

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Thursday, August 6, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions, Reading and Receiving Petitions, Presenting Reports by Standing and Special Committees.

REPORTS BY STANDING COMMITTEES

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for St. Boniface, and the proposed motion of the Honourable Leader of the Official Opposition in amendment thereto and the proposed motion of the Honourable House Leader of the Liberal Party in further amendment thereto. The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, before we had the 5:30 adjournment this afternoon, I was trying to suggest to my honourable friend the Member for Churchill that the matter of technological change had been taking place in Manitoba and in Canada for some considerable period of time -- and I am sorry that my honourable friend is not here at this particular time, because I would like to point out to him and to members of the Assembly many areas in which there has been transitions in employment as the result of technological change and also as the result of decisions of government and of industry that has affected individuals in employment.

You may recall, Mr. Speaker, my honourable friend the Member for Churchill, and indeed others, have touched on this, that they are gravely concerned as to the results of change, for instance, in the town of Wawanesa, and I would like to suggest, and have indeed attempted to suggest, that such changes are really historical. As a former employee of the Canadian National Railways in the now city of Transcona, may I point out that in 1910 and 1911 the town of Rivers in Manitoba was one of the major railroad centres insofar as the CNR was concerned, and the management of the CNR at that time deemed it advisable on the establishment of the town of Transcona to move the personnel and the shops from Rivers to Transcona.

I mentioned, Mr. Speaker, that I am sorry that my honourable friend the member for Churchill is not here, because I am sure that he is aware of the fact that when the mines at Sherridon in northern Manitoba were depleted that it was necessary to physically pick up a whole town, the whole town of Sherridon and move them to Lynn Lake because of the exhaustion of the minerals at Sherridon.

May I remind the honourable members of this House, and I am sure that the Honourable Member for Morris is aware, of the fact that in the reorganization again of the Canadian National Railway that the railway shops in the city of Moncton were put out of business and there was a transition of employees in the city of Moncton.

May I also . . .

MR. HARRY ENNS (Lakeside): You are coming to South Indian Lake aren't you?

MR. PAULLEY: Yes I'm coming to South Indian Lake, and I only wish my honourable friend the Member for Lakeside would go there, preferably before the flooding, if there is going to be flooding, in order that he may be accommodated -- if indeed, I said Mr. Speaker, if there is going to be flooding in order that he may be accommodated by the flood waters that may rise, and I'm not saying that they will. And it might be a good idea if it happened.

May I also suggest to honourable members of this House that because of technological change the railway installations at Stratford were curtailed, in London they were curtailed; and may I, Mr. Speaker, bring it closer to home, so that my honourable friend the Member for Lakeside will be aware of the fact that Trans Air or Air Canada moved its installations and employment of 6 or 700 people during the life of the Conservative Party here in Manitoba from . . .

MR. WARNER H. JORGENSEN (Morris): That was a dumb move too.

MR. PAULLEY: And the Conservative Party of Manitoba have made so damn many dumb moves that they are sitting where they are.

MR. SPEAKER: Order. Order please. Order. May I remind ladies and gentlemen in the gallery to remain silent please. The Honourable Minister of Labour may continue.

MR. PAULLEY: I want to thank my honourable friends opposite, Mr. Speaker, for giving me the opportunity of placing on the record this evening a fact, that they recognize as being one of their deficiencies - the Air Canada move, that's right, and my honourable friend, my honourable friend the Member for Riel didn't lift a hand, to my knowledge, in trying to prevent it, but

(MR. PAULLEY cont'd.) . . . . I went, without the support of my honourable friend from Riel, I went as a leader of the New Democratic Party at that time, on at least three occasions to try and implore the Liberal Party of Canada that they were in error, without avail. I do give my honourable friend the present Member for River Heights the credit that he went, but let not my honourable friend, the Member for Riel, attempt in any way, shape or form to take any..

MR. DONALD W. CRAIK (Riel): What year?

MR. PAULLEY: . . . credit. It doesn't matter what year it was, it was during the regime of the Conservative government in Manitoba that about 700 families of Manitobans had to go from within the boundaries of Manitoba to take up residence in Dorval because of the ineptitude of the government of that day, the Conservative administration of Manitoba.

Talk of dislocation in industry. What happened at Bissett under a Conservative regime, in the Province of Manitoba? Talk about dislocation of workers in the Province of Manitoba! I ask my honourable friend the Member for Riel, and I believe that he was the Minister of Mines and Natural Resources at the time - did he lift a finger, or did his government lift a finger for compensation for those who lost their jobs in Bissett?

MR. GORDON JOHNSTON (Portage la Prairie): Mr. Speaker, I would like to speak on a point of order. I would like to know, Mr. Speaker, what this has to do with the debate before us?

MR. SPEAKER: Order please. I believe I would remind ladies and gentlemen in the gallery what the rule of the House is.

MR. PAULLEY: May I answer my honourable friend. It has to do with the question of compensation and that is the point that my honourable friend from Portage la Prairie has raised by his sub-amendment, the question of compensation, in one respect; and I say, Mr. Speaker, that if it's proper for my honourable friend the House Leader of the Liberal Party to raise it, I certainly have the opportunity, may I respectfully suggest, to deal with the matter of compensation.

MR. G. JOHNSTON: Would the Minister submit to a question? -- (Interjection) -- Your Pavlov's dogs say sit down. Would you permit a question?

MR. PAULLEY: I'm not afraid, Mr. Speaker, of any question from my honourable friend.

MR. G. JOHNSTON: Mr. Speaker, my question is, what has the exhaustion of a non-renewable resource like a mine, when the mine runs out and the jobs are gone - what has that to do with the question before us?

MR. PAULLEY: As a matter of fact, Mr. Speaker, the mine was not exhausted, it only failed because of the lack of input of the necessary finances by that government in order to continue to produce.

MR. ENNS: Now, Mr. Speaker, I demand to be heard on a point of privilege.

MR. PAULLEY: You what?

MR. ENNS: I ask to be heard on a point of privilege. As the former Minister of Mines and Natural Resources, the question that the Honourable Minister of Labour raises that the former government did nothing, did not lift a finger to help the situation in Bissett, when everybody that was in this Chamber, and certainly the minister, knows full well that we approved of large sums of money . . . Mr. Chairman,

MR. SPEAKER: Order, order please - I do not believe that a difference of opinion as to a performance of two governments constitutes a point of privilege. The Honourable Minister of Labour.

MR. CRAIK: Mr. Speaker, on a point of privilege, there is a privilege here, since the Minister has pointed specifically at myself, made a charge and he's made a mis-statement, he's well aware . . .

MR. SPEAKER: Would the honourable member please state his point of privilege.

MR. CRAIK: No, it's not a question.

MR. SPEAKER: Would the honourable member please state his point of privilege?

MR. CRAIK: Yes. The point of privilege is with respect to San Antonio Gold Mines at Bissett. He made the statement that there was no compensation plan and then he followed on the heels of that with the statement that there was no necessity for the mine to discontinue operation, and he has no facts, he knows very well that it's not the case.

MR. SPEAKER: I believe that the same ruling applies to this point of privilege of the honourable member . . .

MR. CRAIK: All right Mr. Speaker, I'll confine my remarks to his accusations to me directly . . .

MR. SPEAKER: Order please. The Honourable Minister of Labour may continue.

MR. CRAIK: . . . am I not allowed again to correct . . . .

MR. PAULLEY: You know, Mr. Speaker, I'm so used to the phoneyisms of my honourable friends opposite . . .

MR. CRAIK: Can I ask the Minister to at least speak the truth in the House then?

MR. PAULLEY: Is my honourable friend calling me a liar?

MR. ENNS: Will the Minister permit a question?

MR. PAULLEY: I will speak the truth, Mr. Speaker; I have no hesitation in speaking the truth. I only hope my honourable friend has enough intellect to accept the truth. And the truth is, Mr. Speaker, that as the result of the ineptness of the former Conservative administration in this province, Bissett is now a ghost town. That is the truth and my honourable friends cannot deny it, and if he will, if he will admit the truth, Mr. Speaker, may I respectfully suggest that he would join me in saying Hallelujah! . . .

MR. CRAIK: Mr. Speaker, on a point of privilege. Mr. Speaker on a point of privilege. Is the "honourable" minister still maintaining that there was no compensation . . . for Bissett?

MR. SPEAKER: Order, please - the chair was of the impression that the honourable member rose on a point of privilege and not to ask a question. The Honourable Minister of Labour may continue.

MR. CRAIK: . . . Kangaroo court?

