

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Monday, June 28, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements; Tabling of Documents.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery, where we have 29 students of Grade 6 standing of the Provencher School. These students are under the direction of Miss DeMoissac. This school is located in the constituency of the Honourable Member for St. Boniface.

We also have 30 students, Grade 4 and 5 standing of the Seven Oaks School. This school is under the direction of Mrs. Neill. This school is located in the constituency of the Honourable Minister of Finance.

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

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet) introduced Bill No. 94, an Act to amend The Natural Products Marketing Act.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk) in the absence of the Honourable Minister of Consumer and Corporate Affairs introduced Bill No. 97, the Change of Name Act.

HON. A. H. MACKLING, Q.C. (Attorney-General)(St. James) introduced Bill No. 96, an Act to amend The Small Debts Recovery Act; and Bill No. 98, an Act to amend The Manitoba Evidence Act.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is for the First Minister. I wonder whether he can indicate whether the Government of Manitoba has indicated to the Government of Canada its acceptance or nonacceptance of the Charter of Victoria.

MR. SPEAKER: The Honourable the First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, I have this morning sent a communication to the Government of Canada indicating that the Government of Manitoba will agree to recommend the proposed charter to the Legislative Assembly for ratification in the event that proves to be a practical exercise, indicating also that if there is to be any renegotiation of all or any part of the proposed charter that Manitoba will want to consider de novo certain sections.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Attorney-General. I believe, Mr. Speaker, it would be in order to congratulate the Attorney-General for losing his case before the Supreme Court. . .

MR. SPEAKER: Order, please.

MR. ENNS: My question, has the Attorney-General any information with respect to the product flow between Manitoba and Quebec - specifically eggs. Now that the legal impediments are gone is that flow being resumed?

MR. SPEAKER: The Honourable the Attorney-General.

MR. MACKLING: Mr. Speaker, I hesitate to speculate on the application by another provincial jurisdiction of a decision of the Supreme Court, but as most honourable members know, the regulations upon which the reference to our Court of Appeal was based and whose decision the Supreme Court upheld, were based on as close a parallel to the Quebec regulations as we could make them. The Court of Appeal ruled that the proposed regulations were ultra vires and it's my assumption that an application to any court would verify the Supreme Court's finding that that is binding law. However, it'll be a matter of application for the Quebec courts

(MR. MACKLING, cont'd.) to the Quebec Legislature to deal with their regulations and any concern of the application of their law.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A supplementary question, Mr. Speaker, directed to the Minister of Agriculture. Is it the Minister of Agriculture's intention to aid in any way any producers of that traditional market in eastern Canada to perhaps make such application referred to by the Attorney-General?

MR. USKIW: I don't know specifically what form of aid the honourable member is suggesting, but certainly we are open to a number of options if they are feasible.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): A further question to the Minister of Agriculture. Is there any legislation in Quebec that would bar us from doing so?

MR. SPEAKER: Order, please. The question in respect to Quebec is not part of the procedure of this House. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is for the Minister of Industry and Commerce. I wonder whether he can confirm that the government or Manitoba Development Corporation have guaranteed loans to banks for Lake Winnipeg navigation to allow it to operate this year.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I'll take this question as notice.

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

MR. LAURENT L. DESJARDINS (St. Boniface): Mr. Speaker, my question is to the Honourable Minister of Health. I wonder if he can indicate the reason why the members of the medical profession should be treated any differently than others; that is, I'm referring to the doctors who have overcharged or misused public funds. Why weren't their names made public?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, perhaps I could reply to the honourable member's question. The problem referred to exists, there can be no pretending otherwise, both here and in other provincial jurisdictions - at least two other provincial jurisdictions that I'm aware of; there is a course of action under way, an effort to determine the best way to proceed in respect to the question of safeguarding, protecting public monies and also with respect to the legal implications involved.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I would like to thank all members of the House on this side and that side for the cards and greetings they sent me while I was a patient in the General Hospital. I would also like to take this opportunity to thank members of the press gallery, too, for sending me greetings. I now expect to be back and looking forward to it.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder whether he could inform the House whether Lake Winnipeg Navigation lost - cash loss last year of 181,000 in its fiscal year ending I believe in June of this year.

MR. EVANS: Mr. Speaker, this is an open government, I'll endeavour to obtain the information and I'll take that question as notice.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I wonder, Mr. Speaker, if you may now call Bill No. 52.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: The proposed resolution of the Honourable Minister of Municipal Affairs. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, a year ago this date this House was in the midst of the auto insurance debate that was characterized by such intense feeling, not just on the part of the members of this House but on the part of members of the community. It would be easy, Mr. Speaker, in discussing the amendments proposed to the Auto Insurance Act to deal again with the principle arguments that were advanced at that time and by the government; the arguments that were advanced by the Opposition in rebuttal to the government's position and to commence the debate on the principles that have been argued and were not settled but nevertheless were determined by the government's majority of that day. However, it is a year later and it's time

(MR. SPIVAK, cont'd.) to view this from a perspective of what is now being offered by the government and the course of action that it has undertaken with respect to its handling of the situation and particularly with respect to the agents whose living has been affected by the government's action.

Now, if I may, Mr. Speaker, I'd like to commence by making reference to two particular items of Hansard of last year and to two very short statements, but these statements are typical of the statements that were made over and over and over again by the members on the opposite side; and, Mr. Speaker, they bear further scrutiny when I examine the rates that are being offered by the government compared to the rates that are now offered for a comparable coverage by private industry. Mr. Speaker, I think you'll be surprised, as I was, to find how the suppositions and premise on which the government introduced this auto insurance have not proved to be correct, because as it happens, Mr. Speaker, private industry is offering for the kind of coverage that the government is offering, coverage which is cheaper.

Mr. Speaker, the first statement is the statement of the Honourable Minister of Municipal Affairs, and it's from Page 1883 of Hansard of last year, and he states: "Auto insurance is one case where elimination of competition on the basic coverage will cut rates drastically." That's his statement. The statement of our First Minister of Page 3211 is as follows: "All of it taken in its totality, Mr. Speaker, in its aggregate, leads us to believe with all the conviction that it is possible to muster that the public, the motoring public of Manitoba, under the plan we propose there should be an average saving of 15 percent; there may be more but we'd say at least 15 percent in its total operation." Mr. Speaker I could quote from newspapers and from the various references in Hansard to the various remarks that were made by the members opposite, from a saving of five percent to a saving of 35 percent. In the Ste. Rose by-election two Ministers disagreed; one said 25 percent and 20 percent. Mr. Speaker, all we can determine from the statements that have been made is that a competition in auto insurance exists among the members themselves in determining what rate of savings will be offered to the public; and that's interesting because those rates have not been based on any facts but on sheer inclination that somehow or other government was able and would be able to offer savings to the people which would be cheaper.

Now originally, Mr. Speaker, I believe that the savings that the government intended to be able to pass on were based on the fact that commissions would be eliminated and that there would not have been any requirement to pay any of the agents any kind of transitional assistance. Secondly, that savings would have been passed on because there would be lack of advertising. Thirdly, that savings would be passed on because the legal fees would in fact be controlled and would be less. And fourthly, that savings would come because of the sheer efficiency of government. But let's examine the situation, Mr. Speaker. The commissions are now going to be paid to agents, and even though the commission themselves are not exactly as what was originally forecast nevertheless there is still commission to be paid. The transitional assistance that's being offered - and I suggest that it's not as significant as the First Minister and others would like to suggest - that transitional assistance still is a cost which must be borne by the insurance corporation. As far as advertising, Mr. Speaker, all we have to do is examine the amount of advertising that the government insurance is doing right now to know that advertising will not be a saving to the people. And as far as efficiency is concerned we now know that they have had to take two other members, or maybe more, we don't know exactly how many, from other government departments and take them in there because of the sheer mess that exists in trying to put this corporation into operation, and if anyone suggests that the government is going to be able to do it efficiently or not I think they are wrong.

So, let's try and make some comparisons, because I think this is important, between what the government is offering and what private insurance corporations now offer in Manitoba, and let's see what savings have been made; let's see what motivated the government to be able to provide for the people of Manitoba something better than they had before. So I'm going to take two examples, Mr. Speaker, and I'm going to read them into the record. I'm going to compare the private insurance rates with the Manitoba public insurance rates and I'm going to make a comparison of two basic cars that I think probably in number represent a significant percentage of the cars purchased and operating in Manitoba at this period of time. One is a 1970 Chevrolet Belaire and the other is a 1970 Ford Custom and I'm going to compare it for pure pleasure or in to and from work; and I'm going to take the Manitoba Auto Insurance Corporation rates, I'm going to take the rates of Wawanesa, Allstate, Portage and Canadian

(MR. SPIVAK, cont'd.) Indemnity. Now it's interesting to tell you, Mr. Speaker, in advance, and I'm going to compare them - and I must say, Mr. Speaker, that this would involve probably 64 percent, the basic insurance that I'm talking about would involve 64 percent of the insurance sold in this province - and I'm going to make this comparison because I want the Minister of Municipal Affairs to stand up and refute these figures. I don't want him to try go around these figures; I want him to refute these figures; and they're very interesting.

First let's talk about Territory I and Pure Pleasure and let's compare the rates. The government rate for compulsory \$50,000 inclusive basic accident benefit \$200.00 deductible, the government rate is \$84.00. Wawanesa is \$80.00; Allstate is \$74.00; Portage is \$87.00; Canadian Indemnity is \$90.00. The average is 83 but the lowest is 74 as opposed to \$84.00

Let's compare compulsory plus \$100,000 inclusive. Basic accident benefits \$100,000 deductible, collision and glass and full coverage specified: \$104. for the government; \$101. Wawanesa; \$94. Allstate; \$110 Portage; \$116 - Canadian Indemnity.

Let's go down to \$50,000 deductible. \$113. Government: \$106 Wawanesa; \$100 Allstate; \$117 Portage; \$125 Canadian Indemnity, with an average of \$112.00. But in all cases, private insurers were cheaper than the government for the basic and supplementary.

Now let's take Territory II in rural Manitoba: Government, \$50,000 and \$200,000 deductible - \$65.00; Wawanesa \$65.00; Allstate \$61.00; Portage \$62.00; Canadian Indemnity \$72.00.

We go to \$100.00 deductible: \$84 Government; \$82 Wawanesa; \$79 Allstate; \$80 Portage; \$96 - Canadian Indemnity.

We go to \$50.00 deductible: \$93 government; \$90 Wawanesa; \$86 Allstate; \$86 Portage; and \$104 Canadian Indemnity.

Let's look at "to and from work". On a \$50.00 in Territory I in Metropolitan Winnipeg, Government - \$107; Wawanesa \$104; Allstate \$84; Portage \$112; Canadian Indemnity \$115.00

We go to \$100 deductible: Government \$127; Wawanesa \$127; Allstate \$106.00; Portage \$144.00; Canadian Indemnity \$145.00.

We go to \$50.00 deductible: Government \$136.00; Wawanesa \$134.00; Allstate \$113.00; Portage \$155.00; Canadian Indemnity \$157.00.

We look at Territory II in rural Manitoba: Government on \$50.00 deductible - \$75.00; Wawanesa \$74.00; Allstate \$64.00; Portage \$69.00; Canadian Indemnity \$82.00.

We look at \$100 deductible; Government \$94.00; Wawanesa \$92.00; Allstate \$88.00; Portage \$90.00; Canadian Indemnity \$108.00.

And if we look at \$50 deductible; Government \$103.00; Wawanesa \$100.00; Allstate \$95.00; Portage \$97.00; Canadian Indemnity \$118.00.

Well, Mr. Speaker, -- (Interjection) -- there are only two conclusions that I have to draw from this. There are three. First, either the people who advise the government were ignoramuses or the government is made up of a bunch of ignoramuses, or thirdly, and I think those terms are very appropriate because they are in the language of the First Minister - or deliberately, willfully and with full knowledge the government has attempted to mislead the people because from the time that they first started this process to the time that they have produced their rates, Mr. Speaker - from the time that they first started to the time they produced the rates, they have realized that they cannot offer what they first promised and in the attempt to try and confuse and mislead the people and use the public . . .

MR. SPEAKER: Order, please. Point of order - the Honourable Minister of Municipal Affairs.

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

MR. SPEAKER: Order, please. That is not a point of order. Would the Honourable Leader of the Opposition sit down while I indicate the point of order that was raised. This is not a valid point of order. I do think I've indicated that our Rule 40 does indicate that a member should not be interrupted in this manner, that if there is a question if the honourable member wishes to yield he will do so by sitting down. If he doesn't wish to yield he won't sit down and that's his prerogative. Unless there is a valid point of order or a question of privilege, honourable members should not have to interrupt. I would ask all members to co-operate with the Chair in carrying out so that the debate can proceed in an orderly manner.

One other thing I would like to say, that if honourable members who are debating would address their remarks to the Chair so that there will be no provocation and no extension of the heat of debate to others, then we'll be able to proceed in an orderly manner. The Honourable Leader of the Opposition. Order, please.

