

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, August 10, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Notices of Motion; Introduction of Bills; Orders of the Day.

The Honourable Member for Birtle-Russell.

ORAL QUESTION PERIOD

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Agriculture. I would like to ask the Minister of Agriculture, in view of the fact that certain areas of the province had very difficult conditions this spring and early summer, if there has been any change in the policy regarding the noxious weed control in the province.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): No, Mr. Speaker. The problem that my honourable friend mentions to me has not been brought to my attention. I am sure that if there was a problem emanating from the Noxious Weeds Act or the implementation thereof, it would have been brought to my attention.

MR. GRAHAM: A supplementary question, Mr. Speaker. It has been brought to my attention that there are areas in the province where the control of noxious weeds has indeed been lax this particular year, and I was wondering if the Minister would be considering a policy of enforcement of the Noxious Weeds Act in areas where it is brought to his attention.

MR. USKIW: Well, Mr. Speaker, if the honourable member would submit to me some details, I'd be prepared to look into the matter.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I'd be happy to draw to the Minister's attention a particular problem that does exist within his own Cabinet. I wonder if the Minister would take up with the Minister of Transportation the policy of mowing along the public provincial roads. There is a very serious weed problem arising as a result of the failure of the Department of Transportation to carry on the . . .

MR. SPEAKER: Is the honourable member making a speech or . . . ?

MR. USKIW: I'm not answering that question. It's out of order. Mr. Speaker, I'm rising on a different point. I don't believe that that was the question . . .

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, the other day I invited members to the Manitoba Sunflower Festival in Altona. Because of the session, members couldn't attend and so tonight packets of sunflowers have been distributed. I hope it will soothe the members' nerves. When we get down to committee work, instead of smoking they can eat some of the little peanuts. These are compliments of the Manitoba Sunflower Festival and Vegetable Oils.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable Minister of Finance. I wonder if he's had time over the weekend to check his mail and see whether or not the decision of the Manitoba Hydro Board with respect to Southern Indian Lake has been transmitted to his office.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. John's): Mr. Speaker, actually over the weekend I didn't check my mail but just before the weekend I did and there was a letter with certain recommendations received from Hydro, not a decision as I interpreted it, but recommendations. I'm now in the process of considering it, as are other members of cabinet.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): A subsequent question, Mr. Speaker. Can the Minister advise, or the Minister of Mines and Natural Resources, either one, whether a license has been applied for?

MR. CHERNIACK: I read the letter very superficially. I do not recall a license being applied for but rather a recommendation for consideration, for consideration on the over-all project.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I would like to direct a further question to the Minister of Agriculture and ask him if he would check with the Noxious Weeds Act and make sure

(MR. JORGENSEN cont'd.) that Section 3, subsection (3) of the Act and Section 19 (1) of that Act are being complied with insofar as the Department of Transportation is concerned.

MR. USKIW: Mr. Speaker, I think that point has been well taken and the Minister of Transportation has ears and has heard the representations given in this House on that matter, so I'm not going to comment beyond this point.

I want to answer a question put to me by the Honourable Member for Morris a few days ago, the one dealing with the question of crop insurance payments for losses incurred in the year 1969. I had checked with the Crop Insurance Corporation. I find that this is not unusual, that these were fields that were left unharvested throughout the winter months and as a result of that the assessments of damages were not completed until some time this spring, and in most instances the delay was the claims not being filed by the farmers in time.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is for the First Minister. I wonder if he'd inform the House whether he participated in a news conference this afternoon which, in its announcement, indicated a convention centre to be built by the Metro Corporation.

HON. ED SCHREYER (Premier)(Rossmere): Well, Mr Speaker, there was a new conference this afternoon at 2:15 in that connection, but it is not correct for the honourable member to suggest that there was an announcement that the convention centre was going to be built by the Metropolitan Corporation. No such statement was made.

MR. SPIVAK: Mr. Chairman, not any such statement by the government, but by the developer. Was he not present when the developer made that statement?

MR. SCHREYER: The developer did not make that statement, Mr. Speaker. The developer in the course of his statement indicated that he was hopeful that such would be the case.

MR. SPIVAK: Mr. Speaker, a supplementary question. Has the government arrived at a decision on the convention centre yet?

MR. SCHREYER: Mr. Speaker, there is a policy position of the government in that connection, but there is no decision relative to actual location.

MR. BUD SHERMAN (Fort Garry): . . . Mr. Speaker, to the First Minister? When the First Minister refers to "the developer" does that indicate that a developer and a site have been settled upon?

MR. SCHREYER: Mr. Speaker, I'm not sure in what sense the honourable member means that last question. A developer has made a statement at a news conference this afternoon with respect to intentions to proceed with certain construction. Now, beyond that, what is the honourable member wishing to know?

MR. SHERMAN: Well, Mr. Speaker, it's really a question of clarification, I suppose. The term "the developer" was used. There's quite a difference between the term "the developer" and the term "a developer", as I'm sure the First Minister would concede.

MR. SCHREYER: Mr. Speaker, the honourable member's point is well taken. A developer made a statement at a news conference this afternoon.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I'd like to thank whoever provided the sunflower seeds.

MEMBERS: Jake - Jake.

MR. McKENZIE: Thank you, Honourable Member for Rhineland. My question is to the Minister of Mines and Natural Resources. I wonder if the Minister can indicate the policy that's been followed by this government as they bulldoze down the trees in the Turtle Mountain area.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture. Many hog producers are concerned about the prices, the dropping prices of hogs over the past many weeks. I wonder if the Minister could indicate why the great spread in the Toronto prices and the Manitoba prices. In other words, if I may just elaborate further to the Minister, the normal spread has been from \$1.00 to \$2.00 but is now around \$6.00. Could the Minister give us an indication of why this is?

MR. USKIW: I'm not sure, Mr. Speaker, but I would assume that it could be as a result of local supply.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: I should like to direct my question to the Minister of Transportation and ask him when the residents in the Morris constituency can expect to have the bridges on Highway 205 and Highway 336 replaced. Those bridges were knocked out by floods early this spring and nothing's been done to repair them as yet, and I wonder if the Minister would advise the House just how soon we can expect to have those bridges repaired.

HON. JOSEPH P. BOROWSKI (Minister of Transportation)(Thompson): Mr. Speaker, I can't tell but I will check into it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'd like to pursue my question which wasn't answered -- (Interjection) -- If I could fill you in, Mr. Speaker, it is my privilege . . . Can I ask the Minister again for the policy that's being followed?

MR. SPEAKER: . . . the honourable member had asked this question once.

MR. MCKENZIE: Yes, I didn't get an answer. Can I direct my question now to the First Minister?

MR. SCHREYER: Mr. Speaker, if I recall the question, it was why it was decided that certain trees in Turtle Mountain Park were being bulldozed down. Well, I can only tell my honourable friend that since he has brought that to my attention that it'll be looked into. I can assure him that I'm just as concerned as he is about any despoilage of nature.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, I direct another question to the Minister of Finance. This is as a result of his answer to my last question. In view of the recommendations that the Minister of Finance now has, can he indicate to the House whether any flooding of South Indian Lake has been recommended and is being contemplated?

MR. CHERNIACK: The letter from City Hydro is under study, Mr. Speaker.

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

MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Tourism and Recreation. Is there a master plan for the development within the Turtle Mountain Park like the new development park that you're developing down there? I think it contains - it's all within - it's the part of the province that the Honourable Member for Roblin's discussing.

HON. PETER BURTNIAK (Minister of Tourism & Recreation)(Dauphin): Mr. Speaker, we are working on a master plan for all of Manitoba.

MR. MCKELLAR: A subsequent question, Mr. Speaker. Would you be good enough to come out to Boissevain and explain this plan to the people there of Boissevain district?

MR. BURTNIAK: Whenever that plan is ready, Mr. Speaker, I'll be glad to.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. LEONARD H. CLAYDON (Wolseley): Mr. Speaker, I have a question for the Minister of Health and Social Services. I wonder if he can tell us if there are any plans or studies under way to include nursing homes in the Manitoba Health Services program.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Mr. Speaker, we're looking at the possibility. We're negotiating with the Federal Government and I do hope that we'll find a happy solution for both levels of government.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I'd like to direct a question to the Minister of Tourism and Recreation and ask him if he has received any reports this summer, as I have, of excessive weekend rowdiness in the Grand Beach provincial park which makes it unpleasant for legitimate family campers.

MR. BURTNIAK: Mr. Speaker, that is somewhat correct. We have been made aware some time back of the situation and I am glad to report that that's pretty well been remedied.

MR. SHERMAN: Mr. Speaker, a supplementary. Could I ask the Minister if he could advise the House what he means by the situation being pretty well remedied. Are there extra security personnel, for example, on duty?

MR. BURTNIAK: That is correct. There is extra security guards there, extra police guards, as well as we're not allowing any visitors after 11:00 o'clock at night, and that seems to help the situation.

MR. MCKENZIE: Mr. Speaker, I believe I heard the Minister of Tourism and Recreation say he had a plan for all the tourist areas of the province. Can I ask him to lay on the table a plan for the Shellmouth Reservoir and the Assessippi Provincial Park.

MR. BURTNIAK: Mr. Speaker, the Member for Roblin seems to want to lay everything on the table, and as I said, until we are prepared to do so, Mr. Speaker, we'll be glad to lay it on the table.

MR. McKENZIE: Mr. Speaker, a supplementary question then. Can I ask the Minister of Mines and Natural Resources, has he had a directive from the area asking for a planner?

HON. SIDNEY GREEN, Q.C. (Minister of Mines and Natural Resources)(Inkster): Mr. Speaker, not that I'm aware of, but I will admit that there are certain things that happen that I am not aware of.

MR. McKENZIE: A supplementary question to the Minister of Municipal Affairs. Has he had a directive from that area asking for planning?

MR. SPEAKER: . . . propriety of questions canvassing members of the front bench. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I can understand your feelings and appreciate them very much, but I have mentioned on two or three occasions during the session. I wonder if I may direct my question to the Minister of Health and Social Services. Could he tell me tonight what the standing is insofar as the government is concerned toward the extended care home for Swan River?

MR. TOUPIN: Mr. Speaker, we are going ahead with this plan.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is directed to the Honourable the Minister of Industry and Commerce. It relates to Order for Return No. 19 as amended and agreed to, April 17, 1970. I hope the Minister won't think I'm too impatient, but I wonder when we're going to get this Return.

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I'll look into the matter.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'd like to direct my question to the Honourable Minister of Highways. I wonder what priority warranted the six miles of pavement from the Perimeter Highway to the Town of La Salle, Manitoba.

MR. BOROWSKI: I didn't catch that, Mr. Speaker.

MR. MOUG: I realize that this microphone doesn't work too good, Mr. Speaker. What priority -- (Interjection) -- Okay mouthpiece, you don't need a microphone; I do. What priority warranted the six miles of pavement from the Perimeter Highway around the City of Winnipeg to the Town of La Salle, Manitoba?

MR. BOROWSKI: Well, Mr. Speaker, this is a question that was asked by the Member for Morris and this is the type of Tory muck-raking that I don't think we should be subjected to. I explained the situation when it was asked of me and he ruddy well knows the answer why it was done.

MR. JORGENSON: . . . the question of privilege, Mr. Speaker. At no time, at no time did I ever make any kind of a suggestion such as made by the Minister of Transportation. The Minister of transportation talks about not being able to tell the truth in this House. He'd better try it once in a while. It'll do him good.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Can the Minister of Transportation indicate on what date he purchased property in that general area?

MR. SPEAKER: I believe the honourable member is aware that that is not a proper question before Orders of the Day. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, perhaps you . . .

MR. ENNS: That's not charging or asking people to be suspended from . . .

MR. SPEAKER: Order please.

MR. SCHREYER: Mr. Speaker, perhaps you could advise me whether under the rules it is in order for me to answer a question that may have been asked, directed to another Minister, because I wouldn't mind answering the question put by the Honourable Member for Charleswood. If it's in order, I would certainly answer it. (Agreed)

MR. MOUG: Sorry Mr. Speaker, I didn't hear his note there.

MR. SPEAKER: I believe I heard indication of leave being granted to the Honourable the First Minister to answer the question put by the Honourable Member for Charleswood.

MR. MOUG: Yes, certainly I would.

MR. SCHREYER: The honourable member indicated he hadn't heard what I had said. I offered to try to answer his question as to on what basis was a particular road built. My answer is that if he will take a highway map of the Province of Manitoba for each of the past many years he will see that gradually over the years road improvements were made in the area of the periphery of Greater Winnipeg and to the area of East St. Paul, Hoddinott Road, the road to Dugald, from there to Oak Bank, and that's on the northeast sector of the city; the same applies to the southwest, and I don't know that anyone got up in the House to ask questions at the time in a suspicious vein because particular roads were being built in different sectors of the periphery of Metropolitan Winnipeg.

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BOROWSKI: The Honourable Member for Morris suggested that I attempt to tell the truth in this House. The Leader of the Opposition a couple of weeks ago said to me that if somebody walked up to me and punched me in the nose I wouldn't understand cooperation. I suggest to the Member for Morris that if truth walked up and punched him in the nose he wouldn't see it.

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

MR. SCHREYER: Mr. Speaker, I rise on a point of parliamentary privilege, a point of privilege affecting the decorum of this House. I know, Sir, that you have been requesting order from those in the public gallery and I believe, Sir, that it is so important that that be observed that I would urge that this request for order be made repeatedly and as often as is necessary in your judgment, and I would also request that members on both sides of the House refrain from any kind of reaction to whatever response comes from the public gallery.

MR. ENNS: Mr. Speaker, on the same point of privilege, if I may. I accept the words of the First Minister, and up unto some time - in fact I was hoping that perhaps some action would be taken because I deplore it, and when the applause went the other way in the Public Utilities Committee we very soon had armed commissionaires -- pardon me, not armed, but commissionaires there, yes, commissionaires there to stop any demonstrations by those persons. However, it seems that as the applause is favourable to the government here, you, Sir, or the government have not seen fit to do anything about it. Now I would suggest that it is evident that you have to ask the galleries to be cleared if they repeatedly do not follow the rules of the House, and I'm quite prepared to do it.

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

MR. LAURENT L. DESJARDINS (St. Boniface): On a point of privilege, I might say that I take full responsibility and I did take full responsibility as Chairman of Public Utilities to calling, to requesting that we have the same facilities as we have in the House here, that is, security people, and that was not a request or even a suggestion of the government. I did that on my own.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, again realizing your position, and I notice over the last two or three days you and the Chairman of the Committee have repeatedly requested that order be maintained in the gallery, and I suggest to you, Sir, that you use a firm hand and the next time it happens the gallery be cleared.

MR. SPEAKER: I do believe that the point has been sufficiently impressed on honourable members of the Chamber and ladies and gentlemen of the gallery.

The Honourable Member for Morris.

MR. JORGENSEN: I should like to direct my question to the Minister of Transportation and ask him if he can produce any statement that I've made, inside or outside of this House, criticizing the highway that was mentioned by my colleague from Charleswood.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I'd like to address a question to the Honourable the Minister of Mines and Natural Resources. Has the Minister any further information in connection with the Pembina Dam since the Return was tabled in the House some time ago?

MR. GREEN: Well, Mr. Speaker, I made a full statement as to the position of the government during - not during the estimates but during the concurrences, and there has been no change since that position.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question of the Minister of Industry and Commerce. I wonder if the Minister can state permanent policy with regards to the rapeseed plant that's scheduled for Grandview.

MR. EVANS: Mr. Speaker, the honourable member knows full well that it's out of order to ask members of the treasury bench to state matters of policy.

MR. McKENZIE: A supplementary question then, Mr. Speaker. Can I ask the Minister then for his opinion?

MR. SPEAKER: . . . ask for an expression of opinion. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, may I ask the Minister of Industry and Commerce, of whom were we going to ask matters of policy if the government are not going to answer them?

MR. EVANS: Mr. Speaker, matters of policy will be announced in due course when such policies are formulated.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Minister for Cultural Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bill, No. 56, The Automobile Insurance Act.

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: We are dealing with Bill 56, Section 1(z). The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, in the definition section that's before us, (z) becomes probably the most important definition that we have to deal with because it deals with the universal compulsory automobile insurance plan, and we're now talking about government monopoly and we're now talking about the implementation of a plan that would be compulsory and would have universality, which would be the monopoly aspect of government involvement in insurance.

Now, Mr. Chairman, I've listened with great interest to the remarks of the Member for St. Boniface and the Honourable Member for Churchill, and I've I think shared with the members in this House and the members in the gallery, some of whom have been present throughout almost all of the sessions, the time, shared the discussion and waited for the time, the moment of truth, when we would really know whether the words that were expressed inside this House and out were really the true feelings, were really the true expressions and the true beliefs of the people who expressed them, because Mr. Chairman, there's a tendency to look at this Bill and to look at government insurance with some blurred vision as if all we are talking about is a question of compensation for a group of people who will be dislocated as a result of government nationalization of its industry, and what appears to be the primary and uttermost factor in the minds of those who have spoken already in connection with this . . .

MR. CHAIRMAN: May I point out to the Honourable Member for River Heights that we're dealing with a definition of universal compulsory automobile insurance and I would ask him to attempt to stick to that clause.

MR. SPIVAK: Yes, I am, Mr. Chairman, and I wish that the Chamber would at least be quiet so I could hear myself speak.