MR. PAULLEY: There again, Mr. Speaker.

MR. CRAIK: Kangaroo court, that's the way they operate all the way down the line.

MR. ENNS: Will the Minister permit a question?

MR. PAULLEY: There again, Mr. Speaker - may I suggest, Mr. Speaker, to you and through you to members of the House, that what I spoke of this morning of the conduct of this House, has been exemplified this evening by the statement of the Member for Riel in calling this a Kangaroo Court - and I say it is not, Mr. Speaker - and I have confidence, I have confidence in this House, but I haven't any in my honourable friend the Member for Riel.

I wonder, Mr. Speaker, I wonder, Mr. Speaker, if we could have the rabble to cease babbling in order that the members of this Assembly . . .

MR. JAMES H. BILTON (Swan River): On a point of order. The honourable gentleman has no right to refer to the honourable members on this side as rabble.

MR. SPEAKER: May I remind the honourable member that is hardly a point of order. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I'm sure you are aware, I'm sure most members of the House are aware, that I did not attribute the word 'rabble' to any individual, and if it bothers my honourable friend's conscience, and it does, then let him be the first to admit that he is a member of the rabble. And apparently this is the case.

I was talking, Mr. Speaker, before I was so rudely interrupted, of the fact of technological change that has taken place. My leader when he speaking yesterday on the matter pertaining to the town of Wawanesa, and the possible effect of the government's proposition as contained in Bill 56 on Wawanesa, he indicated, he indicated that there may be some effect insofar as Wawanesa is concerned and my honourable friend from Souris-Killarney said - quite a bit. And I agree with him. There's quite a bit insofar as Bissett, insofar as Air Canada and the transfer to Dorval; there was some effect insofar as other movements that have taken place, but my leader said yesterday and made a pledge to this Assembly that he would alleviate the effect of that change by giving alternatives in the Province of Manitoba - which was not done by the former administration.

We talked of technological change, Mr. Speaker; there has been technological change that has been taking place over the years in many fields. Not only in the field of automobile insurance, in the field of computerization; I suggest, Mr. Speaker, that there has been a change too in another area - there has been a change in the media through which the people of this province, this Dominion of Canada receive their reports. I recall not so long ago, or maybe a long time ago, as a student at school I was told of some of the sayings of a chap by the name of Edmond Burke and he said that there were four estates; there was the commons - and we are common, some of us more common than others - there were the lords temporal and the lords spiritual, but above all there were the members of the Fourth Estate, and I suggest that as the result of technological change through TV, through radio, there are so many members of the commons that are so wont to take the advantage of technological change in a dissemination of

(MR. PAULLEY cont'd.) . . . . information that they are playing to the Fourth Estate instead of playing to what we should do in the Province of Manitoba in the interest of the people of Manitoba.

MR. BILTON: Common . . .

MR. PAULLEY: And that includes -- (Interjection) -- my honourable friend who is now interjecting. But what of the question - what of the question before us: a serious consideration of Bill 56? My honourable friends opposite, and I again must apologize because - should I apologize for him, Mr. Speaker - may I regret that the Honourable Member for River Heights is no longer in the Chamber or he is not at this time - but may I regret that he is not because he has, as indeed other members have in this Assembly, raised the question that we should go back into some committee at this time before the passing of the bill to consider all aspects of automobile insurance. What do we find tonight? If he is quoted correctly - one of the witnesses that appeared before the committee of Public Utilities, namely George Tatlock, the President of the Insurance Agents Association, tonight, less than 24 hours after the statement of my Leader in this House has rejected the proposition. How could he have studied them Mr. Speaker, in that time. I know George Tatlock, he's been a personal friend of mine for years. -- (Interjection) -- laugh - yes, Mr. Speaker, yes, Mr. Speaker, some may laugh but I do reiterate and say that George Tatlock has been my friend for many years, and I suggest, Mr. Speaker, that there are members in this House who have been my friends even though they may not agree with me, for a similar period of time.

MR. ENNS: I hope so.

MR. PAULLEY: You hope what? You hope you're my friend - you are my friend and I give you - I give you sufficient courtesy and I acknowledge your intelligence that we can disagree and still be friends, but apparently some here by their laughter indicate, Mr. Speaker, that we can't be friends and disagree. But I do say, Mr. Speaker, on the question of consideration of the proposition as enunciated in this Chamber by my leader yesterday, that this is an indication that if we continue the process of consultation we're doomed to failure before we start.

My honourable friend the Member for St. Boniface referred the other day to another good friend of mine - and I know he's a good friend of mine and I'm sure that he would admit it; and I'm referring to Bill Lumsden. We grew up in Elmwood, his family and my family grew up in Elmwood. We played sports together and I'm sure that Bill Lumsden would say - I don't agree with you Russ but you're my friend. -- (Interjection) -- laugh, yes. Laugh.

MR. J. DOUGLAS WATT (Arthur): I'm not laughing Russ, just trying to equate.

MR. PAULLEY: I know -- (Interjection) -- I beg your pardon?

MR. WATT: I'm just trying to equate. Equate?

MR. PAULLEY: Equate, that we can be friends and have disagreements? And that has been the process that has not been achieved in this House. The suggestion has been made, Mr. Speaker, that because we have to have differences of opinion that we have to be enemies and I suggest that this is not the case. But what I want to point out, if I may use the phrase in its broad concept, that in this House we can at least get down to brass tacks.

But I want to say, Mr. Speaker, for a long period of time as a member of this House I've been a member of committee after committee considering all aspects of automobile insurance; we've met time after time after time. With the psychology of the former administration it was an exercise in futility. My honourable friend the Member for River Heights has said - give us an opportunity, we haven't had an opportunity of studying the various proposals. Mr. Speaker, I would like my honourable friend, who is capable - so I am told - of absorbing some knowledge, I want to say to my honourable friend that I have here before me the results of 15 years of study into the field of automobile insurance, not only here in Manitoba but elsewhere. My honourable friend the Member for River Heights has said give us the opportunity. I want to give him the opportunity to read the tripe that I've been listening to over the years by the industry. Today, Mr. Speaker, on many cars, and possibly on the car of my honourable friend the Member for River Heights, there is a sign "STOP BILL 56" -- (Interjection) -- "HELP STOP BILL 56". There are placards and billboards all over Winnipeg and I suggest Manitoba: "Give us the freedom of choice." What freedom of choice? Mr. Speaker, in all of the years that we've had automobile insurance in Manitoba we've had no freedom of choice; absolutely none. What has been - what has been . . .

MR. SPEAKER: Order please.

MR. PAULLEY: Mr. Speaker, what has been the freedom of choice -- (Interjection) -- Yes, you should cry, you should cry, and if you were genuine as you should be, the tears should be coming out of your ears and your eyes in the bucket load. If you had a conscience you would agree with me. But, Mr. Speaker, I want to say - I want to say to my honourable friends that the industry in Manitoba is saying - give us a choice. The freedom of choice. What choice does Manitobans have in the field of automobile insurance to this day, except to be the pawns of the insurance industry in the Province of Manitoba. Mr. Speaker, it was only after . . .

MR. WATT: On a point of privilege, would the honourable member permit a question?

MR. SPEAKER: Order please. May I again remind ladies and gentlemen in the gallery that applause is not permitted and I do not intend to repeat this reminder time and time again. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, it was not until after years of fight on behalf of the small group of CCFers and New Democrats in this House that the Wawanesa and the Portage Mutual decided that there would not be any cancellation without notice of automobile premiums in the Province of Manitoba - and the government of the day previously would take no part in it. What choice? Freedom of choice, freedom of choice to go to one agent to the other and still be within the throes of an all power automobile insurance industry that had no base in Manitoba, that was dictated from outside -- (Interjection) -- that is right and you know it, you know it. And I want to say, Mr. Speaker, that in the committee that was set up, that the committees that were set up in this Assembly in my 17 years here under Liberal and Conservative administrations were comprised of individuals like my honourable friend the Member for Souris-Killarney who were agents in the automobile insurance industry. And that's a fact . . . Go ahead and deny it. And this is a fact, Mr. Speaker, to now -- (Interjection) -- you charge me for theft? -- (Interjection) -- Mr. Speaker, I would say that the automobile insurance industry in Canada and in Manitoba have been putting their hands in the pockets of all of the automobile drivers in Manitoba and they should be charged with theft -- and that's what has happened.

MR. SPEAKER: May I remind the Honourable Minister he has five minutes remaining.