MR. SPIVAK: Mr. Speaker, I'm going to welcome the opportunity for the members opposite to say that the figures that I presented are not true, because if the figures are not true,

(MR. SPIVAK, cont'd.) then my conclusions are wrong. But, Mr. Speaker, if the figures are correct -- (Interjection) -- I'll submit to the question in the same way as the Member for Inkster submits to a question - at the end, and maybe not at all. I'll follow his procedure.

Mr. Speaker, let me suggest to you I'm prepared to wait - and I will when I conclude my remarks - to listen to the members opposite say specifically that the figures that I've presented are not true and to show me where they're not true. But, Mr. Speaker, if they cannot, then I repeat my charge again, that either through ignorance because they advised on experts who didn't know what they were doing, and who sold them a bill of goods, or in a manner in which they attempted to try and foster something on the people that isn't so, their figures do not bear out their original prediction, because there are no savings. Their savings are not as great as suggested: there is no doubt there is savings for people who are under 25, who are younger people and who are in fact going to be subsidized to an extent by the older people who pay insurance today, with the exception of that category of people, the people of Manitoba are not saving any money, and they know it. And they know it.

Now it's an interesting thing, Mr. Speaker, because of the way in which the basic coverage has been provided and the supplementary -- (Interjection) -- It's not so? Prove it. Prove that the figures that I presented are incorrect. Prove those figures are incorrect, because I'll show you that Wawanesa is cheaper than the government in everything that they are offering. Let me refer back to the statement of the Minister of Municipal Affairs.

MR. SPEAKER: Order, please.

MR. SPIVAK: Auto insurance is one case where elimination of competition on the basic coverage will cut rates drastically. -- (Interjection) -- Yes, well where are they cutting them? They're not even cutting as low as Wawanesa's. Now let me suggest that there's another manner in which they've approached this proposition. The basic rates, the basic coverage to a certain extent has been overpriced and the supplementary coverage has been underpriced. And that's been done deliberately. Because in the plan of the members opposite, they want the phasing out of the agents because they do want to eliminate the agents' commission, because if in fact they have to -- and by the way, Mr. Speaker, the provisions for agents' full commission on the basis of private insurance corporations that I mentioned is indicated here and it should be understood that the agents are receiving full commission on the rates that I've quoted, whereas the agents that are receiving commission from the government are not receiving full commission at all.

Now what has happened is that they have deliberately attempted to underprice the supplementary to ensure that the insurance agents will be wiped out and to ensure that the insurance corporations will be wiped out. And the other interesting factor is that of course the majority in Manitoba will not be able to get as good a coverage as they have now, because it's not likely that anybody is going to be selling \$25.00 deductible under this scheme and half the people who purchase the additional supplementary coverage over and above the basic do in fact come down to \$25.00 deductible, and that's not offered by the government nor will it be offered by the private insurance companies in Manitoba -- (Interjection) -- I said half. -- (Interjection) -- Well I'm way out. Okay. Is that right? -- (Interjection) -- You stand up and quote me the figures that say that this is wrong. You quote these figures that are wrong. You tell me that these figures are wrong. I don't think you could tell me these figures are wrong. I think you can draw any conclusion you want but you're not going to tell me that there are companies that are not going to be selling less than the present government auto insurance rates -- (Interjection) -- later. Later.

MR. SPEAKER: Order.

MR. SPIVAK: It's interesting that the First Minister in one of his many statements on auto insurance, its benefits and the rates that will be offered to the people, on April 1st, made the following statement: "I have stated that we are confident that the rates will save a vast majority of Manitobans a significant amount of money in their auto insurance." -- (Interjection) -- Well "hear, hear" - that's interesting. If I thought that you knew anything about those rates you know, I may be prepared to accept it. But you don't know anything about it, the Premier doesn't know anything about it and I don't think anybody else there really knows anything about it. -- (Interjection) -- That's right.

MR. SPEAKER: Order, please. I should like to indicate to the Honourable Leader of the Opposition that he's entitled to have a wide ranging debate but I do believe when he makes

(MR. SPEAKER, cont'd.) his debate on a personal basis that he is getting into an area which will create heat. I would ask him once again to address his remarks to the Chair, not to anyone in particular. The Honourable Leader of the Opposition.

MR. SPIVAK: Let me repeat the First Minister's statement, Mr. Speaker: "I stated that we are confident that the rates will save the vast majority of Manitobans a significant amount of money on their auto insurance, and when we predict the savings we are confident that the savings will occur in whatever level of coverage a motorist chooses. The point cannot be overemphasized."

Mr. Speaker, I must say that this is a very misleading statement on the part of the Premier. It's not borne out by the information supplied by the Auto Corporation and because the Premier keeps insisting that it is because he says that that's so, doesn't make it so. One of the things at one time that the Premier is going to have to do and the members on the opposite are going to have to do is prove it to the people, and I suggest to you, Mr. Speaker, at this time, the people who have now looked at their insurance rates and have looked at what the government has offered, know now that they're going to be paying more and that the savings that were suggested by the government are not going to be forthcoming.

Now, the interesting part about this, Mr. Speaker, is that it now leads to another conclusion. If in fact the government does not have rates that are really less than the private insurance companies, why don't they compete? If in fact they are sure that they are -- I suggest to you that the rates are not the same; I suggest that the private companies are lower - but if the government is so sure that their rates are lower, let them compete. Let the Government Auto Insurance Corporation offer its package, let it offer its package through the government service, through the computers that they have and through all the savings of economy and efficiency that will come through the use of the government bureaucracy and machinery, let them offer it to them on the licenses or at the time the licenses can be paid for by the people of Manitoba by mailing directly to them and let the private insurance companies, those people and those agents who have fought the government plan, let them go out and try to get the individual to buy their policy. Mr. Speaker, if the government did that, they would find to their shock and dismay that people would look for the best bargain that they could get and the best bargain they could get would be from the private insurance companies and not from the government. The government is not efficient in what it's operating and obviously at the time that they proposed this didn't understand fully or comprehend the nature of the auto insurance industry. It's pretty obvious Mr. Blackburn was way out in his calculations and in his proposal; it's obvious as well that Mr. Blackburn will be way out of Manitoba pretty soon in any case. And for that reason, Mr. Speaker, there is an obligation - if in fact the government is interested in providing a saving for the people to offer the best savings by allowing the private insurance companies to compete with the Government Auto Insurance Corporation. Because I suggest to you out of this you will find the best savings for the people of Manitoba; you will find it because (a) the government will have to be sharp - and I don't think that these figures really represent figures that would show that the government's been pretty sharp at this point. I think the government would have to be sharp in its competition; I think the insurance companies would have to be sharp in its competition and is one way of resolving a problem that I think can be simply stated, that the government for reasons best known to itself - and I've tried to deal with them in the past in debates in this House - have entered the auto insurance business without really knowing what the ultimate end would be, have now found themselves in a position of a point of no return and therefore have had to affect and deeply affect many people in the Province of Manitoba whose lives have been touched by their actions and they cannot justify it on any economic ground or even on any philosophical ground. There may be a couple within the backbenches of the Caucus who may be able to justify it, but the Premier in all consciousness can't justify it, not on the basis of his presentation.

Mr. Speaker, I don't have the statement of the Minister of Industry and Commerce in front of me but I remember that statement very well. This is the statement the Minister presented to Mr. James Richardson, the Honourable James Richardson at the time the Air Canada Policy Committee met in the Fort Garry. At that time, he read a statement from the Province, which indicated our concern for the employees of CAE who had lost their jobs. And I'd like to paraphrase that statement. I don't have the exact wording and possibly the Minister of Industry and Commerce will enter into it because I think his statement supports my statement when I addressed it to the First Minister and the other members opposite. In that statement he said -

(MR. SPIVAK, cont'd.) "you know, look what's happened with CAE. The people have lost their jobs. They got mortgages to pay, they have to buy food for their families, they have to be able to pay their indebtedness, they have to be able to carry on making a living and look what the government policy has done. It's affected those lives and there should be some undertaking on the part of the Federal Government to be concerned about these people." That was the sum and substance toward the end of that presentation by the Minister of Industry and Commerce.

Let's apply the Minister of Industry and Commerce logic, because there cannot be a double standard - and this is one of the problems of the members opposite, they have a double standard. There cannot be a double standard in this particular situation. You cannot go to the Federal Government and make this kind of plea for the employees of CAE and then in all conscience support the kind of program and activity that they've conducted with respect to the agents in this province, because in effect the agents are the same kind of people. They have mortgage payments to pay, they have bank payments to pay, they had some right to expect in this society that the living that they had developed would continue; that there wouldn't be an arbitrary government action which would be undertaken without some real economic justification - and I suggest to you here, Mr. Speaker, that there is no economic justification and everything that has been offered by the government is a real pittance - and that's all it is. It's a token effort on the part of the government to try and satisfy its own conscience. Not satisfy the agents, but satisfy its own conscience. There are some members on the opposite side who have a conscience and they have difficulty in reconciling what they've done, so they've attempted to do it in this way and they've rationalized it and they've insulated themselves from the people who have been really affected by their action. But their actions can't be justified and there is no proof in the figures that they've presented which in any way justifies the course that they undertook and the manner and the mean - essentially mean way in which they've treated the agents and still continue to treat them, both in the nature of commission that's offered - because it's obvious Mr. Speaker, if they had to offer them the kind of commission that was first understood would be paid to them, my God, the rates would have been even higher and competition would have been more severe and the differences, at least, between what other companies offered and what the government offers would have become even clearer.

They've tried to fuzz this up as best they can to try and confuse the people and hope that the confusion will reign, the inevitability of the act, because they have a majority, will suffice. But the truth of the matter is, Mr. Speaker, while they've tried to insulate themselves from the realities and the compassion that was really required of this situation, nevertheless, they have tried in a very minor way to satisfy those people whose lives they've affected and affected very deeply as a result of the course of their actions.

Now, Mr. Speaker, there's a great temptation to read once again the remarks of the First Minister with respect to Southern Indian Lake. I think you recall those remarks, Mr. Speaker. In those remarks the First Minister indicated - I thought I had them with me, Mr. Speaker, but I do not - he indicated at that time that how could we affect the lives of 700 people in Southern Indian Lake for a slight financial gain - I think I'm paraphrasing correctly - for a slight financial gain. And he expressed basically a sense of concern, a feeling of compassion, for people who were affected by the course of action of government. Mr. Speaker, those words, and we've read them over before in this House, apply as well. How can you justify what has been undertaken by the government and the effect that they've had on so many people, for a slight financial gain.

First of all, Mr. Speaker, there is no financial gain. That's number one. Secondly, the effect on the lives of the people by an action of government is something that I don't think necessarily can be compensated fully by the payment by government of a sum of money for the expropriation of their living at the time. But at the same time, if we are to be fair about it, Mr. Speaker, that expropriation should be judged, not by the government of the day whose concern is for the sheer urgency of the matter in front of them, but that should be judged by someone who is far more impartial than they are to be able to determine legitimately what really should be offered to the agents. Because in effect, while there is a transitional board . . . the rule, the way in which it is going to operate does not, I believe, take into consideration the fairness with which these people should have been dealt with. And I suggest, Mr. Speaker, that in this particular situation, as in so many others, the Premier has not exemplified the kind of leadership that should have been exemplified. First, he gave in to those people who pressured him to go with a government plan when he himself did not know at the time what the plan would offer, and he's stuck with it.

MR. SPEAKER: Order, please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, my point of privilege is that the Leader of the Opposition surely cannot rise in his place and make a statement presuming to say what policy decision or course of action I followed. He is not in a position to know and in this case he happens to be quite inaccurate.

MR. SPEAKER: The point is well taken. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, it is my belief that the First Minister did not know the financial facts at the time that the decision was made, and I suggest that if the First Minister says he knows the financial facts he'll have ample opportunity to stand up and say that I am wrong. I suggest to you, as well, that there was pressure by a number of people, there's no doubt of that, to try and proceed with this, and I think that the quality of leadership that was needed at this time was to determine realistically where the government was going and what likely savings were in fact going to be provided for the people before any action was undertaken. And I do not know, in fact there is no evidence to suggest, that the government had this information; because if it did, and what it's produced is obviously higher than what private industry offers today. That's number one. -- (Interjection) --

Well, it's false. Now again you will have to go over the example. Do you want to cite other examples? Do you want cite a particular car to me and then we'll go through this and look at the government's plan. And the same risk - yes the same risk exactly. Wawanesa, Allstate, Portage . . .

MR. SPEAKER: Order, please. Would the honourable member direct his remarks to the Chair.

MR. SPIVAK: I think, you know, Mr. Speaker, it may be an important exercise and I certainly would be prepared and hope that when we get to the Committee stage the government is going to be prepared to have its experts present and we're going to have their rates and we'll go car by car, make by make, year by year and we're going to look at the comparison and we'll be able to determine what the government offered and what the other insurance companies offer. And I will show you, Mr. Speaker, that in almost all cases there will be private insurance companies that will be offering less than the present government offers in its rates. -- (Interjection) -- beg pardon? not in Taiwan; in Manitoba. Now it's interesting the Minister without Portfolio should make a statement, I don't think he's ever looked at a rate book. And I don't think very many people on the opposite side have and I'm suggesting, Mr. Speaker, that the rates will show that private companies will beat the Manitoba Auto Insurance Corporation in almost all cases, in almost all cases, and I make that statement and I suggest that if my statement is challenged that the government produce their people at Law Amendments or Public Utilities, whatever committee deals with it, and give us a chance and we'll mill over it car by car, year by year model.

