchewan over the past 20 years is 76 percent for claims, not 85 cents as represented, and last year, Mr. Speaker, in 1969, the Canadian insurance industry paid back 73.92 cents on the dollar. This is not a difference of 11 cents, Mr. Speaker, it's a difference of two cents.

Now the recommendation of the Pawley Commission on Page 38 states: "No. 1" - the first recommendation - "The plan will be designed to return 85 percent of the premiums collected from motorists in claim benefits paid to those who suffer losses. The rate structure and the proposed financial operations of the plan will be based on this loss factor." Well, Mr. Speaker, there is absolutely nothing in the Act that is before us which would indicate that the Pawley Committee's recommendation is going to be acted on; nothing in the Act that is presented before us guarantees a return of 85 percent of the premiums that have been collected.

Now, Mr. Speaker, there have been many comments made about the Wootton Commission. The Honourable Member for Assiniboia, the Honourable Member for Crescentwood, and others have referred to it. Well, it's the most comprehensive study on automobile insurance in Canada and I'd like to, if I may, quote from their conclusions because it's pretty obvious their

(MR. SPIVAK cont'd.), . . . conclusions have some relevance to this debate. From Page 728, "The studies of the commission have not shown guilt or improper conduct which would warrant government taking over a business which was initially pioneered at a considerable risk." The Minister of Mines and Natural Resources laughs at this. He has quoted Wootton in this Chamber for at least a year when he was on this side and the other side, but their conclusion is again, that "it has not shown guilt or improper conduct which would warrant government taking over a business which was initially pioneered at a considerable risk."

And I'm going to quote even more extensively from that, Mr. Speaker. On Page 729, I'd like to read into the record their conclusions: "Taking all these facts into consideration the commissioners have concluded that: (a) the 1946 social and economic environment of Saskatchewan, which was significant in the introduction of the very workable government plan of automobile insurance, is quite different from that which exists in British Columbia today. Under an exclusive governmental fund there would likely be rigidities and more limited innovation which would more than offset reductions in the percentages of the premium dollar siphoned away in expenses. The magnitude of the savings will in any event be significantly reduced under the new approach to compensation recommended in this report. There are external diseconomies inherent in the introduction of an exclusive government fund for automobile compensation including a reduction in the servicing available for the consumers of other lines of insurance, and finally, that effective competition is in fact attainable in automobile insurance and that the industry is not a natural monopoly. The injection of such competition and its preservation is possible and will result in great improvement in inefficiency and fairer pricing.

"The commission, based on its study of the advantages and disadvantages of each method outlined in this chapter, recommends that initially the opportunity be given to the private insurers solely to market in British Columbia the basic policy, the supplementary insurance and the collision coverage. However, if the industry shows a disinclination to participate in the offering to the public of the new type of contracts recommended by the Commission and under the conditions which it has proposed or other conditions satisfactory to the government, or at a later date show the disinclination to compete, then the government of British Columbia should take over the sole selling in British Columbia of all automobile insurance." Mr. Speaker, that was the conclusions of the Wootton Commission.

Now, Mr. Speaker, if the objective of automobile insurance legislation is to benefit the majority of Manitobans and this can be done by legislation and control of the selling price, why a government monopoly? There has been an attempt made to compare government monopoly insurance and Medicare. Medicare on the one hand, and on the other hand, to suggest that government automobile insurance as a utility. But Medicare, Mr. Speaker, affects everyone and is paid for by taxation; government insurance affects only the driver. And I ask, Mr. Speaker, is the premium now to be considered a tax? Are these priorities equally important? Furthermore, Medicare did not involve dislocation of a segment of our population, no matter how small. Mr. Speaker, Medicare did not throw anybody out of work.

Moreover, Mr. Speaker, I see no arguments advanced to prove that automobile insurance is a utility, no more than bread, milk or butter. So what's the reason, Mr. Speaker? If you listen to the statements of the government members and, Mr. Speaker, if you watch the expressions as they speak, you sense an air of revenge, not to mention their usual monopoly, Mr. Speaker, not to mention their usual monopoly of moral righteousness. They've taken a complicated issue affecting a great number of people susceptible to emotional exploitation and they've used it to confuse their real purpose. "Vengeance is mine," saith the Minister of Municipal Affairs and "Amen" says the Honourable Minister of Mines and Natural Resources.

The livelihood of the people whose economic future is at stake has been ignored. They're unproductive jobs, according to the Honourable Minister of Mines and Natural Resources.