MR. PAULLEY: So the story goes, Mr. Speaker. My honourable friend the Member for River Heights has said that he hasn't had an opportunity of studying. I give to my honourable friend some indication that I really do think that somewhere somehow he has sufficient intellect to read what has transpired. My Leader the other day in dealing with the financial aspect of automobile insurance in Manitoba, and elsewhere, dealt with the question of the financial aspects.

I wonder if my honourable friend the Member for River Heights really knows the attitude and the approach of the automobile insurance industry in Canada to the use of the dollars that each and every one of us contribute by way of premiums. This is an excerpt of a brief presented by the Insurance Bureau of Canada to the British Columbia Royal Commission on automobile insurance. And what did they have to say about the use, Mr. Speaker, of your dollar and my dollar in respect to premiums and even - unless my honourable friend the Member for River Heights is under the Unsatisfied Judgment Fund - and this is what they said: "The investment income from prepaid automobile premiums does not belong to the automobile policy holder." And my friend claps. This is the psychology of the proponents of the status quo on the other side of the House, and, Mr. Speaker, in the documents that I've got before me, rhyme and verse, continue the same proposition that I have just read, and my honourable friend -- (Interjection) -- oh. My honourable friend the Member for Lakeside apparently is now in the state of surrender; he puts his hands up into the air and he acquiesces; and the Member for Charleswood also puts his hankerchief up in surrender. I suggest, Mr. Speaker, that he put his vote where his hankerchief is and vote for a progressive proposition in the interests of all of the people of Manitoba instead of a few self-centered individuals who don't give a continental about the ordinary Joe in the Province of Manitoba, and we do.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you. I believe you recognized me, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Do you want to ask a question? Go ahead.

MR. G. JOHNSTON: Mr. Speaker, I'd like to ask the Minister a question. He made more than passing reference to the time in the House when the San Antonio Mines Bill was discussed, which was offered as a loan to help the industry to keep going. Would the Minister

(MR. G. JOHNSTON cont'd.) . . . . . indicate how he voted on the Bill and all his colleagues?

MR. PAULLEY: Yes, I will - and I'll gladly do it, Mr. Speaker. I gladly voted for a loan of, if I recall correctly, of a quarter of a million dollars in order to preserve the community, and my friends did likewise; and we only did it, may I suggest, Mr. Speaker, because the government of the day did not organize the conduct in that particular industry in order that it may be a viable industry. My honourable friend, the Member for Portage la Prairie will recall that one of the reasons that we had to vote for the quarter of a million, because the Ministers, whoever they were, of Mines and Industry or Natural Resources in the former administration, had so allowed the depreciation in the industry that Manitoba Hydro, that Manitoba Telephones, were out almost 100,000 bucks between the two of them because of the ineptness and the lack of direction of the former Conservative administration.

MR. G. JOHNSTON: Out of the answer by the Honourable Minister of Labour, would he permit another question?

Did I understand him to say that government should come in and organize businesses that are in trouble?

MR. PAULLEY: I didn't say that; but I said that if government deliberately, as did the former administration, allow the likes of Bissett to get into the turmoil they were in, then it is an onus on the government to come to their help. As a matter of fact, Mr. Speaker, may I say, my Leader has said in respect of the automobile insurance industry and the agents, particularly the agents, that we are prepared to recognize their possible plight - which was never done by that inept government on the other side in Opposition today.

MR. SPEAKER: The Member for Lakeside.

MR. ENNS: Mr. Speaker, my intention is to speak very briefly; five minutes, as a matter of fact, to simply use the speech that we have just heard in this Chamber as a demonstration of how difficult it is for us on this side of the House to accept the judgments of those on the other side, how loose they are with their facts and how difficult it then becomes for any semblance of sane judgment or reasoned argument to be made in this Chamber.

The Minister of Labour in his tirade has accused and charged and laid the whole blame of the move of the Air Canada base from Winnipeg to Montreal on the former administration, when he knows full well, the people of Manitoba know full well, and he was part of the committee, part of the committee, that went down with the then Minister of Industry and Commerce, the Honourable Member from River Heights, along with our Leader - and it's true not all 28 or 32 caucus members went down in the case of the Honourable Member for Riel; that we had our Minister, we had our Premier, we had our deputation down and I'm sure the First Minister who was then sitting in the House of Commons undoubtedly joined the group at some stage of the game or other and knows full well, and knows full well, Mr. Speaker, the very strenuous, the very dedicated, the very serious effort made by everybody, by the Liberal Party, by the New Democratic Party, by the Conservative Party to maintain those facilities in Manitoba, and to have to listen at this stage of the game, and to have that used as an example, Mr. Speaker, of our dereliction of duty or our negligence of responsibility at the time we were in office, that of course is just about par for the course of being stand accused guilty until a court finds us innocent, which has also happened in the last few days.

So, Mr. Speaker, I don't want to belabour the issue any more. We have received tons of verbiage and I suppose we can create tons of verbiage more. So little fact, so little fact, and obviously anything that I can add at this time is not going to add any more fact to it so I say let's get on with the vote.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, it's my intention to use up the remainder of the five minutes that the Member for Lakeside referred to, simply to say that this has been a day of considerable contrast, particularly coming from the Minister of Labour who this morning attempted to pour some oil on troubled waters and bring the House back to a degree of sanity when it badly needed it and tonight I just felt that it was his turn to do an about face.

As an example he's picked out a particular case, although he has avoided the direct analogy that should be made at this time, which is the analogy between the compensation program and provision for people for Bill 56, to the provisions that were made not any more than a year ago for displaced people of Manitoba by a previous government at South Indian Lake. He's avoided that one completely. There's been a great difference, a great change has taken place since Bill 15 was in this House a year ago and Bill 56 today; but he avoided that

(MR. CRAIK cont'd.) . . . . . completely. But he didn't avoid mentioning Bissett and now that he's brought it up, I think that we should start using what was done, the provisions that were made for the citizens of Bissett to help guide the government in making provisions under Bill 56.

If the Minister is not aware that the efforts were made by the government, not only before, which he's more aware of than I am because I wasn't in the Legislature at the time, but he is well aware of the early stages of it; but I'm well aware of the efforts that were made when the crisis hit and the combined efforts that were made by the Manitoba Government in providing town facilities, in organizing the Manpower group, soliciting their assistance, in marshalling the forces under the Commissioner of Northern Affairs and the Department of Municipal Affairs and the Department of Welfare and to provide the facilities, as was within the power of government at that time to do what they could for the people. I suggest if the Minister is going to use this as an example, although I think the direct analogy is South Indian Lake, because South Indian Lake was a government decision and San Antonio Mines was not directly, but if he wants to use that as a guide post for him in setting up provisions, then dig out the facts and don't make these accusations without knowing the facts which he has made in the House here tonight, because you're not doing service to the problem at hand which is Bill 56, by stating these sorts of facts -- (Interjection) -- if I can finish, please -- by stating these sorts of facts, and you're certainly not doing service to the sort of philosophy which you were trying to propose to this House this morning.

MR. SPEAKER: Are you ready for the question on the sub-amendment? The Honourable First Minister.

HON. ED SCHREYER (Premier) (Rossmere): I'm just wondering - Mr. Speaker, I'm wondering if the Honourable Member for Riel, the last speaker, would receive a question relative to the San Antonio Gold Mines at Bissett. -- (Interjection) --

MR. PAULLEY: Because you don't know anything about . . .

MR. SCHREYER: Well, perhaps I can accommodate my honourable friend in that as well, but one thing at a time. May I ask him first whether he is contending that the gold mine at Bissett discontinued operation primarily because of exhaustion of ore body or because certain officers of the executive of that company took certain action which resulted in a diminution of the financial reserves of that company which so enfeebled it that it could not continue normal operations and that when a fire took place and the hoistroom burned and the hoist burned they couldn't buy a new hoist, so that is the question. My question is: is the Honourable Member for Riel contending that the mine discontinued because of exhaustion of reserves which was unavoidable or because of a series of actions initiated by people who were at that time on the executive of the mining company?

MR. PAULLEY: You were out ploughing the ground.

MR. CRAIK: Mr. Speaker, I'm not sure how relevant it is, but the answer to the best of my knowledge is neither, neither, neither. -- (Interjection) --

MR. SCHREYER: I'll answer you later.

MR. BUD SHERMAN (Fort Garry): I wonder if the First Minister would permit a question, Mr. Speaker.

MR. SPEAKER: I'm wondering - I believe that it's acceptable during the course of debate to ask a previous debater a question but surely we cannot allow this practice to continue to ask the honourable member a question.

MR. SHERMAN: It seems to me that the First Minister made a fairly substantial contribution to the debate.