But the failure in your leadership was not only in that respect, Mr. Speaker, the failure in leadership was not to understand the significance of the impact on the people who were, in fact the agents in this Province who were not the big insurance corporations that many people on the opposite side would like a little bit of revenge on. And, Mr. Speaker, the failure in leadership at that point was not to construct a transitional system and to provide some kind of arrangement which would realistically provide the agent with some substitution or real compensation for the loss that they have taken as a result of the government entering this field, in entering this field without knowing frankly what it was doing.

So, Mr. Speaker, I find it difficult to support the amendment at this particular time because the amendments are to an Act which should never have been passed in this House but which bear some matters that should have been passed in this House. Mr. Speaker, there is no doubt that the savings to the people of Manitoba could have been provided had the government been prepared to regulate the control of selling price, to have introduced a no-fault system and to in turn, provided that auto insurance was compulsory for all Manitobans. Had this been provided, the same savings -- well, as a matter of fact there are no savings, but at least the protection for the people would at least have been given so that in the years to come the -- by controlling the selling price, Mr. Speaker, invested income could have been included in that area, so that in years to come the insurance companies would have not been able to raise the rates in this province without an independent body reviewing it and being able to base it on their experience and on their cost and being able to make the adjustments accordingly. Had they done this, the government would have provided the protection for the people and at the

(MR. SPIVAK, cont'd.) same time would have allowed the agents of this province to continue on in the manner that they had before and would have given them the opportunity to carry on a living in their chosen profession. I would suggest as well that had the government undertaken this it would have at least restored, or brought back the degree of confidence that was necessary and is necessary if private industry is going to develop and flourish in this province. By the government tampering in this area, without any knowledge of where it was going, having now produced figures that cannot stand up, how can anyone really have any confidence in dealing with a government that appears to be prepared to proceed at any cost in carrying out its function without in any way having any knowledge of where it is going; and although the government has attempted to try and show compassion to the agent in its program - and I say a sort of a token effort on their part - they have not in any way, and they cannot show compassion to the literally hundreds of employees who have lost their jobs as a result of the insurance corporations leaving this Province - and they are not just auto insurance corporations, the general insurance corporations who have left this province directly as a result of the act of the government. I suggest to you, Mr. Speaker, that there will be an accounting and the accounting will come soon. And, Mr. Speaker, I suggest as well to the members on the opposite side who believe and still think that they are offering cheaper insurance to the people of Manitoba - you are not going to fool the people of Manitoba.

INTRODUCTION OF GUESTS (Cont'd.)

MR. SPEAKER: Order, please. Before we proceed I should like to direct the attention of the Honourable Members to the Gallery where we have some 42 students of the New Rosedale School Hutterite Colony under the direction of Mr. Tonn and Mrs. Neufeld. This school is located in the constituency of the Honourable Member for Portage la Prairie. These students are from Grade I to Grade 8 standing. On behalf of all Honourable Members I welcome you here today.

GOVERNMENT BILLS (Cont'd.)

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I understand that someone on this side wishes to ask questions.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Would the honourable member submit to a question? Would the honourable member indicate to me which classification he used in order to arrive at the rates that he used for the various private companies that he made reference to.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Class 023 and Class 013.

MR. PAWLEY: Would the honourable member indicate whether he used 1971 rate or 1972 rates.

MR. SPIVAK: They were 1971 rates, and I think 1972 rates are the same.

MR. PAWLEY: Would the honourable member indicate to the House, because he stated that the commissions were included, what the commission for Allstate policies are which are among his lowest.

MR. SPIVAK: Commissions were included where the commissions are paid.

MR. SPEAKER: Order, please. Order, please. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: The honourable member stated the commission, repeated that the commission was included. My question is: what is the precise commission that Allstate pays to its agents.

MR. SPIVAK: Mr. Speaker, I would hope that the Honourable Minister of Municipal Affairs - I'm going to ask the question . . .

MR. SPEAKER: Order! The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I would hope that the Honourable Minister of Municipal Affairs would be prepared to bring the directors and the chairman of the Manitoba Auto Insurance Corporation . . . Mr. Speaker, I think this is extremely important . . . I would think it would be very important . . . I'll answer the question and I'm not, I'm not limited. I'm not being cross-examined at this time . . .

MR. SPEAKER: Order, please. Order, please. I should like to indicate to all our

(MR. SPEAKER, cont'd.) honourable members that there is no compulsion on a member to answer a question and if he does so he answers it in his own way to his own ability and there is no - order, please - and there is no need for other members of the House to demand a precise answer. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I think this is extremely important, and I sort of welcome the opportunity to get the Minister of Municipal Affairs represented by his question. I would hope that he would bring the directors of the Manitoba Auto Corporation and its chairman and their rate book and I would hope that the Committee would have an opportunity to look in detail, as I have indicated, at every item so that, Mr. Speaker . . .

MR. SPEAKER: Order. Point of order. The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, I am under the impression that the honourable member concluded his address and then agreed to submit to questions. He was asked a number of specific questions which he answered. He was then asked another question and he then proceeded to make a speech indicating, I believe, that he was not going to answer the question. Now, Mr. Speaker, I agree with your ruling that he is not bound to answer the question, but I would also say that if he does not wish to answer the question he should not be taking the advantage of an opportunity to make another speech. In other words, you are quite right in saying we can't demand an answer, but by the same token he can't assert the right to make a speech.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: . . . the same point of order. I think the assumption being made by the Minister of Finance is erroneous when he attempts to suggest or define what is and what is not an answer to the question. A specific question was asked by the Minister of Municipal Affairs with respect to commission rates which were included, which were not included, or how they were included . . . and the Leader was prepared to answer.

MR. SPEAKER: Order! The honourable member, too, is starting to debate the question on the point of order. I should like to indicate, as I did earlier, that questions may be asked, answers may be submitted, but as everyone is aware, questions have to be relevant to the debate that took place and the answers in the same manner must relate to the question and not to broaden the scope of the debate. I would beg and ask all honourable members to co-operate in this fashion. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Would the honourable member answer another question? Would the honourable member indicate to the -- (Interjection) -- pardon?

MR. SPEAKER: The honourable member indicates he is not answering any more questions. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I think it is just as well that the Honourable Leader of the Opposition desists from trying to answer any more questions because his answers merely display his ignorance of the subject matter before us.

I would begin by saying that the Honourable Leader of the Opposition takes it upon himself to offer me advice and, of course, that is very kind of him, I thank him for that. It is one of the functions of the Leader of the Opposition to offer advice to members of the treasury benches on this side. Unfortunately, the kind of advice we get from the Honourable Leader of the Opposition usually isn't worth very much. He indicates somehow some failing of leadership on my part because, I suppose because we decided to go into public auto insurance in the first place, and then implies that this failing of leadership on my part is obvious because it proved to be a controversial matter.

Mr. Speaker, of course the program is controversial and the legislative history of this program has been controversial, I readily admit. But then, Mr. Speaker, I always thought that one of the important functions and responsibilities of government was to proceed with programs that it felt to be in the public interest, even though these may very well be controversial. I'm not implying that there was no aspect of the public auto insurance program that I was completely happy with at all times, but insofar as the basic concept is concerned I have always for a long time, consistently and now, indicated my complete support for the concept of public auto insurance. No question about that whatsoever.

INTRODUCTION OF GUESTS (Cont'd.)

MR. SPEAKER: I would beg the indulgence of the Honourable First Minister to introduce some guests we have in the gallery before he gets into his debate.

(MR. SPEAKER, cont'd.)

There are 24 students of the Fisher River and Peguis Indian Reserve of Grade 10 standing in the gallery. They are under the direction of Mr. Jackson and Miss Kaprowy. This school is located in the constituency of the Honourable Member for Rupertsland. On behalf of all Honourable Members I welcome you here today.

GOVERNMENT BILLS (Cont'd.)

MR. SPEAKER: The Honourable First Minister. Point of Order. The Honourable Member for The Pas.

MR. RON McBRYDE (The Pas): Mr. Speaker, on a point of order. This school is located in the constituency of the Honourable Member for The Pas.

MR. SPEAKER: I am sorry. I accept that, the note to me said "Rupertsland". The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, whether the class be from Rupertsland or The Pas, I'm sure that they realize that they are well represented in this House.

I come now to the . . . to say that the advice that the Honourable Leader of the Opposition would presume to give. I wonder in what sense it is offered, because if he is offering legal advice I have to say to him that I really can't accept his legal advice inasmuch as he has never practiced law, to my knowledge. If he presumes to offer advice as a parliamentarian, I tell him that I can hardly accept his advice since his career in parliament is about one-third that of mine. If he would presume to offer advice to me as Premier, I can't accept that either because he has never been premier. And if he would presume to give advice as a Minister of the Cabinet - which position he did fill for three years - I must say to him that I would be most reluctant to accept his advice in that respect as well because it is precisely in that department that we have inherited the greatest legacy of problems; problems, Mr. Speaker, which we are still having difficulty in solving and sorting out in which he had more than a little bit to do in causing in the first place.

But be that as it may, with respect to the honourable gentleman's understanding of auto insurance I must say that I in a sense envy my colleague the Minister of Municipal Affairs when he gets up to deal with the specific points that the Honourable Leader of the Opposition made this afternoon because I fully expect that the Minister of Municipal Affairs will be able to show how in almost every respect there has been either misunderstanding or grievous and great distortion in the remarks of the Honourable Member this afternoon.

Now, to begin with, the Honourable Leader of the Opposition, he selects four rates of private companies, compares them with the Public Auto Insurance published rates and would have us believe that the private rates are lower than the Public Auto Insurance Corporation rates; when the fact of the matter is, Mr. Speaker, that out of however many insurance companies that are operating in the province, that he has been able to find one, possibly two companies that have a published rate that is less than the Public Auto Insurance rate is. But, Mr. Speaker, even that, even that concession is not accurate because, and it is important to point out, the Honourable Leader of the Opposition was using '70-71 rates, and comparing them with what will be in effect '71-72 rates. And, Mr. Speaker, right there the Honourable Leader of the Opposition should blush with embarrassment but I see that he is hardly capable of recognizing accuracy when it stares him in the face.

But I go beyond that, Mr. Speaker, to say that how do you make this kind of comparison, that if there are ten companies that are underwriting insurance, and if those ten companies, none of the ten or eight of the ten which, shall we say, write 80 or 85 percent of the business, charge a rate that is higher than what we publish and one company or two at most out of the ten charge a rate that is marginally lower, do you conclude from that, does any reasonable person deduce from that that private auto insurance rates are lower? And yet that is exactly what the Honourable Leader of the Opposition tried to do this afternoon; distortion of a kind that should just embarrass my honourable friend, but he is incapable of embarrassment as his performance in this House here last session during the insurance controversy proved. He says that you cannot fool the people. Mr. Speaker, I heartily concur, and that is the reason why I am serenely confident as to how will come out with plausibility in the eyes of the people with respect to the public issue.

The jurisdiction which has implemented public auto insurance had a change of government a few years ago. The new government didn't see fit to abandon the public auto insurance program, and for all I know it wasn't an issue in this last election and the government initially

(MR. SCHREYER cont'd) introduced that program has been overwhelmingly returned to office. My honourable friends, if they are itching for a fight, we'll take them on. The election campaign of 1973 isn't all that far away; we'll take them on and let us all look with interest to what the results may be.

He says that there is no substantial or significant saving. He makes two quotations from the speeches that were made by my colleague, the Minister of Municipal Affairs and myself; two in particular that I am rather thankful to the honourable member for having quoted again. My first statement to the effect that, as I've often said, I readily admit, and I say again that in its aggregate of its operation savings should amount to something in the order of 15 percent, as compared to what would be paid under a private auto insurance system. I certainly have said that and I say it again; I said it both at the prospect of the operations as planned and I say it in retrospect: I'm confident I will be able to save in retrospect with a year or two or three or more years of operation.

And a second statement that I made which he quoted this afternoon which I admit is true, which I heartily repeat again; and that is that a vast majority, perhaps not all, but a vast majority of motorists in Manitoba will realize significant savings from what they've been paying in the past. If the honourable member wants me to quantify just what I mean by a vast majority I would say that in the order of 80 percent and higher, of the motorists will realize a saving in the premium they have paid as compared to the premium they have paid in the past. This is on a projection, of course, but what one must bear in mind is that you do not compare, Mr. Speaker, one simply does not compare 1970 rates with '72 rates and try to deduce anything from it if the figures for the '72 seem to be marginally higher in one or two cases out of ten; can you conclude from that, Sir, that it means that one program is not performing the way we said it would perform. How would any private company in the field like to have its 1969 rates compared with another company's '71 rates? They would say that this is not only unfair, it is blatantly stupid. That is exactly what the Honourable Leader of the Opposition did this afternoon - unbeknownst to him perhaps but that is what he did, and I wonder what excuse there can be for that.