MR. CHAIRMAN: Order please.

MR. SPIVAK: I assure you that I know you're not interested, but for the record, and because we are reaching the final point, I think it has to be said again. I'm dealing with this particular section which I believe should be rejected in this Bill because I do not believe that the government has put forward a case in which there should be universal compulsory automobile insurance in this province. Compulsory insurance - yes; universal - not in terms of a government monopoly. And that's what I interpret this section to mean, and I interpret that section to mean that.

I've indicated to you, Mr. Chairman, that our vision is blurred in that we have now superimposed the whole issue of compensation on the question of the principle of government involvement. Now, Mr. Chairman, in spite of what the honourable members may say and think on the opposite side, I have no hang-up on government involvement. I say that quite frankly and I say that without any equivocation. No, none at all, and as a matter of fact, Mr. Chairman, during the period of time when I was Minister of Industry and Commerce, there were serious

(MR. SPIVAK cont'd.) discussions of the exercise of Part II of the Manitoba Development Fund in terms of those specific areas in which the government had to enter because in fact private industry would not do the job that was required for the province. -- (Interjection) -- No, we did not use Part II but I must say that our discussions were towards this, and I have a suspicion, Mr. Chairman, that we would have been well on our way to using it in a very positive way had we still had the opportunity of being in office. But Mr. Chairman . . .

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

MR. SPIVAK: Yes, I will at the end.

MR. SCHREYER: At the end? All right, thank you.

MR. SPIVAK: Mr. Chairman, those who have spoken seem to forget that what we are talking about is the principle of government involvement in an industry that has not as yet proved -- and I say that -- has not as yet proved that it cannot, under certain conditions, fulfil the requirements and provide cheaper and better insurance for the people of Manitoba.

Now, Mr. Chairman I'd like to, if I may, refer back to the interview, and I've already made reference before, of July 5, 1969 in the Tribune, the interview with the Premier, and I think it's important to note this for the record, the Tribune said and I quote: "To nail it down, could you give us your definition of a Social Democrat?" The Premier . . .

MR. CY GONICK (Crescentwood): You're hung up.

MR. SPIVAK: I'm not hung up, but there are some Democrats that are hung up about it. "Yes, a Social Democrat is one who endorses the notion that government is an instrument to be used by society to achieve certain ends, to bring about certain objectives, initiate certain programs in order to protect people against the exploitation in the market place, against exploitation by the zealous minority, who over the decades have been able to indulge in a bit of successful exploitation of their fellow human beings. To make it a little more precise, this willingness to use the instrumentality of government is used with moderation in the sense that where there is a successful private enterprise that is serving the public interest, there should not be any wish to bring that under public ownership. We are not, as Social Democrats, doctrinairely opposed to the use of government ownership of a particular industry or service, but on the other hand we should not be pushing for it as a matter of doctrinaire philosophy. In other words, the notion of government ownership of production -- distribution exchange which is mouthed so glibly should be looked upon by a Social Democrat almost as uncomfortably as by a Liberal." Almost but not quite.

I'll explain my disagreement, not with the statement but the application to this particular industry, because there's a distinction between saying that the statement is correct and its application to the industry, "to bring about certain objectives, initiate certain programs in order to protect people against the exploitation in the market place." Now surely we have realized that much of the legislation that we introduce in this House is to prevent exploitation of our people in the market place. That's why we introduced the Consumer Protection Act, and that was legislation. We did not say, Mr. Chairman, that we are going to take over all the finance companies in this province; we did not say that we are going to take all those who are in the commercial lending field and we did not say that we were going to take them over because there was exploitation. Mr. Chairman, what we did is we enacted legislation which in fact controlled abuses and protected our people -- and the First Minister agrees; that's what we did.

MR. SCHREYER: Well, that's the hope.

MR. SPIVAK: Yes, that's the hope, and I say to the First Minister why could we not have done this with the insurance industry? -- (Interjection) -- Well, I hope -- I'm waiting for your answer. I think I know it already. Well, you made a 2 1/2 hour speech and I'm sure that you can make an hour's speech -- you're quite capable of it.

"Against exploitation by the zealous minority who over the decades have been able to indulge in a bit of successful exploitation of their fellow human beings." Now is there a successful exploitation of their fellow human beings? Are we suggesting that if one makes profit, that that is exploitation? Or what are we talking about? Is profit in itself exploitation? And if profit in itself is exploitation, then surely the government better be interested in all those industries in this province who make profits, because they're exploiting in those terms, Mr. Chairman.

MR. SCHREYER: Mr. Speaker, I wonder if I could rise on a point of privilege and you can rule whether it is a point of privilege or not. If the honourable member is suggesting that in the course of that very long interview I left the impression that I was opposed to profit, then

(MR. SCHREYER cont'd) that's certainly a misconstruction of what I said, because later on in that same interview I talked about the notion of reasonable return on investment.

MR. SPIVAK: Mr. Chairman, as a matter of fact, the First Minister talked about the just price, and that in philosophical terms I understand, and I understand what he says, and I really do not believe that was a question on a point of privilege. If he disagrees with my interpretation of what he says, he's certainly perfectly entitled to enter the debate.

MR. CHAIRMAN: . . . felt that again that these questions of privilege are in most cases not actual questions of privilege and that, even if a member is misinterpreted, it is not a question of privilege for someone else to interject at that moment. He may later in the debate re-explain his position, but, as I would quote from the earlier Rule Book of '51, "A dispute arising between two members as to allegations of fact does not fulfil the conditions of parliamentary privilege."

MR. SPIVAK: Well, Mr. Chairman, first we initiate programs to protect people against exploitation in the market place and we've done this through legislation and through regulation. "Against exploitation by the zealous minority who over the decades have been able to indulge in a bit of successful exploitation of their fellow human beings." And I do not believe - and I want the First Minister to understand that - I do not believe that he meant that profit was exploitation, but then on the other hand, Mr. Chairman, then I say: where has there been proven in this Legislature that the insurance company is exploited? -- (Interjection) -- 34 percent. All right. 34 percent under the Wootton Commission. Now I want the Member for Crescentwood or the First Minister or the Minister of Mines and Natural Resources or the Finance Minister to stand up in this House and tell us exactly what the profit picture is for Manitoba, because while Mr. Justice Wootton may have found the statistics in terms of . . .

MR. GONICK: . . . prepared to answer a question? -- (Interjection) -- No. He asked would the Member stand up to answer the question and I'm prepared to do that.

MR. CHAIRMAN: . . . River Heights if he yields the floor, he does so.

MR. SPIVAK: Mr. Chairman, I'm not yielding the floor but if the Member for Crescentwood can indicate to me, in the debate so far, the specific statistics which would indicate the profit picture in Manitoba of this exploitation that is alleged, then I'm prepared to sit down to hear that information, and only yield on that basis.

Now I'm assuming that's what he intended to do. If he's intending to speak, then this is fine; he can follow me afterwards.

Mr. Chairman, I'm suggesting . . .

MR. BILTON: Mr. Chairman, is it clearly understood by the Chair as to what the . . . ?

MR. CHAIRMAN: I would leave it up to the judgment of other members, but if some other member wishes to enter into the debate I'm certainly not going to stop him. I assume that the member is yielding the floor but cannot do so with any conditions. He takes his chances.

MR. SPIVAK: Mr. Chairman, in that case I will not yield the floor but I look forward to the time when the Member from Crescentwood will stand up and indicate the information we have in this House that indicates the percentage of profit of the companies in Manitoba and their degree of exploitation in the market place, because Mr. Chairman, if there is no degree of exploitation, and I suggest, Mr. Chairman, that there is no evidence - there is evidence of profit, and I agree with the First Minister, there is nothing wrong with profit, but there is no evidence of exploitation. There are, and without question, there are a number of situations which indicate that the industry in its relationship with people has had difficulty. Part of this is related to the whole legal procedure involved in the . . . system, but Mr. Chairman, we don't have to wipe out the industry to achieve that. There is absolutely no reason to do that, and this then comes to the very basis of the issue of monopoly or not.

And I would like to quote again from the First Minister. "To make it a little more precise, this willingness to use the instrumentality of government is used with moderation in the sense that where there is a successful private enterprise that is serving the public interest, there should not be any wish to bring the matter under public ownership." Well, one has to assess the last two months, two and a half months, and determine whether there has been moderation used on the part of the government with respect to what's taken place. Mr. Speaker, not only have we seen a fantastic change . . .

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

MR. SPIVAK: Yes, I will at the end. Not only have we seen a fantastic change in the basic positions of a number of the members who seem at different times to be able to walk a tightrope and appear to be many things that they did not appear to be before, but we also

(MR. SPIVAK cont'd) have an unbelievable situation that, as we approach the final decision on the bill, the government is furnishing more and more and more information to try and give an indication of a different position than they basically had before, and this I suggest to you is the indication of the fact that they did not approach the issue, the fundamental issue of taking over the industry, with moderation but they took it on the basis that there was a public appeal that would be accepted, and that they could ram it through, and having rammed it through they would have accomplished their end, and the question that arises: well, what is their end?

Now, there are several possibilities and one can only speculate on them. The possibilities exist, and I have indicated before that for some it was a matter of mixing up the system, but there is another possibility that has to be assessed and that is the placing almost immediately into the hands of the government \$30 million. Now, Mr. Chairman, \$30 million is a large sum of money. Even though it will not have to be paid out for a period of time, one could make the judgment that there will be a rollover of approximately \$12 million to \$15 million - twelve to fifteen million dollars that will be in the hands of the treasury, and that could be used to great advantage. And Mr. Speaker, maybe there's an argument for that but if there's an argument for that it does not fit into the basic propositions that the First Minister expressed at the time he gave the interview to the Tribune last year of July 5th.

Well, Mr. Chairman, there has been no evidence to suggest that a government monopoly will save any more to the public than can be saved if the government would undertake the regulations, the control of the selling price -- I will say this again, Mr. Chairman, that given the power, and if we had the power, and we took and controlled the selling price, we introduced a no-fault system, we in turn took the investment income of the insurance companies and put it as part of the total claim, a loss claim ratio to be paid, that on the basis of that, Mr. Chairman, we would save \$6.00 per person average in this province without any question, and there is no question on that, Mr. Chairman, because it's very obvious. The area of the concern, the adversary system, the lawyer cost would be eliminated, the selling price can be regulated and controlled, in which case we control that profit margin.

Now, I have indicated that the facts on the profit margin have not been indicated but a regulatory body can control the profit margin. We do this with milk. We control the price that the producer gets, we control the price that the broker gets, and we control the price that is paid by the consumer. We do that with the gas company. The gas company cannot go out and charge any price for gas. It has to prove its case. It has to prove its case before the regulatory body and then that body makes the determination. Taxi cab fares, rail freight rates. My God, we know . . .

MR. SCHREYER: Are you advocating that?

MR. SPIVAK: I am advocating a regulatory body that will control the selling price of the insurance industry in this province, and I must tell you . . .

MR. SCHREYER: All right. That's all I wanted to hear.

MR. SPIVAK: I'm glad that's all you wanted to hear. I have only said this for the last two months; I don't know where you've been. This is not the first time that I have said this.

MR. LAURENT L. DESJARDINS (St. Boniface): That's right.

MR. SPIVAK: That's right. But I must tell the Honourable Member for St. Boniface, when I first said this the government indicated a 20 percent savings, then they indicated a 15 to 20 percent saving; now we indicate a 10 to 12 percent at least. There is a big difference, a tremendous difference, because if we apply what the Premier has said, we must deal with moderation, "where there is successful private enterprise that is serving the public interest, there should not be any wish to bring this under public ownership."

Now Mr. Chairman, those words were a year ago, or approximately a year ago, and I suggest that eliminating the issue of compensation, which will have to be dealt with, coming to the basic proposition, it's not a question of a hang-up on public ownership or private ownership. The truth of the matter is, Mr. Chairman, the government has not presented a case at all for takeover of the industry, not only -- Mr. Chairman, I must say . . .

HON. AL MACKLING, Q. C. (Attorney-General)(St. James): Shout a little louder. You've still got a weak case. Shout again.

MR. SPIVAK: I'm not shouting because I have a weak case. I must say, Mr. Chairman, that I again suggest to the Honourable Attorney-General and to the First Minister, there is no case that has been presented so far for government takeover. It's easy to use the catchword

(MR. SPIVAK cont'd) that the government had to take over because it's a utility and we must compare this to utilities, because we have taken over public utilities, but again, I would like to refer, if I may, to the testimony that was presented by Mr. Ken Singleton, because . . .

MR. CHAIRMAN: . . . interrupt the member and say that much of the debate that we are now hearing from both sides of the House is highly repetitious. I don't wish to make a judgment on a particular member but I would like to say that I think all members of the House have listened to this debate for a considerable period of time and I would ask all members to cooperate and attempt to keep their remarks relevant and pertinent to the sections of the bill, because otherwise we will simply have the whole debate on each clause of the bill, and I think that's an intolerable situation; so I would ask all members, and now specifically the Member for River Heights, to attempt to deal with clause (z) alone and to leave out some of the other questions which are related to the entire issue of Bill 56.

MR. SPIVAK: Mr. Chairman, the Honourable Member for St. Boniface and the Honourable Member for Churchill have stated their position, and it's my proposition that there is nothing in the positions that they have expressed that in any way justify the passing of a section which would introduce a government monopoly. Now they may very well -- and my remarks are addressed not to them but to the House, but I hope that they will hear it as well, but I am suggesting, Mr. Chairman, that this is the first occasion that I have had after they have made their presentation, to deal specifically with the question of government monopoly, and my proposition is a simple one. There is nothing that has been presented to this House which justifies or indicates the necessity of a monopoly plan. Now -- (Interjections) -- Well, you know, the First Minister can say it's not true, and he then can make a presentation and we'll hear the same presentation that he has presented before, but I suggest, Mr. Chairman, that this is not so.

Now unfortunately I can't find the specific reference to Mr. Singleton, but I think I can paraphrase it, and if there is any objection to my conclusions, and certainly someone will object to it, I'll try and find the specific. When Mr. Singleton was asked; "Do you believe that there will be a difference in the rates to be offered by a government plan?" he said no, he thought it would be the same rate. When he was asked then why, why -- well he indicated that he thought there would not be very much of a difference.

MR. GONICK: He did not.

MR. CHAIRMAN: Order.

MR. SPIVAK: Well Mr. Chairman, this is my understanding as I have indicated . . .

MR. GONICK: Well, you're wrong.

MR. SPIVAK: As I indicated to the Member for Crescentwood, he can quote chapter and verse and I'll quote chapter and verse back at him. When he was asked, "Then why do we undertake a government monopoly?" he said, "So that the profit can go to the people." And then when we asked, "Well, why then auto insurance? Why not bread?" he said, "Well, people have a choice - they can eat bread or they don't have to eat bread."

MR. ENNS: Some choice.

MR. SPIVAK: Then, Mr. Chairman, we then asked him and he said it's a question that where the government says there shall be compulsion, then the government has an obligation to fulfil that requirement. So the next question that was asked, "If there's compulsion that a person has to be bonded, does that mean that the government should enter into the bonding service?" And that question went unanswered. The next question that was asked was the question of why automobile insurance, and he said, "Because everyone in our style of life requires an automobile and it's a necessity."

Now Mr. Chairman, I want the honourable members opposite to know that in my opinion that they are going to disagree with me on this. The logic that they have presented in arriving at a conclusion that government monopoly is necessary, is equal to the logic or the presentation of Mr. Singleton, which I do not believe can stand the proper test, because it is an illogical, emotional, doctrinaire position, based on nothing - and that's a fact.

Mr. Chairman, it's interesting to note - and I say this because Mr. Singleton in his presentation also talked about corporate farming and their hang-ups - and they have hang-ups and we know that, and there is nothing wrong with them having hang-ups or a position - but he based his presentation on the whole problem of corporate farming, and I suggest, Mr. Chairman, that the argument for a government monopoly does not exist. And the Honourable

(MR. SPIVAK cont'd) Member for St. Boniface and the Honourable Member for Churchill have obviously made up their minds, and they seem to think that the First Minister in some way is going to come up with a great answer that may solve the issue of compensation, and while they are not here, let the records show, Mr. Chairman, that insofar -- I'm sorry, the Honourable Member for St. Boniface is here, one is here -- let the records show that the issue of compensation, which is one that has to be discussed and fought on its merits, because I think that no matter what we may agree or disagree on on terms of the ideology that the government intends to incorporate by passing this bill, I think that we have a right to participate, to see to it that those people who are displaced are in fact taken care of by government if they are entitled to it, and obviously from the presentations that were made there has to be a very flexible arrangement because the variations in presentations indicate the difficulties of trying to apply a rule-of-thumb basis to terms of any kind of adjustment as a result of the dislocation -- it's obvious in this respect. And while we may argue on that, that should not take away from the basic fundamental fact that there is nothing that's been presented for an alleged saving, a hoped-for saving of 10 or 11 percent, but not guaranteed in the bill because it can't be guaranteed in the bill, but a hoped-for saving of 10 or 11 percent would justify the government entering into and taking over an industry.