MR. SPEAKER: If other opportunity arises for a question, I think it could be answered.

MR. SCHREYER: May I indicate, Sir, that if you regard it as within the rules for me to receive a question, I'm quite prepared to hear the question and try to answer it. If it's in order.

MR. SPEAKER: I'm not certain whether it would be an acceptable precedent to establish.

MR. SHERMAN: Well then, may I direct a question, Mr. Speaker, to the Minister of Labour?

MR. SPEAKER: I believe the Honourable Minister of Labour had spoken about three speeches ago. There were subsequent speakers.

Are you ready for the question? The Honourable Member for Rhineland.

MR. SHERMAN: No. We are not ready for the question, Mr. Speaker. I would like to direct a question to either of the previous two speakers with respect to . . .

MR. SPEAKER: I believe that the honourable member is aware that the type of question is out of order.

MR. SHERMAN: . . . with respect to the speech that was made and directed to the Honourable Member for Riel, Mr. Speaker. Is that not permissible?

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

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, after hearing many able members speak so well in the debate today I'm rather hesitant to get up and add my few remarks I would like to make at this time. — (Interjection) — It will be a little bit more than five minutes, I imagine.

I note from the First Minister's speech the other day where he says "I would also like to highlight the real issues that I feel are at stake here " and then later on he mentioned the three points: What is the best possible way to handle automobile insurance? What is the most desirable way of making that insurance available? And then he goes on to the third point. But I can tell him right now on the two points that I feel that the best possible way to handle it is the way we have it right now; and on the second one, the most desirable, again I feel we have the best possible way right now in effect in Manitoba and it's a proven way. It has proven itself for all these many years and it has worked. I see no reason why we cannot continue with the present system. Certainly as far as I'm concerned there's no duty on myself to bring in or to support a monopoly insurance corporation as is being proposed in Bill 56. I certainly wasn't elected on that basis. I know the people in my riding are for freedom, freedom of choice, and certainly I am not one, and I am sure the people in my riding know that I do not stand for government monopoly in any way, that I support private, free and competitive enterprise.

I certainly have gone on record for all these many years to that effect and I certainly haven't changed my mind at this point, to leave those principles that I hold dear.

The freedom of choice of the agent as has been mentioned in the debate here today I think is a misnomer. It doesn't represent freedom of choice in any means as far as I can see. Certainly when we are speaking of freedom of choice we mean that people should be free to establish an industry if they so desire and that this matter not be confined to government service, and that if such business establishments are set up, and we have many of them in effect at the present time and present day, that these are there to service the people of this province and they have done so and I don't think that the need has been established that we need a monopoly, a government corporation to provide the service and only that corporation to provide the service at this time.

I feel that in this day and age we have socialism brought in through the back door and by way of Crown corporation and giving them monopolistic powers. This is the system and way we find that centralization and socialism is brought in and I for one will not condone it; I will not subscribe to it and I will not support it.

I think the House Leader of the Liberal Party this morning was rather exercising brinkmanship when he almost subscribed to practically everything that the government care to bring in except that it be competitive and I certainly wouldn't want to go that far because there's too many things that are left unsettled in my mind and that need looking after in a much better way under the new set-up that is provided in Bill 56.

I think there is one underlying reason why the government is bringing forward this bill at this particular time and in my opinion it is the desire and the urge to get their hands on the insurance money that will be available for purposes to further their pet projects, and one has been mentioned, namely, housing.

I'm just wondering what return will be given to the people of this province if this comes about in the way of their insurance money when it is being channelled to the government coffers.

MR. SCHREYER: Would my honourable friend permit one question?

MR. FROESE: Yes, why not?

MR. SCHREYER: Just one, and I'll try very hard not to ask him more than that. Would my honourable friend not define the use of moneys that are marshalled through a public agency or aegis for purposes of social programs such as housing and general social and public improvements as perhaps a very clear application of Social Credit?

MR. FROESE: I think there is quite a differentiation that can be drawn in this respect.



(MR. FROESE cont'd.) . . . . . Surely under Social Credit we want to provide and do provide the best services that we can and this is proven in B.C. and Alberta. The people are very satisfied with what the government is doing out there. They are giving good judgment and good government to the people of those provinces. We would go much further and I think I have been on record on this, in this House and preceding Houses, that money should be brought about and available to government for various purposes at much lower rates of interest and at much less cost - at a very nominal cost. Why do we have to pay these enormous amounts of interest to the bank at the present time? This can be changed; this is a matter of the Federal Government but certainly this can be changed; money could be put to the use of the Provincial Government at a fraction of what it is costing today. I am sure it can be done for 1 or 2 percent and why do we have to pay 10. Surely these powers should be curtailed as far as the Federal Government is concerned. Then I think also that the policy of money by the Federal Government should be changed as well. Why should we have tight money and money situations in Canada, because the credit can be created, and I mean created out of nothing and can be put at the disposal of the people of this country.

This is probably all aside from what we are debating at the present time, but I said that one of the underlying reasons I felt was that the government wanted to lay their hands on this certain amount of money which could amount to probably 40, 50 million dollars interest free. I don't blame them for that, because the high cost of money today means if we have to pay interest on it would be another \$5 million interest and if this could be used for good purposes, I see no reason why the desire should not be there.

But I also say that the private business, the insurance industry is making those same funds available to the people of this province as well; they are investing in various types of bonds, government bonds and other projects, and I am sure that the money is doing good in that respect as well. It cannot only be confined to government purposes if it's supposed to do a good thing.

The third point here that the First Minister raises, thirdly, how can the government minimize any dislocation that may be caused in changing from an old system to a new one? The third point doesn't apply in my case because I have already stated that we already have a system that is operating, one that has functioned for many years, one that has given good service to the people of this province and therefore you don't need a new system and no need to dislocate these people.

I would hesitate in subscribing to the term used here "new one". I don't think that this particular scheme that is before us in Bill 56 is such a new one; it has been in effect in Saskatchewan for many years and so it is not a new one in my opinion. We also know that in Socialistic countries various services are being provided by government and that this is following along the same lines.

On the other hand - the Minister of Labour is not in his seat but certainly if this really is such a good thing as they would try and make us believe, I'm sure that previous governments would have brought in a measure of this type to bring about such service. That's another reason why I certainly hesitate in saying that this is such a good measure, because I think if it was it would have been brought in long before.

There are other items that I would refer to in the Minister's speech. On Page 2 he dwells on the matter of the inadequacies of the present private automobile insurance system. Not much space and time is given in subscribing or describing the matter of the inadequacies. There is mention of waste of the present system is clear, in unnecessary duplication in advertising and administration. I don't want to say that there isn't some waste; surely enough if we wouldn't do any advertising in this other corporation there would be some savings here; but then in that same paragraph it goes on to say, that as a result, the resulting extreme high cost of insuring came about - because of the matter of advertising and administration costs they say we have extremely high rates. I don't think that the rates are extremely high. Certainly in my part of the province I'm sure that our rates compare very favourably with many other areas in Canada and with many other companies that provide insurance in other parts of Canada. So that the people in Rhineland and I'm sure in rural Manitoba are getting good rates as a rule.

Mind you I don't say that there are no inadequacies or no criticism because I've heard of criticism, especially from the group 18 to 26, this is the area where the premiums are much higher and I certainly would like to see improvements in this area. I don't feel that we should be penalizing young drivers who have a good record and who continue to improve, that they

(MR. FROESE cont'd.) . . . . . should be penalized because of this. I think we should rather have an incentive program, so that the penalty would be eased and that as a result after awhile there would not be any penalty at all for that particular age group. So that we could make improvements in various matters pertaining to automobile insurance.

I notice also that the First Minister says that there is no competition and that the competition that exists in auto insurance today is a competition based not nearly so much on price or service but rather it is a competition to see who can get out of paying as much as possible. I don't know whether this is true, whether this is fact. -- (Interjection) -- Yes.

MR. SCHREYER: Has the honourable member read this particular passage - and I'm sure that he would appreciate that it's coming not from me but from the words of Mr. Justice Wootton of the Royal Commission on Automobile Insurance in British Columbia. Has the honourable member recognized that these words have been written, and I quote . . .

MR. FROESE: No.

MR. SCHREYER: That's my question. Is the honourable member aware of this - "The absence of effective competition in addition to creating a situation which should not be tolerated is likely to represent a considerable monetary cost to the public generally. In its consideration of structural factors and market power, the commission noted that during 1966 the price at which automobile insurance was sold was standardized over 80 percent of the market. In the opinion of the commissioners, through creation of the IBC there is in British Columbia at least a significant concentration of groups acting in concert."