He talks about a pittance, a pittance that we have offered in the way of transitional assistance and in the arrangements that we are prepared to enter into with respect to the agents that will write public auto insurance. We're back on that question again, Mr. Speaker, as we were last session, and I say to my honourable friend that of course any government that wants to be known as having a conscience has to take into account the effect of its programs and legislation, not just in the public interest but with respect to those who are most directly and intensely affected, and this government did take it into account to a degree far greater than previous administrations have done in circumstances where they have brought in some reform of one kind or another.

Of course the easiest way, Mr. Speaker, to deal with this problem of dislocation is to simply conduct a government that doesn't touch anything that is reform or that is controversial but simply carry forward with programs that is so widely accepted that no one will complain. You see, Mr. Speaker, I don't know if it's generally realized but the previous administration concentrated on two things; they concentrated on building schools and building roads. Mr. Speaker, any government can concentrate on building schools and roads when both have no controversy surrounding -- I mean who is opposed to building more roads, who is opposed to building more schools? No one. This government is building more roads and building more schools. But when it came to anything else that was important, anything else that could have really meant something to the large majority of the people in the province, that could have meant something to those on lower income, the previous government was dead from the waist up. They brought in social allowance and medicare; they brought in medicare despite their objection, kicking and screaming, that's how they brought in medicare and let them pretend otherwise; they know that, they know that.

They improved social allowances. Well, I'll tell you, Mr. Speaker, they improved social allowances because the Government of Canada introduced Canada Assistance Plan, paid 50 percent of the shot, brought in the regulations, the province's social workers gave the advice and so they proceeded with social allowances, but not so that this was in any way a major deeply felt policy prediction on their part. -- (Interjection) -- Who did? Well, of course we did; we're quite happy to have done so. In fact not only did we vote for it, Mr. Speaker, I would say to my honourable friend from Souris-Killarney that my colleague the Minister of Labour

(MR. SCHREYER cont'd) and others who were in the House at that time not only voted for it, they were the ones that had fought for it. Incredible reasoning on the part of my honourable friends opposite. -- (Interjections)--

Schools and roads- schools and roads. Well, Mr. Speaker, I can assure my honourable friends that this administration is quite capable of building schools and roads and we will build as many schools and roads as they would probably want us to build; but then there is much more to a well rounded government program besides schools and roads. Public auto insurance is one very definite and very obvious example. Of course whenever you undertake anything, Mr. Speaker, one does encounter difficulties in the practical carrying out thereof and so we have in this case, there's no question of that and we do not try to hide that fact; but we have over the course of months made tremendous progress in making the administrative arrangements that are necessary and in detail; we have done so and are continuing to carry this out, so that by November 1, 1971 the program will be in operation despite the frantic efforts of my honourable friends opposite, and in particular the rather frantic efforts to distort on the part of the Leader of the Opposition.

A pittance, he says, a pittance; when the fact of the matter is that there have been some programs in the past -- let's see if we can think of some, Mr. Speaker, where governments have introduced some change which had a dislocating effect on those directly involved when that service or program was being operated under the aegis of private enterprise. And what kind of compensatory or transitional assistance arrangements did previous governments make, either here or at the federal level? One is really hard-pressed, Mr. Speaker, to find any examples; I can think of one or two - in the whole history of our country one or two; that for the most part dislocation comes as a by-product of public programming in the public interest the majority is aware of and endorses subsequently. I'm not aware of any systematic program of transitional assistance until this one came in. -- (Interjection) -- If my honourable friend the Member for Sturgeon Creek would just pause and ponder a little bit he would know that oftentimes there is a dislocative effect caused to an individual or a group of individuals as a direct product, as a direct result of action undertaken by the Crown or by the government as the case may be in other countries. I think, for example -- I gave these examples last year but apparently it is necessary to repeat some of them again. That when a whole row of operators of motels and hotels are forced into receivership and bankruptcy because a state or interprovincial highway route is rerouted - any kind of transitional assistance? -- forget it. No government that I know of has made provisions for this kind of thing, including here in the Province of Manitoba. And when in the 1930s our friends who operate the line elevators, the country elevators, were required to give up the way in which they were operating the country elevator system, the Canadian Wheat Board was brought into operation back in the late 1930s, or as a result of the inception of the Canadian Wheat Board system was there any kind of transitional assistance to the line elevator companies? Not a cent. Not a cent. -- (Interjection) -- They've operated, they've operated at -- some of those that were operating then are operating today but many of those who were are not operating today - and my honourable friend from Souris shouldn't pretend otherwise.

Similarly, when elevator companies consolidate the number of country elevators in the province or in the prairie region, a number of elevator agents no longer have an elevator to be agent of. Any systematic program? - perhaps some beneficence from the elevator company, but no formal program of transitional assistance.

The Federal Government, the Government of Canada back in the 1960s did have the enlightened -- the enlightenment rather, Sir, to proceed with a program of transitional assistance, both by way of direct payment on a formula basis to the individuals and on a loan basis to certain of the companies that had been involved in the manufacturing of auto repair parts. Our transitional assistance program is modelled in many ways on that and in certain respects, if anything, more generous. We really believe that all or almost all of the agents who depended heavily on auto insurance sales for their income that all or almost all of these will be accommodated to a very significant degree under the program that we have worked out.

Mr. Speaker, I think some insurance agents realize this and recognize this, but there are some who have not, either because they are considering this entire matter entirely from the vantage point of personal self-interest, but I mean personal self-interest exclusively and exclusive of the public interest, and there are some who do that; and there are some as well who are opposing this public auto insurance program for ideological reasons; they have the

(MR. SCHREYER cont'd) conviction that private enterprise is on the altar to be worshipped before -- well, that's their privilege, that's their right; but certainly it does not impress us when insurance agent spokesmen -- not all insurance agents by any means -- but when insurance agent spokesmen one year talked about the great benefits and the great logic and value of competitive enterprise, and then in a subsequent year asked that their clientele and customers be required by law to be captive to them. Unless my honourable friends opposite aren't aware of what I'm referring to we can certainly edify them very quickly. We have correspondence to show that the very people who were talking about the value and the unassailability of competitive enterprise, some of those very spokesmen were the ones responsible for a letter asking that the government by law make their customers captive to them. Mr. Speaker, I think that that in itself should be an indication that there was more than consideration of public interest in the minds of at least some of the spokesmen for the agents' association, for the agents; and I'm quite confident that that point of view is not shared by all that many agents.

So when my honourable friend opposite talks about a pittance I would like him to show what it is a pittance in relation to; what does he compare this with -- if he can show any examples where important government programs that were brought in had a dislocative effect or programs or reorganization brought in by private enterprise as often happens, has a dislocative effect, rationalization because of new technology, new methods of transportation, of manufacture, when there is a rationalization program undertaken, what kind of transitional assistance does the private sector provide in a systematic way? Except for a few companies that are, you might say, to be held up as models to the rest of the economy, there hasn't been that many examples coming forward from the private sector or for that matter even from government in the past respecting this question of easing individuals through a period of transition and change.

And so I conclude, Mr. Speaker, by saying that to me it is possible to say that the statement made, the speech made by the Leader of the Opposition this afternoon is a speech that is characterized by distortion throughout, inaccurate in almost every respect, dishonest in what it attempts to compare, and shows the total, not only lack of sympathy for, which is understandable, but the total ignorance as well, of honourable members opposite in respect to the problems of automobile insurance. And in the end the Honourable Leader of the Opposition -- however, in the end he is quite right, people cannot be fooled and so we will soon see, in a matter of months and at most a few years, we will see whether or not the two basic statements we have made are true or not and that is: Will the operation of this program result in aggregate, in its aggregate, in savings in the order of 15 percent; and also will a majority of Manitobans realize savings in comparison to what they are required to pay under the private operation -- the existing private arrangements. And I repeat, Mr. Chairman, that we are not only confident, but we are very confident as to the outcome of that.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, as my leader indicated, this is a year from last year, and listening to the First Minister, you know, one would think that we're right back at last year. I am of course both happy and disappointed and dismayed by the First Minister's remarks. Happy because I have had some difficulty, as we have all had from time to time, in attempting to maintain within the more stricter enforcement of the House rules that you sometimes apply on us, Mr. Speaker, but being able to follow the First Minister's rambling discussion about the political policies of that whole government, the Medicare debate, the things that his colleagues the Minister of Labour and the Minister of Finance did while they were in Opposition fighting for social services programs, and indeed congratulating schools who are in the gallery of their political choice and having a particular member that they have, and I'm sure, Mr. Speaker, that you would be most lenient towards me in a few remarks that I have with respect to this bill and allow me similar latitude and gambit in speaking to the point of the matter and to the principle of the matter at all times, but much in a vein that the First Minister just indicated that is acceptable and allowable in this House. That made me happy about his remarks. What made me unhappy about his remarks is the all too familiar pattern that we have from that side expressed in a somewhat more acceptable manner but no less despicable, that when not prepared to deal in fact and figures, then discredit, call us pimps, call us whores, call us prostitutes, call us anything out of the book, and that's the way you start off, the kind of . . .

MR. SPEAKER: Order, please. I would ask the honourable member that I'm certain he wouldn't want to create heat in debate in this House; I am certain that the honourable member wants decorum maintained in debate and I'm also certain that he didn't want to infer what his words were implying, that he should choose them a little more carefully. The Honourable

(MR. SPEAKER cont'd) Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, I think by any reasonable reading of Hansard in the last little while, I'm using merely the kind of language that has become acceptable and expected in this House. What the First Minister did, in fact, specifically to the speaker that he was addressing himself to, was to question his legal ability, the fact that he may not hire him as a lawyer; to question his honesty; to question a whole wide range of personal characteristics, which again, as I say, we have become accustomed to. I won't repeat the other things that we've been called in the opposition but that seems to be the general opening line approach and, Mr. Speaker . . .

MR. SPEAKER: The Honourable First Minister on a point of order.

MR. SCHREYER: My point of order, Mr. Speaker, is that either remarks I made were an infringement on the rules of this House or they weren't and I don't recall that anyone challenged my remarks at the time, but even so, Mr. Speaker, if the Honourable Member for Lakeside is trying to imply that my remarks were somehow constituting a matter of privilege to the Leader of the Opposition, then let him state specifically just what those remarks were rather than simply carry on with the insinuations that they were.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on the same point of order and with the same relevance, I'd like to tell the First Minister I would not want him as a client.

MR. SPEAKER: Order, please. Do you want to speak to the point of order? The Honourable Member for Lakeside.

MR. ENNS: Well, really, I don't think a point of order exists, Mr. Speaker. I could clarify . . .

MR. SPEAKER: Order, please. That is the second reflection on the Chair the honourable member has made. I overlooked the other one first. -- (Interjection) -- Order. There is no point of order when the Speaker is trying to make a ruling or stating what has occurred. As I've said, I thought it was the second reflection upon the office of the Speaker and I am trying to indicate that I want to give all members, for the sake of democracy - and this is what this House represents - as wide a latitude in debate as possible, and unless there's a definite and intended aspersion or reflection, I tend to give the benefit of the doubt to the debater. I would agree with the First Minister that if the honourable member is inferring, he should not infer, he should make his specific remarks and indicate what took place so that it can be adjudicated as to whether it was or was not out of order. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I certainly want to carry on with your general tenor that you set for the House and only indicate to you, Sir, that there was certainly no implication made with respect to yourself, Sir. The implication was to the First Minister when he deemed that there was a point of privilege that I was perhaps evoking with respect to my leader. Well, he calls my leader in terms of what kind of a lawyer he is or isn't, that's entirely his business, and I would never constitute that a matter of a point of privilege.

MR. SPEAKER: Order. A point of order by the Minister of Labour.

MR. PAULLEY: I appreciate, Sir, the difficulty that you are having with the Honourable Member for Lakeside, but I desire to draw to his attention that my point of order is that the matter under discussion is Bill No. 52, a matter dealing with the Automobile Insurance Act, and not as to whether or not a point of privilege arose insofar as the remarks of my honourable friend the First Minister or the previous Minister of Industry and Commerce. It is a well-known fact that when a point of privilege is raised it should be raised immediately and by the party aggrieved, who was, if anyone was aggrieved, the Honourable Leader of the Opposition. Now my point of order, Mr. Speaker, is simply that since my honourable friend the Member for Lakeside commenced to participate in the debate, he has not referred once to Bill 52, An Act to Amend The Automobile Insurance Act.