"We initiate programs to protect people against exploitation in the market place." Profit is not exploitation. There is no proof of exploitation other than profit that I know of. Secondly, "against exploitation by the zealous minority who over the decades have been able to indulge in a bit of successful exploitation of their fellow human beings." There are abuses, and the insurance company must be regulated, there is no question, and the adversary system must be changed, there is no question; and the selling price must be controlled or regulated, there is no question; and their investment income should be part of the total package. Of that there is no question. But, "to make it a little more precise," to use the Premier's words "this willingness to use the instrumentality of government is used with moderation in the sense that where there is a successful private enterprise that is serving the public interest, there should not be any wish to bring that under public ownership." And Mr. Chairman, if the Premier would have applied his words to this situation, and if he really at the time this was introduced -- and I have a great feeling that they did not understand it at the time that it was introduced but rushed headlong into this -- they could have . . . -- (Interjection) -- Yes. Well, I must say that if you suggested you understood it, then My God, why 35 amendments, 35 amendments to a 65-clause bill . . . ?

MR. SCHREYER: May I ask the honourable member a question?

MR. SPIVAK: At the end, and I'm almost finished.

MR. SCHREYER: At the end? All right.

MR. SPIVAK: We have another four or five amendments, that makes maybe a total of 40 amendments to about a 65-clause bill. Some of them are sub-amendments admittedly; some of them are only corrections; some of them are pretty basic. We have a new compensation program that was obviously not considered before, and Mr. Chairman, we have no information of what the government really intends other than this blanket cheque that they want -- this blank cheque that they want in terms of the regulations, and I suggest that if the government had known now that by way of compensation it would reduce the amount of saving to a 10 or 11 percent, that they could have offered at least 10 or 11 percent, at least 10 or 11 percent, that means at least 10, 11, 12, but we are talking maybe minimums of 10, possibly -- possibly 10 percent, possibly more.

MR. ENNS: If the compensation is right it's five.

MR. SPIVAK: Well Mr. Chairman, let me suggest that if in fact the government had known that, they could have come to the people of Manitoba and they could have come to the industry and they could have come to the agents and they could have indicated that they were quite capable of saving the people the 10 or 11 or 12 percent by introducing all the things that I've suggested, and this would have been better, it would have accomplished the main thesis of what he expressed in July 5th of 1969.

So Mr. Chairman, notwithstanding the fact that the Premier is to announce when we deal with the amendments on Section 29, some great new revelation which is obviously going to change some people's minds and may make some of us extremely happy with the fact that we are now going to liquidate an industry and take it over, notwithstanding all of that, Mr. Chairman, at this point in time there is nothing that has been presented so far that justifies a government monopoly position.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. SCHREYER: I am wondering if I could ask the previous speaker one question.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: The Honourable Member for River Heights indicated that he would answer some questions. Well, too many accumulated, Mr. Chairman, for me to be able to ask them now in a way that would be acceptable to the Chair so I'll just limit myself to one question. Would he argue that if a particular industry is showing a modest profit, that it therefore necessarily is operating in a way that must be in the public interest, or would he admit that in certain circumstances an industry, even though it may be showing a modest return on investment might be so structured because of changing times that it's because of inherent internal arrangements that make it operate in a way that it cannot maximize a savings to the public and therefore cannot be in the maximum public interest?

MR. SPIVAK: Mr. Chairman, I'm aware that industries operate at different profit levels, they have different factors; I'm aware that there are always peripheral items with respect to any industrial activity which may, in fact, cause profit in subsidiaries or in allied industries that may be under the control of the same group of people. I'm also aware of the fact that in our situation competition is one of the most effective ways in which you enhance the opportunity to be able to maintain a position that the public will in fact receive the maximum benefit. But I am also aware, as I've indicated, that there are specific areas in which government has become involved to ensure that the selling price is controlled and the profit margin is controlled, and the best, of course, example we have is taxicabs. Taxicabs cannot charge in this province what they like. Taxicabs are regulated. There are only so many licences that are allowed and in fact a rate increase has to be requested and has to be approved by the regulatory body who will in fact maintain and see to it that the prices that are being charged are reasonable and the profit margin is related directly to the investment situation. So I accept that there are situations as the Premier indicated; but I also accept that there is a role that's an accepted role of government that has been introduced by Liberal and Conservative administrations throughout this country, federally and provincially, which regulate the industries, which control their profit margin, and if we find a situation in which it would appear to be in the public interest to do something like this, then we should do it. Not take it over.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce has a question?

MR. EVANS: Yes. A question. The Honourable Member for River Heights described the necessity for regulation and he referred to the control of profits and the control of selling prices, and I'd like to ask him this question: If government does as you suggest, if you enforce all these regulations, regulations controlling selling prices, regulations controlling profits as you suggest, how can you then possibly call that particular industry or describe it as "free" enterprise? Surely you're not talking about - the issue therefore is not whether free enterprise should reign or not; surely you're talking about controlled enterprise; you're not talking about competitive enterprise. You might be talking about private enterprise but you're not talking about "free" enterprise because you're eliminating free. Would you not agree with that?

MR. SPIVAK: Mr. Chairman, this is extremely interesting you know, because -- (Interjection) -- No, whoever said it was free enterprise? Whoever said in our society that government doesn't control? I never have.

Let me tell the Honourable Minister of Industry and Commerce - he said I have. He said, I have. If I have, and I know that one member of the New Democratic Party, or at least a supporter of the New Democratic Party, went into the library and tried to find all the speeches that I've made to determine whether in fact I ever made a statement on free enterprise and I think he was a little bit surprised to find that he couldn't find it. I may say to the Honourable Minister of Industry and Commerce that I have not made that statement, but I have accepted the fact that there is a control by government. I wonder if the Honourable Minister of Industry and Commerce is aware, and he should be, of how the gas utilities are controlled and of the fact that the gas utility in order to set a price for delivery to a certain area must prove its cost and has a profit margin that's fixed on it; and Mr. Speaker, depending on consumption, depending on other factors, can have that price changed and varied and even modified to a point where it may be less than what it was agreed to before. -- (Interjection) -- Why not own it? Well, that's very interesting, Mr. Chairman, because if we really go back

(MR. SPIVAK cont'd) to the original thesis of the First Minister, not what he said as a social democrat, but when he was in the House, he's one who said we should own it, and he's one who believes that the gas company should be owned. And if I'm incorrect on that I'll sit down, but I think I read . . .

MR. CHERNIACK: Sit down anyway.

MR. SPIVAK: No, I won't sit down, not yet, because I want the First Minister to indicate that I'm wrong; I don't think I am. I think the First Minister in his days in Opposition articulated pretty eloquently the proposition that the gas companies should be a public utility.

MR. SCHREYER: . . . accept a question? Does he realize that in those days when I was making speeches about public ownership of utilities, including natural gas distribution, that I was 22 years old, and maybe that has some bearing on it. Anyway I was making the point which I don't think the honourable member would disagree with, and that is that utilities which are in their nature natural monopoly should be publicly owned. Does he disagree with that?

MR. SPIVAK: Well, that's very interesting, because I've already quoted the Wootton Commission and I have to read it again because the First Minister obviously didn't read it or didn't hear it. The Wootton Commission suggested that the industry is not a natural monopoly. — (Interjection) — The First Minister asked if I should give him the page number. Page 729, middle of the paragraph and I quote: "Effective competition is in fact attainable in the automobile insurance and that industry is not a natural monopoly." Are you satisfied?

MR. SCHREYER: No.

MR. CHERNIACK: Did the honourable member say that he was in favour of nationalizing a gas utility?

MR. SPIVAK: I am used to the antics of the Honourable Minister of Finance who would like now to change a little bit of the tenor of what's happened and maybe push it onto something else. I said, Mr. Chairman, that the First Minister, when he was in Opposition indicated that in his belief the gas utility should be owned by the state. Now he's had one year. It's not the gas utility that's being nationalized, it's the private auto insurance industry and I must say, Mr. Chairman . . . but of course the very significant thing that's happened, the very significant thing that's happened, and I think there's a consistency, there's a consistency with his position on Page 4, that where exploitation does not occur there has to be moderation in connection with nationalization of the industry and there's not the exploitation because it's controlled, it's regulated; and surely if we apply the same logic and regulate the insurance industry then with moderation we can apply the words of the Minister and not have to nationalize it.

MR. CHAIRMAN: I earlier recognized the Minister of Municipal Affairs. Does the Member for Crescentwood have a question? May I also point out to all members that they do not have to ask questions at this point but may enter the debate.

The Honourable Member for Crescentwood.

MR. GONICK: Thank you, Mr. Chairman. The member expresses great concern over excessive profits and I wonder if he would tell the House whether he regards the 15 percent return on equity that he earns at International Inn as being excessive.

MR. SPIVAK: Mr. Chairman, that's an extremely interesting argument on the part of the Member for Crescentwood. First of all, it would be very interesting for me to know how he knows any information in terms of a private corporation. Mr. Chairman, one of the things that's always been bothering members on this side is the nature of the profits the Canadian Dimension makes. And as a matter of fact, as a practising . . .

MR. GONICK: Mr. Chairman, if he'll reveal his profits, I'll reveal mine.

MR. SPIVAK: Well, Mr. Chairman, it would be interesting - I may be inclined to reveal percentages and I wonder whether he'll be inclined to reveal his percentages. Mr. Chairman, it's very interesting. I consider the Member for Crescentwood a very successful private entrepreneur. He probably is the most successful private entrepreneur on the other side, and I wonder how he would feel if the government in their wisdom because they did not like publications similar to Canadian Dimension who expressed views similar . . . Not only would the government say You don't have to buy it, the government would say, We don't want it, because we know what's best and we'll take over and we'll nationalize that. I wonder what his reaction would be to that, and I wonder how he would feel if he was put in a position of a minority having to lose something that he had developed and built up and which was providing an income for him and was giving him the opportunity for self-expression; I wonder really whether at that point he

(MR. SPIVAK cont'd) . . . wouldn't have the same feeling of anger and frustration and disgust at a society which was prepared to move in such a direction, to take something away from him that he had worked for.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs. -- (Interjection) -- yield the floor or yield to a question? The Honourable Member for Winnipeg Centre.

MR. BUD BOYCE (Winnipeg Centre): Well, we don't need a big gun like that to refute the arguments of the Member for River Heights, that's for sure. But I have listened with great interest to the debate but I'd like to add a contribution.

When I was over in Athens I had a chance to talk to the Oracle at Delphi and the Delphi told me, Bud, you better get your butt home because -- (Interjection) -- the Member for River Heights is getting everybody all confused again; the master of distortion. But this is the first opportunity I've had to enter the debate and I would just like to express my thanks to the Member for La Verendrye and to assure him that there was no question in my mind about the breaking of pairs. But I would like to just mention, too, that with all due respect to the Member for St. Boniface, I speak for the people in Winnipeg Centre by a substantial majority in the last election, and I don't need any assistance from my honourable friend whom I've known for some 30 years.

One of the things I had an opportunity, with the indulgence of this Legislature to do in past months was to become involved with some terrific people from all over the world - and I'm not going to open this note right now. It seems I'm either talking about beer troughs or hosenschlitz but you know . . . I will keep it short. He's kicked me out of the House three times trying to keep me down and not entering the debate because it is serious. May I, before I continue, just say one of the things that struck me after coming back, and I was out of it for a period of five weeks and as I mentioned this to my colleagues -- well the Member for River Heights he's afraid of me, I don't know why. Because he can't debate, he doesn't know the meaning of the word. But anyway to the point - I must compliment members - I know, I've been reading some of these transcripts here of the hearings and boy it was a lulu. I'm glad in a way that I wasn't here because I have got rather a short fuse, and people are to be commended, that they are sitting here and they're talking at all at this point in the game.

But just let me point out one of the things that was driven home to me by the Vice-President of the Motorola Corporation who by no far stretch of the imagination is a Socialist, and he was talking about communication, people communicating and the need for better means of communication, and he was talking about noise; the selection of information necessary for decision; and really this is one of the reasons why I have been beating the drum for a Human Resource Council for the Legislature, not for the government, but for members of the Legislature, so they can assimilate information, any kind of information, because you can take any set of statistics and do with them what you want - like the Member for River Heights keeps insisting, no evidence has been presented before this body. Well, there's been ample evidence of all kinds presented to this body, and as the Premier pointed out, it becomes a matter of judgment. As the Minister of Mines and Natural Resources pointed out, it becomes a matter of judgment.

When they say adequate information to arrive at a decision, what is involved? No matter how much chaff you throw up, no matter how much noise you make, no matter how much interference that's presented in this debate - I think it was summed up succinctly by the First Minister when he said the other day - and may I just to refresh people's memory, so perhaps we can get this back in its proper perspective and vote on the darn thing. I'm sorry? -- (Interjection) -- Maybe I should wave at the galleries like the Member from Lakeside. If you want to say something, stand up.

MR. ENNS: Were you inviting me?

MR. BOYCE: Beg pardon?

MR. ENNS: Were you inviting me?

MR. BOYCE: No, you look better sitting down, especially when you turn around. But the Premier said, I think a rational analysis - and people who are reading this, and I've been talking to people in the constituency and they're giving me back this information, that they think it is a rational analysis. "I think a rational analysis can best be made by dividing the issue of automobile insurance into three main topics" - and this he proceeded to do. But here again - people keep throwing chaff in, chaff in.

What is the best possible way to handle automobile insurance so the public receives the

(MR. BOYCE cont'd.) fairest combination of rates and coverage? That is the first question; and it's strictly in keeping with the speech that the Member for River Heights read. What is the fairest rates and coverage as far as the populace is concerned, as far as the people are concerned?

No. 2. What is the most desirable way of making that insurance available to the public, keeping in mind existing practices and the various contentions as to the desirability of personal service?

The third. How can the government minimize any dislocation that can be caused in changing from an old system to a new one? Now, before this bill left caucus - maybe some people are under the impression that there's one member of this House who was the only advocate of some compensation for people who were dislocated. I'm sorry, but Wordsworth brought this forward a long time ago as a matter of the old CCF policy. This has been a policy of the CCF and the New Democratic Party for a long time.

May I just recount a personal incident. This is why the Member from River Heights calls me a disillustioned capitalist. At one particular time I had three restaurants in the City of Winnipeg. Yeah, I did. If you want to see profit and loss statements I can show you a lulu. But you know I'll tell you where one of the Greasy Spoons was; it was on the corner of William and Arlington, it was called The Five Corners. Why, because when I bought the building the guy before me called it Five Corners, I could never figure it out. But in 1959 it was a good business; in 1960 I had a chance to sell it and make money, but no I extrapolated and I figured I'd do better, so I didn't sell the darn thing. Well if I had had any sense - this is when they brought in zoning and I would have gone down to the zoning office and seen that the transit companies were moving out to St. James, they pulled off Arlington Street, out from underneath the subway, pulled out. As a result my business started to go down and down and down.

So it got to the point, Metro came along and they put up No Parking signs. Well I bucked that because that was the straw that broke the camel's back. On that particular location I lost \$15,000. So when you're talking about relocation and adjustment - when I say I lost \$15,000, that's what I lost - they paid 100 cents on the dollar, except for two idiots who couldn't wait, they sued me and settled for twenty. And it took my wife and I five years to adjust to that situation. So when we're talking about compensation to people, I know exactly what they're talking about, I've been through it; and I'm not trying to make myself a hero or anything else; but for somebody to stand up here and tell you that they're the conscience of the people of Manitoba and they represent the people of Manitoba, well I just want people to know, and I want my constituents to know that I took them at their word. When they said that they were going to put me in office I ran on the platform of public automobile insurance, and with all due respect to the Minister of Mines and Natural Resources, they asked me several questions and I said I don't know what I will do, because I'm really not conversed in that particular area, but I tell you, I'll do my damnest to find out and I'll vote in your interests, not in my own.

MR. CHAIRMAN: Section 1. The Honourable Member for Souris-Killarney.

MR. McKELLAR: Mr. Chairman, I'd just like to say a few words here before we vote on this very important subject matter. We have already had one vote on a similar motion here today. I would like to say a few words before we proceed. We have heard a lot today about how much the government are going to save the people of Manitoba; saving - that's the great No. 1 project of the government for 1970 - Centennial year. Some of the questions that I asked during second reading of this bill have never been answered and I would hope that somewhere along the line, before the bill gets third reading the government will answer these questions.

Under the present system now insurance companies are told that they have to pay sales tax on all physical damage claims, that includes labour, and it was mentioned in the public utilities committee in the constituency of Churchill or Thompson, I forget which one it was, labour costs are now presently \$12.00 an hour in the body shops. I know the men only get half of it, that's what they get, and the shop gets half; but sales tax is applied to labour costs as well as to the physical damage parts themselves.

Another very important subject matter of which I am really concerned about is medical and hospitalization costs. The insurance companies presently have to pay these costs to the medical corporation for people who are injured in automobile accidents. I'm wondering, too, if the government is going to continue this policy or are they going to do like they do in

(MR. McKE LLAR cont'd) Saskatchewan and let the corporation pay for all medical and hospitalization costs that are paid for claims in the automobile accidents themselves. This is a complete different policy presently in Saskatchewan to what it is in Manitoba right today. Now we have heard a lot today from the Honourable Member for Crescentwood, how he lectured us on how efficient the government was going to be and the savings entailed.

Now I have before me a number of financial statements of companies that have done business in Canada, British companies, American companies and Manitoba companies, of which their experience has been anywhere from 65 percent up to 100 percent or greater on claims that were paid to individuals, leaving a lot of them in a desperate position. The First Minister mentioned in his statement that he is going to guarantee these people a saving if his government takes over this great industry that's presently conducted, some of which is by Manitoba local based companies.