In the light of that quotation, may I ask this question -- (Interjection) -- Mr. Speaker, the Honourable Member for Rhineland has permitted me to ask a question. My question is: in light of that observation or finding of Mr. Justice Wootton, would my honourable friend still want to maintain that there has been effective price competition or meaningful competition of any kind as I indicated yesterday I felt to be the case?

MR. FROESE: I feel that there is a certain amount of competition. I don't want to discount the statement that was just made, certainly not; I think there are matters going on of that type that was described by the Minister. But what is there to prevent and will not, once it's a government monopoly, the same thing apply, because then you will just have the one rate and the one corporation that will provide rates so it will be 100 percent, now it's 80; but then it will be 100 percent -- whose interest? -- (Interjection) --

Well this is hard to say, because I will not be in control of the corporation and I don't know whether it will be in the people's interest, this is it. We will be setting up a board that will operate the Crown corporation and . . .

HON. SIDNEY GREEN, Q. C. (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, would the honourable member permit a question from me? It will be a short one.

MR. FROESE: If we deduct that much time from my speech I will not be able to complete it.

MR. GREEN: Does the honourable member not agree that he and the people who he represents would have a greater opportunity of controlling the industry if it were in public hands; then he could get rid of us and they could go into control?

MR. FROESE: Well I'm sure that when Social Credit forms a government in Manitoba that we would be doing away with a lot of the legislation that is on the books today. I'm positive of this. We don't subscribe to regulation by the government as is being done today; we believe in providing a conducive climate for business to generate, to bring in development and to prosper, so that the people in the province can prosper. I think today we have the very opposite. The government is taking over and people lose interest, the initiative is stifled and as a result we will have less development in this province than more development. Look at Alberta and British Columbia. Those are the provinces that have prosperity. Social Credit and prosperity are synonymous. I think the opposite is true of the New Democratic Party or CCF. Look when they were in Saskatchewan for all these years - where did Saskatchewan go? It went downhill. They lost industry, they lost development, so you have the very opposite between Social Credit and New Democratic Party or CCF.

MR. SHERMAN: Sock it to them Jake, Baby.

MR. FROESE: There are some more points that I should like to raise in connection with the First Minister's statement and I refer to Page 7. I'm not discounting all of the things that he says, not at all, because he mentions that the collision and the deductible is open to negotiation and I think this is good and well. If we ever get to committee where we can discuss it,

(MR. FROESE cont'd.) . . . . . and if they feel that they want to proceed with the bill and make it law, and if they are in the majority then we will have to go along. Then certainly these things are open to negotiation and at that time I certainly will have some things to say as well on these points that are open for negotiation.

There is a statement here that I'm not quite sure how to interpret. On Page 7 and paragraph 5, in part it reads "We still intend to have supplementary coverage available from either the Crown corporation or private companies." It seems as though this is open, that the Crown corporation will be providing this service and that private companies will be able to give this same service. But then you go on and it says, "so if a motorist wishes to customize his coverage down to \$25 deductible and up to \$200,000 liability, he will be able to do so. . ." and then this - "and we intend that he should be able to do so at one and the same time that he gets his plates and basic coverage, if he wishes." Does that mean that only the people that will be selling the licenses will be able to sell insurance, that a private insurance company will only be able to appoint those people that will be selling licenses as agents on their behalf, because the insurance will have to be bought at the time that the licenses are sold? I certainly would want an explanation of this, because otherwise it just means that the additional coverage will only be available from the government corporation.

The no-fault principle is mentioned here and I certainly subscribe to it. I feel that many of the recommendations could be brought in by way of amendments to the Insurance Act so that we could enjoy and have these matters apply presently without having Bill 56 to come forward and without bringing in government insurance. Surely there are many areas that we can improve on and I think we should go ahead and do so.

The report also mentions the no flat premium and I would like to read this statement as well. At the top of Page 9, "Manitoba does not have to have a flat premium for all motorists; or as I have just said only one rating district for the whole province." Certainly here is another area where I subscribe to, that we should have classifications as the insurance companies presently provide, so this is not anything new. This is what is being done and what's being exercised by the insurance companies presently and I think it is a fair thing to do, because they are taking into consideration the experience that the drivers have and if the driver is one that is taking care, exercising care, certainly he will be paying less in premiums as a result.

There's mention made here of demerit points, that there will be no demerit points but rather that people will be able to enjoy price advantage over drivers in taking care when driving and have a good record. There is no quarrel on this point. I think this is another thing that the insurance companies presently do encourage, that where we have good experience they will as a result lower the premiums. This is in effect at the present time, so this is nothing new and certainly we can subscribe to that.

The matter of streamlining administration. We have heard from the representation that was made in committee that this is presently being done, that the larger companies are putting in machinery and computers and so on and that wherever they can bring about savings they do so. Certainly this is in their own interest and I don't think it is on us to ask them to do this - they do this on their own accord in order to bring about lower costs and lower premiums to us.

I think these are the points that the Minister raised in his brief and I thought I should dwell on them and make mention of them. I think that those things are mostly matters that are already under consideration by the private insurance companies as well.

There was a new matter brought out in the report and that is that the head office will now be in Brandon if it is set up. I think this is political. They mentioned that we shouldn't bring in politics, but if ever there was something political, this is political, because I know that the member or the Minister of Industry and Commerce comes from Brandon and has a seat in Brandon, but there is also another seat in Brandon I note and it will be quite difficult for the other member to vote against the bill because it will then mean that they won't get the \$1 million industry into their particular city. So if there was something political in this, it surely at this point is. -- (Interjection) -- Oh Rhineland wouldn't be considered, it's -- (Interjection) --

MR. BUD BOYCE (Winnipeg Centre): I tried for Winnipeg Centre but they wouldn't go along with it.

MR. FROESE: Oh they wouldn't eh? I guess you were not persuasive enough. As I mentioned, many of the inadequacies that the Minister lists certainly in my opinion are not

(MR. FROESE cont'd.) . . . . . inadequacies in the first place. Those that are, certainly can be remedied by bringing in legislation and amending the present Insurance Act, such as restricting advertising if they want to do so; this is being done to the liquor industry. Why can't they do the same thing to the insurance industry if they so desire. There is nothing to prohibit them from doing so. If that is of such a big consequence - go ahead.

The other point - eliminate hardships or diminish hardships forced on accident victims - that was another point raised. Surely enough we can do that by bringing in the no-fault principle into the legislation. We can do that without Bill 56; let's do it. So that this will eliminate certain litigation costs and diminish hardships. A third point, as I already mentioned - reduce litigation costs by applying the no-fault principle. So that these areas can be remedied without Bill 56 and I say go ahead and do so and I'll support you.

On the other hand, if we proceed with Bill 56, I say that we are performing daylight robbery as a government. In committee we were told time and again that people were losing their jobs, their income, some will lose their total equity and many will be forced into bankruptcy. So what happens if a person loses his job? Jobs are not easy to come by today and the Minister of Industry should certainly know and to have this brought in at a time of mounting unemployment when jobs are already scarce, I think it's doubly cruel. And we're defeating the purpose of developing and establishing industry. Here we have an industry which is functioning, which is flourishing and we're going to kill it with one stroke; and yet at the same time we are spending millions of dollars trying to get industry established in this province. We're working completely at cross purposes and I would like the Minister of Industry and Commerce, Industry, to explain to us later how he intends to bring industry when he does what he is doing and killing an industry that we have already established?

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Jake, should we go back and have big harvesting gangs again?

MR. FROESE: The next point - robbing them of an income. Many of the people that appeared before committee indicated that they had no other source of income, that they were completely dependent on the income that they derived from their insurance agency. Many of those laid off are breadwinners with families to support. It wasn't only single people, it was people that were married and the breadwinner was being denied now the income that he was getting before. Then wives working whose husbands are sick. This was also brought in - people, women appeared whose husbands were sick and they were the ones that were working in order to maintain their household, enabling them to stay off the welfare rolls. So here again we're not only taking away these jobs and this income, in fact we're putting them on the welfare roll so they'll be costing us money instead of bringing us money. I say that the increased costs of welfare will offset any possible savings. And mark those words! I'm sure that the costs of welfare will go up and they will be offset by any savings that you people think will come about. Over the years we will not be making savings but that the costs - we have found so often in any bureaucracy - the cost is just going up and you have no way of controlling it, once you take away the control by the local people, costs go up. We have seen this in the Department of Education where once the control was taken away at the local level the costs went up and you have no way of controlling it. So you'll have the same thing happen here.