MR. SPEAKER: Order, please. I would agree with the Honourable Minister of Labour that he has a point of order, and I would suggest to the House and to all members who are going to participate in debate that they take note of this point of order. It is well taken. One other thing I should like to suggest is that when points of order are to be made they are to be made as briefly as possible. The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Speaker, another particular comment that the Minister or the First Minister made that was alluded to by my leader in his speech, one which he did not read into the record, was that we may ultimately be proven wrong but I doubt it very much - and

(MR. ENNS cont'd) that was in direct reference to the rates and the availability of presenting a savings to the people of Manitoba. Mr. Speaker, the Leader of the Opposition has admittedly taken instances, hasn't in any way attempted to portray them as being general and all-inclusive, but these were specific instances covering many many cars, very popular makes of cars, and did not, as the First Minister attempted to distort, did not suggest that in all cases, as the First Minister said, the private industry rates were equal or were lower; not at all. I think he went out of his way to read a fair representative of rates which showed them higher, equal and lower, but did make the statement that in each of the instances that he had before him there was a private insurance company offering similar insurance on that specific vehicle at a lower rate. And that really, Mr. Speaker, was what the Leader of the Opposition was saying.

He was also very happy to say that we look forward to allowing the opportunity to present itself where the Minister of Municipal Affairs, along with whoever he chooses to be with him - hopefully the directors of Autopac along with the General Manager- to do what some thought would be too much of a detail here in the House, but compare car by car, auto by auto, territory by territory, vehicle by vehicle.

Now, Mr. Speaker, there is no question that there are - and I think the Leader of the Opposition made it very plain - there were specific areas, where there is also subsidization by others, that rates were lower, and that particular area comes to mind without any great amount of thinking, namely the young driver, the young driver that has been to some extent penalized but also by far the greater contributor to automobile insurance costs not only in this province but anywhere, as a seemingly natural hazard to the business of marrying up responsibility with the management of an automobile.

But what I am concerned about, and what really brought me to my feet at this particular time, was that we had so much of this kind of a debate last year, the last session, that I would have hoped that by the relatively minor amendment to the Act that is before us - and of course an opportunity, as the Leader of the Opposition indicated, all parliamentary tradition allows us or certainly gives us every right and opportunity to discuss the whole matter of auto insurance insofar as that the Act is being opened up - that we really don't need to go through that particular exercise nor do we desire or want to, but the simple message that the Leader of the Opposition was attempting to portray, which is suitably ignored by the government, is the word "compete." We are prepared and we accept the realities of the day that Autopac is there and that your government is there. What we have attempted to point out to you is that in many areas you say the majority are in your favour, we say the majority are in favour of the private insurer, that through the competitive system equal or better insurance can be purchased for less. If you're genuinely interested and if that was your only interest, not the interest that was expressed by the Minister of Mines and Natural Resources and now vehemently denied, the matter of political philosophy, the matter of access to the 35 million of premium dollars, the matter of having the feeling of power of controlling a sector of the economy, if those weren't the overriding reasons for your action of last year then surely there is no legitimate reason why, with the odds all stacked in your favour, with unlimited advertising budgets and unlimited availability of the press and the media in terms of ministerial announcements and statements about the desirability of purchasing government auto insurance, why the fear to face a little bit of honest competition. Why the fear, why the fear, why the fear to take on a little bit of honest competition.

The First Minister says we spent a lot less. I wonder if he is including the \$4 million paid out to the farmers as announced in the last by-election as part of the advertising costs to make the sale of those government programs more acceptable to the electorate of Manitoba. Now if we want to talk about unlimited access to promotions and the means of carrying out government programs, now they are, in the context that I'm using them, virtually limitless, depending entirely on the direction the government chooses to go and how important it sees itself as being the ones who carry out that policy and to what length they're prepared to subject the people that they govern and to what yet-to-be-paid bills they're prepared to subject future generations of Manitobans to have to pay eventually for that pleasure and privilege of carrying out their specific programs and policies. And of course, Mr. Speaker, it's nothing novel and nothing new that this kind of an approach should certainly at the outset find itself particularly attractive to the electorate at large and I have no question they're still doing that at this particular time.

(MR. ENNS cont'd)

The message that the Leader of the Opposition was attempting to convey with respect to this bill was that we have sufficient information, factual information that in many instances private insurers are offering the motoring public of Manitoba the same or better insurance for less, and if that's the only concern of getting the motorist the best possible deal in Manitoba, then you should not be turning that down. You should not be turning that down or rejecting that avenue that will be open, even if it is a minority group, even if it is a minority group - and I believe you to be sincere when you say without equivocation that 75, 80, 85 percent of Manitobans are going to be better off, are going to be happy with the auto insurance the Government Auto Insurance provides.

I'm not prepared to argue with that and your figures on that, but I would hope that - you know, a year has passed, we've hired people, we've got a corporation doing, we're paying out money, we've got some facts, we got some regulations, that we wouldn't be arguing, as we've argued this whole matter in the dark all through the passage of Bill 56 last year - we didn't have anything else but raw emotion sometimes, fancied or otherwise; concerns, true or otherwise, that various affected people had to deal with with respect to this bill - but surely now we should be talking factually in a cool, in a calm and collected manner, and that you should be showing us facts and figures, rates, charts, and the likes of this.

We have no regulations. But that's not for us to - you know, you're presenting the bill. We're hopeful that at committee stage that we'll have access to the experts, or that expert information will be made available to refute, to refute this kind of information that would seem to indicate that perhaps in many instances as high as 50 to 60 percent of the car users of two particularly very popular models can in fact buy their insurance for less. I don't know. I don't know. I don't know, but you know, it appears that there's a significant group that can. Now these are the kind of . . .

MR. SPEAKER: The Honourable Minister of Municipal Affairs on a point of order?

MR. PAWLEY: Would the honourable member be prepared to table the sheets that he's just made reference to?

MR. ENNS: . . . that we use with respect to our speakers are prepared to be tabled. I would simply want to indicate to the House that I'm referring to material that was used by another member in his speech. If he will accept my good offices and good word, to indicate to him that I will see that those are tabled, subject to his concurrence of course, but I have every reason to believe that there would be no hesitancy on our part or on his part to table this particular information as I understand it's public information.

Mr. Speaker, if we are assured by the government at this particular stage of this bill that we will have an opportunity at the committee stage to have access to the members of the Auto Insurance Corporation, and by that I mean either through its chairman or whoever else the Minister chooses to designate to speak to us, much -- well, hopefully in a somewhat better manner than the chairman of another great utility, the Manitoba Hydro, who is on six weeks' leave of absence or touring Europe at the time that we have a few matters of some concern left to discuss on that particular matter. I would hope that by the time that this particular bill reaches committee stage that the rumors are clarified as to who is in fact the chairman of the board with respect to the government Autopac Insurance - Mr. Blackburn, I presume - and that -- (Interjection) --

MR. SPEAKER: Order, please. The Honourable Minister of Municipal Affairs. I'd like to hear the point of privilege, or the matter of privilege.

MR. PAWLEY: As I'm the chairman of the Autopac, I'm rather stunned that there's rumors as to different personnel as being chairman of the Autopac.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Oh I see, you're the chairman. I'm assuming then I was speaking of the General Managing Director, the Managing Director and so forth.

Mr. Speaker, the Minister of Finance is trying to provoke me into making one of those "Best Man" speeches that I've been known to make from time to time and I think it's highly unfair. You've often, you know, requested individual members not to be provocative in this House and I find him particularly provocative at this time in interrupting my comments with respect to this bill. Mr. Speaker, what disappoints me -- (Interjection) -- I've already taken the opportunity - unfortunately the Minister of Finance was not in his chair - as I already indicated, I made the explanation more direct to Mr. Stothert, directly so.

(MR. ENNS cont'd)

What disappointed me in the contribution - and I suppose this is par for the course or an indication of what we're going to get on Bill 52 - any suggestion from this side of the House that some of the utopian promises made are in fact not forthcoming will meet with a kind of barrage, and they talk about medicare, they talk about building roads or schools - in other words, Mr. Speaker, anything but auto insurance - they'll do anything but give us one honest-to-goodness reason why the government auto insurance would not invite competition, particularly when they're speaking from the position of strength that they obviously now are with auto insurance companies leaving the province daily -- (Interjection) --

MR. SPEAKER: Order, please.

MR. ENNS: . . . with auto insurance companies leaving daily, the competition is virtually withering away by sheer attrition, and yet, Mr. Speaker, they're concerned, even of this splinter group, this little element of the free competitive society that's left, they're not prepared to open up their plan to straightforward honest-to-goodness competition. Mr. Speaker, that's a combination on their own part of the faith they have in Bill 56, or in government auto insurance eventually, and in the long term, providing anywhere near the kind of savings, performing anywhere near the kind of performances that they have on so many occasions led us to believe and the general public to believe here in Manitoba.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I would like to move, seconded by the Honourable Member from Brandon West, that debate be adjourned.

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

GOVERNMENT RESOLUTIONS

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I wonder if you'd kindly call the adjourned debate on the resolution of the Minister of Mines and Natural Resources dealing with the procedures in the House.

MR. SPEAKER: Is that the one at the bottom of Page 4? The proposed motion of the Honourable Minister of Mines and Natural Resources, The Honourable Member for Fort Garry.

MR. PAULLEY: Mr. Speaker, I wonder if there are any other members desirous of speaking on the resolution and then it can revert to the Honourable Member for Fort Garry.

MR. JAMES H. BILTON (Swan River): . . . in the absence of the honourable member.

MR. PAULLEY: I think that's so, provided somebody else did not wish to speak.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): I would like to address this proposed resolution very briefly, Sir, and in this context I know that probably everybody and members on my own side of the House can be critical of me because there are times when sessions get very long and tedious and hard on the rear end, but I have heard different statements from members who have been in this House a long time and when there was complaints last year from this side of the House or any side of the House that we were here till late at nights, all day long and back early in the morning, and we get the answer, "well, you guys did it," and I say, Sir, that I wouldn't have agreed to it then and I don't agree to it now.

Sir, I can only revert to the experience that I have had in my own life in business and I have never seen a group of men operate efficiently when they go till very late at night, get up early in the morning, do not have the opportunity to research what they're doing and then come back again day after day, even on Saturday, puts them in the position of neglect to their families and everything that goes with it, and on top of that, Sir, while this is all taking place physically, mentally, with men in business it's bad enough but we are the men who are supposed to be running this province and creating the destiny of this province for the betterment of the people of this province and we have no hesitation to go ahead and try to make legislation for them when we're dead on our feet.

Sir, I think that the resolutions for speed-ups - and I'm not going to say any more - if anybody wants to argue with me about we did it or they did it when they were in power, or we did it when we were in power, is no argument with me at all. I'd have disagreed with it then and I disagree with it now and you're doing the people of this province a disservice. Thank you.

MR. SPEAKER: Agreed the motion stands in the Honourable Member for Fort Garry? The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

MATTER OF GRIEVANCE

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

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I rise on this motion before we go into Supply to state my position on the subject matter that's being discussed this afternoon, a personal grievance, and also to state the position of the people that I represent in my constituency. And I want to state also, Mr. Speaker, in my opinion there's a complete lack of any concern for the businessman in the Province of Manitoba - and I state that most loudly at this time. We've heard this afternoon from the First Minister; we've heard that the philosophy of the NDP Party is the most important thing regardless of anybody in this province, regardless of who we might hurt, and this is the reason why I get up this afternoon.

In the history of the Province of Manitoba governments of the day, up to two years ago, have always been concerned for the businessman in the Province of Manitoba, and I regret to say that in the last two years we've had businessmen across the Province of Manitoba being tramped on at every move the government makes. I want to say this afternoon, Mr. Speaker, how sorry it is for the insurance agents in the Province of Manitoba to have to witness the display that's been thrown upon them with the takeover of the automobile insurance industry in the Province of Manitoba, with the many statements that are given to us by various members of the

(MR. McKELLAR cont'd.) Cabinet - two members especially, the Minister of Municipal Affairs and the First Minister - where they go around the province thinking that they're going to save people money, but they never tell the balance of their story. They're afraid to tell the balance of the story; they're afraid to tell the people of Manitoba what it's going to cost them when they have a loss, what it's going to cost them. And I want to emphasize that because this is the question that's never been answered. The regulations have never been spelled out, and how can you tell a person how cheap it's going to be when you don't show them the product that you're going to sell them.

MR. SPEAKER: Order, please. The Honourable Minister of Consumer Affairs on a point of order.

HON. BEN HANUSCHAK (Minister of Consumer, Corporate and Internal Services) (Burrows): Yes, Mr. Speaker. I just wish to draw to the honourable member's attention that, speaking on a grievance, the member is not permitted to refer to any matter placed on or whereof notice has been given on the Order Paper, and I'm looking at Beauchesne 234(1), and I am sure that the honourable member is well aware of that citation in Beauchesne.