MR. GREEN: According to you. According to you, I never said it.

MR. SPIVAK: Yes, you sure as hell did.

MR. GREEN: You said it.

MR. SPIVAK: You said it.

MR. GREEN: You said it.

MR. SPIVAK: No, you said it. I did not say it.

MR. GREEN: You were here and you were the ones who said we are putting these people who are doing nothing out of work.

MR. SPIVAK: Mr. Speaker, I must tell you that I read the comments of the Honourable

(MR. SPIVAK cont'd.). . . . Minister of Mines and Natural Resources and he said it. The government now tells us that the numbers affected are small and that they'll be compensated in some form. As yet, we do not know and I doubt if the government really knows. But this is both a rationalization and it's obviously an afterthought. At the very most, the real savings to the automobile owner will be hard to detect and are going to be marginal. Many of the overhead costs will be hidden in general costs as Saskatchewan has done to show an ostensible saving. Whoever controls the bookkeeping in this case, and in this case, Mr. Speaker, it's going to be the Provincial Cabinet, has final control and they can and they will decide whether they want the cost of the compulsory plan to be whatever seems politically acceptable.

MR. GREEN: Mr. Speaker, would the honourable member permit a question?

MR. SPIVAK: I'll permit a question at the end. The taxpayer will pick up the tab, Mr. Speaker, and a large group of Manitobans, the government hopes not large enough to affect them politically, will be treated as if they do not matter, because to this government, Mr. Speaker, they really do not matter. "Can we, Mr. Speaker, almost in our Centennial Year, face up to the prospect of disrupting two communities of 700 people, completely upsetting the lake on which they live, depending on it for their livelihood, making it quite impossible for at least some of them to continue to live independently? Can we do all this for the questionable advantage of a slight financial gain?" Those were the words, not of my words, those were the words of Premier Schreyer in this House September 15, Page 734 of Hansard of last session. "Can we, almost in our Centennial Year, face up to the prospect of disrupting two communities of 700 people, completely upsetting the lake on which they depend for their livelihood. . . ."

MR. GREEN: Nonsense.

MR. SPIVAK: ". . . making it quite impossible" - it is nonsense, yes - "making it quite impossible for at least some of them to continue to live independently. Can we do all of this for the questionable advantage of a slight financial gain?" Well, Mr. Speaker, apparently that concern for humanity the Honourable Member for Rock Lake has already referred to, no longer applies today.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I just wondered whether the honourable member would permit a question. The honourable member has said something about the government's bookkeeping system is going to camouflage costs. He says he read the Wootton Commission Report. Can he comment on what Mr. Wootton said vis-a-vis the government of Saskatchewan's bookkeeping system and its record of costs as against the industry's bookkeeping system and their records of costs.

MR. SPIVAK: Mr. Speaker, I can say this, that if I'm correct there has been no cost accounting independent of the government's audit by themselves of the Saskatchewan plan, and Mr. Speaker, until - until, Mr. Speaker, there is some cost accounting which is completed to be able to determine the charges that are levelled as against the basic plan, as against the other insurance that is sold by the Saskatchewan Government Plan and as a part that is paid, or part that is costed for, the portion that they compete with. Mr. Speaker, until that is done, I'm not in a position to say other than to indicate what I strongly believe will take place here, Mr. Speaker, because on the basis of the Bill that was presented and the manner in which we have been forced or are being forced to accept the statements of the Honourable Minister of Municipal Affairs, who just a few minutes ago stood up and suggested that there was in fact three categories of rates which will in fact take place, in his initial statement, if we on this side are going to have to assume that all the statements that are being made on the other side are part of our Bill, then at this point I suggest the whole thing becomes ludicrous. The only thing we have is our Bill, and our Bill, Mr. Speaker, provides for the ability, and I think with intent, for the corporation and for the government to be in the position. . . .

MR. CHERNIACK: Mr. Speaker, on a point of order, the honourable member agreed to answer a question and he has not yet answered the question in any respect. -- (Interjection) -- As a point of order, I'm still on the point of order. I think that answering questions and the willingness to do so must be applicable to the question. Now he doesn't have to answer it but surely he can't deal with the question by making a speech on another matter. He said he read the Wootton Report. He was asked a question about the Wootton Report and he has not referred to that report in all the time he spoke.

MR. GREEN: If it will assist proceedings and in view of the fact that I'm not going to get an answer, I'll withdraw the question so my honourable friend has sat down and that's it.