The matter of loss of equity. Value of businesses, and we've heard in committee as well, was based on the clientele that these agencies had. Remove the clientele and the business is practically worthless, except for the physical assets that might be there. But again these people will be losing their investment. Many forsook their pension plans and invested in their particular agencies. This was brought out, too. That they had been working for other firms where they had a pension plan, they took out the savings and invested it in the agency and built up their agency. Now we're taking it away and there's nothing left for them. The loss of life savings - many of the people have been working 10, 15, 20 years - they put their savings into their business as they went along. Now when their time came to retire they find that their business will be taken away from them and that the business will be hardly worth anything, will be worthless. They've lost not only their business, they've lost their life savings on which they would be able to retire. I am saying - look at the other people in the province today. They should be very concerned with what is going on right now. I as a farmer - if I should lose all my investments just by the stroke of a pen of this government taking over farms, I certainly would be very concerned. Likewise, businessmen would be very concerned but we see that the government is talking their . . . and they'll be talking them off one by one.

(MR. FROESE cont'd.) . . . . . They're starting with the automobile insurance agency. It's an easy one to take because insurance companies have been blamed for certain things so they haven't got the support from the other private business that should be there at this time supporting them, and this is why they thought it was an easy take. I feel that this is very important, this matter of loss of equity and that when we consider compensation later on, if the government still intends to proceed with the bill, that we give much greater consideration to this aspect.

There is also the matter of forcing people into bankruptcy and I can read you from the transcript right here one question and I can quote here when Mr. McPherson was questioned, Mr. McPherson said this is a pretty difficult situation at the moment in that I don't know what they are going to put in and if they put in the same as Saskatchewan - I worked in Saskatchewan for years in S.G.I.O. - if they put in the same I'd love to stay in the business. I know I can't sell it because it's worth nothing - worth anything. And then the question - so this in other words means that you could be forced into bankruptcy? Mr. McPherson: "Yes Sir, if my bank manager feels so inclined. So . . .

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

MR. FROESE: Oh, I won't be able to finish, I'll have to hurry along then. Many of them, I mentioned the bankruptcy, and many will be forced into bankruptcy because of the outstanding liabilities that they have at the present time and some will even lose their homes as was indicated. Not only their businesses but their homes as well because they won't be able to maintain the payments that are required of them. This certainly means that people will be despondent and we're destroying a land of opportunity.

The matter of loss of independence - I was going to raise that point and discuss that at this point but I haven't got the time so I'll skip over it. Now do we as members of this Legislative Assembly subscribe to such a philosophy as is being brought in in Bill 56? I say No, and very emphatically No, because I feel it hits the roots of our rights that were established under the British North America Act and also under the Manitoba Act which deals with property rights and has jurisdiction - where we as a province have jurisdiction. Because when we think of the first century that Manitoba is now celebrating, two world wars fought to retain liberty and freedom for the citizens of this country; many left wife and family, made the supreme sacrifice. Shouldn't we be mindful of this? I say eternal vigilance is the price of freedom. We are celebrating our first centennial as a province - Manitoba - and I think it's a black mark to have legislation of this type pass in this year 1970, our Centennial Year.

Erosion of our freedom, erosion of our freedom will be from within rather than from without and by way of legislation, legislative process for the next while, in my opinion. Too much of this is done through the establishment of government Crown corporation given monopolistic powers, I stressed this before, and thus denying us of our freedoms and of our freedom of choice. I, too, have spoken on this before when we discussed the bill that was brought in - the Bill of Rights - as where do we draw the line between discrimination and exercising our choice of preference under our rights. There is a very thin line and I think depends so much on the board that will be set up as a commission as to what will happen, but I can foresee difficulties in that respect.

We've been asked to reason and not to be emotional in considering Bill 56 before us. This was said before. Well I am not that hardened or brave enough to just take away from the people what is theirs and what they have worked so hard for. Loss of equity, compensation contemplated does not begin to satisfy or to be satisfactory. If the government does intend to proceed regardless with this arbitrary action, certainly more consideration must be given and any plan acceptable must be a voluntary plan providing outside competition.

Mr. Chairman, I think my time is probably up. I feel very strongly on the bill that is before us. I feel that we have developed and come a long way in the first 100 years of our province and done so with the help and on the basis of a free enterprise system; I feel that we should stick with it and continue with it.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Would the honourable member submit to a question or two?

MR. FROESE: If I can answer it - sure.

MR. PAWLEY: Mr. Speaker, the honourable member during the course of his remarks

(MR. PAWLEY cont'd.) . . . . had asked a question why other provincial jurisdictions - if public, a public plan was so good, why they had not so introduced a public plan. The question is: would he be prepared to comment on the recent rumblings from his cohorts in the Province of British Columbia quite recently that a plan similar to this would be introduced in B.C. in '71? Would he be prepared to comment on this?

MR. FROESE: There have been different rumblings in B.C. The Labour Unions made the biggest one I think. I think if we speak of rumblings I think we should be concerned with those. On the other hand, as far as B.C. bringing in compulsory auto insurance, I don't think it will ever happen.

MR. SPEAKER: Are you ready for the question?

MR. PAWLEY: The second question. I'd like the honourable member's comment. He made reference to some briefs in respect to bankruptcy and people being unable to maintain their mortgage payments. Is he of the opinion that these comments are still relevant in view of the First Minister's statement of yesterday?

MR. FROESE: As far as I can deduct from the statement I don't think that they can maintain their payments because their payments are of such a nature that they will apply probably for the next ten years or so, whereas compensation provided only is for a year or a little more. Certainly it will not suffice in any case in those cases where they are facing bankruptcy.

MR. SPEAKER put the question on the sub-amendment and after a voice vote declared the motion lost.

MR. GILDAS MOLGAT (Ste. Rose): Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the Members.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Barkman, Beard, Bilton, Claydon, Craik, Einarson, Enns, Ferguson, Froese, Girard, Graham, Hardy, Henderson, Johnston (Portage la Prairie), Johnston (Sturgeon Creek), Jorgenson, McGill, McGregor, McKellar, McKenzie, Molgat, Moug, Patrick, Sherman, Spivak, Watt, Weir and Mrs. Trueman.

NAYS: Messrs. Allard, Barrow, Borowski, Boyce, Burtiak, Cherniack, Desjardins, Doern, Evans, Fox, Gonick, Gottfried, Green, Jenkins, Johannson, McBryde, Mackling, Malinowski, Miller, Paulley, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uskiw and Uruski.

MR. CLERK: Ayes 28; Nays 28.

MR. SPEAKER: This being a tie vote, the Chairman casts the tie-breaking vote and I'm voting in the affirmative. I'm voting in the affirmative to allow the House the opportunity to continue dealing with the matter. -- (Interjection) -- I must apologize. I meant the negative.

Are you ready for the question on the amendment? The Honourable Member for Souris-Killarney.

MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, debate be adjourned.

MR. GREEN: Mr. Speaker, I don't oppose the matter standing in the name of my honourable friend but if he has no objection to me speaking at this time I would . . .

MR. MCKELLAR: I want to speak. -- (Interjection) -- You want to speak now?

MR. SCHREYER: Mr. Speaker, I rise on a point of order. On a point of order, just for clarification's sake. The Honourable Member for Souris-Killarney indicates that he wishes to adjourn the debate, which is fine; the only point is then would he have any objection to someone else speaking in the meantime. -- (Interjection) --

MR. SCHREYER: No, but he indicated he wished to adjourn the debate.

MR. MCKELLAR: Mr. Speaker, if the government won't let me . . .

MR. GREEN: Mr. Speaker, I hope that there is no misunderstanding. I have no objection and this is the common practice -

MR. MCKELLAR: I'll reverse my procedure and I'll speak.

MR. GREEN: Okay . . .

MR. MOLGAT: Mr. Speaker, before that proceeds with, I just would like to clarify on the last vote; I had understood Mr. Speaker to say that he voted in the "affirmative."

MR. SPEAKER: I apologized to the House and I believe that I corrected that, that I voted in the negative.

MR. BLTON: On the same point of order. We are now dealing with the amendment to the motion, is that . . . ?

MR. SPEAKER: I called for the question on the amendment and an honourable member rose to speak.

MR. BILTON: You mean the sub-amendment, Mr. Speaker, if I may say so.

MR. SPEAKER: I called for the question on the amendment.

MR. PAULLEY: The sub-amendment is defeated. You know that Jim.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Speaker, I did not rise to speak on the sub-amendment for a very good reason, that I thought - after the members of the government receiving the telegram from the Village of Wawanesa this morning and from Mr. Holton the President of Wawanesa Mutual, I thought it would be sufficient evidence that they would see the light and that's why I did not speak on the sub-amendment.