MR. SPEAKER: There's some indecision in respect to what the matter of grievance is. It is true, as the Honourable Minister of Consumer and Corporate Affairs pointed out, that the citation does state that, but in respect to the scope in regards to a grievance, if the honourable member would be a little more explicit there may be room for him to still have his grievance. Now if he is going to include -- I'd like to caution him if he's going to include just the general scope of automobile insurance then I must insist that the citation quoted by the Minister of Consumer and Corporate Affairs must be carried out and he won't have the floor, but if he can curtail himself to a certain specific area of grievance then I must allow him to have that latitude. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Well, Mr. Speaker, I was just going to get into the subject matter that I was dwelling on; it was on transitional grants. Transitional grants have just been spelled out the last couple of weeks and they're a complete lack of consideration to a businessman. The mere fact when you read them over, Mr. Speaker - and I have them here because I happen to be one of those individuals that are affected - how can they tell these individual agents, with the small amount of money that they're going to give them, that this is sufficient numbers of money to keep their families for the next six months, not only -- I'm not talking about the next 20 years, the next six months. This is one of the things the insurance agents thought a year ago when this bill was passed that there would be some consideration for them, but what happens now? I want to illustrate what happened to one particular agent, an agent who's been in business for eight years, an agent who is 33 years of age, an agent who sold \$11,000 worth of premiums, got premiums a year ago, is only entitled to \$4,500 worth of transitional grants on a one-shot deal - on a one-shot deal providing he doesn't sell Autopac this coming year. How long will this keep him going? How long will it keep his family eating? Yet the government is saying that they're treating the businessman, the insurance agents in a satisfactory manner.

And I want to say another thing here too. How long do the agents hope to sell this insurance if they agree to sell it? I would say right now that it would not be more than three years, not more than three years, so this in itself is no guarantee for an agent who wants to retain himself in the insurance industry. And we do have three agents here in this Legislature, all on this side of the House. I remember so well when the Minister of Municipal Affairs got up and said to us that we were never going to sell Autopac. He didn't know we were not eligible, he didn't know whether we were eligible, yet he told us we weren't eligible to sell Autopac. Well, maybe he's right. Who's to know? But I hope he's wrong.

I want to talk about one other subject here, and I think I'm quite within the rules, the supplementary coverage. I don't think there's anything in this that's been dwelt on so far because we've only been presented on the table of the Clerk here . . .

MR. SPEAKER: Order, please. I must rule that that is out of order because it has been tabled and therefore it's properly before the House. The honourable member may proceed on transitional allowances.

MR. McKELLAR: Mr. Chairman, I'd like to -- I agree that I can't debate your decision, but I'll have to get around it in some other way, on another subject matter because I really have something to tell the House on this one. If I can't tell it here there's another way of getting around it, I'll have to go on radio and television like my good members opposite and I'll

(MR. McKELLAR cont'd.) do that -- (Interjection) -- and I'll do that, because you're just simply fooling the public on that deal.

Mr. Speaker, on South Indian Lake, South Indian Lake - and this is quite within the rights of my debate - a year ago we couldn't flood South Indian Lake . . .

MR. SPEAKER: Order, please. The Honourable Minister of Labour on a point of order.

MR. PAULLEY: I believe that the rules state, and subject to correction from you, Sir, the rule states that when a member rises on a question of a grievance it should pertain to one subject and not cover the waterfront. My honourable friend originally, if I understand correctly, arose on a grievance dealing with the matter of automobile insurance; he just now stated he wanted to go up to the Southern Indian Lake and I don't believe there are any automobiles up there, but I do believe, Mr. Speaker, and I ask you to consider that, that when a member does arise on a grievance it should pertain to only one subject matter and not the waterfront.

MR. SPEAKER: The point is well taken. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Well, Mr. Speaker, the Honourable Minister is sure cutting the ice pretty thin today. I was just trying to compare people with people. What's the difference between a person at Wawanesa and a person at South Indian Lake? There's 600 up there and there's 500 in Wawanesa. The 500 that I represent from Wawanesa are pretty important people and I hope they're there a year from now, but I doubt it very much if the Honourable Minister of Labour has his way. He has no concern for people, he's got no concern for the people of Wawanesa and I'll tell you why, he'll be up voting for Bill 52 just the same as he was for Bill 56. None of the Honourable Ministers have got any concern for people. If they had any concern for people they'd do what's right for people.

And not only is the people of Wawanesa affected but there's 1200 insurance agents and their families that are affected. There's thousands of people that work in offices from Wawanesa to Portage la Prairie to Winnipeg and all over the Province of Manitoba in the insurance industry, including adjusters, that are affected by the passing of this Bill 52 that we have before us and Bill 56 last year, and yet the honourable members have no concern for people, no concern for people. Their hearts are not there when it comes to people working in the insurance industry. The Honourable Minister of Industry and Commerce goes all over North America looking for industry and yet he votes - and he's not here today, I wish he was - he votes to destroy the insurance industry, the biggest mutual insurance company which is 30 miles from his constituency, and yet he's got the gall to stand up and vote to condemn the insurance industry and go and kick it right out of the Province of Manitoba. And I tell you, the 75th Anniversary of Wawanesa Mutual Insurance Company is held in Wawanesa this September. I don't suppose many of you on the government side will be coming out to that celebration and I don't suppose many of you will be getting an invitation to tell the truth, and I hope you don't, because you just gave this the final blow.

The largest mutual insurance company in Canada is being represented in the Constituency of Souris-Killarney, and I'm proud to say that this is one of the finest companies that's ever been started up in the Province of Manitoba by a few farmers, and yet today the Minister of Labour goes smiling along the road to kill this very industry. So what happens? What happens to these people that are going to be in trouble? What happens? The Premier says -- there's never been a comparison, people in similar circumstances just got a little tiny sum of money and were told to go smiling along to the bank. Let me tell you that every insurance agent in the Province of Manitoba is a businessman and his business is a capital asset and it should be treated as such. If it's sold or if the agent dies, it's treated as capital assets by the Income Tax Department. And I am told that the tiny little sum of money that the government are going to give the agent is going to be taxable income and treated as taxable. This is the consideration that is being given to the insurance industry, both the agents and the employees of the various companies.

Now, Mr. Speaker, I realize that you've cut me down to a pretty narrow path, very narrow path, and I know, because it's quite easy, that we're going to be back in the House on Bill 52 in Committee of the Whole even though I haven't spoken. We're going to be back when the House is -- and I don't know whether that's going to be in July and I don't know whether that's going to be in October or November or when it might be, but whenever it is I'll be up on my feet and you can be sure of that. But I only hope, Mr. Speaker, the honourable gentlemen across, I hope they don't listen to their First Minister because what he told us this afternoon is simply garbage, and he told us about all his experiences with being a Premier of the

(MR. McKELLAR cont'd.) Province and I can't . . .

MR. SPEAKER: Order, please. I should like to indicate that I am allowing a lot of latitude to the honourable member but he should not cast aspersions upon a member who is not present in the House as to what he said. Now my latitude is going to include a lot of debate that the honourable member has tried to say in his grievance. I have not cut him down as he reflects or suggests. I don't intend to cut anyone down, and I would also ask all honourable members not to make a reflection on the Chair in that way. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Well, Mr. Speaker, I don't suppose my voice will reach him out in the office, but if it could I'd sure love to get at him. Mr. Speaker, because of the fact - I realize I'm limited and I can't speak on the supplementary - I did attend a meeting and I'm going to close with this. I attended a meeting last Thursday morning of the Manitoba Insurance Agents Association at which there were over 200 interested agents there - concerned agents, concerned agents from all over the Province of Manitoba, not from Conservative constituencies but all over the Province of Manitoba, of which many of them come from the areas represented by the honourable members opposite. They were concerned and I listened for three hours of their concern, many of them not knowing which way to turn, many of them not knowing whether to go to Alberta or B.C. or Ontario. And I can sympathize with the honourable people because I too might be in that same position along with the Member for Roblin, along with the Member for Assiniboia. Who is to know? Who is to know when the honourable members opposite take your bread and butter away. And this is what the problem is, their lack of consideration for the agents of the Province of Manitoba, along with the employees of the various companies.

At this meeting there was a resolution moved, in fact there were two resolutions moved, one read last Thursday afternoon by the Honourable Member for Roblin, and I would like to read the other resolution that was passed and I hope the honourable members opposite are listening. The resolution reads: "Whereas the commission schedule being offered by the government to the independent general insurance agents of this province appears to have been designed primarily for the survival of the larger agency office and the complete elimination by economic strangulation of the smaller agent; THEREFORE BE IT RESOLVED the Insurance Agents Association of Manitoba unanimously condemns the Manitoba Government for its callous and inhuman treatment proposed by its pitiful meagre offer of commission and so-called compensation;

THEREFORE BE IT RESOLVED that this meeting records its opinion that the transitional assistance being offered will in many instances not compensate the agent for income already lost, nor does it compensate the agent for loss of its capital assets and future earning power."

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

MR. BILTON: Mr. Speaker, I have a point of grievance if I may take the floor for a few moments. In that the estimates of the Department of Mines and Natural Resources and the Department of Agriculture have come and gone, I feel, with the problem that I have to bring before you this afternoon, I have every good reason to rise at this particular time and I would hope without undue interruption. Mr. Speaker, I've just returned . . .

MR. SPEAKER: Could we have the grievance that you're going to speak on? The whole Mines and Natural Resources Department?

MR. BILTON: No, Sir. It has to do with disastrous floods in my area which are there now, and with your patience, Sir, I'll give you the story.

I've just returned, Mr. Speaker, from a 600 mile round trip, and last Friday evening I was called to a meeting of some 84 people in the Village of Renwer. Renwer, Sir, is in the Municipality of Minitonas and we were fortunate in having the advice and the opinion of the Reeve of Minitonas at that meeting. Mr. Speaker, the problem is that with a wet season that is being experienced this year, a disastrous situation has developed which I feel requires immediate investigation and attention.

This problem, Mr. Speaker, develops when there is a quick flash runoff from the Duck Mountains year by year. Two or three dry years will come and go and there is no problem. The water, Sir, travels over valuable farmlands unrestricted on its way to the Swan River. Two unnatural barriers, Sir, create a problem of no small degree. One is that of the CNR Railway and No. 10 Highway which run parallel within a half a mile of each other. The current agricultural situation, Mr. Speaker, is very serious, and people that are dependent on it for a

(MR. BILTON cont'd.) living are having a hard time. The people that I'm referring to in the area of Renwer are having a doubly hard time because of the weather. Sir, farmlands are inundated at this particular time. Some are slowly draining off and others are containing heavy volumes of water, thus denying the farmers the privilege of working and seeding the majority of the land in the area. The reeve pointed out that this has been a known problem for many years. Surveys have been taken by the departments of government and the stock answer, he tells me, has been there is a problem and a big problem but year by year there's never any funds. In fairness, one must say that the department has done over the years limited drainage, but I say to you, Sir, it's totally inadequate.

The reeve commented that the majority of the tax dollars collected in that municipality are absorbed to a large degree in educational requirements, the liquidation of hospital debentures, debentures of the senior citizens home and many more. Thus, Mr. Speaker, funds are very very limited at a municipal level to do this needed work. I say to you that it's beyond the capacity of the municipality and, in turn, this runoff is caused by the Duck Mountain range which are enormous and extensive and lengthy. And I would ask, Sir, that the Department of Mines and Natural Resources co-operate with the municipality and the Department of Agriculture and find some solution to meet the needs of this reoccurring damaging situation which is creating havoc and valuable topsoil, which is a very important thing, valuable topsoil is being washed away year by year.

To illustrate the seriousness of this to you, Mr. Speaker, one man tells me that he farms a half section of land and he has 245 acres under cultivation. In this case, 125 acres of that land is under water and is absolutely useless to him this year. Time and time again I had similar situations outlined to me that evening. It was pathetic and it was pitiful.

This area, Mr. Speaker, is crying out for official interest and help. Surely it is not necessary for the department to sit idly by. We may be some 300 miles north of Winnipeg, but I would remind you, Mr. Speaker, that the Swan River Valley is a productive area in this province, contributing as it does in excess of \$16 million a year to the economy. We would do better, much better if we had the interest and support of the government or its departments in this field drainage scheme that should be brought about. After all, Mr. Speaker, drains in our country are just as important as the roads - just as important - and more so, valuable soil, as I said a few moments ago, is possibly being destroyed and swept away forever.

The matter was brought to the attention of the House in June, and I'd like to quote from Hansard, Page 1875 of June 16th. My colleague the Honourable Member for Roblin said: "My question is to the Minister of Mines and Natural Resources. I wonder if the Minister is aware of the flooding of the east side of the Riding Mountains and the east side of the Duck Mountains." That is the area to which I'm referring.

The Minister replied: "It has been brought to our attention."

My honourable colleague from Roblin went on to say: "I have a supplementary question. I wonder if the Minister would be interested in having some of his staff go out there and take a look at the situation and see if compensation is a possibility for those suffering severe losses from the flooding."

And the Minister replied: "Our department is looking into the matter prior to the question being asked."

I had knowledge - of course I was here when the question was asked - and, in turn, last Friday evening I enquired of these unfortunate people and none of them were able to tell me that they'd been enquired of or anybody had been on their property - that is in an official capacity. That, Mr. Speaker, is my grievance, for in spite of the enquiries, nothing has been done and nothing appears to be done and the people are desperate and fed up. I appeal to the Minister through you, Mr. Speaker, the Minister of Agriculture, to immediately determine what can be done by way of assistance. These people, Mr. Speaker, do not want welfare as such but their just rights and considerations with problems over which they have no power to contain. Anything less at this particular time is beyond my comprehension.