MR. SPEAKER: Are you ready for the question?

MR. GORDON E. JOHNSTON (Portage la Prairie): Would the member permit another question? Would the Crown corporation which would be operating the auto insurance plan, if they set their rates high enough, could they not return 85 percent?

MR. SPIVAK: Mr. Speaker, I believe if they set the rates high enough they could achieve 85 percent. I would suspect though that at that point the savings that are suggested would be - would not disappear, would have been changed and we probably would have had a 25 or 35 percent increase in our auto insurance rates in this province.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Kildonan.

MR. PETER FOX (Kildonan): Thank you, Mr. Speaker. Mr. Speaker, I listened diligently for some time now to all the members of the House and of course one thing has become apparent to me, that a lot of crocodile tears have been shed on the other side. I find that the Member for River Heights used the word "damn", and I think in its true context we should have one on this side to prevent the flood that's coming over here in respect to the crying that's going on about the insurance agents' jobs that are going to be lost and the hardships and everything else that is going on.

Mr. Speaker, in all this debate so far on auto insurance, much has been made of the effect the public plan might have on auto insurance agents. In fact it is safe to say that the opposition to the plan has been centred around the agents. Most of the public opposition, whether it be rallies or advertisements, has been in the name of the Insurance Agents Association of Manitoba. This is natural because the insurance lobby knows full well that the public has little sympathy for the large companies, most of which are located in Eastern Canada. That is why it disturbed me greatly when I discovered that the Executive of the Insurance Agents Association of Manitoba have allowed their Association to be used as a front by a number of eastern insurance companies.

You have all probably heard the radio commercials against public auto insurance which claims they are sponsored by the Insurance Agents Association of Manitoba. I have heard a number of them. The commercials make it sound like the agents are worried about Manitoba and Manitoba people, and one of their newspaper advertisements even claimed that they did not have unlimited funds for their campaign, so it came as something of a surprise when I discovered that the whole series of radio ads by the insurance agents were in fact being purchased directly by an advertising firm in the Toronto suburb of Don Mills, Ontario. The name of the firm is Media Buying Services Limited. If the agents were really interested in Manitoba, why would they send thousands of advertising dollars out of Manitoba so that a Toronto advertising agency would earn the commission.

I asked some friends of mine in the radio and advertising business to check it out a little further, and what they discovered made the whole picture fall into place. It turns out that the Don Mills, Ontario firm isn't really behind the commercials, they are just placing them for yet another firm in Toronto. The firm that is writing the commercials and stage managing the alleged agent-run campaign, is Public and Industrial Relations Limited, one of the largest and most expensive public relations companies in Toronto, and a quick check of the client list of the Public and Industrial Relations shows that the same firm has the account for the Insurance Bureau of Canada which is the lobbying and public relations organization of the non-life Canadian insurance industry.

The Insurance Bureau of Canada is financed by a levy on over 200 of the non-life insurance companies in Canada depending on their premium volume. The vast majority of these companies are located in Eastern Canada, so it is quite clear that part of the premiums paid by Manitobans for their auto and fire and theft insurance is now being used by Eastern insurance companies using the insurance agent as a front to campaign against the government plan. I want to make it very clear that all the insurance agents in the province should certainly not be blamed for this deception. First of all, of the 1300 or so insurance agents in Manitoba, only about 325 are members of the Insurance Agents Association; and secondly, I do not believe that even most of those agents that are members of the association were aware that they were being used as a front by the eastern companies, but the executive of the Agents Association stands clearly indicted of attempting to deceive the public.

I think it was Von Ranke, Mr. Speaker, who said that the study of history reveals the fact that we do not learn from history, and yet it is so necessary to look back into the past so that we may see the reason for some of the reform legislation we enjoy today. Child labour laws were brought about by the greed and the cruelty of those who owned the mines, the factories where children of 10 and 11 years of age were forced to work long hours. It was not private enterprise

(MR. FOX cont'd.), per se that led to the establishment of Manitoba Hydro and the Manitoba Telephone System but rather the obsession for profit that too often is the main objective of the so-called free enterprise system.

I suggest that it is only because of the general dissatisfaction with automobile insurance legislation in Manitoba that we are now debating Bill 56. We stumbled along with the Unsatisfied Judgment Fund for years and now we have a \$25.00 extra licence fee on those who do not wish to carry insurance. This is ridiculous. The idea of a compulsory plan, long opposed by those who drag out the bogey of socialism, has finally met with agreement. The responsibility for seeing that a compulsory scheme is brought in at the lowest cost has been accepted by this government.