I rise now to speak in support of the 512 people in the Village of Wawanesa which the government members are not concerned about - and I mean not concerned. I mean not concerned.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, could I rise on a point of correction to the honourable member? I did not receive a telegram from Mr. Holton.

MR. McKELLAR: I didn't hear the correction, Mr. Speaker, so I'll carry on.

MR. JENKINS: Mr. Speaker, for the information of the Honourable Member for Souris-Killarney, I did not receive a telegram from Mr. Holton of the Wawanesa Mutual. -- (Interjections) --

MR. SPEAKER: Order please. May the Honourable Member for Souris-Killarney continue.

MR. WATT: On a point of order, Mr. Speaker, there is no such thing as a point of correction.

MR. SPEAKER: May the Honourable Member for Souris-Killarney continue.

MR. McKellar: Well, Mr. Speaker, I took it for granted because of the fact a telegram was worded to the Conservative caucus, that I understand the Liberal caucus got one and I understand the government caucus got one, and if you don't understand and read the daily news - and the Premier got one also - and I want to read you three lines in that telegram. "We face bankruptcy." That's the people and the Village of Wawanesa too which is a corporate. The Village Committee of Wawanesa have brought to the attention of the government since the government decided to go into the automobile insurance that it would affect their village to the extent that the village would have to go into bankruptcy and the rural municipality would likely have to absorb it within their boundaries.

Now what does that mean to the members of the government? It doesn't mean very little, and I mean very little, because for all the consideration that's been given today and during the rest of the debate, I would say that the people of Wawanesa have been left high and dry by the government. I see the Minister of Labour, I wish he'd stay here because I've got something to say to him.

The Minister of Labour was good enough to hit the table about 50 times tonight in support of his move to vote for government insurance, which is going to destroy industry in the Province of Manitoba and take away jobs in the Province of Manitoba, and he condemned our government for the actions we took during the period of time. He condemned us for Air Canada - he covered the waterfront. He condemned us for San Antonio - and I remember San Antonio so well. Every member in the House at that time voted for \$240,000 loan to the San Antonio Mines at that time; except Mr. Campbell, I understand. I remember Mr. Campbell at that time did not believe in that type of approach.

Now what has happened to that \$240,000 loan? And I don't suppose the Minister of Labour even understands or knows what happened to that \$240,000. That's been repaid, every dollar, every dollar of that \$240,000 has been repaid to the government, and he should know this. -- (Interjection) -- To the government -- (Interjection) -- \$240,000 loan. San Antonio. It has been. . .

MR. PAULLEY: It has not.

MR. McKELLAR: Get your facts straight. I don't happen to be on the government side but I don't have to be on the government side to know that.

MR. PAULLEY: You better read Public Accounts, my friend.

MR. McKELLAR: I want to tell you, Mr. Minister of Labour that you've got a lot to learn. I haven't been in here as long as you have.

MR. PAULLEY: I admit that I have a lot to learn.

MR. McKELLAR: What I'm referring to is insurance and while you may have studied it for 14 years or 15 years as you let on, the committee only sat for three years during my 13 years in the House here - three years - and in that time we were waiting on the Wootton Commission. The Honourable Minister of Labour at that time agreed to wait on the Wootton Commission Report. -- (Interjection) -- He did so. Along with yourself. There was no objection.

MR. GREEN: Mr. Speaker, on a point of privilege. -- (Interjection) --- Yes, I have a point of privilege. . . Mr. Speaker, I have a point of privilege.

MR. McKELLAR: . . . denied privilege earlier tonight on the same sort of accusation.

MR. SPEAKER: Would the Honourable Minister state his point of privilege.

MR. GREEN: Mr. Speaker, the honourable member says I agreed to wait for the Wootton Report. On a point of privilege that is a misstatement of fact. At all times -- and he said myself as well, and the Minister of Labour -- at all times we resisted waiting for the Wootton Report and wanted to go ahead.

MR. McKELLAR: Well, the only thing is, in the report, it was in the report that was submitted to the Legislature at that time there's no abstaining vote, as far as I know; there's no abstaining voters; there's nothing in the report at the time . . .

MR. GREEN: Well, Mr. Speaker, again, on a point of privilege. There is in the Hansard confirmation that this is exactly what took place.

MR. McKELLAR: Well, Mr. Speaker, we're dealing with one of the most important industries in the Province of Manitoba and the Minister of Industry and Commerce is laughing and he's laughing, and he's laughing at the people of Wawanesa, the 512 people in the Town of Wawanesa; because what did he do? What did he do? He moved the head office from Wawanesa to Brandon, the same number of people, 75 people, the same number of people who work in Wawanesa and he said oh you can drive in to Brandon. That's very simple. And the First Minister said that, they can drive into Brandon.

I want to tell you, too, the Minister made a statement yesterday which he got the correction by Mr. Holton who sent him a telegram to the effect that 75 percent of the business done in the regional office in Wawanesa is automobile. I told you . . . it was 74.6 if you want the exact computer figure. Seventy-five percent, I'll take in round figures, is automobile premiums done in the Wawanesa office. This includes - I'll give it to you in a moment. This includes rural Manitoba done in the Wawanesa office plus the Province of Saskatchewan which is very minor because it's only a package plan.

Now I want to give you the figures here in the Province of Manitoba and this includes the Winnipeg office. For the advantage of the members on the government side, if you're not aware and have never gone to the office down here on Donald Street, the Wawanesa Mutual Insurance Company is the largest mutual insurance company in Canada with its head office in Wawanesa and executive office in Winnipeg and they do employ 167 employees in the Province of Manitoba, of which there are 417 dependants. Now that doesn't look very much, 167 families, 417 employees, but their payroll for the year - and this is what I want to tell you now - a payroll is \$977,000. Now yesterday the First Minister mentioned there's a million dollar industry for Brandon, a million dollar industry. Here we have a million dollar industry we are going to destroy, destroying it with a stroke of the pen, with a vote here tonight or tomorrow or whenever the final vote comes; We're going to destroy this Wawanesa Mutual Insurance Company in the automobile insurance business in the Province of Manitoba. This in itself will remove three-quarters of its employees, three-quarters of its employees. It is quite possible it might remove head office to another province. I'm not sure of that.

MR. SCHREYER: Would you permit a question ?

MR. McKELLAR: No, at the end. I'd sooner at the end.

MR. SCHREYER: But there's figures that are causing some difficulty.

MR. McKELLAR: I'll give you the figures.

MR. SCHREYER: You said \$900,000.

MR. McKELLAR: 977,000.

MR. SCHREYER: In the whole province?

MR. McKELLAR: Payroll - '69 payroll.

MR. SCHREYER: For the whole province?

MR. McKELLAR: 167 employees.



MR. SCHREYER: For the whole province?

MR. McKELLAR: Yes. Employees income tax, \$170,000.

Now I want to tell you the premiums written in Manitoba: \$6,590,000 all lines; that means all lines. Automobile, \$5,005,000. Premium taxes paid, that's 2 percent premium tax paid to the government, \$141,000 all lines; automobile \$100,120. Municipal real estate and business tax paid, which is paid to the Village of Wawanesa and the City of Winnipeg, \$39,670.00; and investments - now this is a very important thing -- (Interjection) -- I'll get that for you; I'll get it for you. I can get it tomorrow morning, 9:30. -- (Interjection) -- I'll get it for you. Investments, now here's the point, here's the point: everybody has been saying that all the profits of every company has been going to Toronto or some other part of the world, other than the Province of Manitoba. -- (Interjection) -- You have said it.

Sure, somebody made a statement tonight; the Minister of Labour read off a statement.

MR. PAULLEY: Mr. Speaker, I made no such statement.

MR. McKELLAR: He approved, he agreed with the statement.

MR. PAULLEY: If my honourable friend is preaching for a call, I was not . . .

MR. McKELLAR: You agreed with the statement . . .

MR. PAULLEY: I did not.

MR. McKELLAR: . . . by the IBC.

MR. PAULLEY: I beg your pardon?

MR. McKELLAR: IBC. You said the profits couldn't be used . . .

MR. PAULLEY: I made no reference to profits of Wawanesa or any other insurance company and my honourable friend knows it.

MR. McKELLAR: Well, there's been a lot of people make a lot of statements.

MR. PAULLEY: My honourable friend, Mr. Speaker, said that I had made the statement and I ask him to retract.

MR. GREEN: Wait until tomorrow. I'll make some statements.