Now the Honourable Member for Winnipeg Centre was greatly concerned tonight about his position and before we vote I would just like to bring to the attention of the government members again the position of the Wawanesa people. They are concerned, they're still concerned, I talked to them tonight; and they would like to show their concern through myself, to each one of you here tonight before you vote on this section of the bill, because I think this is the last chance we get to vote on this section before we vote on the total bill itself going back into third reading.

As I mentioned in my speech, I think, last week, this company is not one of those that you talk about; it's a company run by policyholders; it's a company whose policyholders elect their Directorate. They in turn hold their annual meetings, they're open to the public every year. I cannot see for the life of me, once again, why you as members of the government are willing to throw out this great company in the Province of Manitoba, throw it to the wind; and this is what you're doing when you vote for the nationalization of this great industry in the Province of Manitoba.

Now Mr. Chairman, we have heard about everything today, and I think that each one of us here if we have a heart, will look at these people that are being affected, and I mean look at them. It's all right to pass a bill and say to the people six months later, we're going to do something for you next June. These people are not that type of people; they want to know today, and I mean today, before we pass this bill, how they're going to be affected, because they have to make plans. You can't expect these people -- (Interjection) -- I can't even hear you. I don't know what you're saying. But you can't expect these people who have families and responsibilities to these families to be left in the lurch on June 30th. They have responsibility to their policyholders till June 30th; on the 1st of July, where are they going? How do they know how they're going to sell package policies, because it might be impossible, because there would be very few companies in the business here in Manitoba after the 30th of June. I would hope, sincerely hope, that members of the government along with the two independent members here in our House, would give this serious consideration before they decide their final vote on Committee of the Whole and also on third reading.

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): There are just two very short points that I feel should be made in answer to my honourable friend from Souris-Killarney. First, in connection with the sales tax, he had indicated that he had asked this question in second reading, hadn't received the answer. There would be absolutely no change here. It would require a change in the Revenue Tax Act. The Crown corporation would be required to pay sales tax like any other insurance company.

He also raised the question of subrogation and certainly there is no intention and nothing in the bill that spells out any change in respect to subrogation in the Province of Manitoba; so in respect to those two specific questions I think that they can be very fairly answered here and now.

He's asked a question in respect to employees of Wawanesa Mutual Insurance Company that might be laid off due to the change, and this, too, was answered in the Premier's address; dealing with the fact that if anybody was displaced, that worked in Wawanesa for the company, due to the introduction of this plan they would certainly, and if this was the cause, certainly they would have a position with the public corporation in its headquarters in the City of Brandon.

MR. McKE LLAR: Mr. Chairman, the Minister has answered a number of the questions,

(MR. McKELLAR cont'd.) . . . but the one question that I - maybe I didn't make myself clear. But I'm referring to the citizens of Wawanesa who are an incorporated village, who have a large responsibility for debentures and feel that if a goodly part of their assessment is taken away from them, they'd be unable for the remainder to meet their responsibilities. Along with that, they have a brand new school, three-quarters of a million or more new school; they have a new Senior Citizens Home, so all these are part and parcel of the total community. And I also - after talking to a man that owns a restaurant, Saturday Night in Wawanesa, he explained that his total investment in that restaurant, \$50,000, is going to be left to the wind because he would have no more business. These are some of the problems that the people, the citizens of Wawanesa are concerned with, and yet they have never received an answer regarding - they have visited you, Mr. Minister, they have visited you, they put up a proposition to you, and I know you replied to them that you couldn't deal with them at that time till the bill was passed; but these people are greatly concerned right now as to their future.

MR. CHAIRMAN: Section 1 (z) -- The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I'd like to participate in the debate at this point on this item. I want to raise two or three points that I think have been important, that have arisen primarily out of the Public Utilities sessions and should be brought up at this time during this stage of the debate.

The major point is the point about a cost-benefit study since a great deal of the argument revolves around the economics of a government plan versus a private operated plan. In the statement made by the Minister of Mines and Resources this morning the Minister made a considerable case about a statement made in Saskatchewan about a \$5 million savings to the people of Saskatchewan as a result of the government plan, and made the analogy that this would likewise be a \$5 million - implied that it would be a 5 million dollar saving for the people of Manitoba as well.

Mr. Chairman, one of the very bothersome things about the whole debate has been the entire lack of inadequate cost-benefit study that could be put before, not only the members of the Legislature, but before the public at large who themselves are continually asking questions of the members, and other people I presume as well, to find out what is in the government automobile insurance plan.

Well first of all we haven't really had an adequate cost-benefit study. The Pawley Commission report that was presented said that this had not been done and they could not present a recommendation based on cost-benefit in their report. And since that time the government has not seen fit either to bring in a cost-benefit study except to look at the loss ratios in the different provinces. Mr. Chairman, the evidence that was given by the Minister of Mines and Natural Resources this morning indicated the loss ratio in Saskatchewan alone would bring about a benefit of \$5 million. I'm presuming that he based that on the 33 1/2 million dollar sales of insurance in Saskatchewan which are the government plan plus the supplementary plan sold by private insurers and by the government. And in addition to that if you add up the other charges that are made by the licensing authority in Saskatchewan, you have in addition to that in round figures charges for convictions which go to the Licensing Branch; you have a surcharge on young drivers and you have a drivers' license premium over and above the regular driver's license that is added in as well. You have insurance payments to the Hospital Commission that go in Manitoba, which amount to some \$300,000 in Manitoba, therefore it would be proportionately higher in Saskatchewan, probably 350,000, according to the population. And in addition to that you've got this factor that's hard to tie down but which was evident in the Public Utilities Committee hearings, of about 3 1/2 percent of premiums that go to the cost of carrying credit, which are unpaid bills, and the interest on carrying charges which are not chargeable under the Insurance Act but are in fact carried by the various agents.

Mr. Chairman, if you add those all up, the conviction surcharges in Saskatchewan come to about 2.2 million; the surcharge on young drivers comes to 200,000; the drivers' license premiums come to a million four; and you can add roughly \$350,000 in for the hospital costs which are paid by the Hospital Commission in Saskatchewan and not by the insurance commission; and without adding in any cost of credit - which I'm assuming 3 1/2 percent is fairly accurate - carried by the agents - without adding that in that adds . . .

MR. PAWLEY: Would the member permit a question?

MR. CRAIK: Well, if you'd wait till I'm finished my summary here, I'd be very happy to give it. If you add that up, it works out to about \$4.4 million, that's without the cost of carrying

(MR. CRAIK cont'd.) credit which is carried by the various insurance agents about Manitoba. This is pretty close to the \$5 million, as I see it, that was made by the Minister of Mines and Natural Resources. -- (Interjection) -- Well, if I'm wrong I stand corrected. But Mr. Chairman, what I'm doing, what I'm asking . . .

MR. GREEN: . . . and I read his figure and I gave the calculation on which it was based. Mr. Boldt is the Minister in Saskatchewan.

MR. CRAIK: Yes, I'm prepared to accept that the statement was made by Mr. Boldt, I'm also prepared to . . .

MR. GREEN: . . .

MR. CRAIK: No, I'm not saying he's a liar. I'm just saying you're quoting figures that are not in context, because you cannot . . .

MR. GREEN: . . .

MR. CRAIK: Conviction surcharges in Manitoba go into premiums on the rating system which insurance companies have. -- (Interjection) -- Mr. Boldt presumably did not take it into consideration and I don't think the Minister of Mines and Natural Resources took it into consideration. I think he took the loss ratio as indicated in statistics which does not include those factors. It includes the premiums paid for automobile insurance, not the premiums going to the licensing authority itself.

So, Mr. Chairman, the point I'm trying to make is that the only evidence we have of a cost-benefit nature which works out the average cost of an automobile policy in Saskatchewan and the average cost of a policy in Manitoba, on the basis of including those, indicates that the costs are roughly the same. They're not even the \$6.00 difference that was conceded by the member for River Heights. They're almost exactly the same.

Now, if you added to that additionally the fact that in Saskatchewan 30 percent of your population is farm population and in Manitoba 17 percent is farm population, the statistics are on the favourable side as far as the cost of insurance is concerned in Manitoba, because it's a well known fact that the insurance costs or losses, the claims in rural Manitoba are much less than they are in the urban area.

Now, Mr. Chairman, again let me reiterate, at no time during this whole argument have we had an adequate cost-benefit study. We have had quoted loss ratios out of the insurance book, but we have not had a detailed cost-benefit study presented to us to prove that the average cost of automobile insurance in Manitoba is going to be less. As a matter of fact, if they follow the same course as Saskatchewan where you have conviction surcharges that may go up to, whatever they are, \$150.00 or more -- and incidentally the information I'm quoting was information that was given at the Public Utilities Committee -- if you add in these cost factors you have a jumble of costs for insurance that are probably going to amount up to the same sort of variety that are now existent in Manitoba.

But in a nutshell, the essence of the story that comes out of the cost-benefit study, and the only one of any substance that this Legislature or members have received, indicates that the cost per average vehicle in Manitoba now are roughly the same as Saskatchewan and probably one or two dollars less in Manitoba than they are in Saskatchewan; and the counter evidence that we get is only the loss ratio that the government quotes from the insurance statistics and some obscure statement made by a person in Saskatchewan whose statement is not qualified, does not indicate what it includes, whether it includes the surcharges, the hospital costs and the driver's license premiums that are charged. So without this how can we compare it? But again, the best evidence we have is that there is no cost saving by going to public insurance in Manitoba, and still the government expects us to buy this bland statement, substantiated inadequately, that the cost saving in Manitoba should be at least 10 or 11 percent and might be 15, and so on.

Now also the argument that the government cannot present statistics because they're working on 1971 is no argument at all. They could have been presented equally as well to the people of Manitoba on the basis of 1970 rates. There is nothing that says that you have to work on 1971 rates at this time. In order to sell the product, sell the plan to the people of Manitoba, it could easily have been done -- let's say if it were done for 1970, it probably could easily be done for 1971 when that time came, but again, we still haven't got it. So what we have is a plan presented by the government which does not present the details either as to cost-benefit nor details spelled out to the automobile owners in Manitoba.

Now in addition to that, Mr. Chairman, there is another point I want to make and that is

(MR. CRAIK cont'd.) as to whether or not a government board can operate this plan more efficiently than the private sector can.

MR. CHAIRMAN: Is the honourable member dealing with the general question or is he dealing with the question of the board, which is another section of the bill?

MR. CRAIK: I'm coming down to the compulsory aspect of it, Mr. Chairman. I think that there probably is a large segment of the population of Manitoba who will buy the fact that compulsory insurance is desirable, and I think the vast majority want it to be compulsory. I think a great large segment of the population are unsatisfied with the judgment fund, if we can put it that way, but I think the large segment believe that public liability insurance is a must. I think that a large segment would probably buy the fact even that if part of this were part and parcel of the license, that it would be an acceptable fact; but I think that a very much larger proportion of the population does not feel that the government has any business telling them that they have to buy compulsory collision insurance; The cases and varieties of drivers are just too great to put everybody into the same package.

I've heard over and over again the argument that the person that can afford to drive two cars can afford to pay the same rate of insurance on his second car and has to carry collision and make up for the person who has only one car. Well, let me point out to those that put forth this argument that there are a great many people who drive a second car by necessity. There are a great many people who drive old cars, cars that are 10 years old, 15 years old, who carry only public liability and have it only as a matter of necessity, and probably only drive it a thousand or two thousand miles a year. But under the government plan, from what we can gain, that person that has that old clunker, that wants to use it to go to the grocery store or to go to the field or to go someplace else that's not on business, but it's probably grocery shopping, is going to have to pay the same insurance, from what we can gather, as the person who is driving his Rolls Royce for business purposes. Now is that equity? But still this comes under a compulsory government plan. And who are you protecting? You're presumably protecting the person against himself. Well, is it not his business if he wants to insure his clunker? The government says no, it's our business if you want to insure your car for yourself. Well maybe he wants to write his car off; his car's only worth \$200.00. This is part and parcel of the plan that was presented to us.

This is essentially the part that gets into the area of individual freedom, and the government has not even taken the trouble to try and differentiate between what is the individual's freedom to protect himself and where he loses that freedom to protect somebody else. There has been no attempt to differentiate between these two areas and there's a pretty distinct difference and I would hope that before this debate is finished that these are clearly resolved and these areas are in fact spelled out in the bill that is before us, so that if in fact we are going to be dragged in unwillingly into an insurance scheme which the majority of Manitobans, I'm convinced, do not want - and again I'm sure if it was put to a referendum they would turn it down - if we're going to be dragged into it unwillingly, then I suggest that at least we give pretty strong consideration to cutting back so that we're not infringing on the right of an individual to protect his own interests but legislating to protect the rights of others that he is endangering.

Mr. Chairman, in the House of Commons there was a statement once made that said there is a tendency, human nature being what it is, for boards or administrative bodies to start making free with other people's money. We can see how that has happened with the Canadian Wheat Board. Mr. Chairman, that statement was made in the House of Commons by the then member for Selkirk who is now the First Minister of Manitoba. Now, I think that very useful bit of information should be brought back to haunt the First Minister as he looks at setting up another administrative body to do the job for people in the Province of Manitoba which will have powers that are as great, probably, as the powers of the Canadian Wheat Board; but I would suggest to him that if this is a dangerous tendency of human nature, that perhaps the forces of the profit and loss statement may in fact be the force that keeps the private industry competitive with the public industry despite the fact that they're having to pay added administrative costs that the government does not foresee in its plan. I think the cost benefit study that I've quoted and which was given in Public Utilities Committee, is probably accurate in that these costs as indicated have been overlooked in stating the true costs of insurance, when you add in all the factors which amount to about, between four and five million dollars in Saskatchewan that are not included. I suggest that that combined with the fact that public bodies by the admission of the First Minister at an earlier stage of his career tend to make free with

(MR. CRAIK cont'd.) other people's money, that this be taken and given further consideration. I'm sure the pressures and heats of this legislative session have probably allowed this particular thought to slip the First Minister's mind and with this reminder he might go back and read the federal Hansard, Page 5273 of 1969 and he can dig up this quote which he made when he was talking about the Manitoba Freshwater Fish Marketing Board; and I'm sure that since he's . . . -- (Interjections) -- I think I should read it, this is in the debate with respect to the Manitoba Freshwater Fish Marketing Board - and just so I put it in complete context, the First Minister said at that time: "I have also one further argument to advance in support of the contention that there is some fishermen among the membership of the Board of Directors." Now I'm not sure that we have a fisherman on the Board of Directors yet.

A MEMBER: No.

MR. CRAIK: Do we have a fisherman on the Board of Directors?

A MEMBER: I think so.

MR. CRAIK: The fishermen don't seem to think so. There is a tendency, human nature being what it is, for boards or administrative bodies to start making free with other people's money. We can see how that has happened with the Canadian Wheat Board. -- (Interjection) -- Well, the Canadian Wheat Board and Manitoba insurance office, I'm sure, can develop into the same sort of scoundrel that the Canadian Wheat Board developed into in the eyes of the First Minister.

MR. SCHREYER: Would the member permit a question?

MR. CRAIK: Certainly.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: My question is not intended to deny that statement that the honourable member quoted from Hansard, but rather to ask him whether he would not agree that talking about human nature, the tendency of human nature, that it could apply to those not only on boards or commission, but could also apply to those who are, for example, on the executive of any corporation? I'm talking about the tendency of human nature and it doesn't matter much whether it's taxpayers' dollars or consumers' dollars, the phenomena is the same.

MR. CRAIK: I had a great deal of respect for the statement which you made. I happen to agree with the statement you made in the House of Commons, but I feel that . . . (Interjection) -- We liked it the way it was, it suited perfectly. I think it suits monolithic structures. I don't think that it's true in the smaller structures where your board of directors is in fact in some degree of competition one with the other; and also with your smaller structures or your board of directors, such as your co-ops and your mutuals, do have a certain degree of communication, direct communication with policyholders. Once you get to the monolithic structure that you're going to have with the massive single government insurance office, you're getting away from the principle, and the dollar savings as indicated, aren't there, and the people don't want, haven't demonstrated an interest really of having this. In fact I'm sure in my own people I represent - I know that my survey is adequate for purposes of public opinion - they don't want it; they're two, three to one against.

Now Professor Hicks says it's 10 for, 10 against and 80 percent are pragmatic. I don't really believe that's true. I believe that there's a large pragmatic body about the issue, but I believe that the number that are against it supersede those that are for it by several times; and if you put it to a referendum, which could easily be done, if you send it out with the license plates next January, February, you would soon find out whether the people who have to pay for this, which is the motoring public, are in fact in favour of having a plan. Do they want PL and PD, a minimum amount covered by everybody that gets a license? Do they want collision? Do they want no-fault? You can give them the alternatives. The people know what they have, they know what they're getting. Give them a chance to answer. Don't give them something they don't want. They don't know now.

I can tell you my neighbor who drives a '58 Ford, drives it 1,000 miles a year, drives it to the grocery store only because he's a mile from the grocery store and his wife has to have it. He didn't know he had to pay collision insurance, which he hasn't carried for many years, because there's no need for it, but he's going to have to pay for it if the full intent of the bill goes through such as indicated by the Minister of Municipal Affairs. Now why should he carry it if he doesn't want it and doesn't need it? It doesn't do anybody any good but himself but he's already decided that he doesn't need it, still he's going to have to have it. And the farmer's in the same boat. The farmer who has his farm truck or maybe a car that he drives only to town, drives only a few thousand miles a year is in the same boat. He doesn't want to carry

(MR. CRAIK cont'd.) collision. A person that drives for business is entirely different.