The entire automobile insurance debate has been debated before, Mr. Speaker, approximately 50 years ago during the Workmen's Compensation issue. A cursory glance at the relevant Workmen's Compensation material will I think prove very enlightening to the members opposite. The comparison between the two issues as raised then and now are remarkably similar. Workmen's Compensation was handled by private insurance agencies and most employers purchased a liability insurance to cover the employees in their plant, factories or whatever. In order to receive compensation the injured employee had to prove in the court that he was in no way responsible for the accident, that the entire fault of the accident fell upon the employer's inadequate safety precaution, etc. If it were proved that the employee was even in the smallest way responsible for the injury, he received nothing in the way of compensation. Both employers and the insurance agencies worked against the injured employee and fought his civil action in the court; the employer who did not wish his rates to increase and the insurance company who did not wish to pay out claims on their policies. This should not surprise us as today insurance companies have never, regardless of what their advertising claims, shown any great concern for the people whom they insure. They are in the business for profit, and with that in mind they will fight tenaciously to keep the claims of accident victims as small as possible.

In a speech some two weeks ago the Attorney-General related how automobile insurance companies today hold back payment on large claims as long as possible and use the pressure of time to force clients to accept smaller cash settlements than are rightfully due to them. Well, this is not a new concept because at the time of the discussion of the Workmen's Compensation Act, this is one of the arguments that proponents of publicly run compensation schemes consistently put forward against the private scheme. The working man was constantly being exploited in his dealings with the insurance company and had no effective recourse to the pressures that the profit oriented industry was exerting upon him. When he was able to get some compensation from his employers through the insurance agency - and only less than 30 percent were able to collect any compensation - the working man usually was forced into taking a smaller sum than what he was entitled to receive. Arguments about the efficiency and costs of a public versus private Workmen's Compensation scheme are almost identical to the claims presently being made about the present private versus public automobile insurance plan.

In the 1930's a number of books were written about Workmen's Compensation, and even as late as that time many states in the United States still did not have a no-fault compulsory compensation system. In a study of the administration of Workmen's Compensation in 1933, Walter Dodd wrote that "the administrative costs of a monopolistic state fund are much lower than those of the private insurance companies and even of the state companies that are competitive. From abstracts of insurance companies in Canada for 1935, and from the United States Department of Labour pamphlet on Workmen's Compensation and those in Ontario in 1936, we are able to learn that private companies in Canada spent 36 cents on every premium dollar for administration expenses while the state monopolistic systems in Ontario spent only seven cents on every premium dollar."

The private insurance companies that handle the compensation for employers claim, as do today's insurance people, that they are operating the plan as a service, not for profit. Mr. Vannam claims that an automobile insurance company is not a profitable enterprise, and in the May 20th issue of the Economist in 1939, Sir Bertram Hornsby claimed that the private employee compensation schemes are barely profitable. The insurance people in 1923 were admitting that their system had its faults and needed reconstruction from top to bottom. Today's automobile insurance people admit much the same thing. The comparisons go on and on.

Perhaps the closest similarity is on the issue of no-fault system of compensation. In the

(MR. FOX cont'd.) American Journal of Surgery, Henry Sair, former Executive Director of the New York Insurance Fund, wrote: "The evils that offend the court system with its delays, its contingent fees for lawyers, the substitution in many cases of compromise settlements, often woefully inadequate, and the reliance upon technical rules of evidence to defeat otherwise meritorious claims, reacted powerfully to bring about a new era in the field of compensation for industrial injuries. The effort seems to have been successful to establish a method of adjudication that is informal, non-technical, summary and speedy. The workman gets quickly what is his due and gets it all, gets it when he most needs it, that is while he is still incapacitated."

Mr. Speaker, the aim of Workmen's Compensation law is to replace the uncertainty of litigation under common law, or under employers' liability laws, with a definite scale of benefits payable regardless of fault. Legal formalities are minimized and the issue of negligence is virtually eliminated. It is compulsory mutual insurance under the management of the state. These are the principles and the basis on which the automobile insurance legislation is based.