MR. McKELLAR: I read your mind, Sir.

MR. PAULLEY: Mr. Speaker, I'm glad that I have a mind to read and I don't know whether my honourable friend has or not.

MR. McKELLAR: Mr. Speaker, I hear noises from above. I don't think they are supporting me either. I would like to keep them quiet from now on.

Now we're getting down to a very important part: what part do the local Manitoba companies play in the whole operation of government? What part do they play? They play a major part, a very major part, with the money that is put into reserves to cover losses, future losses, and you have to have reserves. And why do you have to have reserves? Simply because the Superintendent of Insurance of Canada demands that they have a reserve and that's the very reason. They are demanded by the statute, insurance statute; and what have they got in provincial bonds? They got \$2,841,000 at the end of '69. Municipal \$46,000, schoolboards \$111,000, Manitoba corporations \$185,000. Now how much have they got in federal Canadian Government bonds? Thirty-four million dollars - is what they have out of a total investment, an investment of \$64 million.

These companies such as Wawanesa invest in every province in Canada. They do business. They feel to be good corporate citizens they must do that, and they have been always good people to invest in our provincial and municipal and schoolboards and hospitals within the province of Manitoba, and also have treated the Province of Manitoba in an excellent manner. Now what does this mean to the government? What does this mean? They're willing to sacrifice all this investment money for the sake of their own ideology, for the sake of bringing in a government automobile insurance plan that will do nothing for the Province of Manitoba. Nothing. Simply nothing - and I mean it. The only thing it will do is satisfy themselves that they can go back to the people if they win the final vote and say, "We won the victory. We've beat those free enterprisers at last. At last we have beat them."

Well, what will they do then? Not one man on the government side who is the board of directors of that famous, will it be the famous Automobile Insurance Corporation, has ever had one little bit to do with an insurance corporation. Not one of you. Not one. I realize you have men to fall back on but you are the board of directors and what do you know about setting the rates for the coming year unless you rely on the computer for everything, and if the computer is that good, why don't you leave it as it is, because a computer is just as good as the man that's feeding in the information. If you don't have the right information fed in,

(MR. McKELLAR cont'd.) . . . . you don't get the right answer, and everybody knows this.

Now, Mr. Speaker, we have one other very important mutual company in the Province of Manitoba, and I want to dwell on it, because everybody -- and I think somebody mentioned that all decisions are made in Toronto. Well I want to mention to you too, as well as the Wawanesa where the decisions are made right in Manitoba, the Portage Mutual. Decisions are made right in Manitoba. And the same number of people are involved here, the same number, or practically the same number of employees, 74 employees, 43 dependent, and they pay a payroll of \$352,000 in the Province of Manitoba, and the income tax \$53,000. Now they also write practically \$3 million in premiums in the Province of Manitoba of which 1.6 million is automobile.

Now what's going to happen to the people that live in the constituency of the House Leader of the Liberal Party? What's going to happen there? They will lose 45 people; 45 employees out of that office I am sure will be gone. They will be gone. There won't be any work, and in the City of Portage la Prairie they are having their times trying to get new industry, and we know that the government are trying to get new industry, and that's what bothers me about the Minister of Industry and Commerce. He can stand up, stand up and vote and destroy the largest industry in the Province of Manitoba without taking a second breath. He doesn't have to worry about a second breath - he does it all in one breath; and yet the people of Wawanesa have gone to see him, they have pleaded their case, and the people of Portage - I think the General Manager of the Portage la Prairie Mutual Insurance Company, Mr. Earl Brown, has met with the government, he has met with the Premier, he has tried to put up his case, trying to inform them of the value of this mutual company, insurance company in the Province of Manitoba, and this has all fallen on deaf ears; and why has it fallen on deaf ears? Simply because the NDP Party in the Province of Manitoba value their own ideology a lot more than the companies they have in the Province of Manitoba.

These companies, and I mean these companies, the Portage Mutual Insurance Company was established in 1884; and why was it established? Because the pioneers of that time in the area of the community of Portage la Prairie wanted to protect themselves against loss; and what was happening the last number of months, what was happening; we were honouring our pioneers, and today in the next breath we are destroying the very image that they created and the companies they created. I am sure that many of them would not be proud of the First Minister and his government today if they were alive. They set these companies up on a solid foundation only to find out today . . .

MR. SCHREYER: Would the honourable member permit a question?

MR. McKELLAR: No, not until I'm finished.

MR. SCHREYER: After you're finished. Will you permit a question after you finish?

MR. McKELLAR: Mr. Speaker, at the hearings, which I only attended four days out of eight, many of the agents came forth. Why did they come forth? Simply because they had a business and it was going to be destroyed - had a business; and I know what it means because I have one too but I'm not pleading my cause because I have a right to stand in this Legislature and speak on behalf of the other people, but these people do not have a right to stand up here in this House and speak for themselves, so they came forth; they came and they stated their position. Many of them had recently bought agencies at large prices because they wanted to establish a firm foundation for the rest of their lives, so their families could enjoy the standard of living of the lawyers and the teachers and all the other intellectuals on the other side of the House, people that have their protected lives. Did you ever hear of the government taking away a license of a teacher? Did you ever hear of them doing away with a lawyer because they are protected by the Bar Association? Yet the insurance agents, the insurance agents - and I mean it - have nobody to back them up and I mean it. They haven't got a soul to back them up and that's why I think that this is a tragic thing in the Province of Manitoba.

And where are these people going to go? The First Minister offered them some help. What did he say? What did he say? Those who want to stay on in the business they can sell licenses; they can sell them at 65 cents. They can sell them at 65 cents along with the compulsory feature, which will equal about \$1.25 - I'll give them the benefit of the doubt. He can also sell the package policy; he can also sell the package policy; and he can sell his fire insurance that he presently has, which most of it amounts to about 40 percent of his actual business; 40 percent is the fire business.

Can a man stay in business? Can he stay in business? What will likely happen is that

(MR. McKELLAR cont'd.) . . . . many will buy each other out in order for one or the other to survive. How many will sell licenses in the City of Winnipeg? I can't imagine very many. The Motor Vehicle Branch are presently set up . . .

MR. SCHREYER: Mr. Speaker, I feel I should rise on a point of privilege. I have refrained from doing so for a few seconds, but there really is a misquotation or a misstatement there, unintentional I am sure but nevertheless a misstatement. In my remarks yesterday when I was referring to the continued involvement of agents in the selling of the basic coverage, and of course the package or supplementary, I certainly made no reference to a dollar or whatever it was - the member said \$1.25 per policy. I was referring to a formula which would result to something in the order of 75 percent of present gross commission earnings, not \$1.00 or \$1.25 per policy, and that's a very big difference.

MR. McKELLAR: I heard you say it. You also said that would be for the first year. Was that not right? Is that continuous? After five years you said you were going to look it over. Well I can understand what that will mean to many rural agents. I can understand what it will mean. It won't mean very much, because there are presently three or four agents in every community, maybe three. One of the agents is going to get the business; the other two will have to sell out - there would be no other recourse. In most of the communities -- in Brandon there are at least 25 agents trying to do business. One agent's got the whole thing.

MR. SCHREYER: No, no. Who said that?

MR. McKELLAR: Now, Mr. Speaker . . .

MR. SCHREYER: I didn't say that.

MR. McKELLAR: Well I interpreted you to say that. You can't have 1,300 people sell license plates, that's one sure thing.

Now, Mr. Speaker, Mr. Speaker, if the honourable member would sit and listen I could get down to the meat of my speech. I want to talk to the Minister of . . .

MR. GREEN: Mr. Speaker, I wonder whether the honourable member would permit an interruption. It has nothing to do with his speech. There was a disposition on the part of the members of this side in any event, and I'm just asking whether it is agreeable that we finish at around 10:00 o'clock. If the honourable member wants to speak again tomorrow morning

. . .

MR. McKELLAR: Are you threatening me? Are you threatening me . . . ?

MEMBERS: No, No.

MR. McKELLAR: Do you want to adjourn? Mr. Speaker, could I ask the House Leader a question? Does he want to adjourn?

MR. SCHREYER: I think the suggestion was that if the honourable member wanted to call it 10:00 o'clock that it would be agreeable and he could resume tomorrow.

MR. PAULLEY: And maybe you can get your notes together. I've got his notes right here from Wawanessa.

MR. GREEN: Mr. Speaker, I believe that I have to have leave of honourable members because we have not got to the Orders of the Day. With leave, I would move, seconded by the Honourable Minister for Cultural Affairs, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House adjourned until 9:30 Friday morning.