And the other question is, whether in fact the fellow that is using his car for this purpose should be paying the same rate of insurance for his collision as the high risk younger age group that is paying a high premium now. I think that inevitably you're going to end up with the varied structure of premium rates that you now have in the industry and you're not going to bring the equity that you tend to try and mesmerize everybody into by talking about flat rating and equity for all, because it is not in fact that.

Now the final point, Mr. Chairman, if I can make it, is with regard to the compensation plan that we're talking about. We've had a number of speeches in the last couple of days from the government side regarding the compensation plan and there's always very careful avoidance of the analogy that is the logical one, which is South Indian Lake. It was pointed to by the Member for Churchill this afternoon that Manitoba Hydro went for several years, did not provide or look out for the people and this had to be done by the government. Now it's a fact that that compensation plan was presented and figured out before any decision was going to be made by the government regarding South Indian Lake; and it was clear, and it was spelled out, and it worked out to a million dollars for sixty families. A million dollars for roughly sixty families, which is an awful lot of money. Does that work out to \$15,000 a family? \$15,000 a family or more. And here we have an industry which is being put out of business and the government is refusing to do anything more than to hint at an advisory board, take it under consideration and so on. Well is there a reason on earth why the compensation cannot be spelled out now? You know right now that if you had to buy out the industry in Manitoba what the limits are as far as your costs are concerned. If you had to buy out the industry at the formula that is used in the industry it's two times the annual growth; two times the annual growth works out to roughly \$8 million. If you use the same sort of plan that is used in expropriation which usually pays a little better than that, you're probably talking about an outside figure of around \$10 million.

Now Mr. Chairman, why is the government not coming out and saying, it's purely a matter of the dollars. The Premier's original proposal was something less than a million dollars. It was entirely inadequate. Now he's talking about an advisory board. But the facts are known, the costs are known. Why doesn't the government say now? Is an advisory board actually going to do that much or are they not? I contend that the government knows now what they're going to do as far as compensation is concerned; and if they do know, why don't they say so. They know that if they buy the industry out at the going rate that it's going to cost them upwards to \$10 million - or some other negotiated figure, just so we don't try and set a figure at this point - we're talking clearly from outside evidence. The growth premium, the doubling of it, what would normally be paid for the business, and what would be paid if a person were putting through a highway and expropriating the business that they went by or went through, as the case may be.

Now you can use all the analogies you like, but the most direct one is the analogy of South Indian Lake; and if you're going to work out a compensation program, Mr. Chairman, if you work out anything less than the program, or less considerate than was worked out for the residents of South Indian Lake, you don't deserve the support of the members of this Legislature that has been indicated to you at this time.

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MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, when I left the ranch this morning . . . - (Interjection) -- No, this morning, I told my wife I was going to tell the government why they shouldn't get into a monopoly government position, and we've not arrived at that point, Mr. Chairman, where we are dealing with Clause (z) of the bill, which sets out the universal compulsory insurance scheme that's before us.

Mr. Chairman, I'd like to take a bit of time and describe to you the events of the last month and the real reason why it took a month.

MR. CHAIRMAN: Again I would point out to the honourable member, as I have to others, and will to others, that he should be comparing the merits or demerits of a universal compulsory automobile insurance plan, I suppose to the present scheme, and should not perhaps give us a historical recounting or range too broadly in his presentation. I would ask him to attempt to stick to the point.

MR. ENNS: Well Mr. Chairman, you know how I follow your bidding and that my comments will be fresh and new and to the point that we're dealing with, the particular clause of the bill. I recognize that there has been some repetition from time to time on various matters, but - you see I want to point out to those two members that are being preoccupied, and for once I wish the Member from River Heights would sit down and let me speak to the honourable member that I'm trying to address, the Member from Churchill, through others.

I want to say to you, Mr. Chairman, and I didn't mean to frighten you by suggesting that I was going to describe the events of the last month, the 70 hours or some in Public Utilities. And what really consumed all that time? It was the question of compensation, and what brought about the whole question of compensation was the monopoly position that the government was indicating it was going to assume in this particular industry. So my remarks are going to be right to the point, Mr. Chairman, because we're dealing with a section that sets out the monopoly section in definition, and I want to indicate to them how we could have all been enjoying perhaps even a few weeks, while maybe not in Greece, but certainly somewhere on vacation or maybe at home on our farms or other businesses, had the government seen fit, had the government seen fit - you know, we've come over the hurdle, we now realize that this government is . . .

MR. BOYCE: I heard you, Harry. I heard you.

MR. ENNS: . . . determined to introduce a government-run auto insurance scheme, and you could have expected at the Utilities Committee, the severe reservations expressed by those already in industry; but what did we hear, Mr. Chairman, what did we hear, from virtually every independent agent that come before us, from virtually every industry spokesman that came before us -- let's remember, some of these agents were - you know, they were fairly modest individuals -- when one asked the question, as asked so many times, would they have any objections, or would they be prepared to compete with the government if that competition were allowed. They were also asked, would they demand, would they ask for any compensation, any compensation, if this monopoly feature of the bill were not introduced. And always, Mr. Chairman, always Mr. Chairman, or invariably always - I think there were one or two exceptions - but invariably the reply was, they would be prepared to compete with the government; and if the government plan was as sound and as superior as it was in its attraction to the motoring public of Manitoba, well that's part of the way of life that the private entrepreneur has long ago learned to appreciate, and if his services can't compete with those of somebody else, and in this case the government of Manitoba - tough apples, he's out of business. And there would be no claim against the public treasury, no claim against the public purse for compensation or other such matters. And, Mr. Chairman, we would not have had, we would not have had those 70 - 80 hours of debate at the hearings, but we would have had representation. We would not have had those soul searching self-confessions that we heard here in this Chamber a little while ago with respect to the position that some individual members felt on the matter of compensation. Mr. Chairman . . .

MR. SCHREYER: . . . permit a question?

MR. ENNS: At the end, Mr. First Minister. Mr. Chairman, I still wonder, and I'm sure it weighs heavily on the Member for Churchill who I recall standing before the group of Wawanesa here at a local curling club not so long ago, stating very firmly that he stood by the people of South Indian Lake and he would certainly stand by the people of Wawanesa. Now how he's going to live with that particular pledge is of course a matter between himself and his conscience, and I'm sure he's thought about it.

(MR. ENNS cont'd.)

But I say again, Mr. Chairman, all that, and we would not have - you know, we would not have put the Premier of this province to that extra task of working out that 2 1/2 hour speech the other day - indeed, Mr. Chairman, delaying the House by half an hour to have the finishing touches to the speech thereof. We would not have, Mr. Chairman, have had to adjourn the House early last weekend, so we could wheel and deal all weekend. After all, Mr. Chairman, those of us members who have been subjected to six weeks, seven weeks of speed-up in this Chamber; who have sat since 2:00 o'clock, 3:00 o'clock in this Chamber - why, because to speed up the efforts of the House, to get the business of the House done -- then all of a sudden we find ourselves adjourning in mid afternoons; we find ourselves starting the House at 3:00 o'clock in the afternoon. Why? Why, Mr. Chairman? It all evolves down to this clause that we're dealing with, because of the insistence of the government, the insistence of the government - no, Mr. Chairman, the insecurity of the government, because they do not, they cannot, they cannot afford the chance of putting out their plan in open competition with the free enterprise system, with the independent small agents or with the companies and face the competition. So to remove that yardstick, to remove that yardstick, Mr. Chairman, that's why Clause (z) -- in fact, Mr. Chairman, I would suggest that Clause (z) really should become the symbol of this battle, we should maybe call for a new set of signs, the "Stop Bill 56" stickers, we've seen them around for a little while, maybe we could have a "Z for Zorro" sign or something like that, that Z marks the spot where the government is not prepared to accept honest competition - from who? From the Mr. Bill Lumsdens of this world, from the Mr. Harbuns of this world. These aren't eastern capitalistic potentates, these are Manitobans, Mr. Chairman - Manitobans that have worked a long time to build up their industries.

Or even worse, Mr. Chairman, let's talk about the companies, let's talk about the companies - and again, Mr. Chairman, are we dealing with what the Member from Crescentwood would like to have us shake in our boots so often about the wicked imperialistic American empire expanding its tentacles into the heartland of this great country of ours. No, Mr. Chairman, we're dealing with mutual companies like the Portage la Prairie Mutual - the Portage la Prairie Mutual, the Wawanesa - somebody, Mr. Chairman, needs it on that side. How did these companies come to be born, Mr. Chairman, in this province? Who started the Portage Mutual. I'll tell you, Mr. Chairman, and I think the story has to be told because a generation of Manitobans is growing up honestly believing, honestly believing some of the tripe that's coming to them.

Companies like the Portage Mutual were born by farmers who took time to wash some of the dirt away from their collars as they came off their fields and who said we could do something for ourselves in this province, we could insure our own vehicles in this province and that's how these companies were born. That's how the co-op companies were born. That's how the Wawanesa Company was born. And these are the vicious pinnacles of capitalism that they somehow think - you know, eighteenth century capitalism which is long gone and disappeared; thank God it has, Mr. Chairman - long gone and disappeared. But this, Mr. Chairman, is what this government is afraid to compete with. This Mr. Chairman, is why we have spent such a tremendously long time in this Legislature debating, why we've spent so many countless hours in committee debating; And why, Mr. Chairman, we've had to subject two honourable men who have every right to express their position, their manner in approaching this bill, in this Chamber; but again, Mr. Chairman, again Mr. Chairman, all this would not have been necessary, I'm sure, had the question of putting people out of work, had this question of compensation, had the question of monopoly, had the question of monopoly not arisen.

Mr. Chairman, that's not all. Let's - you know the Honourable the Minister, the House Leader, the Minister of Mines and Natural Resources he was in a prophetic mood this morning, he talked about 50 years hence . . .

A MEMBER: 70.

MR. ENNS: Or 70, or what he thought. Well, I don't want to talk that far ahead, I want to talk about June 30, 1971 ahead; the day, or whenever it is, February 28th, whenever the scheme as now envisaged by this government is going to go into operation. Now let's have a look at it, Mr. Chairman. You're going to have umpteen numbers of government licensing bureaus selling license plates and insurance. You're going to have . . . -- (Interjection) -- No, no. And then you're going to have the 600 agents running around selling also license plates and insurance. Then you're also going to have, I assume, somebody else selling government supplement insurance. And then on top of that of course, you've been so magnanimous, you've

(MR. ENNS cont'd.) said to the agents and to the insurance world at large, you can still sell whatever you want to sell, on top of that of course.

Well now, Mr. Chairman, really - I know that from time to time governments have the way with them to take the opposition members for complete dunces. I know that they may want to hoodwink those two honourable gentlemen that are sitting in that part of the Chamber, but really nobody in their right mind could expect any government to live with that kind of a situation for any length, period of time -- (Interjection) -- that you're going to have 600 agents running around peddling licenses plates and auto insurance and that you're going to have a bunch of government licensing bureaus selling the same thing. It's just going to be such a smozzle, Mr. Chairman, such a smozzle Mr. Chairman, you're going to have - the first session this plan gets into operation, somebody, some wise acre there's going to get up and read a report prepared by some of these fancy expert, you know, systems experts from the east or somewhere, and say that for reasons this and this, you know, productivity study, something like that, this is all a bunch of hogwash, it sounded good, we had to make the deal maybe to win a vote but it doesn't work, and we would have to support it in this Chamber. We would have to support it, Mr. Chairman, in this Chamber, because Mr. Chairman, I have some, I have some appreciation of what can be done physically and what can't be done physically and I want to tell the First Minister right now that to suggest that you're going to have 600 people, agents, running around this province selling license plates; and you're going to have in addition to that the municipal offices, the government licensing bureaus, plus goodness knows who else, also selling licenses plates. Your computer, Mr. Premier, is going to go kerpooey - your computer's going to burn up; he's not going to know what he's going to do, because computers in this day and age they work very nicely, systematically, you know, we know - I get my license renewal in the mail, it comes one place, one direction, but if that computer has to think now, gee Enns' agent is J. H. Ridgeway at Grosse Isle, no he retired two years ago and he switched it over to John Smith at Warren, so we're going to divert this to this - well of course it's not going to work, Mr. Chairman - and has no intention of making it work. I believe the government and the First Minister when he says that they will make an honest attempt to, by making available to those agents who wish to take advantage of the government offer, that they will in some way - it's yet to be seen how - compensate partially for the loss of business that they have by being able to sell plates and insurance for whatever the government decrees they will wish to give them.

MR. BILTON: And balloons.

MR. ENNS: Well, maybe balloons and pencils on the side, Mr. Chairman. But I appeal to you, Mr. Chairman, that you, Sir, as a man of reason, as a man who has shown some sense of direction with respect to the sittings here today and otherwise, that you, Sir, really cannot buy that proposition either, and that obviously if you're having trouble buying it, how are the agents supposed to buy it? Well now, Mr. Chairman, again I want to come back to the clause that I'm discussing. All this, all this is not necessary. All this is not necessary if Clause (z) were not in the bill, if Clause (z) were not in the bill.

Mr. Chairman, earlier on this morning individual members indicated to them or took the opportunity to indicate to you, Sir, and to the Chamber, how they approached matters of importance, how they voted on certain issues, and they took their time to explain how their particular conscience worked on these particular matters. Let me take a few moments of your time, Mr. Chairman, and indicate to you how mine - I've already indicated - as a rule I ask my wife, but on other matters I also ask my constituents, and I can echo Mr. Chairman, something to you that I'm sure everybody in this Chamber can, and you yourself must have heard, that the . . . -- (Interjection) -- No, not from his wife, that's right - he's not married. -- (Interjection) -- Well from my wife, no he's . . . Mr. Chairman, what I'm trying to say and I'm being heckled here from my own side I must admit - what I'm trying to say, Mr. Chairman, is that all of us - if I've heard it once, I've heard it a hundred times - and if I've heard it, I'm sure most of you have heard it - why, why this whole exercise - why does - I've heard it from supporters of the government - why does that fine, reasonable, moderate Mr. Schreyer our First Minister, jeopardize the fate of his government on this particular matter. Why isn't he prepared to accept competition in this particular field?

Mr. Chairman, I am sure that if you were to take a referendum - and we have spoken of referendums on this particular subject matter - the referendum would show two very interesting things. I would suggest to you that a referendum asking whether the government be allowed

(MR. ENNS cont'd.) or go into the field in a competitive, on a competitive basis, namely taking their chances with that industry that now exists, I would suspect that in my constituency and in most other constituencies you would have an overwhelming approval, you would have an overwhelming approval of the plan; not necessarily because they like it, but most Manitobans, most people are prepared to accept the premise that a government has the right to pursue a program that they choose to, a program that has been on their platform for some time, and as they now have the power, they now are in the position to implement it.

Mr. Chairman, I speak to my constituents and this is the reaction that I get throughout the constituency, from people who have no desire to have government automobile insurance, but who are quite prepared to accept the fact that if the government wants to get into the business, there it is; go to it. But Mr. Chairman, the rub comes when they tell everybody else that we have to snuff you out in order for us to get in, and of course, in the process of doing that, our yardstick is lost, two years, three years, four years hence. We have no way of comparing whether or not that plan is performing as it should. And this is what my constituents are telling me, and certainly they've asked me to register my objections as strongly as I can and I'm doing it at this time, not necessarily against the proposed government automobile insurance scheme, but against the compulsory feature that's envisaged here under Clause (z) of the Act - the monopolistic - pardon me, one should be careful about the two terms, "compulsory" yes, "monopolistic" no.

Well, Mr. Chairman, I've tried to indicate to you that there has been some suggestion made from time to time -- mind you, it's difficult to know who is taking up what some members might think undue time in this committee, or undue time in the whole session, or undue time at the Public Utilities Committee. A little while ago it appeared, for some reason unbeknownst to us at that time, that the government was surely filibustering this bill. It was hard to believe why they were filibustering this bill, but speaker after speaker on the government side rose to speak, usually using the full 40 minutes plus, and now of course there seems to be a sudden desire that we have this matter quickly dealt with, and of course the events earlier this evening kind of clarified the picture for those of us on this side of the House and it would now appear that the weekend was fruitful, that the adjournment that was called on Friday did bear fruit, and that we now have a situation that the government would like to see this bill moved forward in an expeditious manner.

But, Mr. Chairman, we have a right at this particular time - and Mr. Chairman, it should be noted that the last ten days Her Majesty's Official Opposition has been singularly reticent in its speeches. We have said what we felt we had to say on second reading. We did what we thought we had to do at the committee stage of the bill, and we were prepared, and we have taken that as a position by and large, to sit back and say; now, let the matter come to a head and come to a vote. However, to simply accept that and then expect the opposition to sit back and accept the events of the last few days without reiterating old facts, without bringing in new facts -- because the situation has changed; because the situation has changed. When the Honourable Member for Churchill talked to us and talked to this Chamber as he's done today, and suggests that for some reason or other, for some reason or other he can afford to take an attitude towards Bill 56 which he found so difficult to take with the South Indian Lake situation when compensation was involved - and Mr. Chairman . . .