Mr. Speaker, if the department or the government decide to do something, I would hope that they would not put a half a dozen bulldozers in there and a half a dozen workers, but rather they would recruit these young people who are looking for work, and not give them machinery but give them a pick and shovel and a wheelbarrow. There is great laughter over here, Mr. Speaker, but you know, you know that great national park, Riding Mountain Park in the Province of Manitoba was built in that way and men were glad - doctors, lawyers, men in all walks

(MR. BILTON cont'd.) of life were glad to accept the invitation to do that kind of work and keep off the bread lines. This is what I'm suggesting. Down here on River Avenue last evening, Sunday evening, down here on River Avenue, Sir, I saw young people, lined up if you please, waiting for 5:00 o'clock to go into the basement of the church to be given a free meal at the expense of the government - or the people of Manitoba, I should say. This, Sir, I say to you is a shocking state of affairs. Here is an opportunity for these young people to get out there and do something for this province, as temporary as it may be, but take them out of this way of life and they'll be accepted and they'll do something not only for themselves but they'll see this province and they'll be welcome. I say again, give them a pick and give them a shovel and give them a wheel barrow, give them something to do - and there are things to do up in that country and I mean that.

Mr. Speaker, I have just about concluded my remarks, but I promised the people that I would bring their grievance to the House. I have carried out my duties and in doing so they gave me - this was their message and I am very honoured and privileged to relate it to the House if it will emphasize anything I have said.

"We the undersigned and attendant members at a meeting held in Renwer on Friday the 25th, 1971, petition you as follows:" - and that is to me, Sir -

"(1) To enquire and ascertain and determine the cause of the flooding in the municipal and local districts surrounding Renwer, which is a continuing matter of concern and particularly have caused major inundation this year.

"(2) Secure an undertaking from the Provincial Government to assist the municipal and local district governments to provide moneys, technical assistance and immediate" - and I repeat that - "immediate action to eliminate the flooding in the future."

That, Sir, is an attachment of the individuals concerned showing the land they occupy and also showing the acreage of their farms presently flooded or that they are unable to work. I thank you for having had this opportunity.

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

MR. PETER ADAM (Ste. Rose): Mr. Speaker, would the Honourable Member from Swan River entertain a question with regard to his remarks? I would like to ask you, Sir, could you indicate how many inches of rainfall since the first of June in that particular area?

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: The question, as I understand it, is has there been a recent rainfall. I am sorry, I can't answer that question, but I have lived with this situation for many years and it's the amount of water that comes down from the hills that causes the problem and it stays there, it doesn't get away.

MR. SPEAKER put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Winnipeg Centre in the Chair.

COMMITTEE OF SUPPLY - DEPARTMENT OF INDUSTRY AND COMMERCE

MR. CHAIRMAN: The matter before the Committee is Resolution 56(a)(1). The Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, there were a couple of questions that were asked pertaining to the Port of Churchill which I'd like to make some reference to, and also the Leader of the Official Opposition, the former Minister of Industry, asked us last day what was meant by selective growth as opposed to crude growth. I did my level best to indicate to the honourable members opposite, and particularly to the Leader of the Opposition, what was meant by selective growth as opposed to their crude growth philosophy and I did give a number of examples to show what we meant by it.

Now let me do the reverse. Let me tell you what we don't need, what we don't need in this province, the kind of policies, the expenditures that were incurred previously that we will not incur in this government. I refer, for example, to the Business Summit Conference held a couple of years ago which was a one-day bang-up party costing the Province of Manitoba well over \$31,000 for a one-day show, where the previous Minister attempted to mesmerize the businessmen of this province into thinking that they should get the spirit of - they called it the Spirit of '70 but it was really the American Revolution spirit of 1776 that was the basis of all this - and hundreds and hundreds of people were brought into Winnipeg from all over the province to listen to a couple of speakers, to be entertained by teddy boys, drummer boys, a few

(MR. EVANS cont'd.) speakers, a lovely choir - I must say a beautiful choir, a couple of financiers and so on. The meal was lovely - I was one of those who was brought in from Brandon, I was prevailed upon that I mustn't miss this particular episode - but, you know, here we were told a number of things, we heard a couple of speeches, we had a lovely meal and so on, but I really don't think that it accomplished anything, Mr. Chairman - \$31,237.36 in one day shot. That was the Business Summit Conference held in Winnipeg at a hotel and at a theatre in Winnipeg, at the Marlborough Hotel and I think the Metropolitan theatre. Well, we do not intend to waste the taxpayers' money in this respect.

The other matter, and this is what we would call the crude growth theory, the crude growth program or philosophy that the previous Minister of Industry followed - you know, you spend money lavishly trying to mesmerize people into I don't know what and expect that economic development will occur.

Another thing where we will not waste the taxpayers' money, Mr. Chairman, is to bring in immigrant help from underdeveloped areas to work at the minimum wage in this province. The fact of the matter is that the previous Minister and the previous government, over about a three-year period, brought in over 600 people from low wage areas of the world, over 600 people to work in the garment industry in Manitoba at largely, not entirely - I was going to say entirely - largely at the expense, to a large degree at the expense of the taxpayers of this province. Over \$90,000 was spent to bring in over 600 workers in the garment industry at a time when we had unemployment in our own provincial economy, when underemployment exists, and to increase supply of labour from such countries at this time is simply nonsensical in terms of economic development terms.

When I am asked to differentiate between selective growth and crude growth, I say that is the crude growth theory, when you bring in people from low wage areas of the world to perpetuate a low wage situation in this province. There is no question in my mind as a professional economist that this helped to depress the wage rate situation in that particular industry. It couldn't help but do otherwise when you increase the supply of people who are prepared to work at very low wages, because they come from an area of the world which has very low living standards. Furthermore, it's a cost to the taxpayers, particularly when you consider the fact that there were other taxpayers who weren't able to work or did not have work.

And so I say, Mr. Chairman, I am glad that the Minister, former Minister is in his seat. I am sorry he wasn't here when we began our discussion. I was remarking on the fact that, trying to differentiate between crude growth and selective growth, and I say a selective growth policy does not include bringing workers from low wage areas of the world to man our industries, and I note in our statistics that over 600 were brought alone for the garment industry involving an expenditure of over \$90,000. That to me, Mr. Chairman, is part of a crude growth philosophy which we will not perpetuate under the Schreyer or NDP administration.

Just one last point before I sit down, perhaps before there are other questions or comments, and that relates to the Port of Churchill - and I am glad that my friend the Honourable Member from Churchill is here and my friend the Honourable Member from Rhineland is here because they were both concerned about this matter. I would like to point out that we spent a considerable amount of effort and monies towards promoting the use of the Port of Churchill during the past year. Various studies were carried out about commercial and industrial projects for that area, including the basing of a re-supply vessel at Churchill and other facilities that would make greater use of the grain supply through the Port.

The department also played a role in encouraging the visit of the Canadian Coast Guard Ship Louis St. Laurent to Churchill last December, and of course this historic visit marked the first time that a vessel from the Atlantic had made a December arrival and departure from the Port of Churchill. I think that our efforts, Mr. Chairman, to encourage this visit and to make the appropriate arrangements has brought the possibility of extending the Churchill season a little closer.

With regard to the shipping season at Churchill, the department has carried out a complete review of Churchill transportation issues, including insurance rates, ocean freight rates, the slush-ice problem and the depth of the harbour, and our data indicates that the most pressing need to be met is deepening of the harbour and we have made representations to the Federal Department of Transport and the Honourable Mr. Jamieson over this issue.

The submission on railway rates to and from Churchill to Mr. Jamieson was also prepared and representations regarding the effect of the Federal Government's proposed Arctic pollution

(MR. EVANS cont'd.) standards on Churchill trade were also made, Mr. Chairman.

During the past year I am pleased to note, that the people of Churchill had the initiative to set up a Port of Churchill Commission to promote the use of their port and I'm pleased that the Honourable Member from Churchill brought this matter to our attention. As he knows, the department has supported this undertaking financially as well as with information and research aid where appropriate. I am talking about the Port of Churchill Commission.

In addition, I note the Federal Government has announced that Churchill will be one of the nine ports to have a local Port Authority to run its affairs and the department is staying in close contact with federal officials on this matter to ensure that representation on the Port Authority will reflect the best interests of Churchill.

We have also maintained liaison with the Canadian Wheat Board with regard to Churchill grain shipments and this allows us to stay abreast of developments and to make our views known directly.

And one last point, Mr. Chairman. In the last year we have prepared a small brochure about Churchill's advantages, ". . . Supply Shipments to the Central Arctic." I believe this publication is proving to be very popular, and in fact we are now updating it for reprinting.

There were one or two other remarks made by the Honourable Member from Rhineland, or rather questions that he raised, quite good questions and perhaps they deserve an answer. I'll answer them very briefly if I may be permitted to do so. One was with respect to potash production; is there an opportunity in Manitoba. Of course the situation is that the supply in Saskatchewan is greatly in excess of the demand at the present time, so much so that quota limitations have been imposed, and of course it's not possible to develop new potash, potash resources on a profitable basis at this time considering the present state of the market. We do have some limited resources in western Manitoba but it is not economical, I am advised, to develop these resources at this time.

The Honourable Member from Rhineland also mentioned a question about gold production and what happened at Bissett. Well, there is a phenomenon of increasing production costs that has mitigated against gold production throughout Canada over the past two or three decades because the price of gold happens to remain constant, and while the production costs are rising it becomes uneconomical to open or develop or continue the operation of many mines and many gold producing areas in this country, so it's simply a matter of economics as usual. The situation is that the fast-rising production costs mitigates against gold production at this time, or further gold production at this time.

There are of course other areas where we should be looking for development in the field of mineral resource development and these are being exploited, such as nickel, copper, molybdenum, limestone and salt brine. There are other areas too which I know the Department of Mines is concerned with, but I as Minister of Industry realize that there are opportunities here for development and for job creation.

I think, Mr. Chairman, I think I have answered pretty well all the questions and comments, replied to all the comments that have been raised thus far.

MR. CHAIRMAN: The Member for Churchill.

MR. GORDON W. BEARD (Churchill): I would just like to ask the Minister a question. Now could he tell us how they are getting along with providing coastal ships for northern shipping and freight. As I understand it, Industry and Commerce are considering going into the freighting business, with respect to assistance in that way, to provide ships for coastal shipping rather than air to Yellowknife and then across to the coastal areas. Are they going to continue going on ahead with the building of coastal ships through the MDF or through Industry and Commerce?

MR. EVANS: Mr. Chairman, we looked into the question of the feasibility of establishing a re-supply ship in Churchill and it looked as though it was feasible, but unfortunately you are living in a world of changing factors, changing cost factors and changing trade patterns and the like, and at this point I would just simply say this, that the issue is still under consideration, we are still looking at the matter. It looked more feasible at first sight than it did on some re-examination when we got new statistics on the question, statistics on the amount of loadings and unloadings at various ports along the Bay. But it is not a dead issue and we are still looking into the matter.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I had a number of questions that I put to the Minister the

(MR. FROESE cont'd.) other day in connection with Churchill Forest Industries on the whole operation, whether it is going in the red and to what extent, or can we show black figures. I placed a number of questions on the Order Paper at that time and maybe the Minister would answer some of those questions. I also asked him for a projection of industry, what we can expect of the operation for the time being and also a year from now or so on, so that we'd have some indication of whether this is a profitable operation or not. Certainly I would like to hear from the Minister before we leave the Minister's salary.

I would like to bring one other matter to the attention of the Minister while I am on my feet and this has to do with the . . . airfield at the U.S. border, at the Winkler crossing. This is a unique airfield, a landing strip running parallel to the U.S. border, and I feel that it needs some more promotion on the part of the government. I think too little effort has been made in this connection. We should advertise this to both the American side and the Canadian side because it has a number of benefits to offer. Maybe the facilities could be improved so that more people would use it.

Certainly this particular crossing simplifies matters very much for people who operate private aircraft and who want to go from some point in Manitoba to the United States. No longer is it required that they notify the border crossings ahead of time; this is not necessary when using this particular strip. Otherwise you have to indicate well ahead of time as to when you intend crossing, and at what point, in order that the customs officials can come to the nearest airfield to check out and okay their proceedings. Sometimes these fields can be quite a distance from the border and so this involves quite a distance for them to go. It involves time on both parties, not only on the people flying but also on the part of the customs officials and it involves considerable cost, increased cost to these people, whereas the charges here are non-existent. You land, both offices are conveniently next to the strip and you just notify and you proceed. There's no cost involved at all and I feel that we should advertise this through the government literature that is being passed out.

Surely enough this is something worthwhile and that we should probably encourage organizations such as the Pembina Development Corporation, which put on a promotion just last Saturday whereby they invited many -- well I think most or all Manitoba farmers, the flying farmers and other people in the United States. It was just too bad that they happened to have the kind of weather they did so that they didn't have the success they planned on, but even so they had a large number of planes coming in and assembling and discussing their whole venture and any problems that might exist. I certainly took time to congratulate them on it and I think they deserve to be congratulated for initiating such a field and such a venture so that people flying can cross the border without any trouble. I feel that this government should, if they're not assisting them financially or in any other way, the least they could do is to advertise this on literature that they will pass out and also leave information of this type available at various centres where it can be picked up.