Mr. Speaker, I personally would have liked to have seen a more comprehensive compensation plan, one which would have taken into cognizance not only the injured driver and his passengers or others that are involved, I would have liked to have seen a plan which would have envisaged driver testing, training, education, safety, development of research in order to have better vehicles and more safety built into them, control of pollution, as well as having a good look at the traffic problems as being created by the automobile, because it is the automobile that is creating the problems for us that we are faced with today, not just the drivers or the injuries or fatalities that are involved in this issue.

History has shown us that it has worked. Ask any workman about Workmen's Compensation. How many people in this House even knew that it was sold, inadequately mind you, by private insurance companies, that when the people took it over the same vested interests screamed the same slogans about political enterprise and that the decline of freedom was imminent. I guess the members opposite just do not read history. The arguments against public education, against workmen's compensation, against automobile insurance are all the same, and history has vindicated the proponents of all these schemes. The same hysterical screams in issue after issue each time proves to be nothing more than hysterical, irrational graft to preserve the status quo. Mr. Speaker, the hysterical screams have lost their effect. Time will prove to the people in this province and to the observers across the nation that automobile insurance, like workmen's compensation, will be successful and fully acceptable by the people that it serves. People will look back and wonder what all the fuss was about.

I would like to end my comparison of workmen's compensation issue and the automobile insurance issue with a quote of Sir William Meredith. As you all probably know, Sir William was the Chief Justice of Ontario and the person who drafted the Ontario Workmen's Compensation Act in 1916. This quote was made in regard to workmen's compensation but the principles apply completely to the issue before us today, and I quote: "Past measures which mitigate but do not remove injustice are in my judgment to be avoided. That the existing law inflicts injustice on a working man is admitted by all. From that injustice he has suffered long and it would in my judgment be the greatest mistake if questions as to the scope and character of the proposed remedial legislation were to be determined, not by the consideration of what is justice to the working man but what is the least he can put up with; or if legislation were to be deterred from passing a law designed to do full justice owing to groundless fears that disaster to the industries of the province would follow from the enactment of it."

The comparison of the proposed automobile insurance scheme to the workmen's compensation plan should not stop here. The workmen's compensation scheme was extremely successful in placing a very strong emphasis upon the prevention rather than just compensation, Mr. Speaker, and I already mentioned that. The Wootton Royal Commission on Automobile Insurance in the Province of British Columbia states that in the 12-year period from 1954 to 1966, 46,000 people were killed on Canadian roads. This is 4,000 more than all the servicemen Canada lost in the entire World War II. It seems incongruous to me that billions of dollars of the Canadian tax revenues are justifiably spent on defence against possible war and its resultant toll in lives and injuries and yet only a comparatively negligible expenditure is made to prevent life and casualties on our highways which are occurring every day.

I would like to recommend to the Crown corporation that it make driver training compulsory. Our Minister of Transport has already instituted a test situation in this respect. I

(MR. FOX cont'd.). . . . think it should be compulsory for all, maybe on a two or three year interval. The economic cost of such a plan could be compensated by the resulting lower automobile premiums, that trained drivers have proved to have approximately 25 percent fewer accidents and 50 percent fewer convictions than untrained drivers. This assertion can be borne out by the existing insurance practices which offer the trained driver a ten percent reduction in his insurance premiums.

Mr. Speaker, although we in Manitoba can be but only a small segment in directing the area of prevention and legislative control over the automobile production, I do believe it is a step that we can institute and lend our energies towards influencing the automobiles and making them safer and less costly to repair. I think there are certain things that we can do in this regard and I believe we should start at the present time while we are introducing this legislation in respect to automobile insurance. Perhaps if only by example we make a comprehensive compensation plan which takes care of, as I suggested earlier, not only the driver training, education safety and creating proper attitudes, but also of the industry that creates the automobile, put some emphasis on them so that they too will become much more involved in safety and in developing an automobile that is safer to operate on the roads, and also the product that comes out of that automobile, the pollution that takes place, and of course the traffic problem, that I believe then we have been justified in creating this plan and in putting it into effect.

Mr. Speaker, as a closing remark I'd like to say I am reminded of the saying that the turtle makes progress only when he sticks out his neck, and any government that really has the welfare of the people at heart is never afraid to do just that. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I would like to direct the attention of honourable members to the gallery where we have 27 Grade 5 students of the Ste. Anne Elementary School. They're under the direction of Miss Gagnon. This school is located in the constituency of the Honourable Member for La Verendrye.

On behalf of the members of the Legislative Assembly, we welcome you here this afternoon.

It is now 12:30. I'm leaving the Chair to return at 2:30 this afternoon.