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Chairman, I wonder if my honourable friend would permit a question?

MR. ENNS: Certainly.

MR. PAULLEY: Has not the Honourable the Member for Churchill, or any other honourable member in this House the right to their own opinion without being chastised by the Member for Lakeside?

MR. ENNS: Mr. Chairman, I would never chastise my friend the Honourable Member for Churchill. First of all, he's far too much bigger than I am, and -- or any other member, but I have a right, Mr. Chairman, to change my arguments, to suggest that my group, my party change their arguments to some extent, indeed bring up fresh and new arguments as a result of the change in position within the House that has been the occasion because of several speeches made in the last few days, and we have . . . -- (Interjection) -- No, no, we have -- we have, Mr. Chairman, the obligation to point out to those members, we have the obligation to point out to those members certain inconsistencies in their approach, certain evaluations that they're making that we don't think are correct, and certain other judgments that we feel we must now express that heretofore we were prepared to let lie.

(MR. ENNS (cont'd.))

Now, Mr. Chairman, The Member for Churchill, who of course as the member representing the communities of South Indian Lake and Granville Lake should know, Mr. Chairman, should know the contents and the intent of Bill 15 of the last session, already referred to by my colleague the Member of Riel, he should know, Mr. Chairman, that well before any act was being contemplated -- indeed, Mr. Chairman, that was the whole exercise of South Indian Lake, that was the whole exercise of Bill 15, that prior to the granting of the license - and this is all we're talking about - prior to the granting of the license - that's like prior to the passing of Bill 56 - prior to the granting of the license for Manitoba Hydro, we insisted, and I brought in a bill, Bill 15, which spelled out categorically the compensation that was to be meted out, the compensation, the whole area of assistance and help that was to be dealt to the communities and to the people affected with respect to the Manitoba Hydro development project at Southern Indian Lake. Mr. Chairman, that was the whole exercise.

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

MR. ENNS: Certainly.

MR. GREEN: Is the honourable member certain that Bill 15 spells out in detail the nature of the compensation? Is it not a fact that it said that there would be Mr. Monture and that there would be a board and that there would be appeals? The amounts and details, was that spelled out in the bill?

MR. ENNS: Well, Mr. Chairman, I'm going from recollection that it's correct, it's correct that not every detail was in there, but certainly let's talk about the details that were in there. The details that were in there is that every family would be moved, all expenses paid, to anywhere in Manitoba. Yes. The details were in there, the details were also in there that the government, and/or in co-operation with Manitoba Hydro, would pay for all retraining costs of any person that required it. The details were also in there that called for priority being given to all the residents within the South Indian and Granville Lake communities, to any permanent jobs that were being offered and opened up as a result of the development project. The details were there that also afforded the community to rebuild all it's structures such as the church, the school, the store, at whatever location they chose. The details were also there, Sir, to remove the graves of all those that had died and have them brought up. Those details were there, and many more details were brought in there.

Now, on top of that, on top of that, it was common knowledge that we were talking about full compensation for any losses in the fur industry, full compensation for any losses in the fishing industry, full compensation for many and many other sort of things; and most of these things, Mr. Chairman, were in the bill to the point that I can refer to them as I now have referred to them, which left no doubt - which left no doubt. Mr. Chairman, if the Honourable Member for St. Boniface and the Honourable Member for Churchill had those kind of particulars spelt in this bill from the first instance, we would not have had this debate for the last month. I am sure of that.

MR. GORDON W. BEARD (Churchill): Would the member submit to a question. Did the people at South Indian accept the compensation that was offered?

MR. ENNS: Well, that's a very interesting question, Mr. Chairman, because No. 1, No. 1 -- that's a very valid question that the Member for Churchill raised. First of all, in 1966, six or seven years - six or seven years before a drop of water was going to flood South Indian Lake, the government hired a person to move into the communities of South Indian Lake and to start to talk to the people, and to warn the people and to caution the people, to work with the people as to what they could best do under the circumstances.

MR. BEARD: May I ask one more question? During the election, did the same government say that they were going to go ahead with the high level flooding of South Indian Lake?

MR. ENNS: Mr. Chairman, you know, during the last election I was a pretty busy boy myself. I had a few odds going against me and at election time I have a tendency to work as hard as I can within my own constituency; I am not always aware of what has been done in the individual or any one of the 57 constituencies. I would suspect not. But, Mr. Chairman, I don't want to lead the Member for Churchill off that particular point. In addition to that, in addition to that, a committee was formed of the local people at South Indian Lake. We then thought it still wasn't good enough for big government to appear to be taking advantage of a community of people that did not have all the privileges of education and training and so forth, so at the insistence then of a suggestion of the former administration, we hired competent -

(MR. ENNS cont'd.) and I believe everybody will agree it was competent - legal services for that community, competent legal services for that community at Hydro's expense, or government expense, if you want to put it that way.

MR. CHAIRMAN: The honourable member is dwelling at some length on another question and I would ask him to deal more with this bill and attempt to draw his parallels, rather than going into a complete speech on another issue.

MR. ENNS: Well, Mr. Chairman, we're dealing with the question of compensation and they are related to clause (z) in the fact that the whole question of compensation would not have been an issue, and insofar as that the Honourable Member for Churchill raised this particular question, as indeed and right now has been asking me direct questions on it, I feel it is within the bounds of the committee to enable me to reply to him in this particular context.

Now, Mr. Chairman, let me proceed a little further, not only then, the salient question that he asks that I want to get to, and I haven't been quite getting, is to what extent was the community of South Indian Lake involved in these decisions. Well, Mr. Chairman, firstly, let me tell you that in a January - 35 below - I, the Minister at that time, along with senior officials of Hydro, flew those 500, 600 or 700 miles to South Indian Lake. We sat for a day and a half or two days to have hearings there. And I ask: has the Minister of Municipal Affairs been in Wawanesa? Has the Minister of Municipal Affairs been in Wawanesa or Portage? But I flew up, I flew up 700 miles in an Otter or a Beaver with Hydro officials, to sit down for a whole day and talk with the people of South Indian Lake. We didn't leave it at that, Mr. Chairman, because of course had we done that, then the cries from the southerners here would have said ah ha, the government sneaks off to the north into an isolated community, makes a fast little deal with the natives, and comes back and wraps it all up and here's the package.

No, that's not what we did. We came back here and we then scheduled public meetings here in Winnipeg, and we knew what kind of a circus that was, and we started the meetings in the auditorium of the Norquay Building. The room wasn't big enough so we took on the public Auditorium, so that the whole Auditorium could stand up and hiss and boo and jeer at me as they chose to do so. Well we managed to do that, Sir, without ever once having to resort to calling in commissioners to call things into order or anything else. Those were in the days, Mr. Chairman, when we did believe in democracy in this province and we had no fear - we had no fear - we had no fear of members of the community expressing themselves in whatever way they chose to express themselves. Now, Mr. Chairman, the Honourable Member for Churchill asks me whether or not the community of South Indian Lake was being consulted, and all this, Mr. Chairman, three years, four years, before any action was being contemplated. Three or four years lead time, five years lead time.

Now, if the Honourable First Minister is going to say to me now that we will introduce this plan in 1975 and we'll let the insurance agents start selling the plates or get themselves into other lines of business or allow themselves to phase out, that's another matter. That's another matter. But what do we hear, Mr. Chairman? It's only because of the vigilance of the opposition, it's only because of the vigilance of the opposition and indeed the conscience of other members that have made this government retract in their steps, have made them go back to caucus - and goodness knows what's going on in their caucuses - and have them coming out one at a time, with a better deal, with a better deal, with a better deal.

Well, Mr. Chairman - and I want to relate all this right to the point, right to the clause there that I'm talking about - all this exercise wouldn't be necessary - wouldn't be necessary if they dropped clause (z) from this bill, if they'd stand up as men and say, "We're not afraid of honest competition. Why, we'll take on Bill Lumsden any day. We, with 7,000 civil servants and the mighty machinery of government, the establishment, computers, we'll take on the Bill Lumsdens and the Harbuns and the what have you, these mighty vestiges of capitalism. Even the Wally McKenzies we'll take on.

A MEMBER: Even take on the Eskimo.

MR. ENNS: Well, Mr. Chairman, Mr. Chairman, I think I am making my point. I think you recognize, Mr. Chairman, that we could have, at least you and I, we could have followed better pursuits in the last month, you and I; we could have looked at some of the finer things in life, Mr. Chairman, some of the finer things that I know you and I both appreciate, Mr. Chairman, if we would have just simply, simply convinced the members opposite, your colleagues, Mr. Chairman, to walk a little lightly, to walk a little lightly and to do as my colleague the Member for River Heights suggested in quoting that passage back to the First Minister when he

(MR. ENNS cont'd.) talked about moderation in approaching these particular areas. And if they want to go into this business, by all means - I should say by all means because I oppose it - but -- well, Mr. Chairman, you know - my generosity . . .

MR. CHAIRMAN: Order. May I point out to the honourable member that he has about five minutes remaining.

MR. ENNS: Thank you, Mr. Chairman. The First Minister says by all means. It's the generosity that I have that kind of just came out, you see, and so while I'm basically opposed to it, I say by all means. If you insist on having your government auto insurance, you know, I can't really -- you know, I don't really argue too much with my five-year-old son if he insists on having that little plastic toy to play with in the back yard. I might want him to have the other toy but, if he insists, go ahead and have it, but don't take all the other things away from everybody else while you're doing it, and give yourself the opportunity, give yourself the opportunity of demonstrating, if you want to approach it from an ideological point of view, that public ownership in these particular areas can do a better job, will do a better job, beyond any question - not a question of forcing something down somebody's throat. Let us stand side by side. We've already discussed the question; it isn't one of eath shattering importance whether the saving is 10 percent, 15 percent, 20 percent. Sure it's important, but we are arguing with you about who is -- whether it's a fact or whether it isn't a fact, and all this argument needn't be. Needn't be. Set 'em up side by side, and, Mr. First Minister, if your agency, if your government-run auto insurance agency can cut my peremium down 15 percent I'll buy it. I'll buy it tomorrow. But I'd like to reserve for me the option that if I don't like your plan, and if it's only going to save me eight or nine percent and then I weigh that against the particular services I'm getting from my agent, and I have to line up at 5:00 o'clock somewhere, or before 5:00 o'clock to get the plan, then I say to myself, "No, I think I'll stay with John Ridgeway. He's a pretty good fellow; he's looking after me. But I want that choice, Mr. Chairman. I want that choice. And I suggest to you, Mr. Chairman, that if we deleted Clause (z) from the Bill at this particular point in time, we could still leave this Legislature; we could bury a lot of the bitterness that has gone on in this Legislature; we could recapture a lot of the feeling, the lost feeling between the business community and this government if we delete Clause (z) from this Bill. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I really feel like resisting the temptation to respond to some of the points made by at least three of the previous speakers, that is to say the Member for Riel and River Heights and the last speaker, the Member for Lakeside, but upon reflection I think that at this point in time I should keep my remarks very brief and reserve the position of speaking later at time of appropriate amendments. But may I, Mr. Chairman, make a few points at this time nevertheless, a few brief points, and I feel I must because the Member for River Heights, in the course of his quoting from the rather lengthy interview that I gave the Winnipeg Tribune, that I gave that newspaper back in July, made much ado about my interpretation of the role, what I regarded to be the right role of government in society and in the economy, and I must say, as I listened to the honourable member quote from that interview, I was more impressed than ever, if I may say so, with that statement of political attitude and philosophy, because I have never contended that there was something wrong with a profit margin or a return on investment, and the Member for River Heights did not attempt, or didn't pretend to say that I had ever said so.

But I do also point out to the honourable member that in that interview, a few paragraphs later on in that same interview, I did make the point about the need for government acting as an instrument of the people, for government to exercise its role to see to it that the public was not being exploited in the market place, and the Member for River Heights said, of course the public must not be exploited in the market place, therefore we should be setting up regulatory bodies.

Mr. Speaker, this is not a new experience. There have been regulatory boards and agencies set up over the course of the past many decades both in the United States and Canada. Some of them have been able to work a good effect and others haven't, but the point surely must be that there are certain kinds of industries that do not lend themselves as well to regulation as others. For example, would the honourable member argue that a service such as Hydro or Telephones would lend itself as effectively to regulation, and would it be as effective to attempt to protect the public interest by regulation of such utilities or to attempt to provide that service

(MR. SCHREYER cont'd.) through public ownership, as in fact has been the practice in much of western Canada, in most of the western provinces? And even if one accepted, which I contend in certain industries is the less effective way, but even if one accepted that regulation then was going to be the universal approach towards protecting the public interest with respect to consumer prices that are paid for a particular service, I want to point out to honourable members opposite, and the Member for Lakeside in particular, that if there is effective regulation, then that means that that industry that is being effectively regulated would be earning a rate of return less than what it would be if it were left unregulated, and what's the point of regulating it if -- (Interjection) -- Well, let me just give you some examples, because if a particular public service industry is limited by a regulatory body and by regulations in the law, to a return on investment of nine percent, then they would have a right to contend that if they had been earning 15 or 20 percent in the pre-regulatory days, that they were having something taken away from them by the public, and I suppose they would claim compensation.

But, Mr. Chairman, can you just contemplate that concept, that the government is going to step in and regulate the public interest and to take an industry that is, let us say, earning a 15 or 20 percent return and going to regulate it at six, eight or nine percent? Let us say nine percent because that's more in the level that bonds are bringing these days - long-term money. Well, any entrepreneur who in pre-regulatory days was earning 18 or 23 or 32 percent would say that to the extent, to the amount of the difference between what he was earning in terms of return on invested dollar and what he is now being regulated, the level he's being regulated and limited at in the public interest, to that extent he is being deprived of profit or property. So if you followed that kind of reasoning through to its ultimate conclusion, then you could never make a case for regulation in the public interest. And one need only go back - and I don't know why some members think that it's so unreasonable or illogical to make references back to what has happened in years past, in decades past, but that is precisely the same argument that was fought through Congress and Parliament and the Supreme Courts of both Canada and the United States many long years ago. But we have those who take the position that because it is a publicly-owned enterprise that it is wrong.

The Member for Lakeside is trying to have it both ways because he's suggested, he said if you would only establish this publicly-owned company to operate alongside those already in existence, then I'd say go ahead. Well, he knows very well he wouldn't say go ahead, because just a few weeks ago we had a bill before us which authorized the government to establish public corporations in resource development fields should the need arise, and in one or two particular cases, with respect to timber operations, such needs have arisen as we explained. And the Member for Lakeside was not happy with that legislation so he cannot say that he would have said, go ahead, because a few weeks ago he said don't go ahead, when we had basically the same issue before us as to when it is advisable to set up a publicly-owned enterprise.

Now a couple of other points, Mr. Chairman, that are germane to the discussion that took place. The Member for Lakeside suggested that if the government had established an insurance company that would operate alongside those already in existence, and if, as a result thereof, it managed over a course of a few years, or many years, to gather most of the business, then whatever dislocation took place no one would expect compensation because it was the effect of competition at work. Now, Mr. Chairman, I want honourable members to think about the consequences of such approach, and in fact I can give my honourable friends opposite concrete illustrations where, even after competition, even when competition was allowed to continue and certain dislocations took place, there were precisely calls at the doorstep of government, in this case Federal Government, to provide assistance, transitional assistance and similar kinds of benefits.

For example, the United States-Canada Auto Agreement is an agreement that came into effect as a consequence of Canada, the Federal Government of Canada, and the United States signing a treaty, as a result of which the automobile manufacturers in this country were able to acquire a very large additional market and so there was great expansion in the assembly line production in Canadian automobile plants. But the other consequence of that action by the Federal Government in signing a treaty law, was to put automobile repair part manufacturing plants out of business and that was caused because of a new kind of competition, in this case competition from automobile repair part manufacturing plants in the United States. Otherwise, why were they forced to such a negative or adverse circumstance? But clearly, Mr. Chairman, the adverse effects on the automotive repair part manufacturing plants in Canada were

(MR. SCHREYER cont'd.) brought about as a result of new forces of competition flowing from that auto pact; and what happened? They came to the Government of Canada and regulations were established subsequently to provide for transitional assistance under different formulae.

My point, Sir, is to simply indicate that it is the thinking nowadays that whether it is because of the actions of a government, that is to say a publicly-owned plant in operation directly, or the consequences of new forces of competition that result from government action, the freeing of trade across international boundaries or whatever, that there is still an expectation that there shall be some form of transitional assistance. So the Member for Lakeside better look to wider horizons than just the locality and look to see what has been the actual experience in other parts of Canada and actions on the part of the Government of Canada.

Now, I know the Member for Lakeside has left so I won't say any more in his direction except I'm very tempted to make some reference to computers, just as he made reference to computers. He suggested that having 600 agents, or approximately that number, would somehow be a very awkward arrangement that would result in great inefficiency. I want to say to the honourable member that if that is the line he is arguing, then I want him to explain what he regards to be the level of efficiency of the present arrangement where you have, not 600 agents, but closer to 1,100. But I note that the honourable member made no reference to that fact at all. No, he said, and it has been alleged by others, you have not made a case for the efficacy of a publicly-owned and operated auto insurance company.