So, Mr. Chairman, I felt that I should make this known to members of the House and I'm sure that other members will be interested too, especially those who do any flying on their own, and I hope that the services can be improved and will be improved and this will be considered by the present administration to do something for them. Thank you.

MR. CHAIRMAN: The Minister of Industry and Commerce.

MR. EVANS: I'm pleased to note the Member from Rhineland's comments, and I think the latter point was made for our information and consideration. When you talk about air transport, of course you're always involved with federal transportation and federal jurisdiction, and regulations at border crossings of course are federal matters. However, I have noted your comments in this respect.

Just with regard to the CFI question, you say is it in the red or is it in the black or is it profitable, etc.? The fact is that there is a great deal of information that will be made public when the Rhodes-Smith Commission hearings have been held and their investigations have been conducted and a report has been made. There are a number of things, a number of points that I could discuss but I think I should not because of the fact of, not necessarily the commission which has been designated but because of the litigation before the courts at this time in receivership.

But let me say this. You know, the question of profitability, whether you're talking about a pulp and paper complex or whatever kind of business you're talking about, depends upon the cost of capital investment. In other words, when you borrow capital you have to pay interest,

(MR. EVANS cont'd.) and so I would point out that the profitability factor will to a large degree depend upon whether or not the capital structure is too large, whether the cost of the capital supply was excessive or not, whether it's adequate or not, so it depends to a large extent on the capital debt situation that we're faced with.

It also depends upon labour costs. Profitability depends upon the cost of the supply of wood, and of course it's going to vary from time to time depending upon the market situation, because even though you may have reasonable labour costs, reasonable wood costs, and even if you had a reasonable capital structure situation, the fact is that if the market prices dip then any enterprise becomes less profitable, in fact it can become absolutely unprofitable. So that is just a general observation. I would say -- so therefore it's very difficult to answer this question.

I can just assure the members of the House, and particularly the Honourable Member for Rhineland that we have an excellent management team under the supervision of Mr. Wayne Stothert who has been in this industry for years and years and years, who is one of the foremost pulp and paper experts in Canada, and I know with every assurance that I can muster that Mr. Stothert is managing the complex under receivership at its most efficient level possible, technically and economically.

I might add that the estimates that I have received from the -- that I have obtained from the Receiver indicates that there'll likely be about a \$10 million payroll for The Pas by 1973, which means a net addition of several million dollars to that area, and I think that the people in The Pas in particular will welcome that. We have now been notified, the Receiver has now -- and the General Manager -- now has the information from the Department of Mines and Natural Resources and Environmental Management that the supply of wood looks to be adequate for the project as it now stands. So that with these two factors in mind I think that I can only assure members of the House that the government, or the Receiver rather, the Receiver as an officer of the courts and his management is doing everything possible to protect the assets, to make them as useful as possible given the circumstances, creating as many jobs as possible, creating as much income flow as possible and utilizing the wood available in the most efficient manner. Therefore, while I cannot give any precise answer to my honourable friend from Rhineland, I can say that I am confident that we are doing the very best we can, given the circumstances which we inherited.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman. I have been listening for a couple of days to the Minister of Industry and Commerce and I, like my colleague from Fort Garry, wish he was a salesman and wish he would become the best salesman in Manitoba, but I must refer to a place where the travellers all gather in the town that the Minister comes from. Thursday night they usually gather and start talking about their week's work. The quiet ones that have done a lot of work usually have orders and there's always one person there that carries on and on and on, and one of the quiet ones says yes, but did you get any business? He says, well no, but . . . and he carries on and on and on again. The Minister is not producing business for this province. His claim to fame so far has been McKenzie Seed and he says it has been done on his ministration, and I must say to him that he can't sell me that concept because any company that is now the leader in the package seed business in 1970, to do so, Mr. Chairman, they would have had to plan this at least four years to three years ago. Machinery would have had to been bought and markets would have had to been surveyed, agents would have had to have been hired, salesmen would have had to have been educated and then they would go ahead with their thrust. Therefore, for the Minister to tell me, as he did a couple of months ago while he hit his desk, say this was private industry initiative, etc., and it was under my administration it happened, I can't believe it because I do know the history of a company becoming the leader in this country.

The other thing that I would like to strop on briefly, Mr. Chairman -- and it has not been answered any time in this House and I have brought it up on two or three occasions, and it's getting so serious I keep adding one more of these to my file each week -- plans available for use for subscribers, which is a building service in this province. There were four new jobs came out this week, Mr. Chairman, a couple of small banks in the country; Monarch Machinery, an addition; but that's all we've been getting, additions to schools, and 90 percent of the jobs that have come up in this province since February 5th, from what I have here, over 90 percent are government monies for additions to schools, etc.

(MR. F. JOHNSTON cont'd.)

The Minister of Municipal Affairs is going to relate me to Saskatchewan - he did that once before. He talked about his public housing, and when I brought this up before, I said the public housing is here, Dauphin's here, you want to look at it? It's out for tender, it closes July 6th, but it's government money again, Mr. Chairman. Private industry money is not building in this province, not expanding in this province, nor are they coming in and finding out if there's any reason to build in this province. They are ignoring us, and it's happening. -- (Interjection) -- Mr. Chairman, the Minister from without, who has never been in business, wouldn't understand what I am saying.

I would say, Sir, that here we have the Minister continually getting up and telling us how good things are - and I want to leave him with a bit of a challenge. Go down Monday morning for the next three weeks and go out with a salesman in this province. -- (Interjection) -- No, just travel with them, go through the country, make calls, talk to managers when you go into these places and find out how many people aren't working and how many of them have been laid off, and ask anybody in the construction business just how the hell long they're going to keep going with that kind of nonsense coming out. -- (Interjection) -- You know, it's there. Yes, I'll permit a question and be very happy to.

MR. CHAIRMAN: The Minister of Municipal Affairs.

MR. PAWLEY: I wonder if the honourable member would answer just why, if the construction boom is in such poor shape in the province, why is it that in the first five months of this year the value of building permits issued in Greater Winnipeg is up 30 percent from that of last year for the same period.

MR. F. JOHNSTON: I have said that there is government money being spent. You can't help but be up, Mr. Chairman, if you're spending \$64 million on public housing. But nobody's saying it, but tell me -- I will tell you right now the amount of jobs that public housing are creating is just absolutely nothing compared to what you will have with large commercial building because there you have draftsmen, pipefitters, the whole bit. You don't have it in public housing. Now let's get right down to facts. In fact in public housing they pay low wages. I would like to ask the Minister of Labour in Selkirk, if the contractors in Selkirk are paying the government labour rates on a government job. -- (Interjection) -- It'd be interesting to check up. -- (Interjection) -- Yes, I would like it now. The answer is yes. Well, I have some indication that if a man goes out there and his qualifications are too good he might not get hired. Mr. Chairman, the Minister of Municipal Affairs wants to keep butting in and I have no argument with him on his public housing. I never have and I never will, other than the fact that I think old houses should be revamped and he knows it, but I would like, Sir, to get back to -- (Interjection) -- Mr. Chairman, I would like to get back to . . .

MR. CHAIRMAN: Order, please. Order, please. I heard the member's remarks and there's no point of privilege. I would ask the member to restrict his remarks to the item under consideration. The Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Sir, that's the item . . .

MR. CHAIRMAN: Order, please. Order, please. The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I will permit another question but I would like it to relate to Industry and Commerce and not public housing.

MR. CHAIRMAN: The Minister of Municipal Affairs has a question?

MR. PAWLEY: Well, it was a point of privilege, Mr. Chairman. The honourable member accused me of butting in. I don't recall butting in at any time except to ask that question which the honourable member had acceded to, and I certainly resent the suggestion of butting in or interfering in a rather uncouth way with his comments.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: The Honourable Minister chooses to interrupt to defend his public housing program and construction and I compliment him for it - and his construction - but I do not compliment the Minister of Industry and Commerce for not having more private money or advancement coming forth in this province. It's not there, Sir, there's no way that you can say it, and there's a dispute that these things aren't right. Everybody gets up and says oh, it's here. It's not, and again I say to him, go and travel in the country, see the men coming back with empty order pads.

You talk about regional development. The only way you'll have people advancing and going into the rural areas of this province, Sir, is if you develop an area, and your rural

(MR. F. JOHNSTON cont'd.) area, to the point that people will want to live there - executives, foremen and people they require to operate plants efficiently. They will hire the people in the area but they do look for places where the people want to live, good schools, etc. Regional development means that and it's not being done. There's all kinds of money being spent on the surface and you're not getting down to the problem.

So, Mr. Chairman, I can only say that the Minister has tried to say he's a salesman, I hold a degree in sales training. There's one thing that he has forgotten. He doesn't sell benefits, he just sells on the surface. In other words, if somebody wants to buy a chair that's what he sells them. He doesn't sell him comfort, he doesn't sell him what something will bring people, he doesn't sell him what a job does for a person as far as peace of mind is concerned. He's forgotten all that, and I assure you if he keeps carrying on with all the talk, we're going to continue to go down, there will be less investment as we see here, and we're going to be in worse shape in another six or seven months. Thank you.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I have a very brief contribution to make to the debate and I'd like to make it at this time. There will be an opportunity before the session is over for me to, in this House, make statements that I think have to be made with respect to the particular statements that the Minister has made in connection with the Manitoba Development Corporation, the past history of the Manitoba Development Corporation and particularly the present government's period of time in which they have been in charge of the corporation. It will be my intention to deal with it later on in the session because I think there will be another opportunity where I can deal with it a little bit more fully than today.

I may say that I'm not sure of the exact state of mind of the Minister when he made some references with respect to Lake Winnipeg Navigation and certain charges of direction being given to the Fund in connection with that particular project. I am going to ask at one time for the Minister to stand up and prove it and I will now suggest, Mr. Chairman, to you, the Minister cannot prove it. For some reasons best known to himself, he took it upon himself to make statements in connection with the previous government's administration which I suggest cannot be proved, which are in fact either a fiction of his imagination or some misinformation has been given to him.

Now, Mr. Chairman, I am aware of the way in which the Minister has examined the affairs of the Manitoba Development Corporation. I know that as an example, in connection with Western Flyer, that he was all excited when he heard of some possible wrongdoing - I think that would be the best terminology - in connection with the manner in which the arrangements were made with Mr. Ault and he was ready for a pretty thorough investigation until he found out that the loan was granted in their administration's time and not in the previous government's administration, and therefore not having taken place, he immediately then developed the escape valve of the Economic Advisory Board as a means by which there could be some examination of the course of action that had been taken and . . .

MR. CHAIRMAN: Order, please. The Minister of Industry and Commerce to a point of privilege.

MR. EVANS: On a point of privilege, the Leader of the Official Opposition is making statements about my thinking processes and he's imputing motives to me which he has no foundation in fact and I want him to withdraw those remarks.

MR. CHAIRMAN: Order, please. The Chair is mindful of the points raised by the Minister of Industry and Commerce and it would be the Chair's opinion that it isn't to a point of privilege, it is a matter of debate. The former Minister of Industry and Commerce - the Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, if I really thought that the Minister could think, I would be concerned about his thinking process.

Mr. Chairman, let me suggest to you that if we examine, and we will have an opportunity of examining the chronological records of the Western Flyer Coach incident, we will find that the Minister's exuberance for the kind of investigation that would have been conducted changed when he realized that the loan had been undertaken during their administration and, in effect, the Economic Advisory Board's use was a means by which to basically cover, cover the basic handling of the situation.

Now, Mr. Chairman, I don't have to make particular reference to any statements that were made in this House by the First Minister or others with respect to the Manitoba Development

(MR. SPIVAK cont'd.) Fund either in Opposition or during that first session when they took over, but it was pretty clear, Mr. Chairman, that it was going to be their undertaking to make this Fund operate in a different manner, and it's also very clear that what they're suggesting is that the Fund did operate but it did not operate any differently and therefore we're to blame for any of the problems that occurred during their administration.

I suggest with respect to Lake Winnipeg Navigation, and the opportunity is going to be presented in this House to deal with it in greater detail, that the record will show that a great deal of mismanagement has been from the period of time that the government bought equity into it, and if buying equity by a government into an operation doesn't put it on a great onus to try and see that proper management was undertaken then I don't know what does. I know that the loans that were advanced by the Manitoba Development Corporation were loans; they were not interference of management. But I cannot believe that equity participation by the government in a particular venture did not warrant something more than just a sheer loan. It warranted some involvement in management.

I have mentioned as an example, Mr. Chairman, I've asked for the Minister to confirm this, but if I'm correct, if we examine Lake Winnipeg Navigation we will find that in the year ending - the first year of operation ending in their administration the boat would have shown in a cash basis probably \$11,000 profit. I would suggest to you that in the year that they bought equity it showed a cash loss of \$181,000. Now I want to show the Honourable Minister - and I'm sorry the First Minister is not here - that for him to suggest that they inherited a mess and therefore we are to blame for the manner in which they operated, I would suggest that's sheer gall on the part of the First Minister.

MR. CHAIRMAN: It has reached the supper hour and I am leaving the Chair to return at 8:00 o'clock.