Mr. Chairman, the Member for Riel talks about cost-benefit studies. I want to say to the Member for Riel that I welcome any cost-benefit studies and we have made cost-benefit studies, and the reports of the Superintendents of Insurance, they're well-known to the honourable members opposite, or they should be, and the reports of the Superintendents of Insurance in the respective provinces show certain basic data as, for example, the relationship or the ratio of miscellaneous and administrative costs, etc., as a percentage of the premium dollars written, or to put it in the converse, the ratio of claims paid as a percentage of premium dollars, and that basic data is contained in the reports, the official reports of the Superintendents of Insurance Offices in the respective provinces and they show clearly and consistently over the years that there is a substantial differential in those ratios as between a publicly-operated basic insurance program and the other.

And of course I've had it said to me, well, now you're talking about the basic insurance component; you're not talking about supplementary coverage, and if you took that into account it would be -- the differential would not be that substantial nor that favourable, and I say again that in those reports one can see that if one takes the totality of basic plus supplementary and take those same ratios of claim costs or claims paid to premium dollars under the public arrangement and under the private arrangement, and there is a substantial differential in those proportions, and I am quite - in fact I want the world to look at those figures, and that is why I intend to have something to say about that later.

Now it's been suggested that we could have attempted regulation. Well, I've already dealt with some of the implications of regulation which obviously were not occurring to the honourable members opposite who were talking so warmly about regulation. Mind you, Mr. Chairman, I'm not displeased. I'm not unhappy that some members opposite are talking about the need, from time to time, for regulation to protect the public interest. All I say is that if regulation is truly effective, then it has in its effect on those providing a public service or in a public service industry, basically the same kind of effect as is contemplated under a publicly-owned and operated program, to keep the return to a just return and a reasonable return and a fair profit, and of course our notions as to what constitutes a just return or a fair return or a fair profit, I suppose differ, but surely it cannot differ that much. It would seem to me that when the regulatory agency set up by the Government of Canada limits the return on the invested dollar to Bell Telephone, which is a privately-owned utility, to a percentage which is roughly comparable to the return on bonds, then it can be seen that that agency could not be accepting the argument that a return of something in the order of 15 or 20 percent was justifiable.

Of course, regulatory agencies' efforts can be to some extent evaded by the payment of higher salaries, by the watering of stock, and, most important of all, Mr. Chairman, it has happened and not infrequently in the past where firms providing privately-owned utilities, while subject to regulation, have been able to avoid some of the impact of regulation and limitation of return on investment by having some of their work done, construction work and other kind of

(MR. SCHREYER cont'd.) work, by other firms that are less than at arm's length to them, and that poses difficulty for regulatory boards and agencies too.

But I want to point out to honourable members that there was a lot of investigation done in other jurisdictions and there was also, there were efforts made, new legislation introduced in British Columbia, whereby they attempted precisely that approach. They were going to introduce certain innovations in insurance, auto insurance coverage, the introduction of the no-fault principle, to a far larger extent. They were going to provide for rate review and regulation. I assume that review implies regulation, otherwise what's the point of review? And after the government in that province announced its intention to proceed that way, the Minister was advised that there would be a rate reduction, and in fact the experience of this past year has been that there has been a rate increase, a rate increase of something in the order of 13 percent, not a reduction as was initially contemplated. And so one can see that the experience to date, with rate review and regulation of a multiplicity of different underwriting companies, has shown itself to be less than satisfactory.

But, Mr. Chairman, I say and I say again, that for all those who keep saying that they do not have proof of the relative effectiveness of the two different approaches to automobile insurance, I say to them again, that in the official report of the Superintendent of Insurance office one can find that proof if he only cares to look, and I not only am willing, I am anxious that there be a systematic analysis made by those who are interested, but I mean a systematic analysis, so that when it's done no one keeps saying, "But, you know, we haven't got the proof. The figures are put down there but we haven't got the proof." And so it goes. I really wish that we can have that point made clear and established beyond reasonable doubt. And therefore, Mr. Chairman, when it comes down to this, who is being unreasonable? Who is being doctrinaire? I pause to let honourable members think about that. Who is being doctrinaire? Who is being unreasonable? Who is unwilling to have a group look systematically at some of these basic figures and basic information, basic data?

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, if I could direct a question to the First Minister. Inasmuch as a cost benefit study has apparently then been done by the government in looking at the insurance figures, could he indicate - and I was looking for an indication from the government when I gave out these other cost figures; I am really looking for information as to whether or not they were taken into account in the cost studies they did - could he or someone appropriate indicate whether conviction surcharges, surcharges on young drivers, extra premium on driver's licenses, hospital costs, have been added in when the difference in cost in Saskatchewan have been calculated? Because they have never been indicated, to my knowledge.

MR. SCHREYER: Mr. Chairman, I regret that my colleague the Minister of Municipal Affairs isn't here just at the moment, because he was rising in his place to ask -- well here he is, because this is a matter that can be taken a little further forward at this time, because some of the assumptions in that data that has been just put forward by the honourable member is not quite correct, not quite -- I'm not challenging the one with respect to certain surcharges; on the other hand, if he's suggesting that there is no subrogation arrangements, that's not my understanding of it under the Saskatchewan program, and furthermore, he has also not made mention of the fact that there are certain charges made against the operation of the public insurance plan for driver education. Whereas in Manitoba we make the general taxpayer pay for driver education and allied kinds of programs, in Saskatchewan that cost is paid for under the insurance system and therefore that should be as a minus figure against whatever figures he has there.

My colleague, I think, is in a position to take this a little further.

MR. CRAIK: Well, I was asking for the information and perhaps the Minister could give it to me, and also if the 3-1/2 percent on death servicing is a factor, which is not in this, but adds up to \$1 million if you take 3-1/2 percent of \$30 million. In other words, I am asking if the information I have at my hand here, which is the only cost benefit which we have received, is inaccurate, because it shows that there is \$5 million totalled that is not included when you calculate the loss ratio in Saskatchewan.

MR. CHAIRMAN: The Minister of Municipal Affairs.

MR. PAWLEY: Well first, Mr. Chairman, my honourable friend the Member for Riel has made repeated reference to the subrogation in respect to the hospitalization, and as the First Minister has indicated, that is not my understanding. My understanding is that the public

(MR. PAWLEY cont'd.) corporation in Saskatchewan is on the same footing as any insurance company in Manitoba. I would also mention to my honourable friend in respect to this point, that insofar as the hospital and Medicare subrogation, if there was subrogation this would amount to \$400,000 in the Province of Manitoba approximately, and I don't know the source of the honourable member's allegation that there is a different arrangement in Saskatchewan than in Manitoba. In respect to the \$5 million that is being talked about by my learned friend, the \$5 million that was indicated by way of savings in Saskatchewan is the savings that is made up by way of the fact that for the same amount of benefits that are received in the Province of Saskatchewan, \$5 million less in premiums are required in order to obtain those benefits, and as was indicated earlier, this statement was verified by the Minister who was in charge of the Saskatchewan Government Office at the time of the reporting for it in the last session of the Saskatchewan Legislature, and insofar as the savings are concerned, they are very easy to draw.

The first, of course, is the recognizable savings in respect to acquisition costs. In Manitoba, it would be considered that this area alone, as compared to the Province of Saskatchewan, that there would be an acquisition savings of a little over 13 percent, being the average commission paid in the province of Manitoba. Some of this, of course, is being offset by the alternative program now being proposed in order to permit agents to be involved in the disposal and the servicing of the insurance. The other obvious area of savings that contribute to the \$5 million saving is the 2-1/2 percent underwriting profit that is permitted under the agreements in respect to the Superintendent of Insurance Conference, plus the reinvestment - and in Saskatchewan it certainly is no small figure - the reinvestment of the moneys that are earned from the investment of public funds, and if my honourable friend would refer to the last year, the 1968-69 year, he would find that the interest earned came to 1.583 million dollars. These are moneys that were turned back into the fund in Saskatchewan and certainly contribute in a major way to the savings that are obtained through a public plan as compared - a public sole agency plan as compared to the private system.

In addition to these three obvious areas of savings, and I do say that nobody can challenge these very obvious areas of savings, one consisting of approximately 13 percent, the other of 2-1/2 percent, and on investment income, working out the figures in Saskatchewan of approximately 5 percent interest return in respect to the reinvested public funds moneys, you have other obvious savings from, first, the fact that a card is issued and there is an elimination of much of the paper work that is presently existing in respect to the many private insurers and the various applications that have to be made out within the present type of system of insurance in the Province of Manitoba. This is a much harder area to place a finger on, but certainly the insurance companies and their representations have themselves indicated that if they had been able to obtain, within the private insurance system, the means by which they themselves could do away with the issuance of policies and being involved in the application of contracts, there would obviously be an area of savings in that respect.

In addition, there is the savings that are involved from the operations of the appraisal centre. Here again it's very hard to pin the amount down, but even the insurance companies - and let me say that Wawanesa Mutual Insurance Company, in their representations before committee which I chaired last fall, made it very clear that they acknowledged (a) that there was an improved service in having such appraisal centres, and they also acknowledged that there would be a savings to the motorist in the institution of appraisal centres of this type, and they did go on to regret that the industry had not seen fit to enter into some form of arrangement by which these appraisal centres could have been developed throughout the province. Again, as to the exact area of savings there, it is very difficult to say but certainly it's acknowledged that there are savings available in that regard.

There is also minor savings in respect to the salvage operations. Last year in the Province of Saskatchewan the salvage operations showed that certain parts were able to be made available. Now, whether or not that would be duplicated in the Province of Manitoba would remain to be seen. In addition, the Wootton Commission Report had indicated that if there was a sole agency operating in the servicing of insurance and the providing of service on a compulsory over-all basis, that there would be a certain area of savings, so that there are all these various areas, I suggest, of savings, without removing benefits, without removing one iota of benefits and this I think is the important area. Certainly you can obtain savings if you are going to institute provisions by which there would be \$300,000 immunities or increased

(MR. PAWLEY cont'd.) deductibles, but you are removing certain benefits under your insurance program, and certainly these savings are possible without reducing or cutting benefits of any type.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Just to clarify, Mr. Chairman, I don't doubt but what these global considerations are necessary when you are getting at one form of cost benefit, which are the sort of outside figures considerations that are normal, preliminary procedure for an economic approach to it but, in the final analysis, what is the real meat of it is, what is the average cost to the motorist? That is what I've been trying to ask, and my main points here that I asked you about were whether or not conviction surcharges are included, whether surcharge on young drivers is included, and whether the driver's license extra premium is included in the over-all premium, and if you add in the death servicing cost charge of one million dollars, if this is a factor, does this not add up to \$5 million? Because the figures given indicate that the conviction surcharges, that don't go to the insurance company but go to the license office, amount to \$2.2 million in Saskatchewan and that the extra premium on the driver's license, which is a surcharge on the premium, on the license premium, adds up to 1.4 million and the subrogation adds up to \$400,000 and the death servicing at 3-1/2 percent adds up to \$1,000,000, so when you add those all up together, there is \$5 million there that does not show in the insurance manuals that you receive.

MR. PAWLEY: I hadn't realized that my honourable friend was referring to a sheet that was distributed at the hearings by an agent that made a representation. I gather that's the -- somebody that was submitting -- The fact is that you cannot make a proper comparison by comparing one average with another average. The only way that you can make the proper comparison, I suggest, is by two criterias: (a) in comparing your administration costs; and (b) comparing the percentage of benefits that are returned in respect to each dollar that is invested in insurance by the motorists in the province; in all the various debates and arguments that we've been involved, comparing one premium to another means nothing, because you have to know the benefits that are included within the dollar that is being returned to the motorist.

MR. CRAIK: I can only conclude, Mr. Chairman, that these charges -- (Interjection) -- Yes, well I think I am entitled to . . .

MR. GREEN: Go ahead and conclude.

MR. CRAIK: Fine. I can attempt at least to give rational and legitimate answers to people that ask me questions. I certainly can't give them with the statistics you are giving. Is it then true that conviction surcharges and the extra premium on the driver's license and the surcharge on the young driver that goes to the licensing body, does not show up as collected premium by the Insurance Corporation of Saskatchewan, which is \$4 million?

MR. CHAIRMAN: The Honourable Member from Ste. Rose.

MR. GILDAS MOLGAT (Ste. Rose): Mr. Chairman, I want to ask a question of the Minister following on what he stated. He mentioned the Wootton Report and statements in the report of savings that would be occasioned by one company coverage. Is that correct?

MR. PAWLEY: . . . stated that if insurance was compulsory the Wootton Commission had indicated that would be an area of savings.

MR. MOLGAT: Compulsory or monopolistic, though?

MR. PAWLEY: Well I thought my statement was very clear. If my friend wishes now to involve himself in a kind of facetious debate . . .

MR. MOLGAT: No, Mr. Chairman, I would like the Minister to refer me in the Wootton Report to where it says so. Will he give me a reference?

MR. GREEN: Mr. Chairman, I can certainly locate the reference for my honourable friend where they took the best company in Manitoba, that was Wawanesa, and the Saskatchewan plan, and showed that there was a considerable margin in favour of the Saskatchewan plan. If he will give me the two books I'll give him the reference.

MR. MOLGAT: I am delighted to have the answer from the Minister of Mines and Natural Resources. Obviously the Minister who is responsible for the bill can't give me the answer; but either one, if they will give me the reference in the Wootton Report I'll be glad to get it. If the expert on insurance, the Minister of Mines and Resources, is the man who can give it to me, that's fine.

MR. GREEN: . . . my honourable friend considers me an expert in this and says that I'm always right, he's my greatest booster, Mr. Chairman.

MR. MOLGAT: Mr. Chairman, it's become obvious in this House that the Minister of Mines and Natural Resources is an expert in everything. Mr. Chairman, having established that position for himself that he is the acknowledged . . .

MR. GREEN: No, it was established by you for me.

MR. MOLGAT: . . . including obviously the acknowledged expert heir apparent to the throne, then we can expect from him, as well, all information on all subjects. I'll be happy to have it, whoever it comes from, give me the reference in the Wootton Report.

MR. GREEN: Right. Right.

MR. MOLGAT: Do you want the copies back? You've had my copies for two days and I'll be happy to lend them to you again.

MR. GREEN: Mr. Chairman, to keep the record clear, they are not the honourable member's copies, they belong to the Legislature.

MR. MOLGAT: That's right. It's obvious that the Manitoba Government hasn't been able to get copies for itself. The Minister doesn't own one; I had to borrow it from the library; he borrowed it from me.

MR. GREEN: We all got copies. All the members of the committee got copies.

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

MR. GRAHAM: Mr. Chairman, is the Minister of Mines and Natural Resources going to enter debate at this time ?

MR. GREEN: No.

MR. CHAIRMAN: I think he's going to answer a question that . . .

MR. GREEN: No.

MR. CHAIRMAN: The question has been called on the motion. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I would like to enter the debate at this time, if I may, dealing with Section (z) and the universal or the monopolistic compulsory auto insurance, depending on which word you want to use, whether you want to use universal or monopolistic.

Mr. Chairman, being a member of the Public Utilities Committee that sat through these hearings, I was deeply concerned over the fact that this present Bill 56 has caused considerable division within this Province of Manitoba amongst the various segments of our province, and this causes a great deal of concern to me, Mr. Chairman, because really, auto insurance isn't that important an issue here in the Province of Manitoba. We have many other issues that we are going to be facing in the very near future that do concern the people a great deal more than auto insurance, and if this atmosphere of division, hostility, etc., which we've found evident so far in this debate, continues into the more important issues that are going to be facing us in the very near future, then, Mr. Chairman, we have indeed real cause for alarm here in the Province of Manitoba.

Auto insurance need not be monopolistic, it need not be compulsory, but if the government wishes to make it so, and we see the evidence of the hostility in the community from the intention of the government in that field, then, Mr. Chairman, what will happen next year or the year after when we're dealing with the real problems that face us in the field of education, the public schools where we do feel that education is compulsory and there are still many who believe it should be monopolistic? Mr. Chairman, it concerns me when we consider the problems that could arise in the debate on an issue such as public schools in the light of the . . .

MR. CHAIRMAN: . . . honourable member would confine his remarks to the section that we are dealing with. We are dealing with universal compulsory automobile insurance.

MR. GRAHAM: Mr. Chairman, I am certainly confining my remarks to the compulsory monopolistic aspect that we see evident here, but I think it is only fair that we should point out to the people of Manitoba what the effects could be on other types of legislation, because we have to deal with those issues very soon or the Province of Manitoba is going to suffer a great deal, and if we can see the evidence of the divisive effect that this type of legislation will have on the population, then it is not only necessary, it is mandatory that we look at the possible effects it could have on some other forms of legislation.

Mr. Chairman, I don't intend to speak very long, but in Manitoba today in the public schools issue there are some parts of this province where they are going to pay this year increases in taxes . . .

MR. CHAIRMAN: . . . to the honourable member, I've requested him to keep on the

MR. CHAIRMAN cont'd.) subject matter that we are discussing. He has now wandered twice into the public school issue; we are not discussing the public school issue here, we are discussing the automobile insurance Act, and I would request the member to speak on that section of the Act that we are dealing with.

MR. GRAHAM: Mr. Chairman, I certainly appreciate your comments, but I think it is mandatory that we point out to the people of Manitoba what the effects of this could have on other forms of legislation. Now we find some people in this province are going to pay as much as 58 percent increase in taxes, but the government puts auto insurance above that issue. Mr. Chairman, let's put first things first in this province.

In another field, we just saw evidence that the municipal assessment is going to be revised, and if we go into discussion on that in a feeling of hostility and divisiveness, will it be good for the Province of Manitoba?

So, Mr. Chairman, I think that it is very relevant that we discuss some of these other things in the context of what is happening tonight and on other occasions on this issue of government auto insurance.

We have heard many debates on the principle of the monopolistic view, and the government remains adamant in their contention that they have to be monopolistic; and if that attitude prevails in discussions on other legislation, then the people will have truly apprehensive views about this government, and I would suggest to the First Minister that he consider the future of Manitoba when he is considering this particular bill because we can't just live for today. We have to consider the possibilities, what will happen tomorrow. We know, for instance, that the parochial school issue for years has been a controversial issue in the province . . .

MR. CHAIRMAN: I've asked the honourable member twice to refrain from discussing — this is the third time. Now I'm going to rule you out of order unless you are going to deal with the subject matter that is before us. — (Interjection) — The question has been called.

MR. CHAIRMAN put the question and after a voice vote declared the motion carried.

MR. SPIVAK: Ayes and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members. For the benefit of those members who may have been out, the motion is for those in favour of Clause (z) — "universal compulsory automobile insurance" means universal compulsory automobile insurance as that phrase is defined from time to time by the regulations — as the section stands.

A COUNTED VOTE was taken, the result being as follows: Yeas 28; Nays 27.

MR. CHAIRMAN: I declare the motion carried.

MR. GREEN: Mr. Chairman, just by way of information to my honourable friends, Page 63 of the Wootton Commission Report: "The Commissioners have obtained an explanation regarding the \$18.71 referred to (by correspondence with S.G.I.O.) and this figure they have determined is incorrect and should be taken as \$18.80. The difference in the cost of \$25.52 and \$18.80 has been considered by the Commissioners and they have . . ." — (Interjection) — Okay, if you don't want it — I thought that this was requested and I thought people agreed that I should give it.

MR. CHAIRMAN: Section 1(a)—passed; Section 1—passed, 2—

MR. SPIVAK: Mr. Chairman, I move that the committee rise.

MR. GREEN: Would the honourable member, since there's no debate on the motion, would he give me leave to make a few remarks or does he want the vote taken? Do you want the vote taken?

MR. SPIVAK: No, you can have leave.

MR. PAULLEY: You know the consequences?

MR. GREEN: Well, Mr. Chairman, I thought that committee would proceed until we came to a point that was difficult and then perhaps think about adjourning, but the points that have been raised are moving and I think that under those circumstances I thought we would continue. When the point came that we came to another heavy debate, I thought we would consider whether we would adjourn or not, but if the honourable member wishes to put the motion, then okay, let's have the vote.

MR. PAULLEY: I hope he knows the consequences.

MR. SPIVAK: I wonder if the honourable member would give me leave to make a statement. Well, Mr. Chairman, I've sat in this Legislature for the last five to six weeks, where we have allowed ourselves, you know, allowed the committee to continue to 2:00 or 3:00 o'clock in the morning. It has not contributed to the debate. I think it's been responsible for

(MR. SPIVAK cont'd.) a number of bad side effects simply because everyone was over-tired. We are not going to finish this bill tonight; it's not likely we'll finish it in the next day regardless of what some may want, and it would seem to me that it would be in the interests of a proper debate that we at least be given an opportunity to have some reasonable time to sleep and to then come back here a little bit refreshed and that's why I moved the motion.

MR. PAULLEY: You realize the consequences . . .

MR. CHAIRMAN: Order.

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

MR. PAULLEY: I wouldn't acquiesce to that as long as I live.

MR. SCHREYER: Mr. Speaker, I would suggest that you call the ayes and nays, please.

MR. CHAIRMAN: Ayes and Nays. Call in the members. The motion before the House - and I want to apologize for putting the question wrong last time - it should be: Shall committee rise? All those in favour?

MR. MOLGAT: Mr. Chairman, I recognize that it's not a debatable motion and I do not rise to debate it, but on a point of order I think that all the members by this time of night get tired, and what ends up is that people take fixed positions instead of trying to get along and get matters settled. Now I think we could resolve this matter to suit all sides of the House to quit in maybe five minutes or ten minutes or when we reach another section or whatever it be, and on that basis I think it would suit everyone in the House. Now, rather than take a fixed position, I would rather see that happen.

Now is it possible at this point to come to an agreement to do this on a gentlemanly basis and agree . . . ?

MR. PAULLEY: Let's have the motion and we'll agree.

MR. MOLGAT: . . . to 2(4) and rise.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if by leave the Honourable Member for Ste. Rose has made a plea for some better understanding with respect to procedure, I can assure the House that it is not the intention to proceed more than to Clause 2(4) or 11:40, whichever is the sooner. It was thought that because Clause 2 and 2(2) were not that contentious in any case, that there was no problem in proceeding with those two clauses.

A COUNTED VOTE was taken, the result being as follows: Yeas 24; Nays 31.

MR. CHAIRMAN: I declare the motion lost 2(1)--pass? The Honourable Leader of the Opposition.

MR. WALTER WEIR (Leader of the Opposition) (Minnedosa): Mr. Chairman, I would like to move that subsection (1) of Section 2 of Bill 56 be amended by striking out the words "three or more" in the second line thereof and substituting therefor the words "not less than three or more than five". I may say, in presenting it, Mr. Chairman, I do it on the basis that I think that there should be a ceiling. I understand that there is a feeling on the government's side that this is maybe true - they may want to amend the number. I'm open to a consideration; I'm open to a consideration of that, but my real point is that I think that there should be a ceiling. I don't think it should be wide-open.

MR. SCHREYER: Mr. Chairman, I think it would expedite proceedings if the Honourable the Leader of the Opposition would indicate whether he'd be prepared to actually change his amendment now, before it's formally put, to read "not less than three", as he said, "and not more than seven". The reason I suggest the number seven is that this is the number that the Manitoba Hydro Board, I believe, is composed of and I believe there are one or two other such boards with that number. It's not a matter of strong disagreement. If the Honourable Leader of the Opposition sees fit to change the number "five" to read number "seven", then it would be acceptable without further debate.

MR. WEIR: Mr. Chairman, to show that co-operation can exist between two sides of the House, with leave I will change my motion to read from "five" to "seven" and it would then read from a minimum of three, a maximum of seven.

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Mr. Chairman, I just want to direct a question to the First Minister and ask him if he doesn't think that seven people are likely to make more free with other people's money than five.

MR. SCHREYER: I really shouldn't rise to that at this time of the day, Mr. Chairman, because the possibility is that the number might be five in any case, but because seven is

(MR. SCHREYER cont'd.) already in practice in respect to certain corporations and it seems to be working reasonably well. If it's a matter of added expense I simply say to the Member for Riel that we're talking about then two additional persons probably at an annual stipend which the Honourable Member for Riel knows, having had something to do with appointments to previous boards, it does not run into that kind of money.

Finally, may I say in closing that, you know, the question of whether or not a particular person is lavish or not, such persons if they are so inclined they aren't necessarily to be found only on public boards or commissions but also in the board rooms of other entities as well.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Chairman, on this point I too would like to see a little larger board. Certainly I don't think seven is too large, in any case.

I'm just wondering, will there be an establishment grant provided under the regulations? Now that the office is going to be situated or located in Brandon perhaps the Board will not be spending money as lavishly because they won't have to compete probably as strongly as they would in Winnipeg where you have all those modern high cost offices that the First Minister was speaking about when speaking on the Freshwater Fish Marketing Report in the federal House. I think this board could well be in a similar situation where they will think they are quite something and running the province's insurance business . . .

MR. SCHREYER: Would the honourable member permit a question? Would he be quite happy if the board room were such that it resembled the board room of the Credit Union at Winkler? I understand it has air conditioning, for example.

MR. FROESE: I think these people would put up something more, much more lavishly. Surely — (Interjection) — Well, they don't have to be concerned about a profit. All they will be concerned with is to run the insurance organization, and certainly this is going to be a real big concern. We know offhand that they'll have something between 30 and 40 million in premiums coming in, and even at five percentage will give them a good amount of money to deal with and to spend on their surroundings and their offices. — (Interjection) — Oh, they won't be asking you, Mr. Minister, how much they can spend. That is certainly not in the confines or — (Interjection) — I better not ask what the House Leader of the Liberal Party suggests asking. Maybe he'll do that when we get further on in the discussion.

But I have a concern for this because this will be money that will be brought about by people of all walks of life, many poor people who can hardly afford to drive a car, to pay the licence and insurance, they'll be contributing money to this insurance corporation and I don't want to have this money spent lavishly for purposes that are not necessary. I think it should be managed very carefully. — (Interjection) — Pardon? There are so many of the front row trying to advise me at this time that I wish they would speak a little louder so that I could make sure of the advice that they are proposing at this particular time, but I feel that there should be safeguards brought in and brought about so we would know that whoever is being put on that board, and at this time we have no knowledge of who's going to run it, whether the people that were on the Pawley Committee are going to be members of the Board of Directors — (Interjection) — Well, this is a surprise. Then it will be run very efficiently, I can assure the Minister. So maybe then I should just sit down.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, the Honourable Member for Rhineland asked the Premier a question which I think has to be answered directly. Is it the intention of the government to have the members who formed the Pawley Committee make up either in whole or in part, the — (Interjection) — Oh, he doesn't have to answer it. Yes, I must say there is no legal obligation on the part of the First Minister to answer that, but there is — (Interjection) — Oh, but, Mr. Chairman, I say to the Honourable Minister of Finance there is a moral obligation in that I think the people of Manitoba have a right to know now whether it's the intention of the government to hire those people who were responsible for the development of the Pawley Committee Report, to hire them and to put them in as the members of the corporation. There's nothing wrong if this is the case, and we may argue the propriety of it afterwards, but I'll tell you why I asked the question, I'll tell you why I asked that question. I remember the Cass-Beggs report, and I now look upon him as the Chairman at \$35,000 a year for Hydro, and I look at Mr. Fallis who is the General Manager—Chairman and who is still the General Manager, and I look at some of the other Hydro officials who I consider have the capability of becoming General Manager and Mr. Fallis becoming Chairman, and I say to myself, well,

(MR. SPIVAK cont'd.) Mr. Cass-Beggs has qualifications, there's no question about that, but he also was responsible for presenting to the government a report that I believe cannot stand public scrutiny because there are portions of that report that are in direct contradiction. . .

MR. CHAIRMAN: I must ask the honourable member not to get into another issue at this time.

MR. SPIVAK: Well, Mr. Chairman, it's relevant because I think -- (Interjection) -- I think, yes I do think . . .

MR. CHAIRMAN: Order. I would ask the honourable member not to reopen the Hydro issue at this time but to deal with Bill 56.

MR. SPIVAK: Mr. Chairman, if it's the practice of the present government to take those who are supposed to form a committee to investigate something objectively and then to make them the appointee of the board or committee that is recommended or decided as a result of their course of action, then I think, Mr. Chairman, we have a right to question it. After all, we're here to scrutinize the government's actions and surely it's not unreasonable to ask the First Minister, is that your intention or not?

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, the honourable member asks a question which though unusual, I suppose is an acceptable kind of question, and so I say to him that the decision as to who shall constitute the members of this board has not been made by the government, and I will advise my honourable friend that I agree with him that the decisions as to who shall constitute a board operating a Crown corporation is something that has traditionally been left with the Lieutenant Governor in Council or the Governor General in Council, and we intend to follow that practice.

May I also say to him that the reference he made to something in Manitoba Hydro, even though I think it's not germane to the discussion here, I'm prepared to make comment on that too. I would invite my honourable friend the Member for River Heights, to look at what was done, for example, when the Chairman of British Columbia Hydro was selected. He was taken from a United Nations agency and appointed as Chairman of British Columbia Hydro - taken from a UN agency. Is there anything much different between that and taking someone from the Science Council of Canada and appointing him chairman of a similar type of energy corporation?

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, we're dealing with the matter of appointments and I think, Mr. Chairman, you will agree that -- (Interjection) -- No, no. Mr. Chairman, I was waiting and I think the First Minister was looking at you expectantly, perhaps thinking that you would rule on the question of order or propriety of discussing appointments of B.C. Power and other matters, but you chose not to, so I assume . . .

MR. SCHREYER: I rise on a point of privilege. I think the Honourable Member from Lakeside will understand the only reason I was referring to it was not because I raised it or wished to initiate discussion on it but because the Member for River Heights had initiated that discussion.

MR. CHAIRMAN: . . . problem and I would again ask the honourable members to attempt to not, in their illustrations or comments, go too far astray, and I would then say to the Member for Lakeside that he should attempt to deal with the resolution which is with reference to the number of persons serving on a corporation of the automobile insurance . . .

MR. ENNS: Mr. Chairman, the Member for River Heights indicated not the question and nature of how appointments were being made, but the propriety of persons who have been more than instrumental in guiding and writing reports that suggest to the government a certain course of action, and then find themselves appointed to high-paying jobs as a result of the recommendations that they found on, and then we are asked to believe in the impartiality, in the non-biased opinions of these gentlemen, and the fact that the bill, Mr. Chairman, before us calls for three, I think that was - and I accept the fact that the First Minister now talks about seven, but the thought that the Pawley Commission en masse would be appointed to the newly formed, new to be formed auto insurance corporation, had to be something that crossed our minds, and, Mr. Chairman, that's quite in order for us, now then, seeing as how the government is not prepared to state its position on this matter, and it's quite their right not to do so, but it's quite in order for me, Mr. Chairman, to say that for somebody that was hired by this government to write a report and say, should we do something like this and something like that and something

(MR. ENNS cont'd.) like that? and at the top of it put somebody who gets \$18,000 or \$20,000 a year and then ends up to be that fellow that gets the \$18,000 or \$20,000, that's not proper, Mr. Chairman. It's not proper and it's the same context that the remark was made. I'm not challenging Mr. Cass-Beggs' qualifications, but the fact that he was called in to write a particular report, a particular report that the government wanted to hear, and then subsequently to be hired under the terms that he was hired under, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, this could possibly be classified as a point of privilege but it may not stand as that, but it's a question of answering, if I may, the remarks of the Premier, not in the way the Honourable Member for Lakeside did. May I simply say this. When Mr. Cass-Beggs was hired, unlike the Chairman of B. C. Hydro -- well, there was a particular reference and I'm trying to answer directly. I think it's very necessary. The Minister of Finance questions my even commenting on this.

MR. CHERNIACK: Just your style.

MR. SPIVAK: Just my style. Mr. Cass-Beggs was asked to make a determination of a decision that Hydro officials had made. He was making a judgment on Hydro officials whom he is now . . .

MR. CHAIRMAN: Order please. The Minister of Labour has a point of order.

MR. PAULLEY: May I rise on a point of order? I believe that the motion before the House is a motion dealing with the composition of the membership of the board, the numbers and not individuals. The Honourable the Leader of the Opposition quite properly introduced an amendment to the section, suggesting that there should be not less than three members or more than five. A suggestion was made by the First Minister that the introducer of the amendment, namely the Leader of the Opposition, who I trust is a responsible leader, should be -- well, there is some confusion as to who is the leader -- but anyway, Mr. Chairman, anyway, Mr. Chairman, a suggestion was made by the First Minister that the introducer of the resolution, the Leader of the Opposition, might consider the figure of seven. And I thought that the Leader of the Opposition agreed that the number should be seven. Since that time, a question of the personnel of the commission has been raised and I suggest, Mr. Chairman, this is totally out of order because we are only dealing with numbers, and I respectfully suggest to you, Mr. Chairman, that the question should be called as agreed upon by the formal Leader of the Opposition.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: I wonder if the Minister of Labour would confirm that this is that extra ten minutes of progressive, constructive work that we were going to perform, which was the reason why the motion to rise apparently was defeated, because we were going to have an extra ten minutes of constructive, progressive debate. Is this what that ten-minute period constitutes?

MR. PAULLEY: It could have been progressive had it not been for an internal competition for the leadership of the Conservative Party.

MR. ENNS: I move committee rise.

MR. CHAIRMAN: I'm sorry, I didn't hear the Member for Lakeside.

MR. ENNS: Mr. Chairman, I move that committee rise.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, since you were putting the question, I suggest you put the question on the clause, at which time, following which, the committee can rise.

MR. PAULLEY: There is a motion before the House.

MR. CHAIRMAN: Section 2(1) as amended. All those in favour of the motion. On the proposed amendment of the Honourable Leader of the Official Opposition, that subsection (1) of Section 2 of Bill 56 be amended by striking out the words "three or more" in the second line thereof, and substituting therefor the words "not less than three or more than seven". Are you ready for the question? The Honourable Member for Rhineland.

MR. FROESE: . . . agree to it. Well, I'll forego it then. I was going to move an amendment that the "five be deleted and a "seven" inserted. -- (Interjection) -- Oh that's the motion? I thought the amendment was according to the . . .

MR. CHAIRMAN put the question and after a voice vote declared the motion carried.

MR. SCHREYER: Mr. Chairman, I move that the committee rise.

MR. CHAIRMAN: Just for clarification, I would like to then call Section 2 (1) as

(MR. CHAIRMAN cont'd.) amended. (Passed) Committee rise. Call in the Speaker. Mr. Speaker, your committee has considered sections of Bill 56, reports progress, and asks leave to sit again.

IN SESSION

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

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

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister for Cultural Affairs, that the House do now adjourn.

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